

Withdrawal/Redaction Sheet

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001. bio	Education and Strains on Working Families event panel biographies (partial) (1 page)	06/21/1995	P6/b(6)
002. bio	Education and Strains on Working Families event panel biographies (partial) (1 page)	n.d.	P6/b(6)

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Clinton Presidential Records
Domestic Policy Council
Gaynor McCown (Subject Files)
OA/Box Number: 7325

FOLDER TITLE:

[Pacific Rim Economic Conference - Briefing Book for the Cabinet] [Binder] [2]

2011-0255-S

rc210

RESTRICTION CODES

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

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

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]

b(1) National security classified information [(b)(1) of the FOIA]
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an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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PANEL 1

Divider Title: _____

Panel I -- Regional Economy

This panel will survey current economic conditions and economic trends in the Pacific Rim states with particular focus on two areas of change in which the Administration has been action: Defense Conversion and Natural Resources. Panelists will represent both business and labor and will come from a variety of sectors, including manufacturing, agriculture and electronics, in addition to natural- resource sectors like fishing and timber.

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PANEL 1 ISSUE BRIEFINGS

Divider Title: _____

PANEL I: ISSUE BRIEFINGS

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ISSUE: ADVANCED TECHNOLOGY PROGRAM (ATP)**Background:**

- Industry is facing a new set of challenges: an increasingly competitive global economy, shorter product life cycles, and advanced technologies being created and adopted by manufacturers worldwide.
- In this environment, it is difficult for individual companies to capture the benefits of investments in longer-term and riskier R&D of enabling technologies.
- These pressures have led industries to concentrate on near-term R&D, leaving a gap in the longer-term, high-risk efforts that are necessary to keep the United States competitive in the future.
- The ATP focuses on this gap by providing cost-shared competitive awards to industry for development of high-risk, preproduct, enabling technologies.

Administration Positions and Proposals:

- The Administration strongly supports the ATP, with its unique mission of supporting civilian technologies, as central to improving the competitiveness of American Industry.
- The Administration considers the ATP's partnering with industry in the choice and funding of research as a key to its success.
- The Administration's FY96 budget requests an increase of \$60 million, to \$491 million, which will allow support of 40 - 60 industry led projects.
- The Administration opposes Republican proposals which would eliminate the ATP.

Administration Actions and Accomplishments:

- 40 awards and 102 participants (including single applicants and joint venture participants) in the Pacific Rim states.
- Results show that the ATP is promoting industrial R&D alliances both among competitors and between customers and suppliers - alliances that are leading to increased efficiencies in R&D and reduced time to market.
- Examples of program successes:
 - Accuwave of Santa Monica, CA, is developing a technology which is expected to greatly expand the capacity of long-distance communication systems without requiring new fiber to be installed.
 - Calimetrics of Richmond, CA, is developing a CD-ROM and CD player with a tenfold increase over conventional technology in storage and data transfer rates.
 - MedicaLogic of Beaverton, OR, will participate in an ATP joint venture to develop health care applications of the information superhighway.

DRAFT

BASE CLOSURE AND REUSE FACT SHEET
June 21, 1995

BASE CLOSURE IN THE PACIFIC RIM STATES
Employment Impacts by State -- 1995 BRAC Round

<u>Military</u>	<u>Civilian</u>	<u>Major Proposed Closures</u>
Alaska -773	-368	Ft. Greely, NAF Adak
California +602	-3,988	Long Beach Shipyard, Onizuka A.S.
California -- added by Commission -2,596	-8,947	McClellan AFB
Hawaii +995	+773	
Oregon 0	0	no closures proposed
Washington +780	0	no major closures proposed

BACKGROUND

The Department of Defense has over 400 major bases in the United States. Unless infrastructure is downsized along with force structure and budget, defense funds will be spent on buildings instead of our fighting forces. Base realignment and closure (BRAC) is painful, but necessary to keep our fighting forces ready, modern, and strong. Outside the U.S., we have reduced our presence dramatically, withdrawing from over half our facilities.

As a result of the three previous BRAC rounds, 70 major U.S. bases and several hundred smaller facilities are being closed. On February 27, Secretary Perry announced his 1995 BRAC recommendations, the final base closure round under current law. The 1995 DoD list recommends closing or realigning 146 military installations, and would close 33 major military installations.

The 1995 BRAC list is about 80% as large as the 1993 list, but it will generate savings more quickly than BRAC 1993. Once implemented, recurring savings from the 1995 round are expected to be \$1.8 billion per year. All four rounds together, when implemented, will save about \$6.0 billion per year.

POLICY RESPONSE TO ASSIST AFFECTED COMMUNITIES

Until 1993, base closings forced communities to cope with a jarring economic upheaval without adequate tools or resources. Cleanup of polluted bases proceeded slowly, and bureaucratic hurdles frustrated local officials when they sought help. In response to the 1993 BRAC round, the Clinton Administration developed a bold program to revitalize base closure communities.

On July 2, 1993, President Clinton announced his "Five-Part Plan to Revitalize Base Closure Communities." The President's program is a good example of reinventing government, based on a philosophy that local communities know best the direction economic redevelopment should take after a base closure, but often lack the tools to pursue their economic visions. President Clinton's program contains five initiatives to get the government to respond more rapidly and spend money more wisely:

- 1) Jobs-Centered Property Disposal that puts local economic redevelopment first. The Administration changed the way base property is disposed to emphasize uses most likely to create new jobs for the communities affected by base closings. Federal law has been changed to permit discounted land transfers -- economic development conveyances -- for viable job-creating activities.
- 2) Fast-Track Cleanup that removes needless delays while protecting human health and the environment. The Administration's approach promotes rapid reuse by sending joint cleanup teams into action at each site, quickly identifying clean parcels for early use, leasing some parcels where cleanup is underway, and hastening cleanup.
- 3) Easy Access to Transition and Redevelopment Assistance for workers and communities. The Administration providing easier access to other federal programs offering transition and redevelopment help for workers and communities. As part of this effort, Secretary Reich sent "job SWAT teams" onto bases slated for closure to inform workers of opportunities available to them -- training programs; job guidance and counseling; and other assistance needed as they consider new employment after base closure.
- 4) Transition Coordinators at major bases closing bases. The Administration established for the first time a single federal coordinator to be a champion for each community so that all the resources and opportunities that can help in redevelopment can be made available as quickly as possible.
- 5) Larger Economic Adjustment Planning Grants to base closure communities. The Administration is providing an average grant of a million dollars to each community affected by a major base closing to plan for the reuse of facilities -- \$3.5 million for the hardest hit communities.

In summary, compared to the past, the Administration is responding more quickly, cutting red tape more aggressively, and mobilizing resources more assertively to help these communities, so that when they lose their bases they do not lose their future. As the 1995 BRAC round proceeds toward presidential action in July, the Administration is reviewing implementation of the Five-Part Plan to identify additional areas for improvement.

Background:

- In two years, the Administration has tripled the number of -- public/private management plans called Habitat Conservation Plans (HCPs) developed in the previous decade, signing-off on more than 50 HCPs to date with more than 150 at various stages of development across the country.
- Legislative action on the ESA is not expected until after the August recess.

Administration Positions and Proposals:

- In March, Interior Secretary Babbitt announced a 10-point ESA reform program which outlined a strong commitment to science, a larger role for the States in ESA implementation, and greater "certainty" and incentives for private landowner participation in ESA conservation efforts. The "no surprises" policy published in the Federal Register last Fall assures landowners that once they have committed to a conservation plan, they will have no additional demands placed on their property. Similarly, our "safe harbor" policy also protects landowners who enhance wildlife habitat on their land from any additional land use restrictions. We have nearly completed a proposal that targets special regulatory relief for homesites and small land parcels where five acres or less are impacted -- essentially exempting homeowners from ESA.

Administration Actions and Accomplishments:

- The President's Forest Plan. This initiative broke the gridlock in the forests of the Pacific Northwest and is designed to protect the habitat of the Northern spotted owl and hundreds of other species including salmon.
- The San Francisco Bay-Delta Accord. Federal agencies including the U.S. Fish & Wildlife Service, EPA, and the National Marine Fisheries Service worked with the State of California to develop a truce in the State's decades-old water wars that provides water for salmon and Bay-Delta water quality while providing certainty for agricultural and urban water contractors.
- Conservation of the Red-cockaded woodpecker in the Southeastern U.S. The U.S. Fish and Wildlife Service has reached conservation agreements with such companies as Georgia-Pacific, International Paper, Champion International, Hancock Timber Resources, and a number of other companies protecting the woodpecker and providing for sustainable timber harvesting over several million acres of southeastern forests.
- Southern California Conservation Planning. The U.S. Fish and Wildlife Service has entered an unprecedented partnership with the State of California, Orange and San Diego Counties to preserve habitat for threatened and endangered species through California's Natural Communities Conservation Program (NCCP). Recently, Katie McGinty participated in a signing ceremony for one southern California private sector development project which will preserve some 1,300 acres of coastal sage habitat within the framework of the NCCP process.

ISSUE: ENERGY EFFICIENCY AND ALTERNATIVE ENERGY

DRAFT

Background:

- Energy efficiency and alternative (or "renewable") energy are important to the five Pacific Rim States for the same overriding reasons they are important to the rest of the country: because energy use has a major impact on the environment, the economy, and national security.
- The 5 Pacific Rim states use significantly less coal than the national average. California and Alaska rely more on natural gas than does the nation as a whole. Alaska, Oregon, and Washington rely heavily on hydropower. Hawaii depends on imported oil for about 98% of its energy needs. Geothermal energy exists in abundance throughout the Pacific Rim States. About 6% of the electric power consumed in California comes from geothermal energy. A new 25 megawatt power plant is operating in Hawaii. Geothermal projects are planned for Alaska and Oregon.
- Because they have abundant renewable resources -- among them water, wind, solar and forest products -- the Pacific Rim states are well-positioned to lead the nation in the development of renewable energy systems and to take advantage of the global energy efficiency and renewable energy market. The world renewable energy market alone is estimated at \$84 billion between now and 2005. Pacific Rim and Asian countries represent large, and growing segments of these markets.
- The Pacific Rim states have led the nation for years in innovative energy policies. Sen. Mark Hatfield was the architect of the precedent-setting Northwest Power Planning Act; Sen. Matsunaga's work in renewable energy set a national example in Hawaii. California has been a hotbed of innovation in both utility energy efficiency programs, and the use of renewable energy systems. California's implementation of Zero Emission Vehicle mandates is creating a market for electric vehicles. This could be an area of intense competition among US and Japanese automakers.

Administration Positions and Proposals:

- After nearly a decade of federal dis-investment in efficiency and renewables during the Reagan Administration, the Clinton Administration has begun restoring this investment. The Federal budget for energy efficiency and renewable energy research, development and deployment grew from \$1 billion in FY 1994 to \$1.2 billion in FY 1995. This investment is now under withering attack in Congress, where proposals to date have called for budget cuts of 50% or more.
- DOE's Office of Energy Efficiency and Renewable Energy's planned FY 1996 expenditures in California, Alaska, Hawaii, Oregon, and Washington are estimated to have the following impacts in the year 2000: 37,253 jobs created; \$2.5 billion in energy cost savings; and reduced emissions of 6.43 million metric tons of carbon equivalent.

