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Airport

- all the guest are required to wear
credentials

J W Marriott > Grand Ballroom Salon 2, 3, 4
Ballroom Level
- I will pick up Carol's

NGA Registration Desk
Governors / Program
2 Forms of I.D.

Phone # Message Center
824.1400

Dirksen Room
824.1422

Longworth (office Services)
824.1414

Hall's Park
Salon I

PHOTOCOPY
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[Notes written on folder's cover]

NGA Speech

Thank you, ________________.

The man who will be speaking after me, Congressman Caste, and I were on the phone a few days ago reminiscing about the old days when we were in the State Houses and about our moves to DC and how we so often find ourselves wishing we were back in a Governor's office closer to real people . . but Mr. Castle, some things never change . . .it's snowing in DC, we're at a hollow square table in the basement of a hotel, it's Super Bowl Sunday, so it must mean we're at NGA.

One additional thing I am certainly pleased to know has not changed is the commitment of the nation's governors to the needs of our children . . .thank you, Governor Dean, for your leadership in this Children's Campaign.

I attended my first NGA function in the summer of 1983 in Portland, Maine when NGA convened a seminar on children prior to the annual meeting there. The theme of that conference was AMERICA'S CHILDREN NEED POWERFUL FRIENDS. And today, America's children continue to need powerful friends.

From that meeting in Portland a set of ten principles was issued to guide the development and improvement of state services to children . . . areas including economic security, education, child welfare. family supports, child care, housing, youth and working parents. But principles 1 and 2 are the ones that have personally spoken loudest to me and to this President for years: #1 - All policy and ~~legislation~~ recommendations should be considered both from the child's point of view and their potential impact on families with a **second** principle the right of parents and children seeking access to government services to timely and coordinated ~~services~~. strategies

It then follows and certainly showed in the developing work of the NGA in the years since that it is difficult to talk about children in school, adolescent issues or young adult needs if the first critical years of a child's life are not given the highest of priorities.

I have been haunted and motivated to pursue the child policy development field for a number of years by two personal experiences which brought home to be quite clearly the academic lessons taught me regarding the importance of early childhood development:

First, as a new sixth grade teacher fresh from the University world a number of years ago, I faced a class of students who indeed exemplified what I had been taught to expect . . a range of reading performance from pre-kindergarten level to post-high school. The problem with my training was that after telling me to expect this range I wasn't given many clues on how to handle it . . . I called former professors almost desperately . . .and they each said the same thing: the best remedy is to become a strong voice for quality and readily available early childhood programs for ALL children. Over the course of that year in my eagerness to work with those children I spent a lot of time in my student's homes talking to their parents and earlier teachers and counselors . . . what did I learn? That yes, low income children were clearly more at risk for barriers related to lack of appropriate pre-natal care and ear aches turned into partial hearing loss, lack of eye exams meant pages out of focus, black boards unintelligible. But I also saw too many children from across all income levels who were experiencing a poverty of spirit - who lacked the nurturing of a parent who would spend time with a child mentoring her or him, parents who provided few books and stimulating conversation but providing plenty of TV time.

The most startling experience came from my own daughter . . after a week in kindergarten she came bouncing in with that gleam of excitement still in her eyes about going to school like her older brother did . . . but she said she couldn't figure out why some of the other children in her class didn't have magic glue in their hands like she and most of her friends did. I, of course, thought she meant some of them forgot to bring glue among their school supplies and she said no, that they didn't have glue in their skin and couldn't hold a color / a pencil because she had magic glue in her skin, and they were missing the glue. How sad it was for me standing in my kitchen that day facing that reality in the fall of 1985 and now even today, we still have children in America who haven't had the pre kindergarten developmental experiences that enable them to hold a color the day they enter school. Contrast w/ children like Mr. McLoy's son

Congressman Castle

Certainly ~~Governor Chiles~~ recognized this during his time as chair of your Human Resources Committee when he sponsored the publication entitled "The First Sixty Months" in which innovative programs for early childhood were illustrated. At the Education Summit in Charlottesville, this association stood firmly insistent in Goal One being just that... Goals One of our Nation's education goals.

As we seek through the executive branch of this administration to define the proper federal role in meeting the needs of our nation's children and families, the guiding principles for all the work of the Domestic Policy Council is a simple sentence: Every child shall be empowered to develop to his or her full potential.

You are certainly familiar with our administration's primary programs as well as legislative initiatives enabling young children and their families:

Welfare Reform

Family Support

Health care initiatives including an expanding immmunization program as the statement by the President in his State of the Union about our hopes for an incremental health reform stressing the needs of working families and their children.

Waivers**

A continuing Head Start expansion

Crime and Safety programs

Empowerment Zone / Enterprise Communities

The institutionalization of Goals 2000 and other education reform.

But I want to mention to you what I think is perhaps even more important in our quest together to improve services...while in the governor's office I talked as much as you do about the need for flexibility, less burdensome regulations, a can do attitude on the part of the regional offices of a number of federal departments...you know the litany.

I believe through the intensive regulatory review we are undertaking under the leadership of the Vice President we can actively work on the reg issue. In our budget to be presented on February 6, we anticipate a positive reaction from the states on our performance partnerships or block grants in old terms...performance partnerships based on input from reports have submitted in recent years, conversations with you and memories of our time in the governor's office.

Flexibility in funding and lifting of regulations can help to meet those first two goals or principles of the Portland conference in 1983 issue of [illegible] and family interest but the work during those 12 years, we have learned as a nation that in truth we have to move to the second half of the statement one of Governor Dean's Children's Campaign if we are serious about a lasting, meaningful change in the way we meet Goal One concerning readiness: The campaigns's first statement is: Increase the capacity of COMMUNITIES to meet the needs of young children and their families by encouraging FAMILIES to be involved in decision-making, integrating services, and exploring new governance models. The key words here are not regulations or block grants, the key words are COMMUNITIES, FAMILIES, which brings to mind a saying of Hellen Keller: The world is moved along, not only by the mighty shoves of its heroes, but also by the aggregate of the tiny pushes of each honest worker. Tiny pushes by informed parents, community members, energized teachers.

That is why the President was so pleased when Governors Bayh and Caperton approached us about meeting with individuals from their states to talk about a partnership between the federal government and their states to allow grass roots planning for services to children and their families. But I must tell you, those letters requesting the meeting were quite foreign to the federal bureaucracy...no waivers requested, no funding...just a meeting and some cooperation from us in DC and numerous departments and regional offices as those states sought to coordinate over 100 federal programs.

We held the meeting and gradually the federal bureaucracies warmed up to the idea that it doesn't take an RFP from Washington to improve services or initiate innovation. We also are delighted to be working with Oregon in the Benchmarks program, we look forward to similar partnerships with others of you.

Will be able to make these changes as quickly as you want, as the President wants?...probably not in every case. We WON'T always succeed, and we won't always be able to do everything that you-- and we--- would want.

But I can promise you this: We will never relent in our effort to give every child a chance to develop --- FULLY.

Throughout the years of my grandmother's life on earth when she served as a powerful mentor to me, she talked to me frequently of the mirror test. I had to face daily as I looked into the mirror... when I became a parent that mirror test changed a bit in structure for the toughest mirror test for me and I daresay you is to look into the eyes of children as they reflect back upon you... daily I have to be able to look into those eyes of children I see in front of the White House or in programs I visit in your states and meet the quiz saying: we are seizing the moment, we are doing our best. Above all, to my own child, I have to be able to say we are working hard to make that magic glue in every child's skin a reality.

CHILD CARE

HR - 28

The governors are recommending that the Child Care Development Block Grant (CCDBG), which distributes funds to states to provide child care services for low-income families, as well as support activities to improve the overall quality and supply of child care in the state, be reauthorized with the following modifications:

- *Create a seamless child care system*. Incorporate all of the federal child-care programs and establish the CCDBG as the foundation for a seamless system. This system - operated by the states - would consolidate programs such as Title lV-A, Title XX, and programs for "at-risk" children with the CCDBG to form a single system.

- *Increase state flexibility*. States will be given the flexibility to pay providers less than the local market rate when qualified care is available and / or when the local market rate has artificially inflated child-care prices. States would also be given flexibility in setting different limits for categories of child-care.

- *Improve program administration*. In order to reduce administrative costs, the federal government would enhance funding to automate child-care tracking and payment systems.

- *Use state standard*. The states would be required to comply with health and safety standards as prescribed under state law, not federal law.

CONCERN: Which programs and under which rules

Increase state flexibility

Emily Bromberg
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GOVERNOR GET-A-JOB

TOMMY THOMPSON

When he sounded the battle cry on welfare, Wisconsin's voters listened, and so, apparently, did Newt Gingrich.

By Norman Atkins

TWO YEARS AND YOU'RE OUT. THE words stand poised at the top of Gov. Tommy Thompson's trachea and march forth like a battle cry in his war on welfare. As career criminals are supposed to cower under the threat of "Three strikes and you're out!" so "recidivist" welfare mothers are meant to hear Thompson's slogan and shake a leg. The phrase is the core of the Republican Governor's "Work Not Welfare" experiment, which as of Jan. 1 put a 24-month limit on cash benefits through Aid to Families With Dependent Children.

Nobody has a clue to how many families will beat the clock or what will happen if they don't, but Wisconsinites appear downright ecstatic about Thompson's two-county test run, small-scale though it is. Three-quarters of those polled support it, and last November a whopping 67 percent of the voters swept him into a third term. His eight-year war on welfare has given the G.O.P. a viable organizing principle in the post-Communist world; now Newt Gingrich and his counterrevolutionary forces have finally caught up with Tommy Thompson. "Tommy's a real hoss," says Haley Barbour, chairman of the Republican National Committee. "He's the leader of the country and the Republican pathfinder on welfare reform."

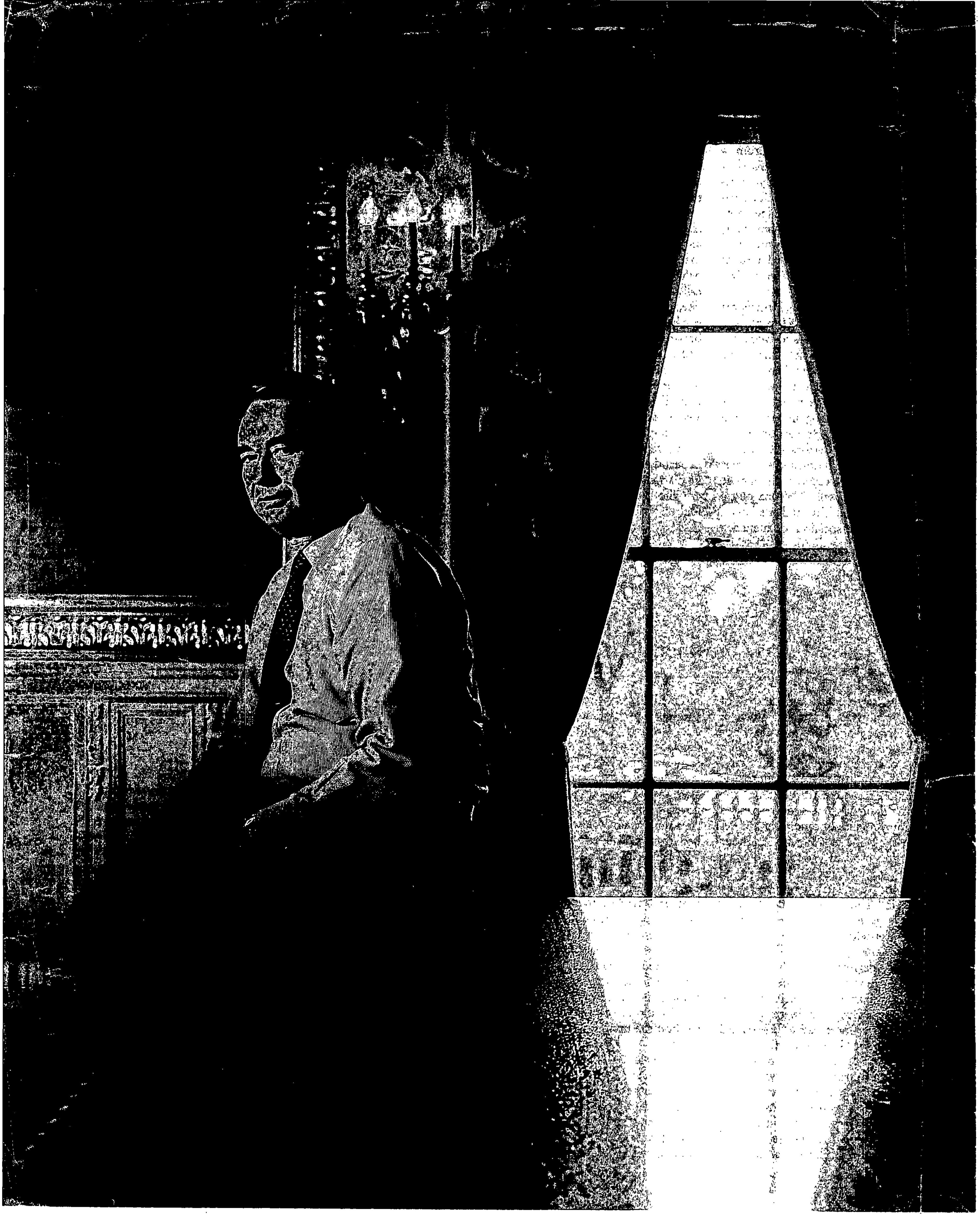
Thompson used to complain about going "to Washington on bended knee to kiss somebody's pinkie ring" to get dispensation for his unorthodox welfare experiments. Now with the G.O.P. in control of Congress, he exults in arriving there with "live ammunition, shootin' at real targets." Republican Congressmen seek his input and blessing on their proposals. But in their frenzy to see who can cut benefits faster, Thompson sounds downright moderate in comparison. He cautions that welfare reform will create no savings in the short run; they shudder when he argues that reform may cost even more, up front, to pay for services like day care and job training. With his new status and his forum as the next chairman of the National Governors' Association, he's busy promoting no-strings-attached block grants to the states. His share would presumably go toward expansion of "two years and you're out" statewide.

Norman Atkins writes for Family Life and other magazines.

Welcome to the wacky world of Wisconsin politics. At the start of the 20th century, Robert La Follette built the Progressive movement, trying to bust rapacious capitalist monopolies. Mid-century, Joe McCarthy created a witch hunt to root out secret Communists. Now, at the end of the century, Thompson has upended the state's political culture by targeting welfare moms. State Democrats played into his hands in late 1993 by calling for the termination of the welfare program in Wisconsin by 1999. Many believe it was a political stunt designed to embarrass the Governor by forcing him to veto the end of welfare. But Thompson says he looked at that bill on his desk as a "gift, the greatest opportunity in the world." He signed away. "It's time to cut the umbilical cord."

THOMPSON IS AN UNPOLISHED ORATOR, THE LETTER G asleep at the end of his gerunds. He doesn't deliver speeches so much as conduct pep rallies, grabbing credit for all good news occurring during his tenure: welfare rolls dropped 19 percent in Wisconsin while climbing 32 percent nationally; the state has seen a net increase of 382,000 jobs, and the University of Wisconsin won the Rose Bowl last year, as he guaranteed. His foes believe

PHOTOGRAPH BY RICH SAAL FOR THE NEW YORK TIMES



that Thompson has benefited from a streak of Forrest Gump-like luck: Wisconsin was recovering from a wrenching recession before his election; rapid job growth is largely responsible for the welfare decline, and Barry Alvarez is a mighty fine football coach. But in his next four years, the Governor promises more jobs, fewer welfare recipients and a Super Bowl victory for the Green Bay Packers.

Tommy G. Thompson, incorrigible optimist, was born in 1941 in Elroy, a poky midpoint for trains roaring from Chicago to the Twin Cities. His mother's kin migrated here during Ireland's potato famine to avail themselves of one of the most generous public-assistance programs in United States history, the Homestead Act of 1862, which gave settlers 160 acres of land for a song. Thompson still owns a piece of the property, though he seems eager to sell. ("Wanna buy a farm?" he asks.) His mother's father, a La Follette socialist, organized a farmers' union. Although Thompson was raised a Catholic under his mother's wing and insists that his grandfather's compassion for the downtrodden courses through his veins, his values were largely inculcated by his father, an exacting taskmaster of English and German stock. When, at the tender age of 4, Tommy asked for a tricycle, his father introduced him to a concept that would become the quiddity of his welfare philosophy: no more something for nothing. The elder Thompson, a grocer, handed Tommy a piece of sandpaper and set him to work at 25 cents an hour scraping chicken droppings off the eggs that poor farmers had swapped for food. "I had to pay for everything myself," Thompson recalls. "But he always gave me the opportunity to work for what I needed."

In the 60's, earning undergraduate and law degrees at the University of Wisconsin in Madison, Thompson rebelled against campus liberalism and soaked up Barry Goldwater's "Conscience of a Conservative." He started out shy, but "I pushed myself to be outgoing like my father because I realized that bein' bashful was a deficit." He emerged as a gregarious bartender and hearty partier. His conversion to extroversion culminated, recalls his former roommate, Richard Wright, in approaching total strangers with an extended right hand. "I'm Tommy Thompson," he'd say, "and I appreciate your vote and support." Says Wright: "It was a joke, a way to meet people. Tommy wasn't really running for anything."

Thompson's mitts are like a bear's, and they wrap around whole arms and necks and backs. (When I first met the Governor, he pressed his palms into my shoulders and practically lifted me, Herman Munster-like, into the air.) In 1966, Tommy put his hand-shaking to good use. He bought a '59 celery green Ford for $100, drove down every dirt road in his legislative district, glad-handed in 80 percent of the homes and got himself elected to the Assembly, where he would stay for two decades.

Thompson missed most every vote in his first session, doing National Guard duty down in Texas. In 1968, he married Sue Ann Mashak, a teacher who had come to Madison to lobby for higher salaries. They have three children. Still a teacher, she is on medical leave for breast-cancer surgery. They continue to argue over the teachers' union. Thompson's deep antipathy for it was forged in his early Assembly days, when he fell in with a cadre of tightwads whose mission was to prevent the growth of government on the taxpayers' dime. At a time when Madison was a seedbed of radicalism, recalls Thompson, "We had a thumb-in-the-dike philosophy." The dike burst in September 1969, when hundreds of welfare mothers marched to the capital behind a radical Catholic priest named James Groppi to press for more aid. They stormed the Assembly chamber, raised the red flags and ejected Thompson and the other legislators from their seats. Years later, Governor Thompson would lead the charge to shoo the mothers out of theirs.

> In 1969, hundreds of welfare mothers stormed the Assembly chamber and ejected Thompson from his seat. Years later, as Governor, Thompson would try to shoo them out of theirs.

ON A BRIGHT MORNING IN SPRING Green, where Frank Lloyd Wright built Taliesen, Thompson jauntily scissors a ribbon on the visitor's center, another of the architect's landmark buildings. The Governor came up with a financing plan for its restoration after decades of neglect when his more liberal predecessors ignored pleas for help. In a speech to a crowd that includes Wright's acolytes, Thompson confesses that Frank Lloyd never really turned him on. (Later, as we're leaving, he notes that Wright was "socialistic" and "didn't pay his bills.") So how did a pro-business Governor whose artistic taste tends toward Schwarzenegger flicks become the savior of a notoriously left-wing architect's work? Thompson says he had an epiphany about Wright's worth during a trade mission to Japan. He was having the darnedest time getting the Japanese psyched about Wisconsin. Finally he mentioned that Wright was a native son, and his audience applauded wildly. "Then," says Thompson, "I knew I had something I could sell." The liberal chairman of the preservation committee whispers to the Governor, "It's like Nixon going to China." Tommy gets a kick out of the line and minutes later tells a local TV reporter, "I'm like Nixon going to China!"

In 1986, during his first gubernatorial campaign, liberals likened Thompson to the shadier side of Tricky Dick. "They tried to paint him as this Nixonian character, darkly complected and untrustworthy," John MacIver, his campaign chairman, recalls. For Thompson's propensity as minority leader to scream about virtually every bill the Democrats proposed, they tagged him "Dr. No." Despite the mockery, Dr. No won by blaming the Democratic incumbent, Anthony Earl, for the recession and for turning Wisconsin into a welfare magnet. "In one of the debates, Tony Earl used a classic line: 'Tommy Thompson wants to reform welfare and make Wisconsin like Mississippi,'" recalls Thompson. "I came back immediately: 'With you in charge, we're attractin' all the people from Mississippi up here anyway.'"

Once elected, Thompson slashed welfare benefits 6 percent; they've been frozen ever since. Even so, he's forever lamenting a migration of welfare families. "Twenty-eight percent of the newest people on welfare in Milwaukee County — their last known address is Chicago. We're still 45 percent higher than Illinois — for an $8 bus ticket, you can get $200 more coming to Wisconsin." Last July, he stood on the border to warn would-be welfare migrants that they will continue to receive the A.F.D.C. level of their native state for six months after arriving here.

"Wisconsinites are just fed up to their eyeteeth with people comin' in from other states, not working," Thompson says. "People in Wisconsin expect people to work — maybe it's the old Germanic heritage, the old European heritage." More than half the state claims German ancestry. The majority leader of the Assembly, Scott Jensen, who ran Thompson's campaign in 1990, recalls polling undecided voters, mostly Reagan Democrats in Milwaukee's Germanic, blue-collar neighborhoods: "The thing that went off the Richter scale" — in Thompson's favor — "was welfare reform."

Ed Garvey, a Madison-based attorney and labor consultant and a failed Democratic senatorial candidate, believes that the Governor's rhetoric and welfare reforms appeal to the electorate's basest instincts: "When it comes to welfare, Tommy has been a very successful demagogue, playing on racial fear and tension." State Senator Gwendolynne Moore, a Democrat who represents a poor district in Milwaukee, says: "Tommy Thompson has done a very good job of creating a class war here between working poor and A.F.D.C. recipients."

But over the years Thompson has gained favor with virtually every segment of the population: in 1986, he won 10 percent of the African-American vote; in 1990, 20 percent; and in 1994, by his count, more than 40 percent of that vote. John Gard, the Republicans' welfare expert in the State Assembly, argues that Thompson broke through the liberals' rhetorical wall in 1987 with "Learnfare," which docked welfare benefits of parents whose children were truants. Though evaluations show no clear evidence of success or cost-effectiveness, Thompson has hailed Learnfare as a triumph and expanded the program statewide. "Learnfare was such a no-brainer in most people's eyes," says Gard. "How can you be against forcing kids to go to school? Tommy used the phrase 'tough love' and it sold. Two years after the Governor first took office, a lot of Democrats who fought it lost. So others became fearful of standing in the way of more welfare initiatives."

The initiatives kept coming in the form of small experiments, none of which have yet to yield conclusive results. Children First tells noncustodial fathers: support your kid or go to jail. Bridefare, begun last July, encourages teen-age parents to marry by offering a hike in benefits. Now Thompson is trying to sell a Family Cap, to end additional payments for each child a woman bears. "Does The Milwaukee Journal give you extra money when you have extra children?" he asks a reporter. "I don't know anybody that does."