Administrative Actions and Accomplishments:

- Secretary Hazel O'Leary has actively tilled international energy markets to produce new opportunities for U.S. energy efficiency and renewable energy businesses. The Pacific Rim states are among the beneficiaries. For example, following Secretary O'Leary's visit to China, the dialogue and opportunities for cooperation have been expanding.
- Investments by DOE's Office of Energy Efficiency and Renewable Energy in the Pacific Rim

States amounted to \$104.6 million in FY 1994 alone, including \$13 million for low income weatherization, \$3.4 million for energy efficiency improvements to schools and hospitals, and \$2.6 million to support State energy programs, and research undertaken in partnership with colleges, universities, the private sector and National Laboratories in the Pacific Rim States. Some specific projects include:

- **Grants to Tribes:** Four Indian Resource Development Grants have been awarded to four Alaskan Native villages for hydroelectric activities, totaling over \$790,000.
- **Motors Challenge Program:** DOE's Motor Challenge program works with industries to capture sizeable energy savings available from switching to energy efficient motor systems. The Boeing Company and ICF Kaiser are demonstration projects.
- **Clean Cities:** DOE has signed agreements with 34 cities to help reduce oil imports by deploying fleet vehicles that run on alternative fuels. Among the cities are Portland, San Francisco, San Jose, the San Joaquin Valley, Oakland and Sacramento.

Background:

- The Federal government plays an important role in funding basic and applied research and development that is key to the development of future generations of environmentally critical technologies. For California alone, the sale of environmental technologies has totalled more than \$10 billion and generated thousands of jobs.
- Oregon's Legislature, for example, recently declared environmental technologies a Key Industrial Sector. With over 400 companies, the ET sector has helped the state make the transition from an economy based on natural resource exploitation and export, to one providing high-tech goods and services.
- Both the California state and export markets for many products are expected to double in the next five to ten years.

Administration Position and Proposals:

- The Clinton-Gore Administration recognizes the inextricable link between the global environment and our domestic economy. Indeed, the Administration has placed the United States at the threshold of global stewardship. Export of US environmental technologies creates additional high-paying US jobs. Worldwide demand has made the environmental market one of the fastest growing for US companies.

Administration Actions and Accomplishments:

- Environmental Technology Export Strategy: The Administration released this strategy in November of 1993. It contains a number of strategies and programs to 1) Make it easier to work with the federal government on environmental exports; 2) Strengthen the technology development and commercialization capacity of the domestic industry; and 3) Target and assist in development of markets.
- National Environmental Technology Strategy: The Administration, after consulting thousands of stakeholders issued a national strategy in April of 1995 designed to stimulate investment in, development of, and commercialization and export of, environmental technologies.
- Northwest State "VIRTUAL MARKET" Database: Seattle, Washington: This large Pacific Northwest environmental technology information network provides economic opportunities to environmental technology companies by matching US environmental technology buyers.
- E-LYNX: The Environmental-technology Leveraging Network eXchange: Pasadena, Ca.: The California Trade and Commerce Agency and ten partners will receive \$470,400 to develop an environmental technology marketplace known as the Environmental-technology Leveraging Network eXchange or E-LYNX. This California-based network will link technology developers with those who can help them get their technologies to market.

ISSUE: FEDERAL GAS AND OIL PROGRAM OFF CALIFORNIA AND ALASKA**Background:**

- 17 oil and gas lease sales offshore Alaska since 1976 have resulted in leasing of 8.6 million acres and bonuses of \$6.5 billion. There has been exploration in many areas and some discoveries, but no production. The North Aleutian Basin area has under Congressionally imposed moratoria since FY 1990.
- In the Pacific region, 11 lease sales were held (10 off California and 1 off Washington/Oregon) between 1963 and 1984 with 2.5 million acres leased and bonus bids of \$4 billion. There are 85 existing leases off southern California, 43 of which produce some 180,000 barrels per day of crude and condensate and about 155,000 million cubic feet of natural gas. Royalty receipts exceeded \$92 million in Calendar Year 1994; even more is expected in 1995 due to increased and new production.
- The first moratorium enacted in FY 1982 forbade "bidding, leasing, exploration, or development" on some 736,000 acres off northern and central California. Since 1990, following former President Bush's directive to withdraw a number of areas from OCS program activity, the acreage covered each year has totaled approximately 266 million acres, or 18 percent of the OCS.

CURRENT (1992-1997) 5-YEAR PROGRAM

- Plans are proceeding for 3 proposed lease sales off Alaska: Cook Inlet Sale 149 proposed for mid-1996; Beaufort Sea Sale 144 proposed for later in 1996; and Gulf of Alaska Sale 158 proposed for mid-1997. There are no sales proposed off California.

NEW 5-YEAR PROGRAM

- A 5-year program for the period 1997-2002 is in preparation. Secretarial decisions and a public announcement of a draft proposed program are expected in July of this year. A 60-day comment period will follow. The target is to have the new program approved before the end of 1996.
- An Alaska Regional Stakeholder Task Force was formed to solicit views of native, subsistence, and environmental organizations, commercial fishing and the oil and gas industries, and State, local, and Federal agencies. Along with other recommendations, the Task Force recommended that the Beaufort Sea, Chukchi Sea, Cook Inlet/Shelikof Strait, Hope Basin, and the Gulf of Alaska planning areas be considered for analysis in the new 5-year program..
- The Administration is on record in support of continuing the existing moratoria through FY 1995. The issues associated with existing leases and further leasing will be revisited during preparations for the new 5-year program.
- Even after Presidential or Congressional restrictions are lifted, areas would be subject to planning processes under the OCS Lands Act including approval of a new 5-year program. After a sale is scheduled on the 5-Year Program, the area would be subject to the detailed multi-year presale planning and consultation process.

ISSUE: THE FOREST PLAN**Background:**

- Years of short-sighted and contradictory policy-making by previous Administrations were ruled in violation of federal laws. As a result, a 1991 court injunction halted most federal timber sales in the Pacific Northwest, leading to serious economic consequences. For two years, the previous administration did nothing.
- However, since the pipeline for timber sales was 3 years, some of these impacts are still being felt, after the injunction was lifted.
- Shortly after taking office, on April 2, 1993, the President convened a Forest Conference, which led to the development and adoption of the Forest Plan in April, 1994.

Administration Positions and Proposals:

- The Forest Plan provides for a sustainable harvest of timber based on scientifically-sound and legally-responsible forest management, new job-creating investments in the region's environment, innovative protection for valuable old growth forests, and new economic assistance to help workers, businesses and communities to provide long-term, family-wage jobs and long-term development.

Administration Actions and Accomplishments:

- In June 1994, shortly after the President submitted his Forest Plan, federal courts dropped injunctions banning timber harvests from federal lands, for the first time in three years.
- The President's plan has broken legal gridlock — it has withstood every challenge since its adoption and has prevented the initiation of additional law suits.
- Since the plan was adopted, more than 300 million board feet have been offered for sale from federal forest lands. Of this amount, 136 million came from the Forest Plan area. About 870 million board feet have been harvested. This is well below historical levels, but we are pushing to speed up sales and get them into the pipeline again. Changes in the timber sales process should cut the time it takes to prepare timber sales by a third.
- In FY 95, the projected timber harvest is 586 million board feet in the Forest Plan area, and 403 million board feet in the eastern half of the region.
- The Administration has dedicated \$1.2 billion in grants and loans over the next five years, beginning with \$254 million for FY 94. Federal agencies obligated more than \$156 million to help more than 1,200 communities in FY 94.
- In FY 94, the "Jobs in the Woods" program employed approximately 2,000 displaced timber workers and invested \$20 million for watershed restoration work. In FY 95, the projected investment in watershed restoration is \$14.6 million.
- The Forest Service has provided an additional \$15 million for rural assistance in over 200 communities in FY 94, with an estimated \$13.1 million for FY 95.

ISSUE: FOREST HEALTH/TIMBER SALVAGE**Background:**

- Forests are constantly changing as a result of insect and disease epidemics, forest fires, fire suppression, and timber harvesting.
- The intense and extensive forest fires of the 1994 season brought into question past and future forest management practices.
- The Rescission Bill which the President recently vetoed contained an amendment to direct the Forest Service and Bureau of Land Management to prepare timber salvage sales in volumes above the level appropriated to the greatest extent possible. Discussions with Congress involving this issue are ongoing.

Administration Positions and Proposals:

- The goal of the Administration is to restore forest health while reducing the wildfire risk to life and property, especially where wildlands and communities come together.
- The Administration is committed to expediting the preparation and sale of salvage, where salvage will enhance forest health by reducing fuel loading.

Administration Action and Accomplishments:

- In December 1994, the Forest Service released the "Western Forest Health Initiative." The initiative identifies resource management objectives and needs to sustain healthy fire-adapted forest ecosystems in the West.
- The Forest Service is addressing the overall forest health issue on an ecosystem basis by restoring high-risk sites (i.e., those sites most out of balance) to within their natural range of variability.
- As part of the Western Forest Health Initiative, for example, forest health projects covering 1.3 million acres are planned or in progress on 14 National Forests. Of these projects, 90% are scheduled for completion in fiscal year 1995.
- A salvage team has been assembled in the Regional Office, and is facilitating the accomplishment of salvage.
- The Forest Service plans to sell 1.57 billion board feet nationwide of salvage in FY 95. This is an increase from FY 94 of 38%. As of March 31, 145 billion board feet has been sold.

ISSUE: NATIVE AMERICANS AND THE ENVIRONMENT**Background:**

- Long before Congress enacted legislation enabling tribes to access environmental protection programs and funding, Indian tribes were regulating reservation environments using their inherent sovereign powers and powers as land owners.
- Since the amendment of the Clean Water Act, the Safe Drinking Water Act, and Clean Air Act, Indian tribes have had increased access to environmental programs, technical expertise and funding that was traditionally reserved for states. These programs have enabled the tribes to develop their technical expertise, environmental protection programs and to inform their communities about environmental hazards and protection strategies.
- While there has been significant progress, Indian environmental issues remain underfunded, while needs are large. For example, the unmet wastewater treatment needs for Indian communities was recently estimated to exceed \$30 billion (Indian Health Service, 1989).
- A significant concern of the tribes is the continued, persistent effort by the western states to challenge and oppose tribal inherent and delegated authority to regulate the environment. Jurisdictional challenges force the tribes to spend to protect this authority instead of addressing the real environmental needs of Indian communities.

Administration Positions and Proposals:

- The Clinton Administration has been proactive in its support of Indian environmental issues. In the first instance, the Administration has expanded and improved the government-to-government relationship between tribes and the Federal government. The Administration has intervened at critical moments -- for example, the Columbia River salmon recovery plan -- to support tribal environmental and treaty concerns with practical, interagency solutions.