"TWO YEARS AND YOU'RE out!" Thompson's biggest little experiment yet, began two weeks ago in Fond du Lac and Pierce Counties. Edward Schilling, Fond du Lac's director of social services, says the word is going out: "From the moment you receive your first welfare check, the clock is ticking." Move to another county and "the clock goes with you." Each time I press the Governor on how many welfare moms won't find a job before time runs out, he says, "I expect to hit 1,000 percent."

Is he fantasizing? Perhaps not entirely. The two counties selected are almost exclusively white, have very low unemployment rates and a combined A.F.D.C. caseload of roughly 900, many of whom are not risks for long-term dependency. What's more, the Governor has jacked up portions of the welfare budgets to pay for more counseling, job training, child care and transportation. New applicants enter the program immediately; others will be phased in by June 30.

And Thompson is already pressuring his pals in private industry to hire welfare recipients so nobody hits the cliff. Welfare mothers will have to start working off their A.F.D.C. benefits in approved job-readiness activities immediately, but the program converts their food stamps into cash and guarantees them child care. "You know the result that is wanted," says the Assembly speaker, David Prosser Jr. "They will move heaven and earth to get those people jobs."

But even Thompson's closest allies don't really expect everyone to beat the clock. John Gard, the state representative who sponsored Work-Not-Welfare in the Assembly, conservatively estimates that three-quarters will be working after two years. The secretary of administration, James Klauser, Thompson's brilliant alter ego, says simply, "You will have some klinkers."

Thompson himself finally admits it. "Maybe you're right, maybe we won't place all of them," he says. "If, in fact, we can't, there has to be some way to subsidize employers for that person to work in the private sector."

"How long will the subsidy last?"

"We'll have to see," he says.

You'll improvise as you go?

"Yes."

And if recipients don't show up for work?

"They don't get paid."

What happens to their kids?

"The kids will continue to get their welfare and food stamps."

How can a 4-year-old cash welfare checks and go grocery shopping?

"We may have to set up guardians for them."

So the parents will lose their kids?

"Not necessarily," he says. "You can allow the guardian to pay for the food and shelter, but the end result could be that if the parent still refuses to take care of the child, we'll look after the child. The children will be taken care of. There won't be any children starving on the streets."

Successful or not in these small counties, Democrats contend, the experiment covers only 1 percent of the state's welfare population. None are in Milwaukee, where nearly half the A.F.D.C. recipients live, where jobs are scarce and public transportation weak. When Democrats blew up Wisconsin's welfare system with their 1993 legislative gambit, they had control of the State Assembly and hoped for guaranteed community service jobs as the new safety net. Now that Republicans have won back the Assembly, it looks as if some version of "Two years and you're out!" will go statewide by 1997.

The outcome of Tommy Thompson's welfare reforms will not be clear for some time, but Michael Wiseman, associate director of the La Follette Institute at the University of Wisconsin, says he's making huge political hay in the meantime. "The Governor's genius is in dramatically building a large number of welfare reforms and postponing the consequences. If you look closely, you discover that many so-called reforms either haven't been implemented, are very small or the evaluations are postponed for a very long period of time."

Wisconsin's constitution assigns the Governor broad veto power, but in Thompson's hands it has become a kind of veto Veg-o-matic — slicing and dicing paragraphs, words and numbers to find new and sometimes contrary meanings for what the Legislature intended. In his first term, Thompson even employed what the local media dubbed "the Vanna White veto," striking individual letters to form entirely new words, until a constitutional amendment reined him in a bit. Still, in eight years, Thompson has executed nearly 1,500 vetoes to slash about $800 million in proposed spending.

The Governor talks about the veto as a sign of manliness envied by his friend George Bush. "He loved the fact that I had the power to use it," says Thompson. "I tried to convince Boyden Gray to issue an opinion that President Bush could use the line-item veto." But the White House counsel raised obvious Constitutional objections. Objections don't bother Tommy: "If I was president, I would use the line-item veto right now. I would make the court stop me from using it."

Does Tommy Thompson mean to be the man with the ultimate veto? He recently told me he soon would "look" at making a Presidential bid, while plugged-in the G.O.P. strategist Vin Weber says he understands the Governor is already running. "But it's going to be tough for him to get into the top ranks, tough to raise the money," says Weber. "I know that's not what he wants to hear, but he's got strong potential to be a Vice-Presidential nominee."

Meanwhile, Thompson sounds positively eager to compete with his fellow Governors in what he conceives as a kind of N.F.L. playoffs of welfare systems. "Other states may want to try orphanages — let 'em try it," he says. "Then let us see what is doin' the best. That's the beauty of settin' up all these little laboratories of democracy across the country, and we can stand back and compete. Washington should be sort of the referee and say: 'Here are 50 states. You have 50 different solutions to moving people off of welfare. Now go to it, and in five years we're going to come back and see which ones make the Super Bowl.' " ■

Thompson was swept back into the Governor's chair with a whopping 67 percent of the vote.

PHOTOGRAPH BY RICH SAAL FOR THE NEW YORK TIMES

NATIONAL GOVERNORS' ASSOCIATION

Howard Dean, M.D.
Governor of Vermont
Chair

Tommy G. Thompson
Governor of Wisconsin
Vice Chair

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DATE 1/

FAX COVER SHEET

TO: Gaynor McCowen

FAX # 456-7028 **# Pages [including cover]**

FROM: Patricia Sullivan, 202-624-7723

REMARKS:
Dr. Hamburg's remarks for Sunday

If there are problems with the transmission of this document, please call Marsha Turner Botts at 202-624-5978.

NGA FAX # - 202-624-5313

Governors' Campaign for Children: Challenges and Opportunities

David A. Hamburg, M.D.
President
Carnegie Corporation of New York

January 29, 1995
Washington, DC

The Governors' Campaign presents a fundamental opportunity for our nation's progress. What could be more important than a decent start in life? All the rest depends on this foundation.

The first few years provide the opportunity for a decent start. Such a beginning greatly increases the odds of lifelong learning, the acquisition of constructive skills, good health, and the development of valued human attributes including prosocial behavior. In short, the time from conception through the third year has a great bearing on physical, cognitive, emotional, and social development--for better or worse.

If there is not a decent start, then opportunities are diminished for constructive development throughout childhood and adolescence. Some of this is reversible later at high cost. Some is not reversible at any cost.

If a poor start leaves an enduring legacy of impairment, then high costs follow. They may show up in various systems: health, education, justice. We call them by many names: disease, disability, ignorance, incompetence, hatred, violence. By whatever name, these outcomes involve severe economic and social penalties for the entire society.

So this is a high-stakes game we are playing with our children and hence with the future of our nation.

Early childhood is clearly one of the most crucial periods of development. It is characterized by rapid development, specific environmental needs, maximal dependence on caretakers, great vulnerability, and long-term consequences of failures in development. It is a dramatic period, with great changes and striking contrasts. First, the nine months of pregnancy--from a single cell to a very complex organism. Next, the critical transition from living inside the mother's body to the world outside. Then, the period of forming the initial human attachments that shape so powerfully the possibilities for human relationships and social skills--and the infant's beginnings of discovery, the building blocks of learning skills. So this initial phase has a strong bearing on a child's entire life. The risks of permanent--and largely preventable--damage are formidable.

The years of infancy and toddlerhood have always been crucial in human adaptation. They provide the fundamental opportunity to learn the basic elements of what we need to know--about ourselves, about each other, about the world around us, about ways to cope and to solve the problems of living. In this complicated quest for adaptation in modern circumstances, we cannot afford to waste the years of growth and development, let alone use them destructively.

In the past three decades--a moment of human history--the change in regular patterns of contact between American children and their adult relatives is remarkable. Not only are their mothers home much less, but there is little evidence of increased time by fathers at home to compensate. Overall, the time parents spend with children has declined by at least one-third in the past 30 years. Moreover, only about 5 percent of American children see a grandparent regularly, a much lower level than was the case in earlier times. Powerful institutions of the society such as business and government have done little to facilitate family availability for children or to strengthen the competence of families in the rapidly changing circumstances of the late 20th century. These problems are compounded by high mobility as well as erosion of strong neighborhood ties and other social supports as well as high divorce and separation and never-married rates. So we now live in a time of massive family disruption, manifested in a variety of ways, and involving considerable jeopardy to child development.

Our nation's infants and toddlers and their families are in trouble. Compared with other established democratic countries, the United States has more casualties and serious risk factors: e.g. a higher infant mortality rate, a higher proportion of low-birthweight babies, a smaller proportion of toddlers immunized against childhood diseases, and a much higher rate of babies born to adolescent mothers. One in four lives in poverty. One in four lives in a single-parent family. One in three victims of physical abuse is a baby under the age of one.

Usually, despite the radical transformations of recent times, responsible, caring adults are available within the child's immediate family; if not, they exist to some extent in the extended family. But if these family caregivers cannot provide the necessary conditions for healthy development, then others must make an explicit effort to connect children with persons outside the family who have the right attributes and also the durability to do so. That is, as a society we must find ways to strengthen families in their care-taking functions to the extent possible, and to augment families with family-equivalent functions provided by community-based organizations as well as the health and education systems. All this is necessary as a practical matter to diminish the profusion of empty shattered lives so conducive to rotten outcomes.

What are the essential requirements for healthy child development, age 0-3, and the principal opportunities for meeting these requirements? Can we illuminate a developmental sequence of experiences fostering healthy child development and ways of accomplishing this sequence under contemporary American conditions? In what ways can families be strengthened (if necessary) to meet these developmental requirements? What extra-familial influences can strongly help to meet them? For fulfilling the requirements of healthy child development, what motivation, information, skills, and professional services are highly beneficial? For each phase of development, is there a strong scientific-professional consensus on these questions?

In preparing Starting Points, we were exceedingly fortunate to get the cooperation of a superb group of leaders from different sectors of American society: from the scientific community, several relevant professions, business, government and media. Never before has such a distinguished group made such a broadly integrative and far-sighted study of this crucial phase of life. Their report clearly illuminates the quiet crisis and solid, practical ways to overcome it.

This task force clarified the scientific-professional consensus and brought the latest information to bear on our youngest children and their families. Its view took account of all our children, with special attention to children in poverty. Its ultimate recommendations had four main thrusts.

1. Preparation for responsible parenthood, from education in the life sciences during early adolescence to pervasive opportunities for substantial parent education (in conjunction with prenatal care, primary health care, child care centers, and Head Start).

2. Health care. Comprehensive prenatal and primary health care with concomitant educational and social services, including opportunities for early home visits.

3. Child care. For example, cooperative networks and training to strengthen the quality of child care; wider use of the Head Start model that combines parental involvement with disease prevention and stimulation of cognitive as well as social skills.

4. Community mobilization.

    a) Family - child resource centers

    b) Federal, state, local councils: inter-sectoral cooperation

    c) Service integration

    d) Business participation

    e) Media participation.

Within the scientific and professional communities, an important consensus has emerged on the conditions that influence child development--and how parents and others can cope with the changes in a competent way. Much has become known about ways to prevent the damage being done to children. I will briefly sketch some of these paths to prevention.

One vivid example is prenatal care--now weak or absent for at least a quarter of pregnant women in the United States. Yet prenatal care has a powerful capacity to prevent lifelong damage, including brain damage, that can lead to so many tragic outcomes. At its best, prenatal care is a two-generation intervention that helps both children and parents. To do so, it must be comprehensive and must include vigorous outreach efforts to bring poor young women into prenatal care early.

The essential components of prenatal care are medical care, education, and social support services. Prenatal education makes use of the distinctive motivation of the pregnant mother as well as the young father to strengthen their knowledge and skill in caring for themselves and their prospective baby. Moreover, the educational component of prenatal care can be expanded to include a constructive examination of options for the life course--links to job training and formal schooling likely to improve prospects for the future of the young family. Especially in poor communities, young parents need a dependable person who can provide social support for health and education through the months of pregnancy and beyond--and this can be organized in a systematic intervention such as Resource Mothers. These are indigenous women who know the community and have relevant experiences in child-rearing. They are provided with a modicum of training and supervision. They give personal support and practical guidance for poor young mothers.

But this is only the beginning--albeit a crucial start. Evidence is accumulating that interventions not only in the first few years but also middle childhood and then in early adolescence can shape a person's lifelong course in healthy, learning, constructive ways: 1) Well-baby care with emphasis on disease prevention and health promotion; 2) Home visiting by human service professionals, especially in homes with very young children; 3) Parent education to strengthen competence and build close parent-child relationships; 4) Social support networks in which parents give mutual aid to foster health and education for their children and themselves; 5) Child care of high quality outside the home, especially in day care centers; 6) Preschool education in the Head Start mode; and 7) enhanced precollegiate education as illuminated by the work of James Comer of Yale and Robert Slavin of Johns Hopkins in the primary grades; and by Carnegie's Turning Points report on middle grade school reform. 8) Constructive activities beyond school hours in community-based organizations--as illuminated in Carnegie's report A Matter of Time.

Altogether, such interventions have strong potential to prevent damage as reflected in indices of health and education.

I like to think that powerful sectors have begun to converge on the problems of children: business, government, clergy, media, science and several professions including the military. If a broad public consensus emerges on the facts, multi-sectoral leadership continues to grow, and constructive policy options are fully considered, we could see a real transformation in the health and well-being of all our children.

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. note	Notes re: NGA (partial) (1 page)	n.d.	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Gaynor McCown (Subject Files)
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FOLDER TITLE:

NGA Meeting - Jan. 31 [National Governors Association]

2011-0255-S
rc207

RESTRICTION CODES

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

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

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

Questions will be written and given to governors.

~~Statutory [illegible]~~

~~CCB [illegible] by statute~~

~~[illegible] a complete removal of [illegible]~~
~~[illegible]~~

- Block Grants
- Recision Packages
- Head Start Community

Patty Sullivan
703-836-5039

- Senator Packwood will not be ow
Carol [illegible]

[001]

- CAVEAT → [redacted] P6/(b)(6)

- MEMO EXPLAINING
1:45 - 2:30

- 12:30 - OPENING PLENARY
→ 12:45 - DAVID HAMBURG
- 1:00 - FOCUS ON THE STATES
1:30

* Part of the deal -

15 minutes

HUNT AND WHITMAN will bring constituents

HUNT IS BRINGING
HUNT ALTON Physician in poorer county

SMART START

D. Flaherty - Senior member of the leadership

Win speak
- George Voinovich 78 million in need spend children's cabinet
- Roy Romer
- Gov. Kitzhaber
- Jim Hunt
- Gov. Dean will moderate
Talk
Speak from [illegible]

GOOD BEGINNINGS

- PARENT
- PROGRAM ADMIN E. ORANGE

* After the session they will go into committee to talk about BLOCK GRANTS

— INTERNALLY NGA IS fighting over Block Grants —
1:45 - 2:30

Peggy Connerton
SEIU
(202)

BLOCK GRANTS:
BACKDOOR BUDGET CUTS

I. Introduction

Many federal and state policymakers support consolidating and streamlining the large number of federal grant-in-aid programs for states. They argue that recipients and program administrators face a confusing and overlapping tangle of programs, services, and rules that makes it difficult to improve the quality of public services.

Some of these policymakers support the elimination of a number of so-called "categorical" grant programs. Under categorical programs, states can only use funds from these programs for a specifically defined purpose, which is generally limited to a narrow range of activities. To enhance state flexibility, policymakers argue, these categorical programs should be consolidated into large "block grants," which would provide states with funds for a broad range of services. Block grants give states much more discretion over whom to serve and what services to provide.

One of the most sweeping proposals would convert entitlement programs, such as AFDC and food stamps targeted to a specific, often needy population, into block grants. A major concern with this proposal is that it would eliminate some of the "automatic stabilizers" that mitigate the severity of economic downturns.

When the economy goes into recession, unemployment goes up and more individuals are forced to rely on AFDC and food stamps to support their families. This preserves at least some of their purchasing power, ensuring that they will continue to purchase food and other necessities. If these programs were no longer entitlements, states would probably have to cap enrollment during a recession due to lack of funds -- or rely on state resources alone to respond to the added demand for services. In either case, many needy people would likely be denied assistance and the drop in purchasing power would reinforce the recessionary effect.

Supporters of block grants concede this argument, but counter that this would not prevent the federal government from converting most or all *discretionary* categorical programs into large block grant programs. They argue that this would allow states to meet local priorities, test innovative approaches, and free up millions of dollars that now go to program administration.

While this sounds appealing, it assumes that administrative cost-savings will actually materialize and that Congress will fund block grants at or near the same level that it would have funded their constituent programs.

This report tests the latter assumption. It compares Congressional appropriations for a number of block grants to appropriations for similar categorical programs over the past several years.[1]

The results of this analysis clearly demonstrate that funding increases for block grants lag far behind those for categorical programs that perform similar functions. In a climate of fiscal austerity, categorical programs have been the clear winners in terms of their ability to hold onto their share of the dwindling federal budget pie. The marked difference in Congressional appropriations between block grants and categorical programs also suggests that any state gains from administrative savings would be far outweighed by significant cuts in federal payments to state governments.

II. Findings

Consolidating categorical programs into block grants to the states is not a new idea. Since the early 1980s, a number of programs -- including social services, job training, community development, mental health, preventive health, and maternal and child health services -- have been merged into block grants. How have they fared?

For this report, SEIU compared Congressional appropriations for a set of block grants and categorical programs that perform similar functions -- e.g., the Social Services Block Grant and categorical social service programs (see tables 2 and 3 for a complete listing). Two time periods were chosen, 1985 through 1994 and 1990 through 1994. Eight block grants were selected for the analysis of the 1985 to 1994 period, and three additional block grants were added for the more recent period of 1990 through 1994. The *Methodology* section (p. ?) describes how each of the block grants and categorical programs were selected.

Categorical Programs Outperform Block Grants

In general, categorical programs received much larger increases in funding than block grants providing similar services. Table 1 shows that overall, block grant funding increased 9 percent in real terms from 1985 to 1994, while the related categorical programs increased 20 percent. During the more recent period from 1990 to 1994, an even greater gap emerged -- funding for the block grants grew only three percent in real terms compared to 28 percent for related categorical programs. Some other interesting findings include:

- Between 1990 and 1994, categorical programs outperformed the block grants in **10 out of 11 cases**. Similarly, between 1985 and 1994, **six of the eight** block grants received smaller funding increases than their corresponding categorical programs.

[1] Entitlement programs, with the exception of food stamps, were not included in this analysis. The food stamp program was included in light of the proposal to consolidate nutrition programs under the Personal Responsibility Act.

- During both time periods, **half** of the block grants failed to keep pace with inflation, giving states less money to spend in real terms. In some cases the cuts were dramatic. Between 1985 and 1994, for example, funding for the **Chapter 2 education** program fell by **46 percent** in real terms. During the same period, inflation-adjusted funding for **JTPA** fell by **34 percent,** and funding for the **Community Services Block Grant** fell by **17 percent.** Similar cuts occurred between 1990 and 1994.[2]

- Most categorical programs performed remarkably well against inflation. Between 1985 and 1994, for example, funding for categorical **preventive health** programs surged **584 percent** in inflation-adjusted dollars. The Preventive Health Block Grant, by contrast, only received a 23 percent increase.

- Categorical programs for **social services, maternal and child health, substance abuse** and **child care** also received substantial increases, while related block grants typically fared poorly.

Block Grants Cost States Billions of Dollars

How big would states lose over time? To answer this question, we estimated for each of the two time periods what states would have received in 1994 if the remaining categorical programs had been folded into mega-block grants. The results indicate that all states would have lost money under this scenario (see tables 4 and 5 and charts 1 and 2). Among the findings:

- **If the categorical programs had been converted into mega-block grants in 1985, states would have lost nearly $20 billion in federal funding in 1994 alone.**

- Among the biggest losers over this time period would have been **California,** which would have received **$1.9 billion less** from the federal government in 1994 if the remaining categorical programs had been melded into one of the eight block grants. **New York at $1.6 billion, Texas at $1.5 billion, and Florida at $1.1 billion would have been the other big losers of 1994 federal dollars.**

- **On a percentage basis,** most states would have received between **20 and 50 percent less in federal funding for these programs if they had been funded at the block grant rate.** For the 1985 to 1994 time period, **Florida** would have received the largest percentage decline, with its federal grant-in-aid funding **49 percent lower** in 1994 under the block grant scenario. Other big losers include **Nevada, with a 47 percent reduction, and the District of Columbia with a 45 percent cut.**

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[2]Over the 10-year period analyzed, only the Mental Health Services and Preventive Health Block Grants showed substantial increases in inflation-adjusted funding, increasing 88 percent and 23 percent respectively. Similarly, between 1990 and 1994, only the Preventive Health Services and Community Development Block Grants showed substantial real gains in funding, increasing 61 percent and 50 percent respectively.

- Over the 1990 to 1994 period, **Indiana** ranks at the top with a **34 percent loss** in 1994, followed closely by **New Hampshire and Oklahoma**, both of which **would have received 33 percent cuts** in 1994.

Two main conclusions emerge from this analysis. First, categorical programs uniformly receive greater funding increases than block grant programs providing related services. Second, the consolidation of categorical programs into block grants has a significantly negative long-term impact on state budgets that outweighs any administrative savings that may be gained from consolidation.

III. Why Does Funding for Block Grants Fall?

This study provides strong evidence that federal funding levels inevitably decline when federal categorical programs are consolidated into block grants and that the reductions in federal support are likely to be permanent.

Why is this so? In theory, Congress should be willing to fund block grants at the same level it funded the old categorical programs. Part of the answer lies in the political environments in which all legislatures, federal and state, must operate.

For starters, it is easier for members of Congress to cut block grants because such funds often have no clearly defined constituency. It is politically easier to cut the Social Service Block Grant than to cut funds for foster care or for programs to prevent child abuse and neglect because it is less clear who suffers when the block grant's funds are slashed.

Block grants are also an easier target because commingling of funds greatly dilutes their political support, leaving state and local officials to fight the funding battle alone. Categorical programs, by contrast, tend to have the support of a broader coalition of interests who understand how they benefit from the program. For example, the categorical food and nutrition programs (WIC, Commodity Supplemental Food Program, School Breakfast Program, etc.) are supported not only by anti-poverty advocates but by powerful agricultural interests as well.

Looking at which categorical programs received large funding increases provides some additional clues (see tables 2 and 3). For example, it appears that many of the most well funded programs in dollar terms, including Head Start, WIC, and Community Health Centers, have proven to be highly cost-effective. At the same time, many of the categorical programs that have been unable to demonstrate success have fared poorly. For example, funding cuts for the Drug Free Schools program may be partly explained by the program's lack of any performance measures.

Because block grants allow states considerable flexibility in program design and implementation, it is difficult to establish uniform performance criteria for them. Given the growing concern among members of Congress over program performance, it should not be surprising that they would feel less comfortable voting to increase funding for an amorphous block grant that combines many programs with an unknown success rate.

Many successful categorical programs are those that address pressing national challenges that often cross state boundaries, such as crime, public health, the environment, and the needs of dislocated workers. One of the largest increases received by any federal program over the past five years was the *283 percent* inflation-adjusted increase in the categorical program that funds drug abuse treatment for convicts. Investments in the nation's health, such as immunizing children (where state needs and state capacity may vary conversely) and combatting the spread of infectious diseases, also fall into this category.

Finally, programs that set broad new federal directions also tend to experience large funding increases. For example, the largest funding increases for job training over the last ten years have been for the work program created by the Family Support Act as part of a national effort to change the culture of the welfare system towards work and responsibility.