Administration Actions and Accomplishments:

- On December 16, 1994, the Environmental Protection Agency (EPA) issued final regulations simplifying the process to qualify Indian tribes for program environmental approval. As of June, 1995, 90 tribes have received treatment in same manner as a site under various Clean Water Act programs. Eight of these approvals are under the Water Quality Standards program.
- EPA established an American Indian Environmental Office which serves as a focal point for Indian environmental concerns and programs.
- Each bureau within the Department of the Interior has a Native American desk and through Secretarial Order 3175, evaluates every bureau action with respect to its impact on Native American resources, people or the environment.
- The Administration is on record opposing the amendments to the Clean Water Act that propose the elimination of tribal jurisdiction over the environment.
- The Department of Energy has provided funds to enable tribes to evaluate the environmental issues surrounding DOE facilities.
- The Department of Defense has also provided funds to Indian tribes for the purpose of evaluating

environmental issues and concerns surrounding DOD facilities.

- The Administration has been active in assisting the implementation of the Indian Environmental Regulatory Enhancement Act.
- The Administration has pursued legislation and creative problem-solving of critical tribal environmental concerns in Death Valley, the Everglades, and the Pacific Northwest (specifically related to the Forest Plan).

ISSUE: OIL DRILLING ISSUES**Background:**

- As part of a 1993 initiative to help the domestic oil and natural gas industry, the Department of Energy proposed evaluating removal of the export ban on Alaskan North Slope crude oil.
- The House and Senate passed budget resolutions both contain reconciliation instructions which will require authorizing committees (House Resources and Senate Environment) to report legislation to open Arctic National Wildlife Refuge (ANWR) to oil development. This will generate revenues from \$1.5 - \$2.5 billion dollars.
- The Arctic National Wildlife Refuge is the nation's only conservation area that encompasses a complete range of arctic ecosystems. It is the largest undisturbed arctic ecosystem remaining in the United States but represents only about 5 percent of the nation's arctic coastal plain.
- Oil development is currently prohibited in ANWR but almost all of the Nation's remaining arctic environment is open to oil development, including the massive development at Prudhoe Bay which produces about 25 percent of domestic oil.

Administration Positions and Proposals:

- Supports lifting the ban on Alaskan North Slope oil exports provided there are no adverse environmental effects.
- The President, as he promised in his 1992 Presidential campaign, remains strongly opposed to ANWR oil development.

Administration Actions and Accomplishments:

- For the last nine months, the Administration has worked with Congress to craft legislation that will permit Alaskan North Slope exports. Bills have now passed the Senate and have been reported out of Committee in the House. Both restrict exports to be carried on U.S. flag (but not necessarily U.S.-built) tankers. This limited constraint is consistent with our trade and treaty obligations. We expect passage this summer, after which the Administration will evaluate the environmental effects, if any, of lifting the ban.

ISSUE: PACIFIC SALMON**Background:**

- Pacific salmon stocks throughout the region have declined precipitously in recent years. Under the Endangered Species Act (ESA), four stocks are currently listed as endangered. Major factors that caused the decline include: loss of habitat due to construction of dams on the Columbia and other rivers, habitat degradation on private and public lands, hatchery practices, and over-fishing.
- Conservation efforts on the Columbia River are expensive and controversial, pitting State officials and citizens in Montana and Idaho against downriver interests in Oregon and Washington. Bonneville Power Administration (BPA) estimates that it is spending approximately \$350 million (lost revenues plus actual expenditures) on salmon recovery activities in 1995. Senator Hatfield and others are proposing to limit BPA's costs regarding salmon restoration.
- In 1994 the Pacific Fishery Management Council adopted the most restrictive ocean salmon fishing regulations ever, banning all non-Indian fishing from 60 miles south of the Columbia River to the Canadian border. Revenue from commercial troll fisheries was limited to about \$4.7 million - 90 percent lower than the 1976-1993 annual average of \$43.7 million. A similar decline was expected in recreational salmon fishing income.
- The Administration agreed to fund up to \$70 million of BPA's obligations for salmon restoration from the general treasury. This will relieve impact of fish restoration on the region.

Administration Positions and Proposals:

- The Administration is committed to restoring anadromous fisheries throughout the Pacific Northwest and California. The mix of measures used to accomplish restoration will be based on the best available science and the use of a multi-species or ecosystem approach.

Administration Actions and Accomplishments:

- The Northwest Forest Plan protects riparian habitat on Federal forest lands on the west side of the Cascade Mountains. It was based on assuring that salmon habitat would be protected and enhanced.
- NOAA has developed a comprehensive recovery plan for endangered Snake River stocks. The proposed recovery plan will benefit all anadromous fish in the Columbia and Snake Rivers, not just those that are currently listed.
- The Administration's adoption of the PACFISH strategy was crucial in averting an injunction of all Federal land management activities in the Snake River basin that "may" have adversely affected listed salmon. The injunction would have devastated timber, livestock EM, and mining industries.
- In response to the close of the salmon fishery off the coasts of Oregon and Washington, on June 2, 1994, the Administration declared a "federal fishing disaster" and promised \$15.7 million in economic assistance.
- USDA and the Department of Commerce signed an interagency agreement in November, 1994, to implement a \$6 million jobs program focusing on Pacific Northwest habitat restoration. Under this agreement, \$2.2 million each is going to Oregon and California and \$1.6 million is going to Washington.

- The San Francisco Bay-Delta agreement signed by Governor Wilson, Secretary Babbitt, Administrator Browner and others protects salmon in the Sacramento and San Joaquin Rivers.

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PANEL 2

Divider Title: _____

DRAFT

C:econlst2

DRAFT
JUNE 21, 1995

EDUCATION AND STRAINS ON WORKING FAMILIES

PRINCIPALS:

POTUS
VPOTUS
SECRETARY RILEY
MAYOR KATZ

PARTICIPANTS:

PARTICIPANTS:

FINANCING HIGHER EDUCATION

Scott Segrin, Parent -- Saving and Financing Post-Secondary Education
Marsha Farver, Parent -- Financing Post-Secondary Education
Edwardo Mosqueda, Student -- Direct Lending
Velaida "Cricket" Shepard, Student -- Americorps
Sam Smith, College President -- College Tuition

PARENTAL INVOLVEMENT

Elaine Griffin, Teacher -- Engaging Parents in the Education of Children
Bertha Pendleton, Superintendent -- Parent Involvement
"Pann" Baltz, Parent -- Family Partnership Initiative
John Bryson, CEO -- Family Friendly Workplace
Diana Meehan, T.V. Writer -- Television Content

EDUCATION AND TRAINING

Susanjoy Baskoro, Mother -- Welfare to Work Program
John Wolford, Dislocated Worker -- On-the-Job Training
Christy Semersheim, Labor Representative --
David Mertes, President of California Community Colleges -- Community Colleges

FINANCING HIGHER EDUCATION

Scott Segrin owns a small business - "J and J Mechanical Insulators" - he started two years ago. His wife, Joan, is a bankteller. He works full-time and his wife works 20 hours per week. They have four children, and live in Portland, OR. Neither Mr. Segrin or his wife

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DRAFT

with Secretary Riley to promote the Department of Education's "Focus on Family" initiative. He is in a wheelchair.

John Bryson is the CEO of Southern California Edison. Southern California Edison promotes family-friendly policies, including "Parent for Student Success," a parent education and assistance program. John and Department of Education Deputy Secretary Kunin held a press conference on family involvement during the kick-off of the Department of Education's "Focus on Family" initiative.

Diana Meehan is the head of VU Productions, a partnership of women committed to producing media on women and family issues. Previously, she was a professor of communications at University of California at Los Angeles and the founding director of the Institute for the Study of Women and Men at the University of Southern California. She has been honored by the University of Southern California and the Women's Legal Defense Fund for her work as a families and children advocate. She is married to a writer and has two daughters.

EDUCATION AND TRAINING

Susanjoy Baskoro

P6/(b)(6)

P6/(b)(6)

[001]

John Wolford

P6/(b)(6)

P6/(b)(6)

Christy Sermersheim is the Executive Secretary Treasurer of Local 715 of the Service Employees International Union. Ms. Sermersheim represents clerical and other service workers in county offices and hospitals.

David Mertes is the President of the California Community College System. David is a member of the National Task Force for Minority Achievement in Higher Education, and the Commission on Legislation for the American Council on Education. He has served as president, dean, and faculty member of several colleges in California. In 1989, David won the Thomas J. Peters National Leadership Award and the California Executive of the Year Award for Management Excellence.

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PANEL 2 ISSUE BRIEFINGS

Divider Title: _____

PANEL II: ISSUE BRIEFINGS

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ISSUE: ADULT EDUCATION

Background:

- The Adult Education Act authorizes grants to states to fund education programs for adults who lack a high school diploma, for educationally disadvantaged adults who lack the basic skills necessary to function in society, and for adults whose native language is not English. English as a Second Language (ESL) has the largest participation.
- Results from the 1993 National Adult Literacy Survey found that more than 20 percent of adults performed at or below a 5th-grade level in reading and math. Because parents' educational level is a strong predictor of children's academic success, the effects of illiteracy extend beyond adults to their children. Despite the need for literacy services, a recent evaluation found that the current program reaches only a small percentage of those in need.
- In general, the approximately 3 million adults who use these services are disproportionately young (ages 16-44) and Hispanic or Asian/Pacific Islander.
- California has 1 million of the nation's 1.5 million ESL adult education participants.
- States and localities spend on average four times more than the federal government—Pacific Rim states vary from a low contribution of 2 times the federal amount (Hawaii and Washington) to more than 10 times (California). The majority of adult education providers are local education agencies.

Administration Positions and Proposals:

- This spring, the Administration introduced the Adult Education and Family Literacy Reform bill as a central part of the G.I. Bill for America's Workers. The bill streamlines programs, increases state flexibility, improves accountability, and expands adult learners' options.
- In particular, the bill would authorize \$490 million in FY 1996 and:
 - eliminate or consolidate 12 separate programs and set-asides into one single state grant, and unite 8 other programs into a simplified National Program;
 - increase states' flexibility in use of funds, with caps on the amount they may use for leadership activities, administration, and incentive awards;
 - strengthen accountability provisions by requiring states to develop performance goals and indicators;
 - expand adult learners' choices by encouraging states to establish strong links with one-stop career centers, job-training programs, and social service agencies; and
 - set aside 25 percent of the state grant for Even Start family literacy programs to provide training for parents or guardians along with education for disadvantaged children.

Administration Accomplishments:

- This is primarily a formula-based state grant program that has not changed since 1991.
- In FY 1995, Pacific Rim state grant amounts and adult education participation rates are as follows:

Alaska: \$ 555,400

- 10 percent (5,800 of 55,000) of Alaskans eligible for adult education are enrolled in classes.

California: \$ 27,983,500 (plus about \$900,000 for State Literacy Resource Centers)

- California has more adults without a diploma than any other state; 19 percent (1.1 million of 5.8 million) of those eligible are enrolled in adult education. Eighty-four percent of those enrolled are in ESL classes, more than double the percentage in any other Pacific Rim state.

Hawaii: \$ 1,068,000

- 32 percent (59,000 of 181,000) of the Hawaiians eligible for adult education are enrolled in classes, evenly split among the three programs (basic, GED preparation, ESL).

Oregon: \$ 2,384,000

- 10 percent (39,000 of 401,000) of Oregon's adults without diplomas are enrolled in adult education, most preparing for the GED.

Washington: \$ 3,528,000

- 6 percent (39,000 of 610,000) of adults without diplomas are enrolled in education.
- About 40 percent each are in basic education and ESL classes.

ISSUE: COMMUNITY SCHOOLS

Background:

- Young people are increasingly the victims of violence. In the 1993 Youth Risk Behavior Survey, the Centers of Disease Prevention and Control reported that 4.4% of students reported missing at least 1 day of school during the past month because they felt unsafe at school or felt unsafe traveling to and from school. In Hawaii, the percentage was 6.5% and in Seattle, it was 9.2%.
- Over the past year, 7.3% of students were threatened or injured with a weapon on school property. In Hawaii, the percentage was 7.4% and in Seattle it was 12.7%.
- Approximately one-third of students had their personal property stolen or deliberately damaged on school grounds during the past year. In Hawaii, 28.7% of students were victims, and in Seattle, 32.8% were victims.
- The Community Schools program would provide young people with a safe place to go after school, on weekends, and during the summer to spend time with their friends, get involved in activities for themselves and with their families, and do schoolwork.

Administration Positions and Proposals:

- The Administration has opposed attempts to repeal portions of the 1994 Violent Crime Control and Law Enforcement act, which included the Community Schools program.
- The White House has fought to keep the Community Schools program from being included in the Congress' rescission package.
- The President's FY 1996 budget included a request for \$72.5 million for the Community Schools program, the full amount authorized in the Crime Act Trust Fund.

Administration Actions and Accomplishments:

- The Departments of Education and Health and Human Services published one program announcement for two very similar programs, therefore cutting red tape for communities around the country who would have applied for both programs.
- Over 700 applications were received from schools and community based organizations in all 50 states for this small program, emphasizing the great need for programs to help prevent crime.

ISSUE: EDUCATION TAX DEDUCTION

Background:

- The current tax code provides little incentive for education and training spending and almost no support for the development of new skills for new jobs.
- Under current law, taxpayers generally may not deduct the expenses of higher education and training. A deduction for educational purposes is allowed only if the education maintains or improves a skill required in the individual's current employment, trade or profession, or is required by the individual's employer, or is required by law or regulation for the individual to retain his or her current job.
- Educational expenses that meet the current test may be claimed only as an itemized deduction. Fewer than 30% of taxpayers claim itemized deductions, and, as to these taxpayers, tax benefits accrue only to the extent that such expenses, along with other miscellaneous itemized deductions, exceed two percent of the taxpayer's adjusted gross income (AGI).
- Education and training boost earnings potential. In 1979, the average earnings of college-educated workers was 49% more than the average earnings of their high-school counterparts. In 1992, it was 83%.
- Well-educated workers are essential to an economy experiencing technological change and facing global competition. The Pacific Rim states have been in the forefront of technological innovation, accounting in 1991 for about one-third of total U.S. spending on research and development, and the education of workers in these states must keep pace.
- In 1991, about 18 percent of students attending institutions of higher education were enrolled in schools in the Pacific Rim states. This is somewhat higher than these state's 16 percent share of the college-age (18 to 24) population.

Administration Positions and Proposals:

- The Administration supports a tax incentive that will give all Americans the opportunity to develop new skills throughout their lifetime, for competing in a global economy, and for raising their standard of living
- As part of the Middle Class Bill of Rights, the Administration proposes a tax deduction for up to \$10,000 in postsecondary education and training expenses. The deduction will reduce adjusted gross income and will be available to all taxpayers whether or not they itemize deductions.
- The benefit will be available for tuition and fees (for the taxpayer or dependents) for any approved college or vocational program.
- The deduction will be phased in starting at \$5,000 in 1996 and rising to \$10,000 in 1999. Families with incomes up to \$100,000 and individuals with incomes up to \$70,000 will be eligible for full benefits. Benefits will be phased out above those income levels, thereby targeting the deduction on middle income taxpayers.
- The worth of the benefit will be equal to the family's marginal tax rate times the amount of the

deduction, amounting to a 15-28% cut in the cost of college tuition for a typical middle class family.

- The proposal would provide \$23.5 billion in benefits through the year 2000.
- The deduction is unlikely to cause significant increases in tuition costs. Higher education is a highly competitive industry, with over 7,000 institutions scrambling for the student dollar. This competitive pressure keeps prices down.

Administration Actions and Accomplishments:

- The Administration is continuing to seek Congressional passage of this proposal.

ISSUE: HEAD START

Background

- Launched in 1965, Head Start has now provided support to more than 14 million low-income children and their families.
- *Pacific Rim*: The current President of the National Head Start Association, Ron Herndron, is the director of Albina Head Start in Portland, Oregon.

Administration Positions and Proposals:

- The Administration has made the improvement and expansion of Head Start, America's premier preschool program for low-income children and families; a central goal in order to: support the emotional, physical, and intellectual development of low-income children; improve their chances of succeeding in school and in later life; and enhance parents' ability to nurture their families and to achieve economic independence.
- Both the President's original 1996 budget and the President's revised budget provide increases for Head Start. Under the revised plan:
- Funding for Head Start would increase annual funding by \$1.5 billion by 2002 to reach another 50,000 children -- for a total of 800,000 per year -- and to improve quality.
- House Republicans would cut up to 200,000 children compared to 1995 numbers.

Administration Actions and Accomplishments:

Major National Achievements for Head Start:

- In May 1994, the President signed an unprecedented bipartisan Head Start reauthorization bill that commits the program to: fulfilling a vision of quality and excellence in all Head Start services; responding to the emerging needs of low-income children and families; strengthening partnerships with schools, States, and other key service providers; and developing a new initiative to support families with infants and toddlers.
- The 1994 funding increase of \$550 million was used to improve quality, to support working parents through full-day, full-year services, and increase enrollment. Specifically for FY94:
 - \$376 million for quality improvements.
 - \$ 57 million to extend hours and days of operation for 120,000 children.
 - \$117 million to increase enrollment to 28,000 more children and families.
- FY95 \$210 million increase:
 - \$127 million for quality improvements.
 - \$ 15 million to expand transition to school efforts.
 - \$68 million for initiatives to infants and toddler (includes the new Early Head Start program)
- From 1992 - 1995:
 - 132,000 more children served

- 6,000 more infants and toddlers served
 - 20,000 more children enrolled in full-day, full-year programs
 - New Early Head Start program initiated
 - Average teacher salary increased by \$2,400 to \$16,700
- As a result of tough new policies on seriously deficient grantees program quality has improved.
 - 72 improved with intensive assistance
 - 20 terminated or relinquished grants

Pacific Rim States

State	1994 DOLLARS	1994 ENROLLMENT	1995 DOLLARS
Alaska	\$ 6,295,000	1,209	\$ 6,589,000
California	\$371,227,000	70,995	\$394,361,000
Hawaii	\$ 9,939,000	2,260	\$10,203,000
Oregon	\$ 27,080,000	4,638	\$ 28,354,000
Washington	\$ 45,968,000	8,260	\$ 51,681,000

ISSUE: PARENTAL INVOLVEMENT/FAMILY INITIATIVE

Background:

- New legislation and the Secretary's special initiative on family involvement recognize the critical role families play in students' learning. Goals 2000, Title I, and the Even Start intergenerational education program support the active engagement of parents as full partners in their children's education. Secretary Riley has launched a Family Involvement Partnership for Learning with the release of *Strong Families, Strong Schools: Building Community Partnerships for Learning*, linking the efforts of organizations and individuals to promote the mutual responsibilities of schools, families, and the wider community in developing successful students.
- Research shows:
 - Three factors over which parents can exercise control—student absenteeism, variety of reading materials in the home, and excessive television watching—account for nearly 90 percent of the difference in 8th grade mathematics test scores across states.
 - When parents are involved in their children's learning, their children earn higher grades and test scores, and they stay in school longer.
 - When parents are involved in a variety of ways at school, the performance of all children in the school tends to improve.

Administration Positions and Proposals:

- Family involvement in children's learning is critical to students doing well in school and succeeding in college or attaining a job. Family involvement should be a special focus of any successful school improvement effort to meet higher academic and occupational standards, such as attaining the first-class education promoted by the Goals 2000: Educate America Act and initiatives to achieve the National Education Goals. While emphasizing families' mutual responsibility, schools and the larger community need to create opportunities for parents to work with their children. Therefore, the Secretary's initiative encourages parents, relatives, religious groups, Girls and Boys Clubs, Scouts, businesses and concerned friends to promote better communication between schools and parents and support greater parent involvement in learning at home and in the school.

Administration Actions and Accomplishments:

- While no data are available on parent involvement activities specific to the Pacific Rim states, a variety of efforts are underway that touch all states.
- President Clinton has prepared, and Congress has enacted, several key pieces of legislation that promote family involvement in children's learning and encourage better communication between schools and parents:
 - **New National Education Goal.** Highlighting the importance of parent involvement in learning is a National Education Goal adopted by Congress. While voluntary, this goal stresses that, "*By the year 2000, every school will promote partnerships that will increase parental involvement and participation.*"

- **Launching School-Parent Compacts.** One good way for schools and parents to work together better is to agree on their goals for improving student learning and then state what each will do to help accomplish these goals. Such an agreement is called a school compact. Title I of the new Elementary and Secondary Education Act (ESEA) will foster school-parent compacts in at least half the nation's schools.
- **Parent Information and Resource Centers.** The Goals 2000: Educate America Act provides funds to state and local partnerships to begin family information centers throughout the country, establishing at least one family resource center in every state by 1998.
- As part of the Family Involvement Partnership for Learning, the U.S. Department of Education has initiated outreach efforts, including these steps:
- **Partnering with the religious community.** Leaders of 33 religious groups and organizations representing about 75 percent of the religiously-affiliated population in America expressed support for family involvement in children's learning through signing a Statement of Common Purpose with Secretary Riley.
- **Partnering with employers.** Chief executive officers of large and small businesses have met with Secretary Riley to consider ways of encouraging employers to adopt family friendly-policies and practices. The Department issued a guide, *Employers, Families, and Education*, describing ways businesses can support family involvement in learning at the worksite, at school, and in the community.
- **Reading Initiative.** Ten national organizations signed on to promote reading and writing skills—the basics of communication—especially during the summer when there is a drop-off in reading and writing. The initiative encourages reading partners—parents, recreation directors, senior citizens, and older students to work with young children on challenging and enjoyable reading and writing activities this summer and throughout the school year. The reading initiative, READ*WRITE*NOW! has enjoyed an enthusiastic response from employers, schools, and individuals across the nation. The Department has prepared 400,000 kits for distribution this summer.
- The following California-based partners are among the more than 130 parent, community, and educational organizations and religious groups that have signed on to the Family Involvement Partnership for Learning, a Partnership that is one of the important results of Secretary Riley's national family involvement initiative. These organizations include Center for the Improvement of Child Caring; Center for the Study of Parent Involvement; Council of Bishops of the United Methodist Church; Council of Spouses of Bishops of the United Methodist Church; and Muslim Public Affairs Council. California-based "family-friendly" employers also encourage greater family involvement in children's learning through their policies and practices. Businesses include G.T. Water Products; Hewlett-Packard Company-Sonoma County Division; Los Angeles Department of Water and Power; Mexican American Legal Defense Fund; and Southern California Edison.