In short, members of Congress are not inclined to write blank checks on behalf of the American taxpayer. They tend to favor programs that meet national reform objectives, that preserve a degree of uniformity in implementation, that have proven successful, and that can deliver tangible benefits to an organized constituency.

IV. Recommendations

The Service Employees International Union supports efforts to deliver better quality public services to state residents at a reduced cost. We recognize that Congress has often had difficulty eliminating categorical programs that have been shown to be ineffective, duplicative or no longer necessary. We also acknowledge that the current myriad of programs with different eligibility levels, benefits, and services is not helpful to those persons in need of federal assistance.

However, SEIU believes that the rush to block grants is shortsighted and will prove to be an excuse for federal disinvestment in states and localities in addressing critical domestic priorities. Rather than quickly jumping on the block grant bandwagon, federal and state officials need to think through how to balance the needs for state flexibility with federal reform objectives and demands for accountability. Some recommendations on this process include the following:

1. Don't Combine Programs Just to Meet Numerical Goals.

The General Accounting Office's recently issued list of 163 separate federal job training programs is often cited by those who argue for program consolidation. Ironically, the list also supports the arguments of those who urge against combining programs merely to meet numerical goals. While some programs serve the same populations and could be successfully consolidated, others serve discrete populations whose needs are very specific (e.g., the elderly, ex-offenders, substance abusers, long-term AFDC recipients). Consolidating training programs for dislocated workers with 30 years of work experience with programs serving teenage mothers looking for their first job doesn't make sense. There is substantial justification for having separate programs for special populations to ensure that their needs are effectively served.

2. Keep Some Categorical Programs Separate.

A number of categorical programs, such as Head Start, WIC, and the Childhood Immunization program, have a proven track record of success and generate significant returns for each dollar invested. Folding these programs into "no strings attached" block grants means that states could eliminate or severely cut back these programs -- despite their proven success. The federal government should have some responsibility in ensuring that states maintain their commitment to programs that have shown their ability to get the job done.

3. Consolidate Duplicative Programs but Set Performance Standards.

There are some cases, however, where it makes sense to consolidate programs. In cases where programs serve the same target population or provide similar services, consolidation would allow policymakers to cut red tape and allow the workers who provide the services to focus on serving the needs of their clients. One of the key goals of consolidation should be the development of performance standards that ensure program objectives are being met. To be most effective, these standards should focus on outcomes rather than merely process indicators.

4. Provide Waiver Authority for Further State Innovation.

Currently under many programs, there is no ability for states to petition for waivers of federal requirements to better accommodate their local conditions. Accordingly, states should have the option of applying for federal waivers in order to increase the number of individuals served, target special populations, stimulate innovation, or cut red tape. However, the federal government should move cautiously in approving such waivers to ensure that states provide adequate public notice and consultation and protect vulnerable populations. The federal government should not allow states to use waivers to evade important labor, civil rights, environmental standards or the like.

5. Preserve a Federal Role Where It Is Needed.

While the current political fashion is to allow states to take the lead, there are still cases where the sum of 50 state actions is not sufficient to meet the national challenge. First, the federal government must continue to be able to redistribute funds between states because states vary widely in their ability to carry out national objectives.

Second, the federal government has a responsibility to ensure national uniformity between states where it is necessary, or where it is decided that all citizens should have access to a particular program, such as childhood immunization or Head Start, for the national good.

Finally, the federal government has more flexibility to respond in times of crisis. A state hit hard by major layoffs may lack the funds to respond rapidly to the needs of newly dislocated workers. Providing states with a "public health" block grant, for example, is no guarantee that states will be able to divert funds to tuberculosis and AIDS prevention in a timely manner. The requirement that states balance their annual budgets makes it all the more important that the federal government be able to provide new sources of funding to address specific problems of national importance.

Methodology

The purpose of the analysis was to compare historical funding levels between block grants and their related categorical grants over a five- and ten-year period. A block grant is defined as a grant that is "given chiefly to general purpose governmental units in accordance with a statutory formula for use, largely at the recipient's discretion, in a variety of activities within a broad functional area." (Advisory Commission on Intergovernmental Relations, 1977) In contrast, categorical grants can be "used only for a specifically aided program and usually are limited to narrowly defined activities." (ACIR) Block grants fund more activities than categorical grants and place fewer conditions or constraints on the recipient's discretion in spending the funds.

Fiscal Planning Services, Inc. (FPSi) surveyed every federal program listed in the 1994 Catalog of Federal Domestic Assistance to arrive at the eleven block grants included in the analysis. The list of block grants is complete with one exception. The Low-Income Home Energy Assistance program contains an energy assistance block grant, but was excluded because it had no related categorical grants. In addition, two other block grants, Job Training Partnership Act and Emergency Community Services for the Homeless, are included in the analysis because they are treated as block grants by the federal agencies administering them.

FPSi matched categorical grants to each block grant by reviewing the block grant's authorizing legislation; the subject, functional and budget classifications used in the Catalog of Federal Domestic Assistance; and the federal agency's classification structure.

For a block grant to be included in the five- or ten-year analysis, at least three categorical grants must have been in existence throughout the period analyzed in order to provide a meaningful comparison. For example, the substance abuse and homeless block grants were excluded from the ten-year analysis because, in each case, less than three related categorical grants existed in 1985. For a categorical program to be included in the ten-year analysis, the program, or its direct antecedent, must have existed and been funded in 1985.

The same criterion applies to the five-year analysis: to be included, a categorical grant must have existed and been funded in 1990. The one exception is the child care block grant, as its first year of funding was 1991. Funding levels for this block grant and the related categorical grants are for the period 1991 to 1994. The tables note this exception.

The two sets of tables display two percentage change calculations. The first is calculated using nominal dollars, and the second is calculated using dollars adjusted for inflation. The dollars are adjusted using the Consumer Price Index for Urban Consumers as reported by the U.S. Bureau of Labor Statistics. All dollars reported in the tables represent obligations, which are the specific commitment of government funds made by a federal agency to all recipients. With the exception of the national summary table, all amounts are in thousands of dollars. The national summary table presents the data in millions of dollars.

JANUARY 25, 1995

A MEMORANDUM FOR CAROL RASCO

FROM: GAYNOR McCOWN

SUBJECT: NGA WINTER MEETING
JANUARY 28, 1995

29

E-MAIL toughest questions she could get remind flags that Jeremy referred

The session you are participating in is on Sunday, January 28 from 12:30 to 2:30. It will focus on the Governor's Campaign for Children. More specifically, #1 of the National Education Goals: "By the year 2000, all children will start school ready to learn." At this point, the schedule is as follows:

12:30 - 12:45	David Hamburg, President Carnegie Corporation of New York	
12:45 - 1:30	Governor Whitman / Governor Hunt They will present the work of their states in achieving goal one.	* What will the format be?
1:30 - 2:10	Carol Rasco / Senator Packwood What is the federal government doing?	15-20 minutes talk from Carol
2:10 - 2:30	Q and A	

In preparation for this meeting, I have put together the following materials:

I. BACKGROUND INFORMATION
II. SUMMARY OF NGA'S INVOLVEMENT IN CHILDHOOD ISSUES
III. THE ROLE OF THE FEDERAL GOVERNMENT
IV. PRINCIPLES OF THE CLINTON / GORE ADMINISTRATION'S INITIATIVES TO REINVIGORATE FEDERAL-STATE-LOCAL PARTNERSHIPS AND FEDERALISM
V. SUMMARY OF THE CARNEGIE CORPORATION'S 1994 REPORT

In addition, I'm including:

(1) Status reports from Oregon, Indiana and West Virginia;
(2) Contract with America's Children;
(3) A letter from Secretary Riley to the governors; and
(4) "Goals 2000: Four Ways to Fix It" by Diane Ravitch.

Bill
Bruce
Paul
Jeremy
Carol

Speeches on Children's Issues

PARTY / HOW LONG
- AT A TABLE
- WITH MY

- Through her - year of working

- Parent > - Poverty of Spirit
  - Peacemeal fashion with which we approach Children and their families

- These factors motivate her

- # Clinton / Carol Theme

  Every child will be empowered to perform in his / her fullest

- To address these ills > early childhood is where it must begin.

- A new covenant

-

NON-LIFO

I I

NGA. BILL

THE MIDDLE CLASS BILL OF RIGHT: SKILL GRANTS

As a key component of the Middle Class Bill of Rights, the President proposes to totally restructure the existing system of employment and training. Seven key principles guide this change:

1. Individual Empowerment. Individuals should be empowered with resources so they can choose for themselves what skills they need to boost their earning power. The President's proposal puts buying power directly into individuals' hands, so they can get skills at the time, at the place, and in the way that makes sense for them:

- Unemployed and low-income workers can get <u>Skill Grants</u> worth up to $2,620 per year, for up to two years, that they can use as they choose for learning new skills.

- Both tuition tax breaks and Skill Grants will be supplemented by <u>Individual Education Accounts</u>. These low-cost loans will be available to any person, with flexible repayment options including "pay as you can," to enable <u>every</u> American to invest in their skills and repay at the pace their future income allows.

2. Leaner Government. The President's proposal <u>eliminates over 50 separate programs</u>, replacing them with an integrated system that minimizes red tape and maximizes individual choice.

3. State Flexibility. Washington doesn't have all the answers. States should have the flexibility to reflect local conditions and respect local priorities. The President's proposal gives states the freedom to tailor training programs and delivery systems as they see fit, including expanding on-the-job training in cooperation with firms and workers. Most federal rules dictating administrative procedures will be wiped out. States will be able to apply for waivers from the few rules that remain, and to plow the savings back into additional training.

4. Good Information to Guide Choices. A skill-building system rooted in individual choice requires good data to inform decisions about what skills to get and where to learn them. Reforms woven throughout the initiative--and centered on the networks of One-Stop Career Centers already under construction by the States--will give workers and job seekers access to reliable information on jobs, careers, and the success records of training institutions, so that they can make good choices to improve their futures.

5. **Accountability.** Too often today, training providers aren't held accountable for results. The President's initiative will address this by emphasizing individual choice and competition so that individuals can pick providers who deliver; by providing good performance data so people know what training pays off; and by setting quality standards for training providers to cut off the frauds and the incompetents.

6. **Private-Sector Partnership.** At base, the President's proposal isn't about government. It's about jobs, and that means the private sector has a central role. Business and labor will be full partners in designing and running training, job-search, and information services. The most competitive and productive firms are also leaders in upgrading the skills of their workforce; new awards will recognize excellence in creating workplaces that expand opportunity by capitalizing on and rewarding worker skills.

7. **Paths from School to Work.** Preparing America's youth for the world of work and a career of learning and applying new skills to more rewarding jobs is a vital task. This initiative will fold federal employment and training programs, including vocational education, for young people into the school-to-work movement already underway in every state as designed and developed by the states, local communities and the private sector. As with the new private sector partnership, good information, accountability and state flexibility for adults, this new approach will provide clearer paths to new skills and better jobs for youth.

The President's Middle Class Bill of Rights can arm every American worker with the tools to learn new skills, find good jobs and earn higher wages at more rewarding work. Like the G.I. Bill, the President's proposal will put the opportunity to learn and apply new skills directly in the hands of the people. Now, as then, it will be up to individual Americans to accept personal responsibility, to make the most of this opportunity to build a better life for themselves and their families.

> "The Middle Class Bill of Rights will further our common mission as Americans -- to expand middle class incomes and opportunities, to promote the values of work and family, responsibility and community. And to help Americans compete and win in the new American economy."
>
> President Clinton, Radio Address, December 18, 1994

Follow-up meeting on issues we reviewed together.

Gaynor

— Mickey —

THE WHITE HOUSE

WASHINGTON

January 19, 1995

MEMORANDUM FOR: Patricia McNeil
John Weintraub

cc: Bill Galston

FROM: Mickey Levitan

SUBJECT: **Perkins Follow-up**

The meeting yesterday was helpful in closing the loop. By way of summary, I took away the following points:

- The overall strategy is to promote a bill that is fully supportive of and integrated with the other pieces of the lifelong learning agenda, incorporates key lessons learned from previous programs, and creates a responsible form of devolution that utilizes mutually determined measures of accountability, does not sacrifice equity, and aligns with the new approach to federalism that the President is framing in his public messages.

- In response to the request from Barry White, your team will produce in the next two weeks a 3-5 page paper which recommends an Administration approach to Perkins. I will be happy to review the paper and participate in crafting the piece on capacity building.

- A critical aspect of the political and substantive debates on Perkins will center around the issue of accountability. Assuming that the forces which want a full devolution of federal role and resources do not hold sway, the challenge is to devise a workable system for ensuring the responsible use of federal resources. Your idea about accountability that is mutually determined by the federal government and states seems on target. And we seem to agree that part of the predetermined agreement must include provisions for what happens to resource streams when there is variance between expected outcomes and actual results.

  You suggested the possibility of convening a group of experts to develop a process/mechanism for accountability in Perkins under a devolution scenario. The recommendations of this group can then serve to guide subsequent discussion and debate. In the absence of such an effort we risk, at worst, devolution without accountability or, at best, a system for accountability that is hastily created because we did not have the forethought to fully develop a workable option. I would be happy to work on this effort and to assist in mobilizing participation.

- Regarding the confusion over the actual School to Work Project, versus the School to Work Umbrella concept, perhaps in public statements we can begin to talk about the STW *seed program* versus the STW *system* or *approach* to differentiate.

Please let me know if I've missed anything important. In the meantime, Trish – I hope you get well.

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. note	Notes re: phone numbers and addresses (partial, page 2 in full) (2 pages)	n.d.	P6/b(6)

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Domestic Policy Council
Gaynor McCown (Subject Files)
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FOLDER TITLE:

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2011-0255-S
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RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

- C. Closed in accordance with restrictions contained in donor's deed of gift.
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- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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Resume - Letter: Highlight -

60 days
10th

ACYPL

P6/(b)(6) [001]

Jerry Cobb

P6/(b)(6)
DAWN MCTRA

Anne
Mary ~~Ella~~ Thompson
P6/(b)(6)

HARD COPY OF RESUME
ACYPL
Resume P6/(b)(6)

- LUNCH -

JAY FOOTECK

Presidential Personnel

Abridged version

- Dr. Hamburg - very nice / very considerate
- Full version
- Why the first few years are so important and what about the report was so surprising to the nation >
- Some things that people were not able to grasp
- The nation has been awakened
- The report indicates it is national
- What needs to be done
-

What is the federal role What is it doing
How could it improve

Not going to be federalized but the federal government would NOT back up out

→ Catalyst for other institutions

Community mobilization
- Governors -

The convey so well the depth of conviction

THE WHITE HOUSE

WASHINGTON

January 27, 1995

A MEMORANDUM TO CAROL RASCO

FROM: GAYNOR McCOWN

SUBJECT: NGA MEETING ON SUNDAY

Attached you will find a brief description of the New Jersey GoodStarts Program and the Smart Start initiative in North Carolina. These are the programs Governor Whitman and Governor Hunt respectively will talk about. Please note on the revised schedule that both governors will be there with constituents who will make remarks about their experiences with the programs. I'm also including a copy of Dr. Hamburg's remarks. While I don't want to inundate you with paper, these documents may be helpful.

As I indicated to you on e-mail yesterday, Patty Sullivan is going to write some questions which will be given to the governors. They are not ready yet but she will get them to me as soon as possible.

A couple of things that have just been confirmed. They are expecting your remarks to be 10 - 15 minutes. Congressman Castle will go first and you will follow. You will be sitting down at the table with a microphone, not at a podium. After both of you are finished, the remainder of the time will be used for questions and answers. Governor Dean will moderate the sessions and they are going to try and stick with the scheduled time. However, Patty did express some concern that the governors may go beyond the 15 minutes they have been given.

Other than the questions, I think that this completes the information you will need. I hope the talking points are useful. If there is anything I can do, please feel free to call me at home or page me. I am available tomorrow and would be happy to help. Meanwhile, I will get the questions (with two - three sentence responses) to you as soon as possible.

JANUARY 27, 1995

A MEMORANDUM FOR CAROL RASCO

FROM: GAYNOR McCOWN

SUBJECT: NGA WINTER MEETING
JANUARY 29, 1995

The session you are participating in is on Sunday, January 29 from 12:30 to 2:30. It will focus on the Governor's Campaign for Children. More specifically, #1 of the National Education Goals: "By the year 2000, all children will start school ready to learn." Following is a revised schedule:

12:30 am - 12:45 am	Chairman's Welcome to the NGA Winter Meeting
12:45 am - 1:00 pm	**Foundations:** Brief presentation by Dr. Hamburg, President, Carnegie Corporation of New York that will provide an overview of Children's issues based on the *Starting Points* report. In addition, Dr. Hamburg will highlight the role of foundations in helping states develop solutions to critical problems facing children and their families. Dean will introduce Hamburg and moderate session.
1:15 pm-1:45 pm	**Focus on the States:** Presentations and brief discussion of Goal One activities in the states lead by NGA Lead Education Governors Jim Hunt and Christie Whitman. Governor Whitman will begin with a presentation on the GoodStarts program in NJ. She has invited Keith McCoy the parent of a child who is enrolled in the program and Sarah Hansford, a program administrator from East Orange, NJ. Governor Hunt will follow with a presentation on the Smart Start initiative in North Carolina. Hunt has invited a physician Dr. Alton Anderson who is involved in the program and a citizen David Flaherty -- who has been active in his county Smart Start program --Flaherty was also once Hunt's Republican opponent for governor) to speak about their experiences with the program. Each Governor will be held to 15 minutes! Attached to this memo are descriptions of the programs.
1:45 pm - 2:30 pm	**The Federal Perspective:** Presentations followed by a question and answer session with Representative Mike Castle (and former Governor) (R-DE) and Carol Rasco regarding improving services to children and their families through the consolidation and/or greater coordination of federal programs that serve children and families. Dean will moderate the session.

GOODSTARTS - NEW JERSEY

Established during the 1992-93 school year, the GoodStarts program in New Jersey is a joint undertaking of New Jersey's Departments of Education and Human Services. The program offers a comprehensive array of services to support child development and learning, including early childhood education, health and nutritional services, extended-day child care, parent education and involvement, and social services. Program goals include the following.

- To expand opportunities for low-income urban children, three and four years old, to participate in effective and comprehensive full-day preschool programs.
- To foster collaborative planning among local public school systems and community agencies to ensure continuity of educational and other child and family services through second grade, and to ensure a smooth transition from preschool programs into elementary programs.
- To encourage the improvement of early childhood programs, prekindergarten through second grade.

Eligible GoodStarts grantees include the thirty designated special needs school districts in the state. The program is administered at the local level by the local boards of education in collaboration with Head Start agencies, state-subsidized child care providers, and other community-based child and family support agencies, including health, social, and employment-related services. Ten school districts across the state are currently participating in the program. GoodStarts is one of several state initiatives for children and families that will be highlighted at the NGA Winter Meeting, January 28-31, 1995.

Contact: Linda Kornegay-DeCausey, New Jersey Department of Education, 609/984-1918

SMART START-NORTH CAROLINA

North Carolina's Smart Start initiative is designed to provide quality child care, health care and other critical services to every child under the age of six in North Carolina. It's a new approach, bringing together the public and private sectors and galvanizing communities around their children so all North Carolina Children come to school ready to learn and can develop into productive workers and citizens.

Using state government as a catalyst, Smart Start brings together families, educators, nonprofits, churches, businesses and local government to focus on the needs of young children. The North Carolina Partnership for Children, a nonprofit private corporation that includes a broad range of North Carolinians sets goals for children and family services across the state. Local public-private partnerships then create plans tailored to the specific needs of their children and families. Smart Start now funds local partnerships in 32 counties, with a goal of steadily expanding into all 100 counties.

MICHAEL N. CASTLE
DELAWARE, AT-LARGE

COMMITTEES:
BANKING, FINANCE AND URBAN AFFAIRS
MERCHANT MARINE AND FISHERIES
EDUCATION AND LABOR

Congress of the United States
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Washington, DC 20515-0801

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BIOGRAPHY OF U.S. REPRESENTATIVE MICHAEL N. CASTLE

Michael N. Castle was sworn into office as Delaware's lone representative in the U.S. House of Representatives on January 5, 1993. He is the only former governor in the U.S. House and the first Republican to serve as Delaware's Congressman in ten years. He was re-elected to Congress on November 8, 1994, with nearly 71 percent of the vote.

In his first term, Mike Castle was appointed to the House Minority Leader's Health Care Task Force, the House Republican Task Force on Welfare Reform, and the Penny/Kasich Bipartisan Budget Cutting Task Force. He served as one of seven regional House Republican whips for the freshman class of the 103rd Congress and was appointed to the Bipartisan Commission on Entitlement and Tax Reform.

Castle, 55, serves on the Banking and Financial Services Committee, and is the Chairman of the Subcommittee on Domestic and International Monetary Policy. He also serves on the Economic and Educational Opportunities Committee, and the Permanent Select Committee on Intelligence.

Before his two terms in the U.S. House of Representatives, Castle served as governor of Delaware from January 1, 1985 to January 3, 1993. He was elected to a second gubernatorial term -- by the greatest margin in the history of the state -- in 1988. He served as lieutenant governor from 1981 to 1985 and for ten years prior was a member of the Delaware General Assembly.

During Castle's Administration, Delaware enjoyed a robust economy. While personal income taxes were cut in three of his first four years in office, the combination of steady employment growth and higher per capita income made possible increased state spending on education, social programs, transportation, and environmental projects. Delaware's job growth since 1985 ranked as 12th highest in the Nation. Highlights of the Castle Administration include:

- Creation of a plan launched in January 1992 to make health care services available to all Delaware children under age 18. Castle also successfully launched programs for insurance reform, physician recruitment and health care for needy adults.

- Development of a comprehensive "Environmental Legacy" program to address environmental issues in the coming decade, including efforts to preserve Delaware's beaches and a major program of land acquisition which has resulted in the protection of over 7000 acres of land and the creation of greenways for public recreation.

Biography of U.S. Rep. Michael N. Castle
Page 2

* Creation of Delaware 2000: The First State Plan designed to dramatically improve education through a framework of grassroots restructuring efforts to meet the six National Education Goals.

* Support for teacher salary increases which ranked the average Delaware teacher salary as 13th highest in the Nation. Higher classroom standards were established, teacher salary policy was revamped to reward quality teaching, and a pilot program is underway to increase the role of teachers in curriculum development.

* Establishment of innovative human service programs recognized nationally. Delaware has a successful welfare reform program, "First Step," designed to provide education and training to long-term welfare recipients, and has launched a pilot program to provide HMO coverage for families making the transition from welfare to work. Castle's "Focus on the First Sixty Months" program helped to reduce infant mortality rates.

Castle played a pivotal role in the reform of national welfare policy, serving as lead Republican governor for the National Governors' Association (NGA) and working in 1988 as a liaison between the White House and Congress to win passage of a comprehensive welfare reform package. He played a similar role with NGA on health care reform, serving as the co-vice chairman for NGA's Task Force on Health Care with then-governor and now-President Bill Clinton. Mike Castle is a past president of the Council of State Governments, past chairman of the Southern Governors' Association (SGA) and former chairman of the Republican Governors' Association. He also serves on the James Jamieson Foundation Inc., the National Constitution Center Advisory Board, and the Prison Fellowship U.S.A.