ISSUE: SAFE AND DRUG-FREE SCHOOLS**Background:**

- Title IV of the Improving America's Schools Act, the Safe and Drug-Free Schools and Communities Act (SDFSCA), seeks to accomplish the National Education Goal of ridding schools of drugs and violence and ensuring a disciplined environment conducive to learning. Its reauthorization adds violence prevention as a key element; targets resources to where they are most needed; increases accountability; links schools and communities; and broadens the range of authorized prevention activities.
- Federal funds flow to states and localities in several ways. Of the \$482 million approved for FY 1995, \$457 million goes directly to states: 80 percent to state education agencies (SEAs) [more than 90 percent of these funds goes local education agencies (LEAs)] and 20 percent to governors. National programs and discretionary grants are also funded.
- Whereas drug prevention programs were largely unavailable in schools prior to the creation of this program, drug education has is now virtually universal in American schools, and students at all grades are offered developmentally-appropriate school-based prevention education and services. These programs are supported mostly by federal funds; school officials report that without these funds, there would be little drug prevention activity in the schools.

Administration Positions and Proposals:

- This past winter, the House passed a bill which would have rescinded all but \$10 million of the \$482 million program; the Senate's bill rescinded no funding. A conference committee voted on a rescission of \$236 million. On June 7, the President vetoed the bill sent by Congress—citing as one reason the importance of the Safe and Drug-Free Schools and Communities program for the nation.

Administration Actions and Accomplishments:

Federal funds support a variety of activities and services in Pacific Rim states.

- **Alaska:**
 - Estimated FY 95 funding: \$1,783,635 (SEA); \$445,909 (Governor). Higher education programs 1987-1994 (under the Fund for the Improvement of Post-Secondary Education, or FIPSE): 1 school. Schools selected under the Safe and Drug-Free Schools Recognition program (1988-95): 1.
 - **Alaskans for Drug-Free Youth (LEA):** This community-based, parent-led organization is located in Ketchikan in southeast Alaska, but provides training all over the state about techniques for resistance to substance abuse. This year the organization has focused on middle school/junior high school students.
- **California:**
 - Estimated FY 95 funding: \$39,816,710 (SEA); \$9,954,177 (Governor).
Number of LEAs participating: 983 (98 percent).

Number of students served: 5,783,184.

Number of Governor's awards: 16.

Higher education programs 1987-1994 (under FIPSE): 45 schools; \$5,318,780.

Schools selected under the Recognition program (1988-95): 17.

- **California Friday Night Live and Club Live (Governor):** These are peer programs that encourage almost 2 million high school and middle/junior high school-age youth in schools statewide to live alcohol- and drug-free lifestyles through alternative activities, community action, assembly presentations, and leadership training; \$1.6 million is budgeted for this program in FY 95.
- **Sierra Middle School (LEA):** This exemplary program provides intensive prevention and early intervention services for youth at high risk of using alcohol, tobacco, and other drugs. The program focuses on reducing risk and increasing resiliency across environmental levels by proactively involving student in individual and small group counseling to increase social and coping skills, tutoring, peer assistance, and community service.
- **Hawaii:**
 - Estimated FY 95 funding: \$1,783,635 (SEA); \$445,909 (Governor).
 - Number of LEAs participating: 260 (100 percent).
 - Number of students served: 183,000.
 - Number of Governor's awards: 12.
 - Higher education programs 1987-1994 (under FIPSE): 2 schools; \$188,744.
 - Schools selected under the Recognition program (1988-95): 19.
 - **SEA:** The state relies heavily on programs funds to support drug and violence programs in its schools. Statewide programs include D.A.R.E., TARGET (a drug education program of the National Federation of State High School Associations) and TRIBES (a cooperative learning program that includes drug and violence education).
- **Oregon:**
 - Estimated FY 95 funding: \$3,670,475 (SEA); \$917,619 (Governor).
 - Number of LEAs participating: 248 (99 percent).
 - Number of students served: 410,000.
 - Number of Governor's awards: 44.
 - Higher education programs 1987-1994 (under FIPSE): 13 schools; \$1,426,550.
 - Schools selected under the Recognition program (1988-95): 2.
 - **"DARE-like programs" (Governor):** These programs serve 12 multi-building school districts, with 5 other grants serving single-building elementary schools. They provide services to anywhere from 120 students to more than 1,000, with a broad estimate of about 7,500 students and parents receiving services.
 - **Drug-Free School Zones, Gresham Police Department (LEA):** This program is a partnership of crime prevention and police specialists, city and school department staff, students, neighborhood residents, and area businesses. A police officer works with parents, students, and teachers at each participating school and neighborhood site to distribute enforcement and awareness information to local residents.

- **Washington:**

- Estimated FY 95 funding: \$5,999,774 (SEA); \$1,499,944 (Governor).
Number of LEAs participating: 289 (98 percent).
Number of students served: 938,314.
Number of Governor's awards: 38.
Higher education programs 1987-1994 (under FIPSE): 13 schools; \$2,169,801.
Schools selected under the Recognition program (1988-95): 3.
- **SEA:** SDFSCA is the major source of funds for drug, alcohol, and tobacco abuse prevention, as well as the source for violence prevention in Washington schools. Through the SEA, SDFSCA provides funding for community-based programs, as well as statewide organizations and replication of successful drug abuse prevention programs. These programs deliver substance abuse and violence prevention/intervention/education services throughout the state of Washington for high-risk youth under the age of 21 as well as parents, teachers, law enforcement officers and other community professionals. Community mobilization activities are directed at preventing the spread of drug abuse and crime.
- **Governor:** These efforts have been directed toward community/business partnerships in targeting drug and alcohol abuse among high-risk youth. Additionally, training has been offered to local businesses in such programs as drug-free workplace and substance abuse assistance programs.

ISSUE: SCHOOL-TO-WORK

Background:

- The School-to-Work Opportunities Act was enacted in May 1994, with overwhelming bipartisan support in Congress. The Act encourages educational and career opportunities for all students by creating a framework for business and educational partnerships at the state and local levels. These partnerships help students make vital connections between what they learn in school and in the workplace, and prepare them for good careers and advanced education and training.
- The federal role is to provide short-term "seed money" that encourages states to overcome barriers traditionally separating education and job training, academic and vocational learning, work-bound and college track students. The School-to-Work Opportunities Act sunsets in 2001; it does not create any new programs or unnecessary administration. The ultimate responsibility rests with states and local communities to design, implement, and finance school-to-work systems.
- School-to-Work builds upon promising education and job training programs started in the Bush Administration, such as Tech-Prep and Youth Apprenticeship.

Administration Positions and Proposals:

- The Administration supports continuation of the School-to-Work Opportunities Act initiative and opposes job training proposals that eliminate support for state School-to-Work grants.
- The Administration has proposed major changes in the Perkins Vocational Education Act and in JTPA (Job Training Partnership Act) Youth Programs that build on the School-to-Work initiative while significantly streamlining the current array of training and education programs for youth.

Administration Actions and Accomplishments:

- In 1994, planning grants were awarded to all states to help them design basic goals and strategies for school-to-work. School-to-work planning grants were designed to encourage a more challenging and inclusive process that brings diverse public and private sector interests to the table. In the first year alone, 22,000 students and 7,000 employers participated in School-to-Work program.
- School-to-work funds are being rolled out in waves as states and local communities develop full-scale plans. In 1994, eight states—including Oregon—were awarded the first round of five-year state grants. Oregon was the only Pacific Rim state submitting a proposal at that time. A second round of grant awards is currently being competed, and all remaining Pacific Rim states have indicated that they are prepared to seek state implementation grants.
- In 1994, grants were awarded directly to 36 local communities, including 21 communities characterized by high levels of unemployment and poverty. These grants included four California communities (Compton, Modesto, San Diego, and Visalia), one Washington community (Yakima County), and three grants in Oregon involving Coos Bay and Portland.
- The Administration organized a National Employer Leadership Council to provide visibility and to encourage employer participation in school-to-work. The Council consists of CEOs from leading American corporations. It is chaired by Alex Trottman, CEO of Ford Motor Company.

- As called for in Goals 2000, the Administration has established a National Skills Standards Board. The Board is a non-governmental entity consisting entirely of private individuals. Its role is to provide leadership and direction to efforts across the nation to produce high quality industry recognized skill standards. Such standards will help schools and other training institutions design their curriculum and certify the competency of their students.

ISSUE: SKILL GRANTS**Background:**

- Education is the fundamental fault line running through our society today. Just 15 years ago, a male college graduate earned less than 40 percent more than a man with only a high-school diploma; today, he outearns the high-school graduate by 80 percent. Workers with skills are prospering, while those without skills drift further and further away from the economic mainstream.
- America's central challenge is to enable workers to get the skills they need for rewarding work. The good news is that those skills can be learned, not just in our school years, but throughout our lives. Every year of education or training beyond high school—whenever it occurs in a person's life—increases future earnings by 6 to 12 percent.
- At present, low-income adults and displaced workers who seek training to get new or better jobs are served by a patchwork of generally uncoordinated federal, state, and local job-training programs. Typically, government agencies contract with or provide grants to education and training providers, who then supply training services to individuals. Evaluation studies have found that many of these programs have only limited success; and individuals find the large number of programs confusing. Furthermore, individuals have little information to guide them to good programs—those that really provide high-quality training in occupations for which there is labor-market demand.
- Our country has a wide array of learning institutions to deliver skills that workers want and need in today's economy. But the current patchwork of Federal reemployment and retraining programs isn't doing the job. They're fragmented, full of conflicting rules that confuse the people they're supposed to help. Many programs empower bureaucracies instead of working people to choose who gets what training. They don't provide adequate information to those who want it. And many aren't held accountable for what matters most—equipping America's workers to find rewarding work.

Administration Positions and Proposals:

- The Administration is convinced that individuals, not governments, are in the best position to determine what education and training they need to upgrade their skills, and that government can help them most effectively by putting resources—in the form of vouchers—directly into their hands.
- The G.I. Bill of Rights for Workers proposal takes some 70 different training programs and consolidates them into one program that directly empowers workers with Skill Grants of \$2,620 per year for up to 2 years in order to pay for training.
- This proposal would be self-financing too, since it uses existing funds from the previous programs. Workers who are laid off or disadvantaged would also be eligible for income contingent loans through an expanded Individual Education Account.
- The gist of the President's proposal on Skill Grants has been incorporated into the House bill entitled the "Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act"

or "CAREERS Act." The bill, which was reported out of the Economic and Educational Opportunities Committee on May 17, 1995, states that:

- "to the extent practicable, education and training services . . . shall be provided through the use of vouchers.
- "a portion of the total payment for the education and training provided . . . pursuant to a voucher . . . may be withheld from [the] provider until the participant has successfully completed the training...and the participant has been employed and retained employment for a period not less than 90 days.

The bill also includes:

- provision for One-Stop Career Centers;
- certification of education and training providers; and
- provision for the Secretary of Labor to oversee development, maintenance, and continuous improvement of a nationwide system of labor market information.

These are all features developed in the Administration's initiative.

- The Senate is currently working on a similar job training reform bill. The Administration is working with the Senate Labor and Human Resource Committee to incorporate key elements of the President's initiative.

ISSUE: WILLIAM D. FORD DIRECT LOAN (DIRECT LOAN) PROGRAM

Background:

- The Direct Loan program is a new streamlined lending system that simplifies obtaining and repaying loans for student and parent borrowers, provides borrowers with greater repayment flexibility, and reduces taxpayer costs. Under this new program, loan capital is provided directly by the Federal Government to postsecondary institutions to originate loans rather than through reinsurance and subsidization of private lenders.
- Under Direct Loans, schools do not have the burden of dealing with multiple lenders and guaranty agencies. At the same time, they gain control over the loan disbursement process, allowing improved service to students and greater accountability for Federal loan resources.

Administration Positions and Proposals:

- Accelerated Phase-in of Direct Loans. Under the Department's proposed policy, Direct Loans will fully replace the Federal Family Education Loan (FFEL) program for all new loans in the 1997-98 academic year. Under the President's proposal for an accelerated phase-in, Direct Loans would account for 80 percent of all new loan volume in academic year 1996-97 and 100 percent in 1997-98. Legislation is being submitted to carry out this policy. Even under the current statute, the U.S. Department of Education will have unlimited authority as of academic year 1996-97 to expand institutional participation in Direct Loans as warranted by demand.
- Reduced costs. The President proposes to save an additional \$5.2 billion in outlays over 1996-2000, beyond the \$6.8 billion in savings from the Student Loan Reform Act (SLRA)—for a total of \$12 billion—by expediting the phase in of the Direct Loan program.
- Improved accountability. The Direct Loan program substantially reduces program complexity and thus, the potential for error and abuse. The Department will be better able to oversee program activities.
- Individual Education Accounts. The Direct Loan program offers borrowers a variety of easily attainable repayment options; borrowers can choose the option that best meets their financial and career needs. Income-contingent repayment is the most innovative and flexible of the options offered. Under this plan the monthly payment amount is tied directly to the borrower's income level. It provides for varying annual repayment amounts (ranging from 4 to 15 percent of adjusted gross income) based on the size of the debt and the income of the borrower, and repaid over an extended period of time (not to exceed 25 years). This plan allows the borrower to take low paying jobs, including jobs in community service, without worrying that monthly payments will become burdensome. Income-contingent repayment ensures that no student need fear that borrowing will lead to unmanageable payments and default.

Administration Actions and Accomplishments:

- The Direct Loan program began making loans at 104 schools on July 1, 1994. As year two of the program is implemented beginning July 1, 1995 (for academic year 1995-96), Direct Loans will account for 40 percent of all new loan volume. Approximately 1,495 schools representing a cross-section of postsecondary institutions will participate in this second year of the program.

- The program has succeeded in:
 - Satisfying the participating institutions. Ninety-two percent of Direct Loan institutions said they were satisfied in a recent survey.
 - Simplifying loan application procedures resulting in quicker and more accurate payments to students and eliminating long lines at the financial aid office typical of the FFEL program.
 - Eliminating the middlemen in the loan process, reducing costs and improving accountability.
 - Making loan processing more efficient and data more reliable through use of a single U.S. Department of Education service.
- One school said, "Direct Loans put the students back where they belong—at the center of this business." Another stated that the Direct Loan program "is beyond a shadow of a doubt the way a loan program should have been designed 20 years ago. For those of you who have concerns, so far the Department of Education has just been super!"

Clinton Presidential Records

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PANEL 3 ISSUE BRIEFINGS

Divider Title: _____

Panel III — Innovation and Open Markets

The Pacific Rim is positioned to take advantage of two great economic changes: the globalization of world markets and the speed of advancing technology. This panel will focus on both trends, as well as the associated efforts of businesses and workers to re-design their workplaces for maximum competitive effect. Panelists will represent high-technology businesses and workers; businesses in other sectors that are taking advantage of innovation; and sectors, including small business, that are creating and saving jobs through increased American exports.

DRAFT

PANEL III: ISSUE BRIEFINGS

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Transportation Investments and the Economy of the Pacific Rim States	12

DRAFT

ISSUE: ELECTRONICS AND OTHER HIGH TECH SECTORS

Background:

- Computers, semiconductors, and other high-tech industries are crucial to U.S. economic and national security.
- The electronics industry alone is one of the largest U.S. manufacturing industries, with shipments of about \$300 billion and employment of 1.7 million.
- Within the last several years, the U.S. has regained or strengthened its leadership in several sectors of the electronics industry (semiconductors, computers, software, networking equipment), but still lags in other sectors (consumer electronics, flat panel displays).
- This sector is very important in Pacific Rim states:
 - California: semiconductor, computer, and electronic test equipment manufacturers;
 - Washington: software developers (e.g., Microsoft);
 - Oregon: microprocessors (e.g., Intel) and test equipment (e.g., Tektronix);

Administration Position:

- The Administration has taken a number of steps to strengthen the competitiveness of the U.S. electronics industry, including tax incentives, R&D partnerships, elimination of export controls, export advocacy efforts, and promotion of the "information superhighway."

Administration Accomplishments:

- In September 1993, the Administration eliminated export controls on computers and telecommunications that freed up over \$30 billion in exports. The Administration is currently reviewing these issues again because of the rate of technological change in the industry.
- The Administration has supported R&D partnerships with the high tech sector through programs such as the Commerce Department's Advanced Technology Program and the Technology Reinvestment Project, and consortia such as SEMATECH. The Administration supports a "dual-use" approach designed to meet both commercial and military needs in critical technologies such as flat panel displays.
- High-level export advocacy by the Administration has led to billions of dollars in additional U.S. sales in industries such as satellites and telecommunications.
- The Administration's decision to transfer spectrum from the government to the private sector is creating whole new wireless industries, and could create more than 300,000

new jobs.

- The Administration's original budget included a targeted capital gains tax for investments in small (under \$50 million in capitalization) firms, and a permanent Research and Experimentation credit. Although Congress only extended it for two years, the Administration is committed to working with Congress to see that it is extended or made permanent. [Note: the R&E credit is scheduled to expire in July of this year.]
- The Administration's "information superhighway" initiative is increasing demand for high tech products and services, both here and abroad. The Administration is encouraging foreign governments to open their telecommunications markets through bilateral and multilateral negotiations.
- The Administration is working with Congress to pass comprehensive telecommunications reform that will promote competition, expand choice, lower prices for consumers, and accelerate private sector investment in an advanced telecommunications infrastructure. [Note: The Senate passed telecom reform legislation last week. The Administration has some concerns about the bill, and is working to improve it on the House side.]

ISSUES: FARMERS AS EXPORTERS**Background:**

- **Exports of U.S. agricultural products are skyrocketing.** USDA recently projected *record* agricultural exports for FY1995--totalling \$51.5 billion-- nearly \$9 billion greater than when President Clinton took office in 1993. Agriculture is America's shining star, with a projected net-trade surplus of \$22 billion in FY1995.
- **Exports are critically important to the well-being of American farmers.** Twenty-three percent (23%) of agriculture's GDP comes from exports, making agriculture one of the most export-dependent sectors of our economy. The production from more than one-third of all acres planted are bound for export markets. U.S. agricultural *exports* support roughly 768,000 jobs both on the farm, and off the farm in processing, assembly, transportation, marketing, and other industries.
- **Washington apples, cherries, and California rice are now flowing into Japan and other markets for the first time.** Both NAFTA and GATT have helped open important markets like Mexico and Japan to farm products from the Pacific Northwest.
- **Trade barriers continue to restrict exports from the Pacific Northwest.** The tree fruit industry has encountered problems in exporting products to Mexico. For example, Mexico requires that U.S. cherries undergo fumigation, which USDA does not believe is justified. It is a commonly held view among the industry that the problems being experienced with Mexico are directly linked to U.S. restrictions on Mexican avocado imports. China also continues to restrict U.S. exports of wheat, cherries, pears, and many other commodities.

Administration Positions and Proposals:

- **President Clinton is committed to a sound export strategy** that will continue to expand agricultural exports. The Administration's Budget and Farm Bill proposals recognize that we are doing many things right and seek to strengthen USDA's export programs.
- **We are continuing to push for greater world market access for Pacific Northwest (PNW) products.** We are pushing hard on Mexico and China to remove unjustified trade barriers such as China's ban on PNW wheat and other grains (which China unjustifiably claims to be a threat because of the presence of the fungus TCK). We are working with Mexico to open its market to U.S. cherries, peaches, nectarines, plums, and apricots and will not allow Mexico to "link" unjustified phytosanitary (plant health) restrictions on these products to other issues. The NAFTA Sanitary & Phytosanitary Committee established a working group to provide non-binding technical advice on the matter.

Administration Actions and Accomplishments:

- **Since taking office, President Clinton's Administration has helped boost annual U.S. agricultural exports by nearly \$9 billion, to a new record high of \$51.5 billion.** Exports to Asia, the principal market for the PNW, reached a new record last year of \$18.6 billion, supporting 45,000 new jobs (many in the Pacific Northwest).
- **California Rice now has tremendous market opportunities in Japan.** In 1994, U.S. rice

exports totalled \$240 million (about 500,000 tons) and the Japanese market will open even further under the Uruguay Round GATT agreement.

- Exports are now a \$17 billion industry for America's forest and paper product producers. There are close to 7,000 wood products companies in the Pacific Northwest.
- The Washington Apple Commission has tripled apple exports since entering USDA's Market Promotion Program (MPP). Last year alone, Washington State apple exports to Asia increased 37 percent. Tree Top, Inc., of Saleh, Washington, now exports more than \$400,000 in products (119% increase) to China because of USDA export promotion programs.
- New markets are now opening to Washington State apples. Washington State apples officially entered the Japanese market in January 1995. This is expected to become a \$75 million market within 5 years. And an agreement allowing for the entry into China of Washington State apples was reached in June 1994.
- Small companies benefit from USDA's export assistance programs. With help from USDA's Market Promotion Program, Garden of Eatin', a small California Company, became the number one corn chip supplier in Singapore, and French Gourmet, of Honolulu, has hired eight new workers to meet growing demand for their frozen bread dough in Asia.
- California, Oregon, and Washington State Pear Exports reached a record high of \$73.5 million last year.
- Northwest Cherry Growers of Yakima, Washington and the California Cherry Advisory Board report that sales to the two biggest Asian markets rose sharply last year, thanks in large part to the Administration's export strategy. Exports to Japan totalled more than \$92 million-- a 20% increase over the previous year. Exports to Taiwan, our second largest offshore market, jumped 73 percent in value to just over \$8 million.
- We continue to open markets. The Administration reached an agreement with China on a new export protocol for U.S. sweet cherries during talks in San Francisco the week of April 17, 1995. Specifically, China agreed to permit the United States to ship, for the first time, fresh sweet cherries from Washington State, the nation's largest cherry producing state.
- U.S. Potatoes can now be exported to Taiwan thanks to U.S. trade policy negotiations. Seed potatoes from Alaska and table potatoes from Washington, Oregon, Idaho and California can now ship to this huge market. We expect Taiwan to open its market completely when it joins the WTO.
- Alaskan and PNW fish product exports are growing. Surimi exports, primarily to Japan, increased 16 percent thanks in part to the USDA Foreign Agricultural Service's work with the U.S. Surimi Commission. The Surimi Commission's cost-share Market Promotion program in Japan has been so successful that Japanese seafood processors now want to purchase directly from Pacific Northwest suppliers.