Castle was awarded an Honorary Degree of Letters from Jefferson Medical College in Philadelphia, Pennsylvania for his work to improve health care in Delaware, and received the American Diabetes Association's C. Everett Koop Award for Health Promotion and Awareness in June, 1992.

He is a graduate of Tower Hill School in Wilmington, DE; Hamilton College in Clinton, NY; and, Georgetown University Law School, Washington, D.C.

On May 23, 1992, Castle married Jane DiSabatino, also of Delaware.

JANUARY 27, 1995

A MEMORANDUM FOR CAROL RASCO

FROM: GAYNOR McCOWN

SUBJECT: NGA WINTER MEETING
JANUARY 29, 1995

The session you are participating in is on Sunday, January 29 from 12:30 to 2:30. It will focus on the Governor's Campaign for Children. More specifically, #1 of the National Education Goals: "By the year 2000, all children will start school ready to learn." Following is a revised schedule:

UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

January 23, 1995

Dear Governor

As former Governors, President Clinton and I know firsthand the tremendous energy and effort that States and communities are devoting to improving education for our Nation's youngsters. The success of such efforts depends on all of us seeking new ways to improve teaching and learning for all students.

We also know that the needs of each State and community differ significantly from each other. A one-size-fits-all approach to improving education will not work. Governors have always recognized this, and have therefore insisted that Federal education programs provide greater flexibility for States and local communities.

That is why, at the Education Summit in 1989, the Governors and President Bush agreed to seek legislation that would ". . . provide State and local recipients greater flexibility in the use of federal funds, in return for firm commitments to improved levels of education and skill training." They also agreed then that "[F]ederal . . . executives need authority to waive statutory and regulatory provisions in return for greater accountability for results."

New legislation enacted last year, with strong bipartisan support, delivers on this agreement. It allows the U.S. Department of Education to provide far greater flexibility for State and local use of education dollars in order to improve teaching and learning. I am pleased by this shift and have been working hard to use this authority to its fullest.

I am writing you to outline a number of ways in which your State may use federal program resources to best meet your needs. This letter and the attached documents describe the major legislative provisions that support greater flexibility, as well as the Department's commitment to supporting flexibility in how it carries out its initiatives.

The Goals 2000: Educate America Act, the Improving America's Schools Act (IASA), and the School-to-Work Opportunities Act foster a new partnership with States and communities to help all students learn to challenging standards. Broad waiver provisions, schoolwide approaches, charter schools, and a greater investment in teams of teachers, parents and school and community leaders working to find innovative solutions are elements of this new partnership.

Under Goals 2000's Education Flexibility Partnership (Ed-Flex) Program, the Department will authorize up to six States to waive, for key federal education programs, the vast majority of requirements which impede State and local education improvement efforts. An invitation for States to participate in the Ed-Flex program is attached to this letter.

Our commitment to flexibility extends to how we carry out these initiatives. The Department is implementing all new laws with a minimum of regulations and paperwork. For example, the application for first-year Goals 2000 funding was only four pages long, no regulations will be issued for the Goals 2000 State grant program, and the typical length of time for reviewing and funding applications has been less than a month. Likewise, the Office of Elementary and Secondary Education is reorganizing its monitoring to sharpen its focus on progress toward results defined by each State, rather than by Washington. An interoffice team is reviewing all internal proposals for regulations on the Improving America's Schools Act and choosing alternatives to regulation whenever possible.

I am confident that these flexibility measures will help support your efforts to improve education for all students in your State. If you or your staff are interested in exploring how to take advantage of these new opportunities, please feel free to contact my Senior Advisor, Mike Cohen, at (202) 401-3385.

Yours sincerely,

Dick Riley

Richard W. Riley

Attachments

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202-_______

Promoting Flexibility to Support State and Community Education Reform Efforts: An Overview

A. *Waivers from federal statutory and regulatory requirements.*

States, school districts and schools may now request waivers from the vast majority of statutory and regulatory requirements in the reauthorized Elementary and Secondary Education Act, and certain other federal education programs. The Department is prepared to work with your State to remove federal requirements impeding your ability to help all children reach challenging academic standards. States or school districts considering requesting waivers may contact Bill Kincaid on the Department's waiver assistance line, on (202) 401-7801 or 1-800-USA-LEARN, or they may contact the relevant program office.

B. *Ed-Flex Demonstration Program: authority for states to grant federal waivers.*

The Goals 2000: Educate America Act establishes an educational flexibility demonstration program (Ed-Flex program) under which the Secretary may delegate up to six State educational agencies (SEAs) the authority to waive certain Federal statutory or regulatory requirements affecting the State, its districts and schools. To be eligible to apply for Ed-Flex status, an SEA must have an approved State improvement plan under Goals 2000. In addition, the SEA must waive its own related statutory or regulatory education requirements, while holding LEAs and schools affected by the waivers accountable for the performance of their students.

The Secretary is prepared to review Ed-Flex applications as soon as they are received, and to grant Ed-Flex waiver authority to a State whose application demonstrates substantial promise of assisting that State, its communities, and schools in carrying out comprehensive education reform. Those States desiring to participate in the program are encouraged to submit their applications as soon as possible. **Attachment A** is an invitation for States to participate in Ed-Flex. For additional information, contact Tom Fagan on (202) 401-0039.

C. *Charter Schools Demonstration Program.*

The development of public charter schools is an important new strategy to promote local innovation and results-based accountability in education. Because one of the greatest challenges facing charter school developers is getting started, the new Improving America's Schools Act (IASA) provides start-up grants to public charter schools, in States with charter school laws, for up to three years. Moreover, the Charter Schools program in the IASA gives the Secretary broad authority to waive, for public charter schools, most federal education laws and regulations.

The Administration asked for $15 million to fund this grant program in FY 1995, and Congress appropriated $6 million. In addition to these funds, States can use funds under Goals 2000, the IASA, and other federal programs to support the development and operations of charter schools. **Attachment B** provides a description of how States, and charter schools, may apply for these funds.

D. *Other provisions promoting flexibility in the Improving America's Schools Act.*

The Improving America's Schools Act of 1994 (IASA), which reauthorized the Elementary and Secondary Education Act (ESEA), promotes new flexibility for comprehensive school reform efforts in States, communities, and schools. New opportunities for flexibility under the IASA include the following:

Schoolwide programs.

Title I significantly expands the number of schools eligible to become "schoolwide" programs. By the 1996 school year, schools with at least 50% low-income children will be eligible for schoolwide status, increasing the total number of potential schoolwide programs from 8,000 to 20,000 schools nationwide.

Moreover, for the first time, these schools will be able to combine most of their federal funds, not solely their Title I funds, to support schoolwide reform. In addition, they will be free from most federal requirements. In return, these schools will develop comprehensive plans to improve teaching and learning in their entire school and meet the needs of all children served.

Elimination of many federal requirements for Chapter 1 testing and reporting.

The IASA eliminates burdensome Title I testing and reporting requirements. No longer will the federal government require schools to give annual norm-referenced tests to all participating students in grades 2-12. Nor will the federal government require States to comply with burdensome annual reporting requirements. Instead, States will use their own assessments to evaluate the progress of schools and districts served by Title I programs. Moreover, assessment results will be used to inform parents, teachers, principals and others of progress, rather than be reported to the federal government.

Submitting a single (consolidated) plan to receive most federal funds.

The Improving America's Schools Act allows the Secretary of Education to accept a single State plan for most federal funds supporting elementary and secondary education. The development of a single plan eliminates the need to develop separate, often overlapping, plans for many federal programs. A consolidated plan can reduce program fragmentation and improve the use of federal funds to support State and local reform efforts. Under the IASA, States may also enable school districts to develop a single plan for many federal programs.

A copy of the Federal Register notice, published on January 13, 1994, which outlines how States and school districts may take full advantage of this opportunity, is being mailed to you under separate cover. If you are interested in discussing this further, please contact Bill Wooten on (202) 260-1922.

Consolidation of State and local administrative funds.

An SEA may consolidate funds available for State administration under Title I, other major IASA programs, and Goals 2000. In addition, an SEA may authorize LEAs to consolidate administrative funds.

ATTACHMENT A

federal register

Friday
January 20, 1995

Part IV

Department of Education

Education Flexibility Partnership Demonstration Program; Notice

DEPARTMENT OF EDUCATION

Education Flexibility Partnership Demonstration Program

AGENCY: Department of Education.

ACTION: Notice inviting applications under the Education Flexibility Partnership Demonstration Program.

SUMMARY: The Secretary invites applications from State educational agencies (SEAs) under the Education Flexibility Partnership Demonstration program (Ed-Flex program), which is authorized by section 311(e) of the Goals 2000: Educate America Act (Pub. L. 103-227) (the Act). To help foster comprehensive education improvement in a State, the Secretary will grant up to six SEAs with approved Goals 2000 State improvement plans the authority to waive certain Federal statutory or regulatory requirements for the SEA, or for any local educational agency (LEA) or school within the State. SEAs desiring to participate in the Ed-Flex program must submit to the Secretary an application that meets the requirements of Section 311(e) of the Act.

DEADLINE FOR TRANSMITTAL OF APPLICATIONS: There is no specific deadline for transmittal of applications. However, because the Secretary is authorized to grant Ed-Flex status to only a limited number of States, SEAs are encouraged to submit their Ed-Flex applications as soon as possible. The Secretary will review applications as they are received in accordance with the criteria set forth in the Act.

ADDRESSES: Applications should be sent to Richard W. Riley, Secretary, U.S. Department of Education, Education Flexibility Partnership Demonstration Program, 600 Independence Avenue, S.W., Room 6300, Washington, D.C. 20202.

FOR FURTHER INFORMATION CONTACT: Thomas W. Fagan, U.S. Department of Education, 600 Independence Avenue, S.W., Portals Building, Room 4000, Washington, D.C. 20202-2110. Telephone: (202) 401-0039.

SUPPLEMENTARY INFORMATION: The Ed-Flex program is an educational flexibility demonstration program under which the Secretary may grant up to six SEAs the authority to waive certain Federal statutory or regulatory requirements applicable to one or more of the following programs or Acts:

(1) Title I of the Elementary and Secondary Education Act of 1965 (ESEA)—Helping Disadvantaged Children Meet High Standards.

(2) Title II of the ESEA—Eisenhower Professional Development.

(3) Title IV of the ESEA—Safe and Drug-Free Schools and Communities.

(4) Title VI of the ESEA—Innovative Education Program Strategies.

(5) Part C of Title VII of the ESEA—Emergency Immigrant Education.

(6) the Carl D. Perkins Vocational and Applied Technology Education Act.[1]

The waiver authority is intended to assist SEAs and affected LEAs and schools in implementing State and local school improvement plans designed to help all children reach challenging academic standards.

To be eligible to apply under the Ed-Flex program, an SEA must serve an "eligible State." Section 311(e)(3) of the Act defines an "eligible State" as one that: (1) Has developed a State improvement plan under Goals 2000 that is approved by the Secretary; and (2) waives State statutory or regulatory requirements relating to education, while holding LEAs or schools within the State that are affected by the waivers accountable for the performance of their students.

The Secretary will select for participation in the Ed-Flex program three States with a population of 3,500,000 or greater, and three States with a population of less than 3,500,000, as determined by the 1990 decennial census. For the purpose of this program, section 3(a)(14) of the Act defines "State" to include the 50 States, the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas Islands, the Republic of the Marshall Islands, and the Federated States of Micronesia.

Application Requirements and Criteria

I. When May an SEA Submit Its Ed-Flex Application?

An SEA serving an "eligible State" may submit its application at any time. The Secretary is prepared to review Ed-Flex applications as soon as they are received and to grant Ed-Flex waiver authority to an SEA whose application demonstrates a substantial promise of assisting the SEA and affected LEAs and schools in the State in carrying out comprehensive education reform and otherwise meeting the purposes of the Goals 2000: Educate America Act. An SEA that serves an "eligible State" and desires to participate in the program is encouraged to submit its Ed-Flex application as soon as possible because only six applicants may receive the Secretary's delegated waiver authority.

II. What Information Should Be Included in an SEA's Ed-Flex Application?

To be considered for participation in the Ed-Flex program, an SEA must serve an "eligible State" and submit to the Secretary an application demonstrating that the State has adopted an educational flexibility (Ed-Flex) plan that meets the requirements of section 311(e)(4) of the Act. Specifically, the Ed-Flex plan must: (1) Describe the process the SEA will use to evaluate applications from LEAs or schools requesting waivers of Federal statutory or regulatory requirements for covered programs, as well as State statutory or regulatory requirements relating to education; and (2) describe in detail the State statutory and regulatory requirements relating to education that the SEA will waive. An applicant must have the legal authority to grant waivers of the State requirements that it proposes to waive and agree to grant these waivers when it is appropriate to do so.

The Ed-Flex waiver authority is designed to facilitate a State's systemic reform efforts by giving the SEA the authority to waive certain Federal requirements that impede the ability of the SEA, or any LEA or school within the State, from carrying out State or local improvement plans developed under Title III of Goals 2000. Therefore, the Ed-Flex plan should be integrated with the State's improvement plan under Goals 2000. When developing its Ed-Flex plan, an SEA is encouraged to consult with the State panel that developed the State's Goals 2000 State improvement plan. An SEA that obtains approval of a pre-existing plan under section 306(q) of the Act is encouraged to consult with those responsible for developing the pre-existing plan.

III. What Criteria Will Be Used by the Secretary To Evaluate Ed-Flex Applications?

In accordance with section 311(e)(4)(B) of the Act, the Secretary will approve an Ed-Flex application only if he determines that the application demonstrates substantial promise of assisting the SEA and affected LEAs and schools within the State in carrying out comprehensive reform and meeting the purposes of the Act. Section 311(e)(4)(B) also provides that the Secretary will consider the

[1] The recently enacted Improving America's Schools Act of 1994 (P.L. 103-382) contains conforming amendments that were intended to replace the program references in the Goals 2000 legislation with the appropriate references in the reauthorized ESEA. However, in a technical drafting error, certain provisions of the ESEA bill were reorganized after the conforming amendments were drafted, without corresponding changes to the conforming amendments. The references above refer to the programs for which Congress intended waivers to be authorized.

following criteria in evaluating Ed-Flex partnership applications: (1) The comprehensiveness and quality of the State's Ed-Flex plan: (2) the ability of the plan to ensure accountability for the activities and goals described in the plan: (3) the significance of the State statutory or regulatory requirements relating to education that the State will waive; and (4) the quality of the SEA's process for approving applications for waivers of the covered Federal statutory or regulatory requirements and for monitoring and evaluating the results of the waivers. As stated previously, to be eligible to apply, an SEA must serve an "eligible State"—that is, a State that (1) has developed a State improvement plan under Goals 2000 that is approved by the Secretary; and (2) waives State statutory or regulatory requirements relating to education, while holding LEAs or schools within the State that are affected by the waivers accountable for the performance of their students.

In preparing applications that address these statutory criteria, SEAs are encouraged to examine carefully the following questions:

• Did the SEA conduct effective public hearings or provide other means for broad-based public involvement in the development of the Ed-Flex plan? How has the SEA involved LEAs, schools, parents, community groups, and advocacy and civil rights groups in the development of the plan? Is there widespread commitment within the State for the Ed-Flex plan?

• To what extent would the Ed-Flex plan enhance the State's ability to carry out its Goals 2000 State improvement plan? How would waivers under the Ed-Flex plan reduce or eliminate barriers to the reform of teaching and learning and assist all children in reaching challenging academic standards? Has the State demonstrated that it would extend to LEAs and schools, to the greatest extent possible, the flexibility provided under the Ed-Flex program to help foster local systemic reform efforts?

• What is the likelihood that the SEA's process for granting waivers of Federal requirements to LEAs and schools will assist them in reaching specific, measurable educational goals?

• What State statutory and regulatory requirements relating to education would be waived, and why? What is the relationship between the State and Federal requirements for which the SEA might grant waivers?

• How would the implementation of the Ed-Flex plan facilitate bottom-up reform in LEAs and schools? What LEAs, schools, and student populations would affected by the Ed-Flex plan? If some LEAs or schools would not be covered by the Ed-Flex plan, why not? What role would an LEA have in the waiver process if an individual school requests a waiver for the SEA?

• How would the SEA provide LEAs, parent organizations, advocacy or civil rights groups, and other interested parties in the State with notice and an opportunity to comment on proposed waivers of Federal requirements?

• How would the SEA's processes for monitoring LEAs and schools that have been granted waivers under the Ed-Flex authority and for evaluating the results of these waivers ensure that the LEAs and schools will be held accountable for the performance of all students affected by the waivers?

• To what extent do the timelines and benchmarks for implementing the Ed-Flex plan, monitoring LEAs and schools that have been granted waivers, and evaluating the results of the waivers granted provide a reasonable basis for measuring the progress of the SEA in achieving the goals of the Ed-Flex plan?

An SEA is not required to answer specifically each of these questions in its application. Rather, the questions have been provided as guidance to assist SEAs in the preparation of Ed-Flex applications that address the statutory criteria. The Secretary encourages SEAs to consider these issues or any other factors that may demonstrate that the conditions of section 311(e) of the Act have been met. There is not a particular application form that must be completed for this program.

IV. What Federal Statutory and Regulatory Requirements May an Ed-Flex Partnership State Waive?

Section 311(e)(2)(A) of the Act provides that an Ed-Flex Partnership State may waive certain statutory and regulatory requirements applicable to the following programs or Acts:

(1) Title I of the Elementary and Secondary Education Act of 1965 (ESEA)—Helping Disadvantaged Children Meet High Standards.

(2) Title II of the ESEA—Eisenhower Professional Development.

(3) Title IV of the ESEA—Safe and Drug-Free Schools and Communities.

(4) Title VI of the ESEA—Innovative Education Program Strategies.

(5) Part C of Title VII of the ESEA—Emergency Immigrant Education.

(6) the Carl D. Perkins Vocational and Applied Technology Education Act.

The Ed-Flex Partnership State will not be authorized to waive any Federal statutory or regulatory requirement of the above-referen programs or Acts relating to: (1) Maintenance of effort; (2) comparability of services; (3) the equitable participation of students and professional staff in private schools; (4) parental participation and involvement, and (5) the distribution of funds to States or to local educational agencies. In addition, Ed-Flex States will not be permitted to waive Federal civil rights requirements or Federal health and safety requirements.

V. What is the Duration of the Ed-Flex Waiver Authority?

The Secretary will approve an SEA's Ed-Flex waiver authority for up to five years. The period may be extended if the SEA's authority to grant waivers has been effective in enabling the State or affected LEAs or schools to carry out their reform plans. In addition, the Secretary may terminate the waiver authority at any time if he determines, after notice and opportunity for hearing, that an SEA's performance has been inadequate to justify the continuation of the waiver authority.

Paperwork Reduction Act of 1980

This notice involves information collection requirements. As required by the Paperwork Reduction Act of 1980 the Department of Education will submit a copy of the application requirements and selection criteria to the Office of Management and Budget (OMB) for its review (44 U.S.C. 3504(h)).

SEAs are eligible to apply for the waiver authority under this program. The Department needs and uses the information in determining which States will be designated as Ed-Flex Partnership States under this program. The public reporting burden for this collection of information is estimated to average 80 hours per response for approximately 50 respondents, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Organizations and individuals desiring to submit comments on the information collection requirements should direct them to the Office of Information and Regulatory Affairs, OMB, Room 10325, New Executive Office Building, Washington, D.C. 20503; Attention: Daniel J. Chenok.

Dated January 13, 1995.

Richard W. Riley,

Secretary of Education

[FR Doc. 95–1418 Filed 1–19–95; 8:45 am]

BILLING CODE 4000–01–P

ATTACHMENT B

U.S. DEPARTMENT OF EDUCATION'S CHARTER SCHOOL DEMONSTRATION PROGRAM

Charter schools represent an important new strategy to promote innovation, parental and community involvement and choice in public education. The Department of Education will soon publish an announcement in the Federal Register for a grant competition awarding start-up funds, and eligibility for broad waivers, to charter schools.

The Administration requested $15 million for this program in FY 1995, and $6 million was appropriated by Congress. By law, the first competition will be held for States in which charter schools laws have been enacted; States receiving grants must pass on at least 95% of these funds to fund charter schools. A charter school must apply for funds in partnership with its chartering agency, whether that agency is a school district, or public university, or another public agency. Charter school developers may include teachers, parents, administrators, non-profit organizations, or for-profit firms.

Moreover, a wide array of federal funds -- including Goals 2000 and Improving America's Schools Act (IASA) -- may be used by States and communities to support charter schools. The broad waiver authority in the charter schools law enables the Secretary to provide maximum flexibility in the use of federal program funds -- including Title I of IASA -- for charter schools. The Department intends to take full advantage of this waiver authority to help charter schools tailor the use of federal program resources to those needs.

Both the charter schools application, and guidance on waiver possibilities, will be issued by mid-February. Meanwhile, those interested in learning more about this program should feel free to contact the charter schools program officer, John Fiegel, on (202) 260-2671.

Diane Ravitch

Goals 2000: Four Ways to Fix It

Almost a year ago, the 103rd Congress passed Goals 2000, the linchpin of the Clinton education strategy. Its purpose is to spur the development of voluntary state and national academic standards, but the complex mechanism put in place by the law is unlikely to create anything but federal interference and another layer of state bureaucracy.

Congress has to decide what to do about this law. It can repeal it, ignore it or fix it. A vote to repeal would undoubtedly be countered by a veto; even if successful, repeal would send an unfortunate message that the new Congress is against academic standards. However, it would be a mistake to leave Goals 2000 untouched, because the law has major flaws that will make the development of meaningful standards nearly impossible.

Goals 2000 should be fixed, and it should be turned into truly bipartisan legislation that has a reasonable chance of achieving real academic standards without inappropriate federal meddling.

Republicans should recall that it was President Bush who started the process of establishing national education goals when he convened the nation's governors at an education summit in Charlottesville in 1989. The president and the governors endorsed six national education goals for the year 2000. The point of setting goals was to focus attention on measurable results (like improving student achievement and increasing the high school graduation rate to 90 percent) and simultaneously to reduce federal and state regulation of schools.

Unfortunately Goals 2000 reversed that formula by minimizing the importance of results (the law strongly discourages student testing, for example) and by imposing burdensome procedures on states that accept federal funds to develop standards. Congress even added two new national education goals (about teacher training and parent involvement), which served to indicate that the goals were to be understood as empty rhetoric rather than as measurable outcomes for education.

It was the 103rd Congress that politicized and distorted the legislation, not the Clinton administration. Everything that is objectionable in the law was added by Congress to the administration's original proposal of March 1, 1993. Stripping the mischief and high-handedness out of the law would restore a bipartisan approach to education improvement.

The following four changes would significantly improve Goals 2000:

First, eliminate the National Education Standards and Improvement Council (NESIC), a 19-member body that was created to certify all state and national standards. Under current law, NESIC will be appointed solely by the president, will be almost entirely professional educators, will not be bipartisan and will endorse national and state standards by a simple majority vote. Neither the Bush administration nor the Clinton administration proposed this one-sided, politically unsound arrangement.