ISSUE: THE NATIONAL EXPORT STRATEGY

Background:

- In the Export Enhancement Act of 1992 Congress established the Trade Promotion Coordinating Committee (TPCC), chaired by the Secretary of Commerce, to provide a unifying framework to coordinate the export promotion and financing activities of the Federal government.
- The TPCC developed the National Export Strategy -- our nation's first -- in 1993. Its purpose is to upgrade and coordinate the Federal government's export promotion and export finance programs to help U.S. firms realize their potential in foreign markets.
- The National Export Strategy is a critical component of the Administration's competitiveness agenda, and reflects extensive consultation with the business community, state and local governments, and academia.

Administration Positions and Proposals:

- The Administration believes that the ability to create high-wage jobs and promote healthy economic growth here at home is closely linked to our ability to compete in the global economy.
- The Administration believes that exports will continue to drive economic growth. Between 1986 and 1993, more than 37 percent of the growth in the nation's GDP resulted from exports.

Administration Actions and Accomplishments:

- **Government Advocacy** -- We have launched a major interagency effort to coordinate federal government support on behalf of U.S. companies bidding for major contracts overseas. To date, our aggressive advocacy strategy has helped American firms win over 120 major contracts, accounting for over \$24.5 billion in U.S. exports and 360,000 jobs.
- **Trade Finance** -- We are implementing a more flexible and aggressive approach to trade finance to enhance the international competitiveness of U.S. firms. Major elements of this plan include a \$150 million Tied Aid Capital Projects Fund to counter the effects and reduce the use of tied aid by our competitors.
- **Removing Obstacles to Exporting** -- Consistent with national security objectives, the Administration has significantly liberalized unnecessary and outdated controls on computers and telecommunications exports and streamlined the export licensing process freeing up over \$32 billion in exports.
- **U.S. Export Assistance Centers (EAC)** -- Interagency one-stop shops are open in Miami, Baltimore, Chicago, and Long Beach to provide businesses -- particularly small and medium-sized businesses -- with comprehensive export promotion and finance services from a single location. We are now beginning the second phase of our Export Assistance Center rollout and plan to open 11 more this calendar year.
- **Commercial Information** -- We've significantly upgraded our collection and dissemination of comprehensive international market information, including making information from 26 Government agencies accessible on-line through the Internet.

- Upgrading Overseas Export Assistance Operations -- We have opened U.S. Commercial Centers in Sao Paulo, Brazil and Jakarta, Indonesia to better assist American companies in those markets.

For 1995, the Administration has deepened the strategy to include:

- An increased focus on the 10 Big Emerging Markets -- Mexico, Argentina, Brazil, the Chinese Economic Area, India, Indonesia, South Korea, Poland, Turkey and South Africa -- that could account for dramatic increases in American sales over the next several years.
- Enhanced advocacy support to further help level the international playing field for American companies competing for overseas contracts.
- Sharpening our focus on assisting small and medium-size businesses through closer and more effective partnerships with state and local governments and the private sector.

In addition, we have developed:

- New promotion initiatives in our traditional markets like Japan and Europe and increased attention to regional strategies for Latin America, Asia, Russia and the Newly Independent States, and the Middle East.
- Efforts to promote the growth sectors of the U.S. economy -- like services -- where U.S. firms are very competitive.
- New trade finance initiatives in the areas of tied aid and project finance.
- A unified budget for trade promotion to help guide the Administration's future resource allocation decisions.

ISSUE: RESTORING HEALTH TO THE AVIATION AND AEROSPACE MANUFACTURING INDUSTRIES

Background:

- The U.S. remains the world leader in long range aircraft, air traffic control equipment, high tech avionics and airport engineering expertise. Pacific Rim state companies such as Boeing, Hughes, Bechtel, Parsons and Rockwell are major beneficiaries of U.S. government initiatives to enhance international trade and overall economic growth.
- Two years ago the outlook for these sectors was gloomy. In 1992, the U.S. aviation industry suffered its worst year ever, with total operating losses of \$2.2 billion and net losses of \$4.6 billion. The industry booked \$10 billion in net losses from 1990 through 1992. Several airlines, including Eastern and Pan American -- two of America's oldest and largest airlines -- had ceased operations and three more major airlines -- America West, Continental and TWA -- had filed for bankruptcy. Aerospace -- particularly in California -- was in deep recession. The President and Secretary committed themselves to reversing this situation.
- In February 1993, President Clinton, joined by Secretary Pena, visited Boeing's 777 plant in Everett, Washington on his first post-inaugural trip to the Northwest to signal concern over massive job losses in aircraft manufacturing in Washington and California and the crisis in the airline industry.

Administration Actions and Accomplishments:

- Within 90 days of the Boeing visit, the President proposed and secured Congressional authorization for a National Commission to Ensure a Strong Competitive Airline Industry. The Commission announced its recommendations in August 1993, and the Administration unveiled its Aviation Initiative in January 1994.
- Since then, the Administration has taken numerous steps to revitalize domestic aviation and bolster international trade and competitiveness:
 - With Clinton economic plan, revitalized domestic economy, the key to airline success.
 - Intervened to solve aviation labor disputes (e.g., flight attendants).
 - Forcefully defended existing US carrier rights and expanded access to international markets. Examples include recent agreements with Canada, nine small European nations, and the United Kingdom.
 - Proposed and supported legislation giving airline industry a two-year deferral of the 4.3 cent fuel tax imposed on other transportation sectors.
 - Proposed corporatization of U.S. air traffic control services to speed deployment of state-of-the-art technology.

- Through the Federal Aviation Administration (FAA) within DOT, actively advanced international sales of high tech expertise and products in airport infrastructure development, air traffic control equipment and training, and aircraft. Secretary Peña has made several trade missions abroad, for example to Saudia Arabia and Taiwan, to support agreements to purchase American-made airplanes. DOT has also targeted major markets opening up as numerous Asian countries plan major airport construction programs and expansions of civil aviation. For example, China is slated to open 13 new airports by the year 2000 and expand its fleet of aircraft. In December 1995, FAA will travel to China to explore opportunities for the U.S. and its companies to participate in the work.

Administration Actions and Accomplishments:

- **Airlines:** Most major airlines have been restored to profitability. Airline traffic growth rates are projected to continue at robust rates (4%-plus) through 2006. Carriers have restructured their operations to improve efficiency and cut costs. Since January 1992, no fewer than 30 new jet airlines have started up domestic operations and 12 more have received FAA authorization to operate.
- **Aircraft Manufacturing:** Boeing projects sales of 15,462 new aircraft worth \$1.4 trillion between now and the year 2014, a market \$60 billion richer and 1,408 aircraft larger than anticipated a year ago. The recovery, while slower than expected, is nonetheless well underway. In 1995 the company had 120 total new orders; the first five months of 1996 have already yielded 96. Boeing recently won most of Saudi Arabia's long-awaited \$6 billion aircraft order, with McDonald Douglas picking up the rest. There are 172 announced orders for the 777, Boeing's new ultra-modern passenger jet, which Secretary Peña recently certified for long-distance overwater flight. Four Asian carriers have committed to \$3.1 billion in orders for the stretched version of the 777, enough to launch the 777-300 into development and production.
- **International Trade:** Cooperation between the FAA and Russian Far East aviation Authorities has had dramatic results -- for Alaska and the entire Pacific Rim Region. New airports and routes have been opened for use by U.S. air carriers, and the number of flights expanded nearly 700-fold from 1989 to 1994. The result was a reported 612 percent increase in trade and commerce between Alaska and the Russian Far East in 1994. New, shorter and more cost effective North America to Asia air routes reduce fuel requirements and increase cargo capacity for U.S. air carriers transporting goods to the Far East, resulting in multi-million dollar annual savings.
- **Technology Sales:** Federal negotiating efforts and private sector expertise have helped make California firms such as Hughes, Litton, Magellan, Rockwell and Trimble Navigation strong international competitors. Hughes has been awarded a \$14 million contract to modernize the Air Traffic Control Center in Jakarta. The company was also selected to develop and manage the selection and integration of air traffic control and other technology systems for the new airport in Hong Kong. In airport construction, Parsons was recently awarded a contract to lead development of the new Korean airport, and Bechtel, with a Korean firm, is involved in designing it. FAA played a major role implementing Fiji's satellite-based navigation system.

ISSUE: SMALL BUSINESS

Background:

- Small business employs almost 60 percent of American workers, contributes 50 percent of sales, and accounts for half of private sector output.
- More small businesses were created in 1994 than in any previous year.

Administration Position:

- The President this month announced a proposal to revise the complex laws governing pension plans.

Administration Accomplishment:

- Access to capital: The President's credit-crunch and community reinvestment initiatives streamlined banking regulations; combined with lower interest rates, these steps produced a significant increase in commercial and industrial lending to small business.
- Small Business Administration: SBA has expanded its 7(a) program by 30 percent while reducing its cost: In 1995, SBA will guarantee nearly \$8 billion in loans to 56,000 small businesses -- up from 27,000 loans totaling \$5.9 billion in 1992. SBA cut the application form required for many guaranteed loans from an inch thick to a single page.
- Regulatory reform: The President's regulatory reform campaign allows small business owners to cure first-time violations without penalty, halves the filing frequency of many federal forms required from all businesses, and allows small firms to apply fines to correcting violations.
- Access to new and growing markets: The President has revamped federal procurement, enhancing small business' ability to compete for government contracts worth billions of dollars; and removed export controls while expanding export assistance, to help small firms enter foreign markets.
- Tax cuts: The 1993 plan made 90 percent of small businesses eligible for tax relief by raising the small business expensing limit for equipment by 75 percent, extending the Research and Experimentation Tax Credit, and establishing a targeted tax preference for capital gains.
- Cabinet status for SBA: Recognizing the need to ensure small business a voice in today's policy debates, President Clinton was the first president to accord Cabinet-level status to the Administrator of the Small Business Administration.
- Simplified Tax and Wage Reporting: On June 9, 1995 the President announced an initiative -- STAWRS -- that will significantly streamline wage and income reporting requirements and eventually lead to a system of single electronic filing with federal and state governments.