It defies common sense to expect that NESIC will have credibility when its members are from only one political party, when it includes few if any representatives of the lay public and when its decisions about controversial issues may be made by a simple majority. As currently constituted, NESIC is incapable of winning bipartisan support for its actions.

The 104th Congress should turn certification of national (but not state) standards over to the bipartisan National Education Goals Panel, which is dominated by governors but includes representatives from the administration and Congress. The Goals Panel should appoint advisory panels to judge proposals for national standards. These panels should include a substantial representation of lay members of the public and should require a two-thirds majority to approve standards. National standards, even voluntary ones, should not be approved unless they have broad bipartisan support. These changes reflect the Clinton administration's own initial proposal.

Second, Congress should eliminate the restrictions on student testing in Goals 2000, none of which were proposed by either the Bush or Clinton administration. At the behest of anti-testing lobbies, Congress declared that states cannot use their own assessments to make decisions about promotion, graduation or retention for five years. Furthermore, any state tests must meet rigorous technical standards in order to be certified by NESIC. Unless states refuse to submit their tests to NESIC for certification, Goals 2000 will essentially eliminate any meaningful student testing by the states. It is hard to see how higher standards will be produced by a virtual ban on the use of testing.

Congress should recognize that states have the right to develop and use tests as they see fit and should remove any language that attempts to establish federal regulation of educational testing. Congress is not qualified to legislate on psychometric issues. None of the language proscribing the use of tests by states was in the original Clinton bill.

Third, Congress should eliminate the requirement that participating states set up state improvement panels to design a state education reform plan. These panels have few lay members but many representatives of interest groups, advocacy groups and professional organizations. The states should shape their standards as they think best rather than be compelled to honor a prescriptive formula that reflects interest group pressures in Washington. These committees, which in some states have as many as 100 members, have no fiscal accountability to the governor or the state board of education. Yet Goals 2000 gives them extensive powers to redesign the state's educational and social service programs. Nowhere does the legislation explain what happens if a state planning committee recommends doubling or tripling the state's education budget. While any state is free to convene an advisory group, these panels should not be mandated by federal law.

Fourth, Congress should remove from Goals 2000 all references to "opportunity to learn" standards. No one now knows what such standards are, so it seems premature to expect states to establish them. Presumably, "opportunity to learn" standards define the minimum resources—human and financial—that each school must have in order to provide all students with equal opportunity to learn. The states have been struggling with equalization battles in their legislatures and in the courts. Congress should not use a backdoor strategy to impose equalized school spending on the states.

Other parts of the law could easily be pared away, especially those that mandate specific educational practices. The 103rd Congress had an unfortunate habit of legislating matters that should be left to the judgment of teachers and principals. A revised Goals 2000 would allow the nation (not the federal government) to develop voluntary national academic standards in a manner that merits bipartisan support. It would allow states, school districts and schools to manage their affairs without directions from Washington. It would eliminate congressional efforts to micromanage educational reform. Above all, such changes would emphasize the fundamental object of all this activity: Standards for student achievement.

The writer, assistant secretary of education in the Bush administration, is a senior research scholar at New York University and a fellow at the Brookings Institution.

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Vice President of the United States

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FAX TRANSMITTAL COVER SHEET

Date: 1-24-95 Number of Pages Plus Cover sheet 16

To: Gaynor McCown

Telephone Number:

Fax Number: 456-7028

From: Bev Godwin Ext.: 111

Special Message or Comments:

As promised:

- Oregon Options
- Federalism

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intergovernmental system has evolved over the past 60 years. Until the

1930s, the federal government's role was limited, but it increased in the 1930s in response to a nationwide economic collapse and expanded in the booming 1960s because of a growing frustration at all levels that states and localities had limited capacity, limited resources, lacked professional staff, and were racially biased.

- The expanded federal role had many positive results, but the times and citizens' expectations have changed. We are unsuccessfully trying to use the government of yesterday to solve the problems of tomorrow. States and localities have focused their wrath on the federal government's use of mandates. The Clinton-Gore Administration issued an executive order to limit them by federal agencies and Congress is currently debating legislation to limit mandates.

- The existing grant system has broken down in a tangle of good intentions gone awry. There are too many funding categories, suffocating regulations and paperwork, a misdirected emphasis on remediating rather than preventing problems, and no clear focus on measurable outcomes. The system stifles initiative and squanders resources without achieving sufficient results.

- The existing top-down, centralized approach is not flexible enough to respond to the rapidly changing environments in states and localities. While the Administration has granted xx waivers for states to change federal rules in welfare, and xx waivers to better serve their medically needy citizens, this is a bandaid approach.

- Over 600 Federal domestic programs are administered through grants to State and local governments -- everything from wastewater treatment and well-baby care to economic development and police protection -- or through income transfers administered jointly by Federal and State governments. Together these grant and income transfer programs amounted to approximately $230 billion in fiscal 1995.

- Notwithstanding years of debate at all levels about grant consolidation and simplification, the number of grant programs continues to proliferate. More than 100 have been created since 1985. Also, of these 600 programs, about 450 -- 75 percent -- are grants of $50 million or less.

What Should The Federal Government Do?

- The Federal Government should devolve as much authority as possible to states, localities, and individuals. In cases where a direct federal role remains, the federal government's participation will be in a partnership role.

- Following are proposed principles:

Principle	Examples
The Federal Government Should Focus Its Role On:	
– Areas of vital concern to the Nation as a whole	Securing individual rights; national defense, international relations, interstate commerce issues, monetary policy.
– Areas where consistent national approaches are desirable, or where competition between states is destructive.	Unemployment insurance, food and worker safety, environmental issues.
– Addressing essential fiscal equity issues that cross boundaries.	State-local cost sharing of federal programs such as Medicaid, AFDC.
– Collecting comparative data, conducting research, and diffusing innovation and best practices.	Healthy People 2000; public health research.
The Federal Government, states, and localities will:	
– Divide responsibilities and focus on what each does best.	The Federal Government might focus on things where a consistent approach is important, and where benefits are national. States and localities might focus on things where diversity is important and benefits are local.
-- Help communities solve their own problems or empower individuals to solve their own problems.	Rely on flexible grants targeted to community-defined needs. Provide voucher-type aid to individuals.
– Be accountable for results: measure them, fund them, budget for them, and reward them.	Use performance-based grants with a portion of funding at risk, based on results.
– Restore trust in our partnership and regain the trust of the American people.	Use customer and public opinion surveys to assess progress and to identify areas for improvement.

Summary of Federalism Proposals

	ACIR 1981	REAGAN 1982	DURENBURGER 1983	RIVLIN 1992	OSBORNE 1993	NPR 1993	OREGON OPTION 1994
What should the federal gov't do? (Proposals offered)	Functions that serve the "national purpose" or that meet these criteria: •economic efficiency •fiscal equity •political accountability •administrative effectiveness	•Swap Medicaid for AFDC and food stamps •Turn back 40 federal programs in education, community development, transportation and social services	Constitutional: •Secure individual rights, provide national defense and regulate interstate commerce Public Administration: •Where significant savings can be realized by centralization •Where effective intervention cannot be achieved by states alone •Where benefits spill over across state lines •When national policies impose extraordinary cost on some states or regions •When competition among states hinders good policy Fiscal Equity: •Provide income security for all Americans •Ease disparities in fiscal capacity among states •National government should not be responsible for problems simply because problems are widespread	•Federal government should be international affairs, health reform, social security, , creating budget surplus •Federal governement should eliminate most programs in education, housing, highways, social services, economic development and job training •States should increase productivity and raise incomes	Federal government should handle: •interstate issues •uniform national standards •destructive competition that outweighs benefits of decentralization •fiscal redistribution when states lack financial capacity	Strengthen intergovernmental partnership	Create new partnership among federal, state, local governments

Summary of Federalism Proposals

	ACIR 1981	REAGAN 1982	DURENBURGER 1983	RIVLIN 1992	OSBORNE 1993	NPR 1993	OREGON OPTION 1994
How should it do it?	•Decongest federal grant system •Avoid unintended impacts on state and local governments •Strengthen political federalism through the party system •Protect the autonomy of state and local governments in national policy making •Strengthen the concept of constitutional federalism •End the ambiguities in the constitutional amendment process				•Create a commission for a new federal compact •State-local deregulation initiative to increase waivers •Create federalism czar	•Reduce castegorical grants •Reduce unfunded mandates •Change to outcome focus •Facilitiate intergovernmental collaboration	•Contract for results •Combine funding streams •Eliminate rigid,costly program restrictions •Empower the front line
How should it be funded?	Block grants, program tradeoffs, revenue/tax turnbacks	Create a trust fund to be financed by federal excise taxes to operate as a super revenue sharing fund		Common shared taxes: federal-state collaboration in strengthening revenue systems by collecting common taxes to share on a formula basis	Federal funding based on need, quality of strategy, results		

BACKGROUND MATERIALS ON FEDERALISM PROPOSALS

Table of Contents

D. *SIAM Intergovernmental News*, Section on Intergovernmental Administration and Management (SIAM), American Society for Public Administration, 1983

* Article titled: *Durenburger Announces 10-Point Federalism Plan*

E. Alice M. Rivlin, *Reviving the American Dream: The Economy, the States, and the Federal Government*, The Brookings Institution, Washington D.C.

* Chapter One: The Dream, the Reality, and Some Solutions

F. David Osborne, *Mandate For Change,* Progressive Policy Institute of the Domestic Leadership Council, A Berkeley Book, 1993

* Chapter 11: A New Federal Compact: Sorting Out Washington's Proper Role

G. NPR Accompanying Report : *Strengthening the Partnership in Intergovernmental Service Delivery*, September 1993

* Executive Summary

H. The Oregon Option: A Proposed Model for Results-Driven Intergovernmental Service Delivery

* Proposal Summary, July 25, 1994

* Memorandum of Understanding Regarding the "The Oregon Option", December 5, 1994

Additional Background Materials

I. *Devolving Federal Program Responsibilities And Revenue Sources to State and Local Governments*, Advisory Commission on Intergovernmental Relations (ACIR), March 1986

- Chapter 1: Summary and Policy Recommendation
- Chapter 2: Why Turnbacks?
- Chapter 3: Turnbacks in Context

J. *Federalism in the United States: Toward the Third Century An Overview of Trends and Issues*, Congressional Research Service Report for Congress, Sandra S. Osbourn, Specialist in American National Government, Government Division, April 17, 1989

K. On behalf of National Governors' Conference (NGA) the Statement of Vermont Governor Howard Dean, M.D. before the Committee on Ways and Means, U.S. House of Representatives, January 12, 1995

L. *Tenth Amendment Time: A constitutional order and political philosophy in 28 words*, by George F. Will, Newsweek, January 9, 1995

M.. *Spigot of Last Resort*, by Robert J. Samuelson, The Washington Post, January 1995

N. "To Form A More Perfect Union", The Report of the Committee on Federalism and National Purpose, Daniel Evans and Charles Robb, Chairman, 1985.

O. "Cutting Washington Down to Size: It's Time to Devolve Power to States and Communities," by Kathleen Sylvester, The ~~Pro~~ New Democrat magazine, Progressive Policy Institute, January/February 1995.

O. "Reinventing Federalism: The Clinton/Gore Program for a New Partnership Among the Federal, State, Local, and Tribal Governments, Bill Galston and Geoffrey Tibbetts, Publius: The Journal of Federalism, Summer 1994

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EDC - 2 GOVERNORS' PRINCIPLES TO ENSURE WORKFORCE EXCELLENCE

The Governors recommend the following to help ensure workforce excellence:

(1) The States and the Federal Government should provide technical, financial, and training assistance to firms seeking to implement quality management improvement and modernization initiatives.

(2) The system should be understandable, accessible, and responsive to the needs of local and regional businesses, workers, job seekers, and students.

(3) Job training and education programs should be made available to the entire workforce and business community as part of a continuum of lifelong learning.

(4) The workforce development system should effectively link education and work through career guidance, youth apprenticeship, and other options that enable young people to achieve the academic, occupational, and work-readiness skills needed for employment.

(5) Measurable national standards developed by business, education, labor, and government should specify the knowledge and skills needed to succeed in the modern workplace.

(6) National and state programs and policies should promote expanded private sector investment in workforce development and enhance the capacity of small and medium-sized firms to train their workers.

(7) Legislative action is needed to integrate multiple, targeted, federal workforce development programs into a comprehensive and flexible system.

(8) Federal workforce development programs should be streamlined to eliminate barriers to effective service delivery.

CONCERNS:

With regard to the need for legislative action (#7), there is a concern about which programs would be targeted for integration. Furthermore, this proposal raises the issue of whether or not money for workforce training should be devolved to the states, as suggested by the Governors, or if the money should be given to individuals, as suggested by the Clinton Administration. Please find a Summary of the Middle Class Bill of Rights attached, which includes a brief description of the Education Tax Deduction and the Individual Re-employment Grant.

SUMMARY OF MIDDLE CLASS BILL OF RIGHTS

EDUCATION TAX DEDUCTION: A deduction would be permitted for up to $10,000 of the amounts spent by a taxpayer for expenditures on post-secondary school education and training expenses for the taxpayer, the taxpayer's spouse, and dependents (i.e., persons for whom the taxpayer is otherwise entitled to claim a dependency exemption). This deduction is used in determining the taxpayer's adjusted gross income (AGI).

The maximum allowable deduction would be phased out ratably for taxpayers filing a joint return with AGI (before the proposed deduction) between $100,000 and $120,000. For taxpayers filing a head-of-household or single return, the maximum allowable deduction would be phased out ratably between $70,000 and $90,000 of AGI (before the proposed deduction).

Qualifying education expenses are those related to post-secondary education paid to institutions and programs eligible for Federal assistance. This will include most public and nonprofit universities and colleges and certain vocational schools. Qualifying education expenses include tuition, fees, laboratory fees, and similar items, but exclude meals, books, lodging, or transportation. Education involving sports, games, or hobbies will be excluded, unless that education involves the current employment, trade, or business of the student, or is required as part of a degree program. The maximum amount of eligible expenses will be phased-in.

$500 CHILD TAX BENEFIT: A $500 non-refundable credit will be allowed for each dependent child under the age of 13. The credit will be phased-out for taxpayers with adjusted gross income (AGI) between $60,000 and $75,000. No credit will be available to taxpayers with AGI in excess of $75,000. The credit will be phased-in.

EXPANSION OF INDIVIDUAL RETIREMENT ACCOUNTS: This proposal would expand the availability of deductible individual retirement accounts (IRAs) to families with income under $100,000 and individuals with income under $70,000. Taxpayers would have the option of getting a deduction when the money is deposited or foregoing an immediate deduction and not paying taxes on the money as it is withdrawn. Penalty-free withdrawals from IRAs would be permitted for higher education costs, first home purchases, long-term unemployment and catastrophic medical costs.

INDIVIDUAL RE-EMPLOYMENT GRANTS: This proposal takes 50 different training programs and consolidates them into one program that directly empowers workers with skill grants or vouchers that can be used for up to 2 years and can be from $2000-$3000 -- without new money -- since it uses existing funds from the 50 programs. Workers who are laid off or disadvantaged would also be eligible for income contingent loans through an expanded Individual Education Account. Accountability and strong consumer information so that the market and the power of individual choice work to weed out bad programs and reward those who successfully help workers get the skills they need for new jobs.

- Children's work NGA has done
- Summer 1983 - Portland Maine - 1 week on children
- To show Governors commitments and improvements
- Alexander - no
- Clinton bringing Clown Lorrater -
- Gov. Baliles
- Report on Children > 86-87 when Clinton was chair
- Sununu
- 88-89 -> FALL of 89 was the Summit -

Education Summit - July 90 GOALS PANEL
- EARLY REPORT ON GOAL ONE
- COALITION w/ CHILDREN'S CONTRACT -> WASH. POST

300 Child Serving Groups -

Kathy Hoyt in Governor Dean's office

- What we want them to think about with us.

- BALILES
- Dick Reily
- T. Kant N.O.
- Brennan - Maine
- Jim Thompson - IL
- Lawton Chiles

Patty -> Are they scripting for specific questions.

Carnahan - Human Resources Committee

Gary Stangler

Bahn or Caperton's staff

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

17-Jan-1995 06:29pm

TO: (See Below)

FROM: Jeremy D. Benami
Domestic Policy Council

SUBJECT: NGA policy statements

A number of you received a request directly from Marcia Hale to put together information on NGA's proposed policy changes.

Two things:

(1) The assignments made some mistakes. I know a number of you have addressed this directly, but I want to be sure the following is the right list of assignments:

Transportation -- Mike and Paul, I assume you gave both issues to Michael Deitch if appropriate
Housing -- Paul, please work with Lynn
Immigration -- Steve, please get info from Mike
Workforce Excellence -- Mike, please get from Bill Galston
Natural Resources -- Brian: assigned correctly
Health Reform -- Chris and Jen Klein
Long Term Care/Medicaid -- Chris and Jen, could you please do these as well.
Indian Gaming -- Mike
HIV/AIDS -- Patsy, I will fax this to you
Equal Rights -- Steve, I will get this to you
Child care -- Gaynor, I will get this to you, we should talk

Talking Points

Gaynor -- They asked Bill to pull talking points on (1) Intergovernmental Progress/Federalism, (2) Education and (3) Re employment -- could you please work with Bill, Elaine and others as appropriate to pull the latest materials

Jen K -- Health and Medicaid

Brian -- Environment

Steve -- Immigration (not Mike obviously)

NATIONAL GOVERNORS' ASSOCIATION

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1995 Winter Meeting

COMMITTEE ON ECONOMIC DEVELOPMENT AND COMMERCE

Governor Stephen Merrill, Chair
Governor E. Benjamin Nelson, Vice Chair

Tim Masanz, Group Director

Proposed Changes in Policy

Reaffirm Existing Policy

New language is typed double-spaced and in ALL CAPS, with deleted material lined-throughout (—).

The Committee on Economic Development and Commerce recommends the consideration of five new policy positions, amendments to two existing policy positions, an amendment in the form of a substitute to one existing policy position, and the reaffirmation of one existing policy position. Pursuant to the recommendations of the Strategic Review Task Force, these proposals are time limited to two years. Background information and fiscal impact data follow.

1. Military Base Closure, Disposal, and Reuse (Amendments to EDC-6)
   (Preamble) (Value vs. Cost of Military Bases)

   The amendments add the word "closure" to the title of the existing policy and add a new section, "Value vs. Cost of Military Bases." This section recalls that the primary factor in the decisionmaking process for the closure of military bases was national security; pledges that Governors will work with the Base Closure Commission during the third and largest round of base closures; and urges the commission to make questions of national security and defense infrastructure the primary factor in its decisionmaking process, rather than short-term budget savings. Further the language urges Congress and the administration to carefully consider whether or not this round will result in a defense infrastructure capable of meeting our nation's long-term national security interests.

   It is difficult to estimate the federal fiscal impact of this amendment. If fewer bases are closed than originally planned, Department of Defense expenditures may rise. However, even if bases are closed with savings realized, additional funds may have to be allocated to ensure an adequate defense infrastructure, thereby causing a net increase in spending.

2. Economic and Community Development (Amendment in the form of a substitute to EDC-18)

   The proposed policy summarizes the committee's major priorities, including full funding for transportation programs; swift passage of federal telecommunications legislation; increased flexibility in the use of tax-exempt financing and an increase in the state-by-state volume cap; removal of unnecessary and duplicative regulatory barriers on businesses in order to promote economic and community growth, and a requirement for an assessment of the impact of jobs, investment, and income of decisions that increase or decrease the burden of government on businesses; effective implementation of NAFTA and GATT; permanent extension of the research and development tax credit; the launching of a national rural development policy; consolidation and coordination of federal grant and loan programs, including job training programs; implementation of the federal empowerment zone program; and support for joint state-federal competitiveness programs.

   There is no significant federal fiscal impact from this policy. Setting aside policy recommendations summarized from existing policies, this policy would increase spending related to tax-exempt financing and the research and development tax credit, both of which would likely increase economic growth.

3. Governors' Principles on International Trade (New Policy Position, EDC-19)

   This proposed policy links the recent passage of the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT) with the growing international economy and proposes several state-federal trade policy objectives. These objectives include ensuring an effective state role in implementation of both NAFTA and GATT, enhancing the state role in promoting international trade, supporting state agricultural market development programs, and calling on the federal government to take necessary steps to achieve free trade and to expand existing trade agreements.

There is minimal federal fiscal impact from this policy, which calls for support for states to play an effective role in NAFTA and GATT implementation.

4. "Fast-Track" Trade Negotiation Authority for the President (New Policy Position, EDC-20)

The proposed policy expresses the Governors' support for renewal of fast-track negotiation authority for the President to help open foreign markets to increased U.S. trade to ensure that the United States does not lose market opportunities and jobs to other countries.

There is no federal fiscal impact from this policy.

5. Surface Transportation (New Policy Position, EDC-21)

The proposed surface transportation policy is the first one written since the inception of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). The proposed policy notes that state and local governments should not assume the lion's share of responsibility for the transportation financing burden, since the federal government share has declined substantially. Most recent estimates indicate that approximately $290 billion is needed to meet the current backlog of highway and bridge improvements. ISTEA provided $155 billion over a six-year period, but appropriations have fallen $6 billion short of authorized levels over the past three years.

The recommendation also outlines three general principles: Providing adequate financing, maintaining state authority, and implementing effective programs.

Providing Adequate Financing. The policy proposal calls for ending the diversion of federal gas taxes from the general revenue fund to the Highway Trust Fund and for restoring the integrity of a dedicated user fee trust fund. It also encourages further use and development of innovative financing mechanisms.

Maintaining State Authority. The proposed policy maintains that the primacy of statewide planning and project selection to meet the diverse needs of urban, suburban, and rural communities should be acknowledged and maintained. As such, states need flexibility to plan and implement priority transportation programs. The recommendation also indicates that incentives are more effective tools than sanctions and/or unfunded federal mandates to encourage achievement of national goals.

Implementing Effective Programs. The proposal also underscores the necessary elements for successful program implementation. This includes the Governors' continuing call for full and adequate funding and implementation of ISTEA. The proposed policy urges the elimination of financial feasibility constraints, the prompt enactment of the National Highway System, and a continuing emphasis on safety. Finally, the recommendation asserts that the goals of meeting environmental requirements and transportation objectives can be compatible.

The proposal that federal gas tax revenues be directed solely to transportation projects would require non-transportation program reductions or tax increases of $8.8 billion in fiscal 1995 and $5.5 billion in fiscal 1996. 2.5 cents per gallon of the gas tax is scheduled to revert to the Highway Trust Fund beginning October 1, 1995.

6. Rail Transportation Safety (New Policy Position, EDC-22)

The existing rail transportation policy is scheduled to sunset at the 1995 NGA Winter Meeting and a new version will be written for consideration at the NGA 1995 Annual Meeting. This policy proposal addresses only rail transportation safety issues. The recommendation endorses a strong federal-state-local partnership to improve the safety of one of the nation's most important transportation industries. It delineates several efforts to encourage safety efforts, including effective inspections and incident management, the increased use of technological advances, shared use of rights-of-way, and the maintenance of grade crossings.

7. Affordable Housing (New Policy Position, EDC-23)

This proposed policy replaces existing policy that is scheduled to sunset at the 1995 NGA Winter Meeting. It expresses support for existing programs that demonstrate an effective intergovernmental partnership and flexibility, for mortgage revenue bonds and certificates, and for the low-income housing tax credit. The proposal calls for federal action on certain priority issues, including consolidation of programs; promotion of programs that are leveraged, that preserve existing housing stock, and that remove impediments to affordable housing; and the development of consistent definitions and eligibility criteria, with a focus on output measures rather than planning documents. The proposal further urges the federal government to strengthen efforts to increase homeownership, including encouragement for public-private partnerships. The proposal also calls for consolidation of homeless assistance programs.

There is no federal fiscal impact from this policy.

8. Uniform Product Liability Code (Amendments to EDC-24)

The amendments update the policy to remove references to the liability insurance crisis of the mid-1980s and to refocus the issue on the unpredictability that businesses face rather than insurers. The amendments also remove language regarding the regulation of insurance that were superseded by separate policy on this issue. The regulation of insurance policy also sunsets at this meeting but will likely be discussed at the 1995 NGA Annual Meeting.

There is no federal fiscal impact from this policy.

9. Reaffirmation of Existing Policy Position

Governors' Principles to Ensure Workforce Excellence (EDC-2)
The Committee on Economic Development and Commerce recommends the reaffirmation of this policy position. Governor Caperton and Governor Carlson, co-lead Governors on the workforce in 1992-1993, developed these principles, which were adopted by this committee and the Human Resources Committee. The Human Resources Committee has also recommended reaffirmation.

Jose -- Crime

(2) FORMAT

These should be very short, one pagers. Carol suggests the following format:

Policy Number:
Committee:
Title:
3 sentence summary: (what law do they want to change, what would they change, etc.)
Of concern to the administration: what serious "red flags" does the proposal raise. No need for a detailed policy statement, just the red flags.

Please submit materials for this response through me so that we can coordinate centrally - by c.o.b. Wednesday. If any problems, please see me.

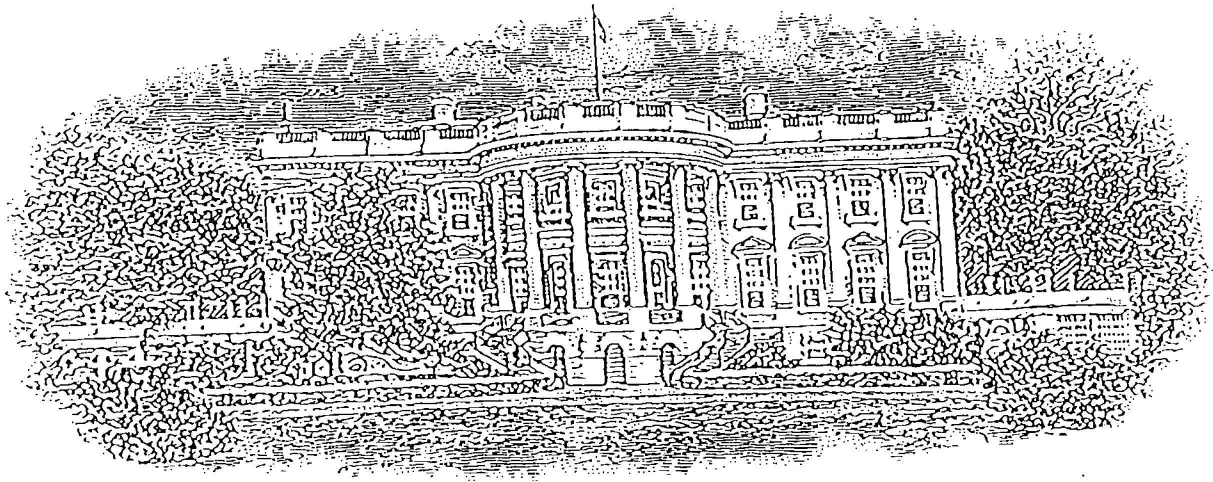
Thanks.

Distribution:

TO: Robert M. Berry
TO: Brian E. Burke
TO: Jose Cerda, III
TO: Julie E. Demeo
TO: William A. Galston
TO: Christopher C. Jennings
TO: Jennifer L. Klein
TO: Michael Levitan
TO: Cathy R. Mays
TO: Gaynor R. McCown
TO: Rosalyn A. Miller
TO: Lynn M. Margherio
TO: Bruce N. Reed
TO: Denise Ricketson
TO: Kimberly M. Ross
TO: Stacey L. Rubin
TO: Michael T. Schmidt
TO: FAX (9-632-1096,Jeff Levi)
TO: FAX (9-720-8819,Marion Berry)
TO: Michael Waldman
TO: Stephen C. Warnath
TO: Paul J. Weinstein, Jr

CC: Carol H. Rasco

THE WHITE HOUSE
WASHINGTON, DC 20500



FAX COVER SHEET

DATE:

TIME:

TO: Emily Bromberg

PHONE:

FAX #: 401-4678

FROM

PHONE (202) 456

PAGES AFTER COVER

COMMENTS: Per our discussion. Many thanks!

Please flag any concerns

CHILD CARE

HR - 28

The governors are recommending that the Child Care Development Block Grant (CCDBG), which distributes funds to states to provide child care services for low-income families, as well as support activities to improve the overall quality and supply of child care in the state, be reauthorized with the following modifications:

- *Create a seamless child care system*. Incorporate all of the federal child-care programs and establish the CCDBG as the foundation for a seamless system. This system - operated by the states - would consolidate programs such as Title lV-A, Title XX, and programs for "at-risk" children with the CCDBG to form a single system.

- *Increase state flexibility*. States will be given the flexibility to pay providers less than the local market rate when qualified care is available and / or when the local market rate has artificially inflated child-care prices. States would also be given flexibility in setting different limits for categories of child-care.

- *Improve program administration*. In order to reduce administrative costs, the federal government would enhance funding to automate child-care tracking and payment systems.

- *Use state standard*. The states would be required to comply with health and safety standards as prescribed under state law, not federal law.

HR-28. CHILD CARE

28.1 PREAMBLE

THE GOVERNORS BELIEVE THAT THE EXPANSION OF QUALITY CHILD CARE OPPORTUNITIES IS VITAL TO THE ECONOMIC GROWTH OF THE NATION AND CRUCIAL FOR THE WELL-BEING OF THE NATION'S FAMILIES AND CHILDREN. THE GOVERNORS ALSO RECOGNIZE THAT DRAMATIC AND ONGOING CHANGES IN OUR SOCIETY WILL CONTINUE TO FUEL A GROWING DEMAND FOR QUALITY CHILD CARE OVER THE NEXT DECADE.

IN RESPONSE TO THIS GROWING NEED, THE STATES AND THE FEDERAL GOVERNMENT HAVE CREATED PROGRAMS TO PROVIDE QUALITY CHILD CARE OPPORTUNITIES FOR LOW-INCOME FAMILIES. ONE OF THE FEDERAL INITIATIVES, THE CHILD CARE DEVELOPMENT BLOCK GRANT (CCDBG) DISTRIBUTES FUNDS TO STATES TO PROVIDE CHILD CARE SERVICES FOR LOW-INCOME FAMILIES, AS WELL AS TO SUPPORT ACTIVITIES TO IMPROVE THE OVERALL QUALITY AND SUPPLY OF CHILD CARE IN THE STATE. NO STATE MATCH IS REQUIRED UNDER THIS PROGRAM.

THE GOVERNORS BELIEVE THAT CCDBG IS A HIGHLY SUCCESSFUL PROGRAM THAT TOGETHER WITH STATE AND LOCAL INITIATIVES HAS SUBSTANTIALLY INCREASED THE SUPPLY AND THE QUALITY OF CHILD CARE SERVICES FOR LOW-INCOME FAMILIES.

28.2 RECOMMENDATIONS FOR THE REAUTHORIZATION OF THE CHILD CARE DEVELOPMENT BLOCK GRANT AND MODIFICATIONS TO OTHER FEDERAL CHILD CARE PROGRAMS

BASED ON THE EXPERIENCES AND INTERESTS OF STATES IN PROVIDING HIGH-QUALITY CHILD CARE SERVICES, THE GOVERNORS OFFER THE FOLLOWING RECOMMENDATIONS TO THE ADMINISTRATION AND THE CONGRESS IN ADDRESSING ISSUES OF CHILD CARE IN THE FIRST SESSION OF THE 104TH CONGRESS.

28.2.1 **CREATE A SEAMLESS CHILD CARE SYSTEM.** THE GOVERNORS URGE CONGRESS TO MOVE TOWARD A MORE SEAMLESS SYSTEM INCORPORATING ALL OF THE FEDERAL CHILD CARE PROGRAMS. IN GENERAL, THEY BELIEVE THAT CCDBG SHOULD BE THE FOUNDATION FOR THAT SEAMLESS SYSTEM AND THAT OTHER FEDERAL CHILD CARE PROGRAMS, SUCH AS THE TITLE IV-A, TITLE XX, AND

AT-RISK CHILD CARE PROGRAMS, SHOULD BE CONSOLIDATED WITH CCDBG TO FORM A SINGLE CHILD CARE SYSTEM OPERATED BY THE STATES.

SUCH A CONSOLIDATION WOULD PERMIT STATES TO BETTER COORDINATE STATE AND FEDERAL CHILD CARE PROGRAMS AT THE STATE LEVEL AND THEREFORE OPERATE A MORE SEAMLESS CHILD CARE SYSTEM. BASED ON THE CCDBG REQUIREMENTS, THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES SHOULD WORK WITH STATES TO DEVELOP A STANDARDIZED REPORTING FORM THAT CAN BE USED BY STATES FOR REPORTING ON THE USE OF FEDERAL CHILD CARE FUNDS.

IN ADDITION, THE GOVERNORS CALL FOR THE ELIMINATION OF THE 75 PERCENT OF STATE MEDIAN INCOME CAP REQUIREMENT FOR CCDBG ELIGIBILITY AND INSTEAD PERMIT STATES TO DETERMINE ELIGIBILITY AS UNDER THE AT-RISK CHILD CARE PROGRAM. AS PART OF THE STATE PLAN, THE STATE CAN JUSTIFY TO THE SECRETARY OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ITS DEFINITION OF AN ELIGIBLE FAMILY IN THE CONTEXTS OF ITS OWN CHILD CARE INITIATIVES AND OVERALL CHILD CARE NEEDS IN THE STATE.

28.2.2 INCREASE STATE FLEXIBILITY. THE GOVERNORS RECOMMEND THAT STATES BE GIVEN THE FLEXIBILITY TO PAY PROVIDERS LESS THAN THE LOCAL MARKET RATE WHEN QUALIFIED CARE IS AVAILABLE AND/OR WHEN THE LOCAL MARKET RATE (AS DEFINED BY THE SEVENTY-FIFTH PERCENTILE OF LOCAL RATES) HAS ARTIFICIALLY INFLATED LOCAL CHILD CARE PRICES. THIS WILL PERMIT STATES TO SERVE MORE FAMILIES WITH LIMITED CCDBG DOLLARS AND ALLOW THEM TO RESPOND IN THE MOST APPROPRIATE MANNER BASED ON THEIR UNIQUE NEEDS.

STATES ALSO SHOULD BE GIVEN THE FLEXIBILITY TO SET DIFFERENT STATEWIDE LIMITS FOR DIFFERENT CATEGORIES OF CARE. SOME CATEGORIES OF CARE, SUCH AS BEFORE-SCHOOL, EVENING, OR PART-TIME CARE, OFTEN ARE IN SHORTER SUPPLY AND THEREFORE CAN BE MORE EXPENSIVE THAN TRADITIONAL FULL-TIME DAY CARE. BY PERMITTING STATES TO SET DIFFERENT STATEWIDE LIMITS FOR DIFFERENT CATEGORIES OF CARE, STATES CAN PURCHASE HIGHER COST CARE WITHOUT PAYING INFLATED RATES FOR TRADITIONAL CARE. IN ADDITION, STATES SHOULD HAVE THE OPTION TO PAY PROVIDERS MORE THAN THE LOCAL MARKET RATE FOR HIGHER QUALITY CARE. THIS WILL PROVIDE AN INCENTIVE FOR PROVIDERS TO INCREASE THE QUALITY OF CARE AVAILABLE IN ALL TYPES OF CATEGORIES.

AT-RISK CHILD CARE PROGRAMS, SHOULD BE CONSOLIDATED WITH CCDBG TO FORM A SINGLE CHILD CARE SYSTEM OPERATED BY THE STATES.

SUCH A CONSOLIDATION WOULD PERMIT STATES TO BETTER COORDINATE STATE AND FEDERAL CHILD CARE PROGRAMS AT THE STATE LEVEL AND THEREFORE OPERATE A MORE SEAMLESS CHILD CARE SYSTEM. BASED ON THE CCDBG REQUIREMENTS, THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES SHOULD WORK WITH STATES TO DEVELOP A STANDARDIZED REPORTING FORM THAT CAN BE USED BY STATES FOR REPORTING ON THE USE OF FEDERAL CHILD CARE FUNDS.

IN ADDITION, THE GOVERNORS CALL FOR THE ELIMINATION OF THE 75 PERCENT OF STATE MEDIAN INCOME CAP REQUIREMENT FOR CCDBG ELIGIBILITY AND INSTEAD PERMIT STATES TO DETERMINE ELIGIBILITY AS UNDER THE AT-RISK CHILD CARE PROGRAM. AS PART OF THE STATE PLAN, THE STATE CAN JUSTIFY TO THE SECRETARY OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES ITS DEFINITION OF AN ELIGIBLE FAMILY IN THE CONTEXTS OF ITS OWN CHILD CARE INITIATIVES AND OVERALL CHILD CARE NEEDS IN THE STATE.

28.2.2 **INCREASE STATE FLEXIBILITY.** THE GOVERNORS RECOMMEND THAT STATES BE GIVEN THE FLEXIBILITY TO PAY PROVIDERS LESS THAN THE LOCAL MARKET RATE WHEN QUALIFIED CARE IS AVAILABLE AND/OR WHEN THE LOCAL MARKET RATE (AS DEFINED BY THE SEVENTY-FIFTH PERCENTILE OF LOCAL RATES) HAS ARTIFICIALLY INFLATED LOCAL CHILD CARE PRICES. THIS WILL PERMIT STATES TO SERVE MORE FAMILIES WITH LIMITED CCDBG DOLLARS AND ALLOW THEM TO RESPOND IN THE MOST APPROPRIATE MANNER BASED ON THEIR UNIQUE NEEDS.

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THE GOVERNORS CALL FOR GREATER FLEXIBILITY IN THE ALLOCATION OF FUNDS FOR THE PROVISION OF CHILD CARE SERVICES AND ACTIVITIES TO IMPROVE THE QUALITY AND AVAILABILITY OF CHILD CARE (75 PERCENT) AND FOR ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE AND TO INCREASE THE AVAILABILITY OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CHILD CARE SERVICES (25 PERCENT). UNDER THE CURRENT CCDBG, FUNDS ARE ALLOCATED 75/25 BETWEEN THESE TWO SETS OF ACTIVITIES. ADDITIONAL SET ASIDES ARE INCLUDED WITHIN THE SECOND FUNDING CATEGORY. IF SUCH A STRUCTURE IS MAINTAINED, THE GOVERNORS BELIEVE THAT STATES SHOULD BE PERMITTED TO REALLOCATE UP TO 10 PERCENT OF THE FUNDS BETWEEN THESE TWO CATEGORIES AND THE SET ASIDES WITHIN THE 25 PERCENT CATEGORY SHOULD BE ELIMINATED. STATES SHOULD BE PERMITTED TO USE THESE FUNDS FOR ANY OF THE ALLOWABLE ACTIVITIES UNDER CURRENT LAW.

28.2.3 **IMPROVE PROGRAM ADMINISTRATION.** IN AN EFFORT TO REDUCE THE COSTS OF ADMINISTERING CCDBG, THE GOVERNORS CALL FOR ENHANCED FEDERAL FUNDING TO AUTOMATE CHILD CARE TRACKING AND PAYMENT SYSTEMS. SUCH AN AUTOMATED SYSTEM COULD BE USED NOT ONLY TO ADMINISTER CHILD CARE PROGRAMS, BUT ALSO TO COORDINATE CHILD CARE SERVICES WITH OTHER FEDERAL PROGRAMS THAT SUPPORT CHILDREN AND THEIR FAMILIES.

THE GOVERNORS APPLAUD THE PROPOSAL OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES TO INCREASE THE ADMINISTRATIVE COSTS IN CCDBG TO 15 PERCENT. HOWEVER, GREATER FLEXIBILITY NEEDS TO BE GIVEN TO STATES IN TERMS OF WHAT IS CONSIDERED AN ALLOWABLE ADMINISTRATIVE EXPENSE, ESPECIALLY IN THE AREA OF LICENSING AND PROVIDER MONITORING.

28.2.4 **USE STATE STANDARDS.** THE CHILD CARE DEVELOPMENT BLOCK GRANT INCLUDES HEALTH AND SAFETY STANDARDS THAT ALL PROVIDERS MUST MEET. THESE STANDARDS ARE RELATED TO THE PREVENTION AND CONTROL OF INFECTIOUS DISEASES, BUILDING AND PHYSICAL PREMISES SAFETY, AND MINIMUM HEALTH AND SAFETY STANDARDS APPROPRIATE TO THE PROVIDER SETTING. IN SOME CASES, THESE STANDARDS EXCEED WHAT IS REQUIRED BY CURRENT STATE LAW. THE GOVERNORS RECOMMEND THAT PROVIDERS FUNDED BY CCDBG BE REQUIRED TO COMPLY WITH HEALTH AND SAFETY STANDARDS AS PRESCRIBED UNDER STATE LAW.

Time limited (effective Winter Meeting 1995-Winter Meeting 1997).

NATIONAL GOVERNORS' ASSOCIATION

Howard Dean, M.D.
Governor of Vermont
Chair

Tommy G. Thompson
Governor of Wisconsin
Vice Chair

Raymond C. Scheppach
Executive Director

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444 North Capitol Street
Washington, D.C. 20001-1512
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1995 Winter Meeting

GAYNOR

COMMITTEE ON HUMAN RESOURCES

Governor Mel Carnahan, Chair
Governor Arne H. Carlson, Vice Chair

Nolan E. Jones, Group Director

Proposed Changes in Policy

Reaffirm Existing Policy

New language is typed double-spaced and in ALL CAPS, with deleted material lined-throughout (—).

The Committee on Human Resources recommends the consideration of one new policy position, amendments to four existing policy positions, and the reaffirmation of one existing policy position. Pursuant to the recommendations of the Strategic Review Task Force, these proposals are time limited to two years. Background information and fiscal impact data follow.

1. Immigration and Refugee Policy (Amendment to HR-3)
(Immigration Policy—Prosecution and Removal of Undocumented Felons)

This amendment calls for more Immigration and Naturalization Service resources to be devoted to early identification of illegal aliens in state criminal justice systems. Also, the Governors ask the federal government to facilitate the transfer of illegal alien felons to their home countries to serve their sentences, noting that economic incentives from the federal government to these countries can be more cost effective than federal incarceration or reimbursement to state and local governments.

There would be additional costs to the federal government. However, states believe that illegal immigration is a federal responsibility.

2. Income Security (Amendments to HR-4)

The proposed amendments make changes in three areas of the Income Security policy. First, they strike portions of the income security policy that have been recently reviewed as part of the current NGA welfare reform policy. Second, they update the food stamp policy to remove some level of detail in recommendations; strongly oppose blanket restriction on waivers; urge greater consolidation and simplification of Food Stamps and AFDC programs and related employment programs; support reform of the quality control system; and add a few specific recommendations on program administration. Finally the proposed amendments add a new section establishing NGA policy on Electronic Benefits Transfer systems.

The specific recommendations on Food Stamp program administration may result in a small additional cost to the federal government.

3. A Conceptual Framework for National Welfare Reform (Amendments to HR-5)
(Child Support Enforcement)

Many of the proposed additions to the child support section of the welfare reform policy are based on language moved from different sections within that policy or on language that was previously part of the free-standing child support enforcement policy, which is scheduled to sunset. In addition, provisions were added calling for greater state flexibility in several program areas.

Recommendations to raise the child support federal matching rate would result in additional federal costs. However, the federal government would be partially reimbursed through increased collections of child support for welfare recipients. In addition, the policy opposes some mandates that would result in increased costs to both federal and state governments.

4. Army and Air National Guard (Amendment to HR-11)
(Reorganizing and Restructuring of Military Forces)

The amendment expresses the Governors' support for an Army National Guard force structure allowance of 405,000 in accordance with the review of force structure by the U.S. Secretary of Defense. The Governors believe that the Guard is at the right level to accomplish its dual mission, both at home for emergencies and disasters, and in combat support of the active forces.

This amendment is cost-effective because of the dual role of the National Guard. It has allowed the force structure of the standing army to be reduced, with more reliance on the guard and reserve.

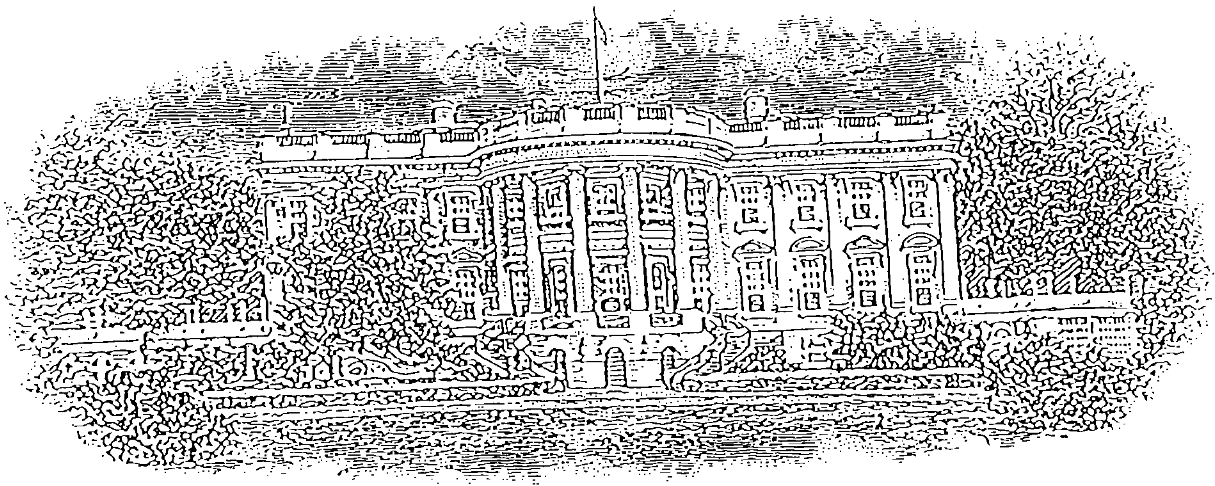
5. Child Care (New Policy Position, HR-28)

NGA currently has no policy on child care other than some minor provisions in the welfare reform policy. Since the reauthorization of the Child Care Development Block Grant and possible changes in federal child care programs through welfare reform are pending, additional NGA policy in this area is being proposed. The proposed child care policy consolidates federal child care programs into a single program that is based on the Child Care Development Block Grant program. It calls for maximum flexibility for states in paying for different categories of care at different payment levels depending on the quality of care.

6. Reaffirmation of Existing Policy Position

Governors' Principles to Ensure Workforce Excellence (HR-2)
The Human Resources Committee recommends the reaffirmation of this policy position.

THE WHITE HOUSE
WASHINGTON, DC 20500



FAX COVER SHEET

DATE:

TIME:

TO: Kathy Hoyt

FAX #: 802-828 3339

PHONE:

FROM

PHONE 202 - 456-5575

PAGES AFTER COVER

COMMENTS: Please find the attached information regarding "Contract with America's Children." I look forward to speaking to you soon.

LEVEL 1 - 2 OF 3 STORIES

The Washington Post

January 3, 1995, Tuesday, Final Edition

SECTION: STYLE; PAGE C5; STYLE PLUS; FOCUS

LENGTH: 969 words

HEADLINE: A Lobby for Youth;
A Broad-Based Coalition Pushes Its 'Contract With America's Children'

SERIES: Occasional

BYLINE: Laura Sessions Stepp, Washington Post Staff Writer

BODY:

Move over, Newt. Your Contract with America is not the only compact on the Hill these days.

As Congress reconvenes this week, all members of Congress will find on their desks a Contract With America's Children. Endorsed by more than 100 mainstream organizations serving children, including the Junior League, the United Way and the National PTA, the document asks each representative and senator to sign a promise that they will weigh children's needs first as they take up issues ranging from welfare reform to a balanced budget. It also warns they will be held accountable if they don't.

The document reflects a subtle shift in strategy among some of the more centrist children's advocates. At one time they bought into the philosophy -- heard frequently during last year's debate on health care reform -- that what's good for everybody will be good for children. But health care reform failed and along with it the possibility of guaranteed coverage for children. Now the advocates say lawmakers must be persuaded to turn the conventional adage on its head: What's good for children will be good for everybody.

The contract is the brainchild of Children Now, a policy and research association, and the Coalition for America's Children, a bipartisan umbrella group of 300 organizations best known for its slogan "Who's for kids and who's just kidding?" Disappointed with the White House's performance on children's issues and frightened by the GOP resurgence in November, these advocates began discussing last month their fears that in the upcoming shearing of the federal budget, programs benefiting children would be the first to fall. Getting Americans, including federal lawmakers, to sign onto 10 principles might forestall some of those cuts, they decided.

"There was real concern over what would be put in place for children," says Susan Nall Bales, director of children's programs for the Benton Foundation. "But you can't even begin to have that discussion until children are central to policy instead of unintended consequences of policy."

On Dec. 8, the Benton Foundation, which helps support the Coalition, faxed a copy of the proposed contract to 300 Coalition organizations. By 2 p.m. Dec.

9, more than 100 of those agencies had faxed back an endorsement and many pledged to distribute contracts to their memberships. The following week, several of the major endorsers released the contract at a press conference on the Capitol steps, not far from where incoming House Speaker Newt Gingrich (R-Ga.) announced his party's contract last fall.

The Contract With America's Children was worded broadly in order to attract wide support. One principle, for example, says that all children should "get the basics they need to grow up healthy." Another would "support marriage, help families stay together and help young people understand the responsibility of parenting."

Communities and groups may take different views on how to accomplish a given principle, the advocates say. To reduce the exposure of children to violence, for example, some groups may lobby for gun control laws while others may educate parents on keeping their guns locked and unloaded.

Whatever the tactic, the advocates hope the contract will move and unite the millions of Americans who make up their constituencies, as well as the lawmakers. "This is a personal pledge, not just a lawmaker's pledge," says Lois Salisbury, executive director of Children Now. "Take environmentalism, for example. Now we all recycle. When people personally make a commitment they start thinking what that commitment means."

Traditionally, advocates have not been as effective as they could have been because they lobbied only for their narrow piece of the child, says Arnold Fege, director of governmental relations for the National PTA. Educational lobbyists, for example, surfaced in the halls of state legislatures and Congress only when education bills were introduced. Debates on welfare only attracted agencies serving poor children.

Fege now urges the National PTA's 6.9 million members to take a "whole-child approach," and believes the contract may be the hook to get them to do that. "Education experts may have to put health care on the table," he says. He also believes a time will come when advocates, many of whom are hindered from direct political action by their tax-free status, may want to form a political action committee in order to become more directly involved.

Children's advocates such as Salisbury say the contract idea will play well in America's heartland, where there is wide support for policies and programs benefiting the young. A year ago, Children Now hired the Tarrance group, a polling firm often used by Republicans, to survey voter attitudes on children. The survey found overwhelming support, regardless of political affiliation, for government help in children's lives. Only 20 percent felt government should do "as little as possible" for children other than poor children; 78 percent believed government should fund programs to improve the health, safety and education needs of all children.

Advocates acknowledge that their new objectives will not be easy to meet. Americans may say they care a lot about children, but they do not easily see the connection between children's needs and government. Politicians also don't believe supporting children's needs can help them win votes, Bales says.

Advocates need to do a better job talking to both groups, says Christine Benero, director of the Washington office for the Association of Junior Leagues International. "I would hope we would be looked to as a resource for shaping some of the policies before they are debated -- and then [we] join the debate."

For a copy of the contract or for more information: 1-800-244-5344.

GRAPHIC: PHOTO, WHAT IT SAYS, ELIZABETH GAY; CHART

LANGUAGE: ENGLISH

LOAD-DATE-MDC: January 3, 1995

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

17-Jan-1995 07:56pm

TO: (See Below)

FROM: Jeremy D. Benami
Domestic Policy Council

SUBJECT: Several items

A few items FYI

(1) Staff meeting 4:30 Wednesday room 211

(2) Weekly reports due c.o.b. today

(3) Just a reminder - rather than 24 people calling Andrea Rutledge directly with requests, questions, the system will work better if (generally) requests are funnelled through Stacey, Roz and Jeremy. Andrea is now Director of Administration for the White House so is even busier. She is now located in Room 1.

(4) Interns start TODAY - Wednesday January 18. Please join us for a brown bag lunch welcoming them at 12:30 in room 211 if you can make it.

ALSO - as of now, only Lynn and Patsy have spoken to me about projects for the interns to do. Please think about the things you need done which interns can help with - letters, research, attending hearings, etc. - and let me know ASAP. [Health care and Bill/Mickey/Gaynor have interns working directly for them.]

(5) NGA policy analyses due at c.o.b. today, Wednesday, to Jeremy if possible. NGA issue briefings are due tomorrow (areas not covered by the talking points or policy proposals only).

Thanks.

Distribution:

TO: Robert M. Berry
TO: Brian E. Burke
TO: Jose Cerda, III
TO: Julie E. Demeo
TO: William A. Galston

TO: Christopher C. Jennings
TO: Jennifer L. Klein
TO: Michael Levitan
TO: Cathy R. Mays
TO: Gaynor R. McCown
TO: Rosalyn A. Miller
TO: Lynn M. Margherio
TO: Bruce N. Reed
TO: Denise Ricketson
TO: Kimberly M. Ross
TO: Stacey L. Rubin
TO: Michael T. Schmidt
TO: FAX (9-632-1096,Jeff Levi)
TO: FAX (9-720-8819,Marion Berry)
TO: Michael Waldman
TO: Stephen C. Warnath
TO: Paul J. Weinstein, Jr

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

13-Jan-1995 09:13am

TO: Carol H. Rasco

FROM: Gaynor R. McCown
Domestic Policy Council

CC: Jeremy D. Benami

SUBJECT: RE: NGA Meeting

Carol:

There is an expectation that you and the other panel participant(s) make some initial remarks and then there will be time for questions and answers. Patty Sullivan is out today but I will get clarification on exactly how long you should speak on Monday.

Gaynor

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

12-Jan-1995 04:44pm

TO: Carol H. Rasco

FROM: Gaynor R. McCown
Domestic Policy Council

CC: Jeremy D. Benami

SUBJECT: NGA Meeting

Carol:

I spoke to Patty Sullivan regarding the NGA meeting. At this point, nothing is definite because all decisions have to be cleared by the chair and the co-chair.

However, they are planning to start the meeting with a brief presentation by David Hamburg. Immediately following, Governor Hunt and Governor Whitman have been asked to present the work their states have done for goal one -- all children will start school ready to learn. The panel you are on will be the final session and it will last 35 - 45 minutes. There will be time for questions and answers. The entire meeting is scheduled to last approximately two hours.

The other panel members have yet to be determined although Senator Packwood has been mentioned as a possibility. They are inviting members of Congress, both Democrats and Republicans, who have taken a leadership role on issues of children and families. Patty will keep me posted as decisions are made.

Meanwhile, I will begin working on your briefing materials. I will get any relevant information from the states. Also, once I know who the participants are, I will be sure you have some talking points to respond to possible questions.

Gaynor

DEPARTMENT OF HUMAN SERVICES • USA

FACSIMILE TRANSMISSION COVER SHEET
ADMINISTRATION FOR CHILDREN AND FAMILIES
OFFICE OF THE ASSISTANT SECRETARY
370 L'ENFANT PROMENADE, S.W.
WASHINGTON, D.C. 20447

FAX:(20)401-4678 CONFIRM:(202)401-2337 **DATE:** 1-19-95

TO NAME: Gaynor McCowan	**FROM NAME:** ~~Mary Jo Bane~~ Emily Bromberg
OFFIC :	**PHONE:** 401-2337
PHON :	**COVER +** 2 **PAGES**
FAX N : 456-7028	

MESSAGE:

OFFICE USE ONLY **TIME SENT:** **DATE:** **OPERATOR:**

U.S. Department of Education
Office of the Deputy Secretary
600 Independence Avenue, S.W.
Washington, D.C. 20202

DATE : 1/19/94

TO: Gaynor Mccown

ORGANIZATION: Dom. Policy

PHONE : 456-5575 FAX : 456-7028

FROM : Jon Schnur (Matt Buck)

PHONE : 401-3594 FAX : 401-3093
401-1000

MESSAGE :

requirements of their individual programs whether or not those requirements were addressed in the preliminary consolidated plan.

The Final Consolidated Plan. On the basis of their comprehensive planning, States would develop and submit to the Secretary their final, comprehensive, consolidated plans. The Department soon will begin working with interested States and others to develop guidance on how consolidated State planning can support an integrated, Statewide service delivery system that promotes higher student achievement. These plans also might need to include some minimum program-specific information that will be determined by the Secretary in close consultation with the field. Approval of this comprehensive plan--along with any waivers that may be needed to implement it--would be the basis on which funds for covered programs would be awarded for FY 1996 and beyond.

QUESTIONS AND ANSWERS

The following information tries to address significant questions about the Department's strategy for implementing the consolidated plan provisions in the IASA.

Q1. What programs may a State include in its consolidated plan?

(NOTE: The following answer contains both a limited number of minor clarifications to the list of programs that the statute specifically identifies for possible inclusion in a consolidated State plan, and those additional programs that the Secretary is proposing to designate for possible inclusion in the plan. These clarifications and additions, which are reflected in the foregoing notice, were made after release of the guidance document.)

A1. ESEA programs may include: Title I, Part A (LEA Program); Title I, Part B (Even Start); Title I, Part C (Migrant Education); Title I, Part D (Neglected, Delinquent, or

Perkins Vocational and Applied Technology Education Act; Programs under the Goals 2000: Educate America Act; and Programs under the School-to-Work Opportunities Act. (See section 14302, and the definition of "covered program" in section 14101 of the ESEA.)

The IASA authorizes the Secretary to designate other programs that may be included as well. The Secretary proposes to designate Subtitle B of Title VII of the Stewart B. McKinney Homeless Assistance Act (the Education for Homeless Children and Youth program) (enacted in Title III, Part B of the IASA), and all other State formula grant programs under the Perkins Act. The Secretary plans to provide a final list of designated programs by mid-February.

Q2. Will States that submit a consolidated plan to the Department have the option of choosing which among these programs to include?

A2. Yes, selection of programs to include in a consolidated plan, like the decision to submit a consolidated plan at all, is entirely at the discretion of the State.

Q3. Will a State have to submit any other funding application for programs that are included in its consolidated plan?

A3. No. For programs that a State includes in its consolidated plan, that plan will substitute for any application requirements that are contained in the individual program

Appendix B - GENERAL ASSURANCES APPLICABLE TO EACH PROGRAM COVERED BY THE PRELIMINARY (FIRST YEAR) CONSOLIDATED PLAN

- Each program will be administered in accordance with all applicable statutes, regulations, program plans, and applications.

- The control of funds provided under each program and title to property acquired with program funds will be in a public agency, in a nonprofit private agency, institution, or organization, or in an Indian tribe if the law authorizing the program provides for assistance to these entities.

- The public agency, nonprofit private agency, institution, or organization, or Indian tribe will administer the funds and property to the extent required by the authorizing law.

- The State will adopt and use proper methods of administering each program, including--

(A) The enforcement of any obligations imposed by law on agencies, institutions, organizations, and other recipients responsible for carrying out each program;

(B) The correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation; and

(C) The adoption of written procedures for the receipt and resolution of complaints alleging violations of law in the administration of each program.

- The State will cooperate in carrying out any evaluation of each program conducted by or for the Secretary or other Federal officials.

- The State will use fiscal control and fund accountability procedures that will ensure proper disbursement of, and accounting for, Federal funds paid to the State under each program.

- The State will--

(A) Make reports to the Secretary as may be necessary to enable the Secretary to perform the Secretary's duties under each program; and

(B) Maintain records, provide information to the Secretary, and afford access to the records as the Secretary may find necessary to carry out the Secretary's duties.

- The State has afforded a reasonable opportunity for public comment on the plan and has considered this comment.

*

CHILES *Florida* | **BRANSTAD** *Iowa* | **KITZHABER** *Oregon* | **CAPERTON** *West Virginia* | **NELSON** *Nebraska* | **SCHAFER** *North Dakota* | **RACICOT** *Montana* | **BATT** *Idaho* | **LEAVITT** *Utah* | **KNOWLES** *Alaska* | **GUTIERREZ** *Guam* | **SCHNEIDER** *Virgin Islands* | **ROSSELLO** *Puerto Rico* | **CAYETANO** *Hawaii* | **SYMINGTON** *Arizona* | **KEATING** *Oklahoma* | **GERINGER** *Wyoming* | **LOWRY** *Washington* | **ROMER** *Colorado*

TUCKER
Arkansas

KING
Maine

EDGAR
Illinois

BAYH
Indiana

VOINOVICH
Ohio

JONES
Kentucky

ALMOND
Rhode Island

MERRILL
New Hampshire

GLENDENING
Maryland

National Governors' Association

1995 Winter Meeting

Opening Plenary Session/Executive Committee

Sunday, January 29, 1995

Seating Chart

Chairman's View

MILLER
Nevada

GRAVES
Kansas

CARLSON
Minnesota

BUSH
Texas

ENGLER
Michigan

CARNAHAN
Missouri

JAMES
Alabama

FORDICE
Mississippi

SUNDQUIST
Tennessee

New Jersey Guests

WHITMAN *New Jersey* | **ROWLAND** *Connecticut* | **CARPER** *Delaware* | **HAMBURG** *Guest* | **RASCO** *Guest* | **CASTLE** *Guest* | **DEAN** *Chairman* | **PODIUM** | **THOMPSON** *Vice Chairman* | **RIDGE** *Pennsylvania* | **MILLER** *Georgia* | **WELD** *Massachusetts* | **BEASLEY** *South Carolina* | **HUNT** *North Carolina*

North Carolina Guests

THE WHITE HOUSE

WASHINGTON

Jan. 31st

E-MAIL TO
CAROL
- who is on the panel?

NGA PANEL Plenary

- Briefing Book -

Governor's   Patty Sullivan

David Hamburg - Carnegie Report
What will he highlight?

HUNT - what are they doing?

WHITMAN -

FEDERAL ROLE / INTEREST IN

- CHILDREN AND FAMILY SERVICES

- OREGON / W. VIRGINIA / COLORADO

- Q + A

In his brief remarks, Dr. Hamburg will provide an overview based on the *Starting Points* report and why the first few years are so important. In my conversation with him he said that while he will not focus specifically on the federal role, he will talk a little bit about how the federal government could and should serve as a catalyst for private sector institutions, such as foundations, to get involved.

You have indicated that you would like to begin your remarks by focusing on what has motivated you to continue working on issues related to children and families. Both as a parent and a policymaker, the driving forces behind your work are what you refer to as a "poverty of spirit" and the piecemeal fashion with which we approach children and their families.

> *The problems facing our youngest children cannot be solved through piecemeal efforts; nor can they be solved entirely by the federal government or through business initiatives. All Americans must take responsibility for this crisis. As the risks to our children intensify, so must our determination to enact family-centered programs and policies to ensure all of our youngest children the decent start that they deserve.*

Below I have outlined the four key areas that constitute vital starting points (per the Carnegie Corporation report) for children and families - consistent with Governor Dean's goals for this year - in the context of the work the NGA and states have done and continue to do. As the President so often says: *"There is no problem in America that hasn't already been solved by someone, somewhere in America."*

(1) PROMOTE RESPONSIBLE PARENTHOOD

Our nation must foster both personal and social responsibility for having children. But to enable women and men to plan and act responsibly, we need a national commitment to making comprehensive family planning, pre-conception, prenatal, and postpartum health services available, and to provide community-based education about the responsibilities of parenthood.

- We know that public investment in family planning is cost effective.

- Several states have developed successful program:

  MISSOURI - Parents as Teachers - PAT - program which sends certified parent educators to visit expectant families at home and teach them how to be "their child's first teacher." PAT staff members set up group meetings for parents, screen children for early detection of problems, and link parents with other community resources, such as child care, health and social services. Evaluations show that PAT children score well above national norms on measure of school-related achievement and that parents like the program.

MINNESOTA - The early childhood program in Minnesota is a statewide, state-funded effort that operates in more than 300 school districts. It offers child development information and parenting techniques, encourages healthy communication between parent and child and promotes positive parental attitudes. Open to all families with children from birth to kindergarten. Parents spend an average of two hours a week at the center: parents spend time with their children, overseen by trained early childhood educators, engage in discovery and cooperative play, learn to separate from parents, and develop cognitive and motor skills.

KENTUCKY - In 1990, Kentucky passed the Kentucky Reform Act, which was intended to reduce the barriers to learning. Family Resource Centers (for families with children up to age five) operate out of elementary schools and offer before and after-school child care , child development education for pregnant women and mothers, literacy training for mothers who are earning their GAD, training and supervision for child care providers, and health and social services referrals.

TEXAS - Since 1973, Texas has had a parent education program to support and improve parents' childrearing skills. Avance operates in public housing centers, in elementary schools, and through its family service centers.

MARYLAND - Friends of the Family, a statewide network of family support centers administered by an independent agency established with state assistance in 1985 to address high rates of teenage pregnancy and child abuse and neglect. All centers provide support services while also emphasizing close community ties through their policy advisory boards, which include parents, community leaders and social service agency representatives.

(2) GUARANTEE QUALITY CHILD CARE CHOICES

For healthy development, infants and toddlers need a continuing relationship with a few caring people, beginning with their parents and later including other child care providers. If this contact is substantial and consistent, young children can form the trusting attachments that are needed for healthy development throughout life. Infants and toddlers should have the opportunity to develop these relationships in safe and predictable environments-in their homes or in child care settings.

- From July 27-29, 1983, immediately preceding the NGA's annual meeting to discuss the problems and the status of America's children, the NGA held a symposium in Portland, Maine. A primary focus of this meeting was the issue of child care and the objective was to encourage states to seek a balance of support (public and private) for families.

- In 1987, the NGA, under the leadership of Michael Castle, published a report called The First Sixty Months and The First Sixty Months: The Next Steps. These two reports resulted from Governor Castle's initiative as Chair of the Human Resource Committee to attack the causes that create problems for young children. The initiative started in 1985 with an identification of promising prevention programs and child care was a key issue.

(3) ENSURE GOOD HEALTH AND PROTECTION

When young children are healthy, they are more likely to succeed in school and, in time, to form a more productive workforce and become greater parents. Few social programs offer greater long-term benefits for American society than guaranteeing good health care for infants and toddlers. But "good health" requires more than health care services. Being healthy means that young children are also able to grow up in safe homes and neighborhoods.

- In 1992, the NGA, under the leadership of Governor Ashcroft, published *EVERY CHILD READY FOR SCHOOL: REPORT OF THE ACTION TEAM ON SCHOOL READINESS* - Governor Ashcroft's initiative to examine strategies for meeting the national education goals. The report suggest benchmarks for states to use in measuring progress toward the school readiness goal and argues that investing in programs to support young children and their families is sound policy and good economics.

  Following are the objectives as defined by the report:

  - **All disadvantaged and disabled children will have access to high-quality and developmentally appropriate preschool programs that help prepare children for school.**

OHIO increased state funding for Head Start so that 50% of all eligible children could be served by 1993. Thestate also approved legislation mandating comprehensive services and family needs assessment in all public preschool programs.

NEW MEXICO increased state subsidies, enhanced training for providers, and reduced administrative costs by consolidating training functions from these organization into one agency.

- **Every parent in America will be a child's first teacher and devote time each day helping his or her preschool child learn; parents will have access to the training and support they need.**

COLORADO issued birthday cards and patenting information to more than 250,000 parents of newborns. The state also issued planning grants to at-risk communities to develop family centers.

ILLINOIS sponsored pilot programs throughout the state to provide basic health care, nutrition services, mental health services, child protective services, and social activities for children and their families.

MARYLAND began the implementation of systemic reform of children and family services under the auspices of the Governor's Subcabinet for Children, Youth and Families.

MINNESOTA was the first in the nation to provide a combination of learning activities and patenting education for children ages zero to five.

- **Children will receive the nutrition and health care needed to arrive at school with healthy minds and bodies, and the number of low-birthweight babies will be significantly reduced through enhanced prenatal health systems.**

CALIFORNIA funded health and support services at school sites under the new HEALTHY START program.

DELAWARE provided low-income pregnant women a choice of receiving on-site services through the local public health clinic or services in their own home.

NORTH DAKOTA implemented an interagency, statewide Early Childhood Tracking System to find, monitor, and make appropriate referrals for children ages zero to five who were determined "at - risk" of developmental delays.

WASHINGTON'S First Steps program has proven effective in enhancing healthy outcomes for newborns through expanded eligibility for Medicaid, maternity support services during pregnancy and post-partum, case management for women at high risk.

(4) MOBILIZE COMMUNITIES TO SUPPORT YOUNG CHILDREN AND THEIR FAMILIES

Broad-based community supports and services are necessary to ensure a decent start for our youngest children. Unfortunately, community services for families with children under three are few and fragmentary. To reverse the crisis facing families with young children, the old ways of providing service and supports must be reassessed, and broad, integrated approaches must be found to ensure that every family with a newborn is linked to a source of health care, child care and patenting support.

- We can now say, with greater confidence than ever before, that the quality of a young child's environment and social experience has a decisive, long-lasting impact on their well-being and ability to learn.
- Children are best served in the context of families, and families are best served in the context of communities.
- Community-building efforts should be an important competent of comprehensive strategies for children and families. These efforts involve not only services but the active and meaningful engagement of all stakeholders.
- Effective and comprehensive strategies for children and families require new funding structures that are more flexible and reliable.

I. BACKGROUND

The goal of this year's Chairman - Governor Dean of Vermont - is "the healthy development of all children and what it takes to build strong families and strong supportive communities." In order to work toward this goal, he has established the following priorities:

- Increase the capacity of communities to meet the needs of young children and their families by decategorizing program funding, encouraging families to be involved in decision-making, integrating services, and exploring new governance models.

- Guarantee high-quality child development options for all families-focusing on high-quality child care, Head Start, and preschool-with these programs coordinated with the local schools.

- Help parents meet their children's need by expanding family support and parent education programs, providing comprehensive services for school-age and other high risk parents, promoting planned childbearing, and ensuring that parents can and will assume financial responsibility for their children.

- Ensure healthy development of all children through access to early and continuous prenatal care, well-baby care, full immunizations, and expansion of the special Supplemental Feeding Program for Women, Infants, and Children.

- Reduce barriers to healthy development, such as child abuse and neglect, domestic and community violence, substance abuse, and environmental toxins.

- Provide emotional foundations for school readiness by decreasing out-of-home placements, increasing the amount of unhurried time that parents and other adults have with children, and encouraging family-friendly community and employment policies.

While these goals as explicitly stated are new, the NGA, the Federal Government and individual states have already done and continue to do a great deal to achieve them.

II. SUMMARY OF NGA'S INVOLVEMENT IN CHILDHOOD ISSUES

1983-84 *AMERICA'S CHILDREN NEED POWERFUL FRIENDS: STRATEGIES*

FOR THE STATES -- This was a symposium held in Portland, Maine on July 27-29, 1983 immediately preceding the NGA's annual meeting to discuss the problems and the status of America's children. Issues addressed included the impact of poverty and the ramifications of unemployment, adolescent pregnancies, divorce, and other family traumas ~~on the health~~ and well-being of children. The Symposium also examined state efforts to address children's needs. A report with the same title was released in the summer of 1984 summarizing the symposium presentations.

At that meeting the NGA developed the following principles in guiding the continued development and improvement of state services to children:

(1) GENERAL. All policy and legislative recommendations should be considered both from the child's point of view and their potential impact on families.

(2) ACCESS. Parents and others seeking governmental assistance on behalf of their children should have timely access to service, the opportunity to choose among available services and voice in their design, development and delivery.

(3) ECONOMIC SECURITY. Providing a minimum income level sufficient to provide some basic level of food, shelter, transportation, clothing and health care through employment or income security or child support programs.

(4) HEALTH. States should support the development of a federal and state health policy which provides equal access to mental and physical health services for children.

(5) EDUCATION. States should endorse increased federal support for educating poor and disabled children and a strong federal commitment to civil rights enforcement and equal educational opportunity for children and youth. Beyond these issues, educational policies should be left to the states and localities.

(6) CHILD WELFARE AND FAMILY SUPPORT. States should place the highest value on enabling families to maintain the safety and well-being of their children at home by providing a variety of services - counseling, homemaker, child care and alcoholism treatment among others.

(7) CHILD CARE. States should seek a balance of support (public and private) for families who require child care for developmental, protective, special needs, or work-related reasons.

(8) HOUSING. Federal and state governments should assist in developing an adequate supply of housing for families with children that is affordable, safe and sanitary.

(9) YOUTH. NGA supports federal initiatives such as runaway youth, youth training and employment and juvenile justice programs. Government at all levels should give priority to developing preventive, emergency, and remedial services designed for this age group.

(10) WORKING PARENTS. Federal and state governments should encourage personnel policies and fringe benefits that support families and children.

1986 *THE GOVERNORS' 1991 REPORT ON EDUCATION* - This report done in 1986 but the objective was to look ahead at what could be done by 1991. Under the leadership of then Governor Richard Riley, the TASK FORCE ON READINESS developed two sets of recommendations:

- States must develop initiatives to help at-risk preschool children become ready for school.

- States must work to assure that at-risk children and youth meet the new educational standards from school entry through graduation.

1987 *THE FIRST SIXTY MONTHS and THE FIRST SIXTY MONTHS: THE NEXT STEPS* - These two reports resulted from Governor Castle's initiative as Chair of the Human Resource Committee to attack the causes that create problems for young children. The initiative started in 1985 with an identification of promising prevention programs. The second publication includes indicators of children's well-being and provides four case studies for advice on implementing effective programs.

Environmental health protection

1989 *AMERICA IN TRANSITION: THE INTERNATIONAL FRONTIER, REPORT OF THE TASK FORCE ON CHILDREN* - This report was part of Governor Baililes initiative to focus Governors' attention on meeting the challenges of the 21st century. The initiative included six task forces to examine the issues that form the foundation of the nation's future - foreign markets, international education, research and technology, domestic markets, transportation infrastructure, and children. The task force on children examined two primary issues: the lack of a coherent national policy for prevention and the disjointed, crisis-oriented actions of entrenched bureaucracies.

1992 *EVERY CHILD READY FOR SCHOOL: REPORT OF THE ACTION TEAM ON SCHOOL READINESS* - This report resulted from one of three action teams established under Governor Ashcroft's initiative to examine strategies for meeting the national education goals. The report suggest benchmarks for states to use in measuring progress toward the school readiness goal and argues that investing in programs to support young children and their families is sound policy and good economics.

"Every Child Ready for School" was designed to guide reform efforts and to stimulate the interest and involvement of Governors and other policymakers, educators and parents and other social service providers. It was also intended to promote the awareness and support of business leaders and citizens from all sectors of society. Following are the objectives as defined by the report:

States who were the governors

- **All disadvantaged and disabled children will have access to high-quality and developmentally appropriate preschool programs that help prepare children for school.**

OHIO increased state funding for Head Start so that 50% of all eligible children could be served by 1993. The state also approved legislation mandating comprehensive services and family needs assessment in all public preschool programs.

NEW MEXICO increased state subsidies, enhanced training for providers, and reduced administrative costs by consolidating training functions from these organization into one agency.

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WASHINGTON'S First Steps program has proven effective in enhancing healthy outcomes for newborns through expanded eligibility for Medicaid, maternity support services during pregnancy and post-partum, case management for women at high risk.

In addition to the significant efforts listed above, the Governors have also been involved in education, health, and welfare reform for the last decade. As the President has so often said, "there is no problem in America that hasn't already been solved by someone, somewhere in America."

III. THE ROLE OF THE FEDERAL GOVERNMENT

The Clinton Administration is well aware that policies and programs affecting children must support families and encourage the cooperation of existing organizations such as schools and community-based organizations. Children are best served in the context of families, and families are best served in the context of communities. We can now say, with greater confidence than ever before, that the quality of young children's environment and social experience has a decisive, long-lasting impact on their well-being and ability to learn.

The problems facing our youngest children cannot be solved through piecemeal efforts; nor can they be solved entirely by the government or through business initiatives. All Americans must take responsibility for this crisis. As the risks to our children intensify, so must our determination to enact family-centered programs and policies to ensure all of our youngest children the decent start that they deserve.

Effective and comprehensive strategies for children and families require new funding structures that are more flexible and reliable. Approaches under consideration include consolidation and decategorization of federal programs, improved waiver options, and devolution of funds to the states and localities.

Several major pieces of recent legislation present tremendous opportunities and states and localities as they devise comprehensive strategies to serve children and families. Newly enacted legislation includes:

- **Goals 2000: Educate America Act**--the centerpiece of President Clinton's education agenda -- recognizes and supports the need for a more comprehensive approach by providing resources to states and communities to develop and implement comprehensive education reforms aimed at helping all students reach challenging academic and occupational-skill standards. The law--which addresses school readiness; school completion; competency in challenging subject matter; science and mathematics achievement; literacy; safe, disciplined, and drug-free schools; and parental participation--asks states and local education agencies (LEAs) to create broad-based planning groups that include educators; parents; business leaders; and representatives of health agencies, social service agencies, and community organizations that work with children and youth.

- **The Improving American Schools Act** (Reauthorization of the Elementary and Secondary School Act), strongly encourages states and LEAs to coordinate services. The priority of this legislation is high standards for all children, with the different elements needed for a high-quality education well aligned so that the education process works smoothly to help all students reach those standards. It requires LEAs to identify in their Title I plans (distributed on a formula basis) exactly how they will coordinate education, health, and social services. The Improving American Schools Act also supports comprehensive strategies that include drug prevention curricula and programs linking schools and communities.

- **The Empowerment Zone/Enterprise Community Initiative,** administered by the Departments of Housing and Urban Development and Agriculture, is one of the Clinton Administration's most ambitious projects to promote community development and provide jobs and economic opportunities. Through this initiative, the federal government offers to create compacts with communities and state and local governments. More than 800 communities have submitted applications under this initiative; each application contains a comprehensive and strategic plan for change, with performance-based benchmarks. By participating in this initiative, community residents, schools, businesses, financial institutions, service providers, neighborhood associations, and state and local governments can form or strengthen partnerships to support revitalization.

- **The Family Preservation and Support Program**, authorized as part of the 1993 budget agreement, includes almost $1 billion over five years for states to improve the well-being of vulnerable children and their families, particularly those experiencing or at risk of abuse and neglect. Because the multiple needs of these children and families cannot be addressed adequately through categorical programs and fragmented service delivery systems, states are encouraged to use the new program as a catalyst for establishing a continuum of coordinated, integrated, culturally relevant, and family focused services. Services range from preventive efforts to strengthen families by providing crucial support to services for families in serious crisis or at risk of having children removed from the home.

- **Head Start**, administered by the Department of Health and Human Services, has an impact on child development and day care services, the expansion of state and local activities for children, the range and quality of services for young children and their families, and the design of training for staff involved in such programs. Head Start has served more than 13.8 million children and their families since 1965; grants are awarded to local public or private non-profit agencies.

IV. INTERGOVERNMENTAL PROCESS AND FEDERALISM

Underlying the Clinton Administration's initiatives to restructure government is a broad set of principles for a reinvigorated federal-state-local partnership:

- The federal government could lead by establishing national goals, allowing states and localities maximum feasible flexibility in selecting the means to achieve these goals.

- Within the existing legislation and regulation, the federal government should make aggressive use of waiver authority and related legislation to enable states and communities to design their own approaches for meeting key national goals.

- In return for federal support, the federal government should craft and enforce rigorous performance standards that measure state and local progress toward national goals-standards that replace bureaucratic micro-management of inputs and process.

- The federal government should throw its support behind improved coordination and collaboration among categorical programs and, where appropriate, their amalgamation into broader, more flexible programs.

- The federal government should move in an orderly and sustainable fashion to assume a greater share of fiscal responsibility for problems that are clearly within its legal or constitutional responsibility.

- While continuing to discharge its constitutional responsibility to ensure equal citizenship and opportunity for all, the federal government should reduce uncompensated fiscal impact of national legislation on state and local government.

- The classic role of the states and localities as laboratories of democracy should be enhanced by a federal government willing to learn from subnational successes, to collect, evaluate, and disseminate information about these successes, and-in general-to make it easier for different locales to learn from one another. As the president has so often said, there is no problem in America that hasn't already been solved by someone, somewhere in America.

** This information was taken from "Reinventing Federalism: The Clinton / Gore Program for a New Partnership Among the Federal, State, Local and Tribal Governments" by William A. Galston and Geoffrey Tibbetts.

The President's assertion that there is no problem that has not been solved before

DAVID HAMBURG

Will he structure around the four key areas

V. THE CARNEGIE CORPORATION'S 1994 REPORT

According the Carnegie Corporation most recent report - "Starting Points: Meeting the Needs of Our Youngest Children" - there are four key areas that constitute vital starting points for our youngest children and families.

- *PROMOTE RESPONSIBLE PARENTHOOD*

  Our nation must foster both personal and social responsibility for having children. But to enable women and men to plan and act responsibly, we need a national commitment to making comprehensive family planning, pre-conception, prenatal, and postpartum health services available, and to provide community-based education about the responsibilities of parenthood.

- *GUARANTEE QUALITY CHILD CARE CHOICES*

  For healthy development, infants and toddlers need a continuing relationship with a few caring people, beginning with their parents and later including other child care providers. If this contact is substantial and consistent, young children can form the trusting attachments that are needed for healthy development throughout life. Infants and toddlers should have the opportunity to develop these relationships in safe and predictable environments-in their homes or in child care settings.

- *ENSURE GOOD HEALTH AND PROTECTION*

  When young children are healthy, they are more likely to succeed in school and, in time, to form a more productive workforce and become greater parents. Few social programs offer greater long-term benefits for American society than guaranteeing good health care for infants and toddlers. But "good health" requires more than health care services. Being healthy means that young children are also able to grow up in safe homes and neighborhoods.

- *MOBILIZE COMMUNITIES TO SUPPORT YOUNG CHILDREN AND THEIR FAMILIES*

  Empowerment zones

  Broad-based community supports and services are necessary to ensure a decent start for our youngest children. Unfortunately, community services for families with children under three are few and fragmentary. To reverse the crisis facing families with young children, the old ways of providing service and supports must be reassessed, and broad, integrated approaches must be found to ensure that every family with a newborn is linked to a source of health care, child care and patenting support.

- ***ONE OF GOVERNOR DEAN'S PRIORITIES IS TO INCREASE THE CAPACITY OF COMMUNITIES TO MEET THE NEEDS OF YOUNG CHILDREN AND THEIR FAMILIES BY DECATEGORIZING PROGRAM FUNDING, ENCOURAGING FAMILIES TO BE INVOLVED IN DECISION-MAKING, INTEGRATING SERVICES, AND EXPLORING NEW GOVERNANCE MODELS. WHAT IS THE ADMINISTRATION DOING IN THIS AREA?***

(1) The Administration has made extensive use of waivers to provide States flexibility in managing existing programs. For example, we are engaged in an ongoing effort with Indiana and West Virginia to consolidate planning requirements for 199 federal grants targeted to children and families.

(2) The Administration has also entered into an unprecedented intergovernmental partnership with the state of Oregon. In December of 1994, Oregon's governor and numerous mayors signed an agreement with the federal government to pilot a redesigned system that will be:

- structured, managed, and evaluated on the basis of results;
- oriented to customer needs and satisfaction;
- biased toward prevention rather than remediation of problems; and
- simplified and integrated as much as possible, delegating responsibilities for service design, delivery, and results to frontline, local level providers, whether they are local agencies or local offices of State agencies.

(3) The Empowerment Zone / Enterprise Community program is based on the concept that local communities are in the best position to develop their own strategies for neighborhood revitalization.

(4) In 1993, the National Performance Review called for consolidations of related, small grants -- a "top down" approach to solving the problem of multiple programs -- and proposed a new concept of "bottom up" consolidation" that would allow States and localities much greater flexibility in the use of small pots of federal money. This LOCAL EMPOWERMENT AND FLEXIBILITY ACT - introduced by Senator Hatfield - has bipartisan support.

(5) The Family Preservation and Support Program, authorized as part of the 1993 budget agreement, includes almost $1 billion over five years for states to improve the well-being of vulnerable children and their families. Because the multiple needs of these children and families cannot be addressed adequately through categorical programs and fragmented service delivery systems, states are encouraged to use this program as a catalyst for establishing a continuum of coordinated, integrated, culturally relevant, and family focused services.

- *IS THE PRESIDENT COMMITTED TO PUSH FOR THE FULL FUNDING OF HEAD START?*

The reform and expansion of HEAD START was signed into law on May 18, 1994. The President remains committed to this program which, since 1965 has served more than 13.8 million children and their families; and is an example of a theme of the Clinton Administration and indeed is the topic of our conversation today -- in order for children to be empowered to perform to their fullest potential, we must concentrate on early childhood development and day care services.

- *WHAT ABOUT BLOCK GRANTS IN GENERAL?*

Over the last two decades, there have been many proposals to eliminate the federal role in different programs by devolving them to the states and localities. We are committed to looking at options for possible devolution, particularly in areas where reducing, or indeed eliminating federal involvement will improve service to customers.

PRESIDENT CLINTON'S LIFELONG LEARNING AGENDA: A STATUS REPORT

In today's rapidly changing economy, knowledge and opportunity are tightly linked: more and more, what you earn is dependent on what you can learn throughout your life.

On February 22, 1994 in an address to the American Council on Education, President Clinton presented his vision for lifelong learning and the legislative agenda needed to turn that vision into reality for all Americans. The following is a status report on the major building blocks of that agenda.

Head Start reform and expansion	Signed into law by the President on May 18, 1994
Goals 2000: Educate America Act	Signed into law by the President on March 31, 1994
Elementary and Secondary Education Act	Signed into law by the President on October 20, 1994
School-to-Work Opportunities Act	Signed into law by the President on May 4, 1994
Direct lending/income-contingent repayment	Signed into law by the President on August 10, 1993
National and Community Service Trust Act	Signed into law by the President on September 21, 1993
Reemployment Act of 1994	Transmitted to the Congress on March 15, 1994

Carnegie Corporation of New York

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PLEASE DELIVER THE FOLLOWING TO:

NAME: Gaynor McCown
office of Carol Rasco

FROM: Ms. Pat England (David Hamburg's office)

DATE: 1/27/95

Total Number of Pages: 9 including cover sheet

IF ALL PAGES ARE NOT RECEIVED,
PLEASE CALL IMMEDIATELY.

Dear Ms. McCown,

Here is Dr. Hamburg's keynote address for the Nat'L Governors' Assoc. meeting on Sunday. If you have any questions please give me at call at (212) 207-6216 or 6215.

Thank you

Pat

A Quarrel Over Dealing With China

The editorial on U.S. China policy ["The China Quarrel," Dec. 28] endorses a double standard in dealing with trade matters and human rights that is shortsighted and counterproductive. While praising President Clinton's "sensible" decision to de-link trade and human rights, The Post urges the administration to stick to its threat of trade sanctions for China's violations of patent and copyright rules. Belatedly, The Post acknowledges that U.S. credibility was damaged by the president's most-favored-nation decision, as Beijing fails to take the threat of any sanctions seriously.

The administration has yet to develop an effective strategy for improving human rights in China. Absent the pressure of the trade linkage, Beijing has effectively suspended talks with the International Committee of the Red Cross, enacted new state security regulations and continued its campaign against political and labor activists. On Dec. 16, nine peaceful dissidents were sentenced to as long as 20 years in prison.

The Post notes that if China succeeds in joining the new World Trade Organization, it will be obligated to abide by global trading rules. Shouldn't Beijing also be required to "live by the world's rules" when it comes to human rights and be held accountable for violations of international norms of behavior? Are the principles embodied in human rights declarations and conventions no less important for China's long-term development?

As China prepares for the post-Deng Xiaoping transition, the United States needs a policy that advances economic *and* political reform and seeks to improve basic human rights as an integral component of both.

MIKE JENDRZEJCZYK
Washington Director
Human Rights Watch/Asia
Washington

cc: Kumiki Gibson, Gaynor McCown
(any relevance for the Prevention Council?)

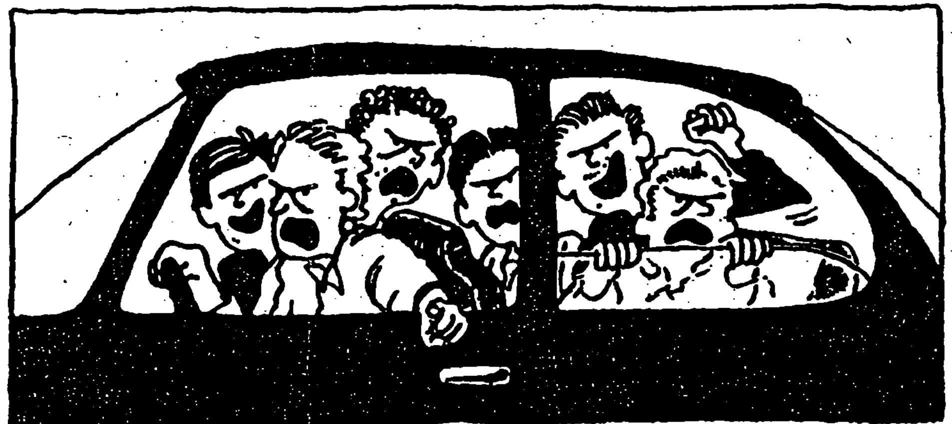
Marc H. Morial

Our Juvenile Curfew Is Working

'We are not just saying "No" to our youth. We are re-creating dreams.'

When I took office in May 1994, New Orleans had an out-of-control crime problem. Children were dying, citizens did not feel safe in their own homes, the numbers were staggering. Crime had become too personal, too familiar. As mayor, I knew that I could not solve this enormous problem alone. The only effective solution was a community solution.

Our vision was to save our city and its future generations. It was in this spirit that we developed the idea for the Juvenile Curfew Law. Curfew hours are from 8 p.m. to 6 a.m. Sunday through Thursday, and from 11 p.m. to 6 a.m. Friday and Saturday. They are applicable to those under the age of 17. The Curfew Center is operational during those curfew hours. Our plan was to implement a curfew as a parent would lay down a house rule. Our curfew holds both the juvenile and the parent accountable. Parents are required to pick up their children from the Curfew Center and participate in counseling sessions. Repeat offenders' parents are issued a court summons and could risk being fined for failure to keep their children from violating curfew.



BY BARRIE MAGUIRE

This "forced responsibility" is working. After 60 days of implementation, juvenile crime during curfew hours had decreased by 38 percent. After 90 days, overall crime had dropped by 14.6 percent. The crimes most significantly affected were armed robbery (down 29 percent), auto theft (down 28 percent) and murder (down 26 percent) as compared with the summer of 1993.

This is not just another cold, calculating law that does more harm than good. When the law was written, every consideration was given to our children. Curfew violators are not taken to jail. Our curfew center is for juvenile curfew violators only, and the facility is freshly painted and brightly lit. The juvenile is checked in and taken to the center's counseling area while the youth's parents are contacted. The objective is to open new lines of communication, begin a dialogue between the parent and child, and we hope, set new ground rules within the home. A 24-hour Curfew Hotline is available to answer questions about curfew policy and enforcement.

We have also constructed alternatives for young people by revitalizing the New Orleans Recreation Department (NORD), expanding its programs by more than 300 percent. The number of NORD summer camps increased from 17 to 41, serving more than 10,000 youths. The number of swimming pools went from four to 14. We created 1,300 new summer jobs for youths and secured $1.8 million in federal grants for AmeriCorps and Youth Action Corps. We are not just saying "No" to our youth. We are re-creating dreams.

Some may say that we have overstepped the boundaries—that it is not our responsibility to become involved in personal family situations. I see it differently. The ultimate civil liberty is the right to be secure in our own homes, to feel safe on our streets, to have confidence that our children can go to school safely. If we do not step in and redirect our city and the families who live in it, then who will? We have taken every precaution to protect the legal, individual and constitutional rights of every citizen affected by the curfew regardless of age. However, we will continue to defend our right to safety with every ounce of energy and spirit.

The statistics prove our curfew is working. This new law is keeping youths off the streets and out of trouble. It is helping families be more responsive to one another and more responsible to their communities.

We are fighting crime with aggressive, visionary programs supported by the whole community. We know that the country is watching. Jurisdictions across America have written or called asking how they can implement a similar law. Each day brings proof that a unified community with a vision and the energy to work tirelessly can do anything.

The writer is mayor of New Orleans.