ISSUE: TRANSFORMING MANUFACTURING THROUGH TECHNOLOGY - MEP**Background:**

- America's 381,000 smaller manufacturers -- establishments with fewer than 500 employees -- play a vital role in the nation's economy. These firms are the source of two-thirds of our manufacturing jobs, they account for 75 percent of new manufacturing jobs, and they contribute more than half the value-added in US manufacturing.
- Small manufacturers face unique challenges not faced by larger manufacturers such as:
 - lack of awareness of technologies
 - difficulty in accessing neutral advice
 - isolation
 - bigger burden from a complex regulatory environment
 - difficulty in accessing financing
- Manufacturing extension services are supported by industry, communities, and states because they understand the unique barriers facing smaller manufacturers and the need for making appropriate technology, information and resources more accessible to them. They also understand the prospective payoff of such services -- in helping these companies make changes needed to remain competitive.
- The Manufacturing Extension Partnership is a nationwide network of extension centers and experts co-funded by states and local governments that provides hands-on technical assistance to smaller manufacturers.

Administration Positions and Proposals:

- The Administration strongly supports manufacturing competitiveness as a critical component of their integrated economic strategy and initiatives.
- The President's FY96 budget request of \$146,611,000 for the Manufacturing Extension Partnership (MEP) will increase the network from 42 to 90 (75 NIST-funded and 15 TRP-funded) centers. The President's goal is to have 100 centers by 1997.
- What is particularly important to the Administration is the "partnership" approach being used in providing extension services. The federal government is partnering with states and local communities to co-fund a nationwide network of local non-profit service providers who deliver extension services to the nation's smaller manufacturers at the grassroots level.

Administration Actions and Accomplishments:

- When the President assumed office there were seven manufacturing extension centers located in as many states. Today, there are 42 extension centers in operation -- and one coming on-line -- in 32 states. Achieving the President's goal of 100 centers will provide the nation's 381,000 smaller manufacturers with easy access to MEP services.

- Recent surveys of client firms show that MEP ~~extension~~ services delivered translate into anticipated benefits of \$8 for each \$1 invested by the federal government.
- The California Manufacturing Technology Center in Hawthorne, CA, provides services to the 30,000 firms in the Los Angeles Basin. This center is in its third year of operation with NIST federal share funding of \$2,400,000 in FY95.
- The Washington Alliance for Manufacturing center provides services in Seattle, WA, with TRP federal share funding of \$1,550,000.
- State Technology Extension Program (STEP) grants have been awarded to the Bay Area Regional Technology Alliance, Long Beach, CA (federal share \$150,000) and the Wood Products Competitiveness Corporation, Bend, OR (federal share \$201,500).
- TRP Extension Pilots have been awarded to the California Manufacturing Technology Center in Hawthorne, CA (federal share \$1,700,000); the Institute for Research and Technical Assistance, Santa Monica, CA (federal share \$188,000); the Oregon Economic Development Department, Salem, OR (federal share \$183,615); and the Clean Washington Center, Seattle, WA (federal share \$3,946,998).

ISSUE: TRANSPORTATION INVESTMENTS AND THE ECONOMY OF THE PACIFIC RIM STATES

Background:

- Two years ago the outlook for regional transportation industries was gloomy. The aviation and aerospace industries were operating at a loss, U.S. shipbuilding was virtually extinct and seaports suffered because of inadequate rail and truck access.

Administration Positions and Proposals:

- The Administration has responded by backing high levels of investment in infrastructure, emphasizing high tech solutions and aggressively promoting U.S. business expertise to maintain U.S. international trade competitiveness, improve safety and enhance economic development.

Administration Actions and Accomplishments:

- **Shipbuilding.** By assisting technology upgrades and combating foreign subsidies, we have helped the domestic commercial shipbuilding industry: for the first time in 35 years the U.S. is building commercial ocean going vessels ships for export.
- **Earthquake Relief.** When the Northridge earthquake destroyed the southern California transportation system in January 1994, DOT moved quickly to cut red tape and rebuild highways and other infrastructure. The best known example of our success in eliminating lengthy processes was the opening of the Santa Monica Freeway just 12 weeks after the earthquake -- 8 weeks ahead of schedule.
- **Aviation Markets.** In the past two years, the Administration's economic policies have helped revive the aviation industry. From a net loss of \$4.6 billion in 1992, the industry is again highly profitable. DOT has forcefully pursued access to international markets for our air carriers, liberalizing access to Canada, the U.K. and nine smaller European nations. With aggressive promotion by the Administration Boeing has garnered aircraft orders \$60 billion greater than anticipated one year ago and large orders for the new 777 model. Federal negotiating efforts have helped make California firms such as Hughes, Litton, Bechtel and Parsons strong international competitors in navigation technology and airport infrastructure projects.
- **Port Investments.** With the explosive growth of Pacific Rim trade, the ports of the Pacific Coast have flourished over the past several years. DOT is funding projects to increase efficiency by improving truck and rail access in order to facilitate expansion and continued economic growth at all the Pacific Coast ports.
- **Dredging.** For many years, ports have suffered from conflicts between environmental concerns and the need for dredging to serve big ocean-going ships. President Clinton broke through a 23-year logjam to get approval for Oakland to dredge its harbor to accommodate large ships. Secretary Peña is overseeing improvements to the dredging approval process. Federal agencies are working together to allow dredging to proceed in a manner that protects our environment.

- **Rail.** With track improvements and the use of ultra-modern trains, passenger rail is enjoying a revival in the Pacific Northwest; and, with booming trade and technological innovations like the double-stack train, freight rail is operating at capacity.
- **Technology.** The Coast Guard has moved aggressively to accommodate and facilitate increases in waterway traffic with high tech navigation and collision avoidance systems.

THE WHITE HOUSE

WASHINGTON

April 28, 1995

A MEMORANDUM FOR GENE SPERLING
JOHN EMERSON
BILL GALSTON
KATE CARR
ELGIE HOLSTEIN
DAVID LANE
JONATHAN SALLET

FROM: GAYNOR McCOWN 
SUBJECT: ECONOMIC SUMMIT
CC: JEREMY BEN-AMI
ROBERT GORDON
THEO LUBKE

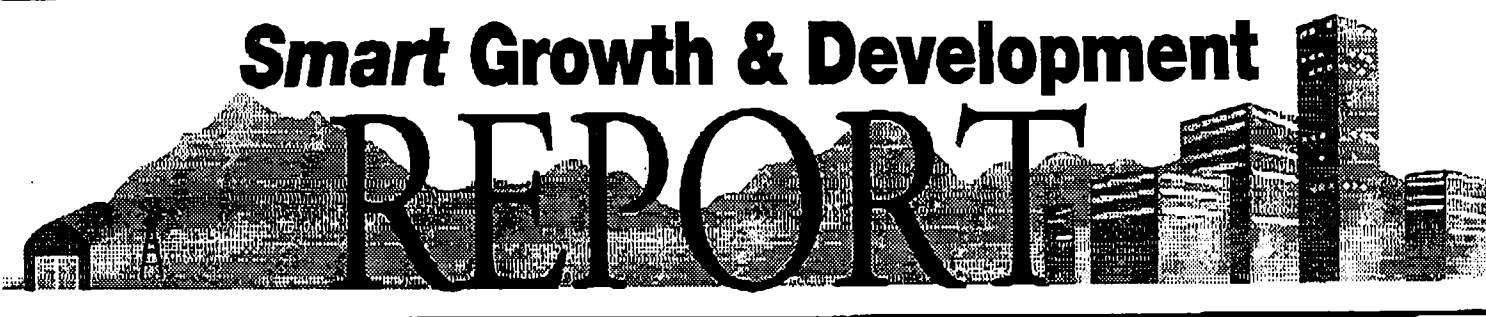
I just heard that the Western Region Economic Conference in Albuquerque has been postponed and will be replaced by the Pacific Rim Conference in Portland. As we proceed with the planning for both of these meetings, the attached report - based on the Colorado Leadership Summit on Smart Growth and Development - may be useful

The Colorado Summit was held on January 25-26, 1995 and was attended by over one thousand Coloradans from different communities, stakeholder groups, and backgrounds -- elected officials, community, agricultural and business leaders, educators and students. The objective of this meeting was to begin tackling the tough issues raised by Colorado's rapid growth and development and the report is a synopsis of the eighteen break-out sessions at the Summit.

Since growth and development will certainly be a major component of the Western Region Conference and possibly the Pacific Rim Conference, this document may help provide some guidance in planning the panel discussions. The specific issues raised in the report are: Procedural Tips for Local and Regional Visioning; Potential Legislative Reforms; Role of State Government; Quality of Life; Land Use Planning; Transportation and Infrastructure; Water; Resource Management and Environmental Concerns; Affordable Housing; Economic Development; and Telecommunications. Also included are a list of "Creative and Innovative Suggestions" and "Guiding Principles."

I hope this is helpful and I'll look forward to seeing you at the meeting on Tuesday, May 2.

Smart Growth & Development REPORT



On January 25-26, 1995, over one thousand Coloradans from different communities, stakeholder groups, and backgrounds -- elected officials, community, agricultural and business leaders, educators and students -- met at the Colorado Leadership Summit on Smart Growth in Denver to tackle the tough issues raised by Colorado's rapid growth and development.

Summit participants listened to a number of presentations and participated in small break-out groups to identify and discuss problems, opportunities, ideas, barriers and solutions related to growth and development issues.

This report is a synopsis of the notes composed by each of the eighteen break-out sessions at the Summit. It is meant to be a tool for helping communities through the process of creating local and regional visions. As a result, the content emphasizes organizational strategies and planning policies that Summit attendees suggested for consideration at the local and regional levels. Much of the work in the break-out sessions also focused on the state's role in smart growth, and one section of this report summarizes some of those suggestions as well.

The report is organized into brief sections detailing specific suggestions made by Summit participants. The first four sections discuss general issues, such as procedural tips for the local and regional planning process, or the role of state government and the legislature. The last seven sections recount suggestions for dealing with specific issues like resource management, economic development or infrastructure planning.

Each section contains only the suggestions, ideas, views and concerns articulated by the participants during informal group discussions at the Summit. They are not policy mandates or official position statements.

The authors of this report have done their best to summarize accurately the thoughts, ideas and suggestions of Summit participants as recorded by facilitators of the break-out groups. Apologies are offered if an idea was missed or an opinion was mischaracterized. The full, 150-page text of the notes from the break-out sessions is available from the Colorado Department of Local Affairs at 1-800-899 GROW or (303) 866-2817.

I Procedural Tips for Local and Regional Visioning

Generally, Summit participants accepted Governor Romer's vision of a "new growth ethic." They agreed that the hard work only began at the Summit, and that the next step is for communities to create their visions of Colorado 50 years from now. Every break-out group came up with ideas, tools and strategies for organizing and motivating the local visioning process.

Most agreed that, in general, communities and regions must promote a "holistic" or "systemic" approach to planning. Local and regional visions must recognize interconnected issues like infrastructure development and open space, or residential water usage and wildlife habitat. Comprehensive plans which address issues broadly and include funding strategies can be helpful.

The process of local and regional visioning will require open-mindedness. For example, several groups noted that Front Range residents must keep in mind the needs and concerns of rural Coloradans. Local planning teams could learn from the experience and good ideas of communities around the state and country.

- **Community Outreach**

The heart and soul of this Smart Growth process must be public involvement. Tough decisions should be made with as much input from as many people as possible: volunteer planning boards and commissions would give citizens a chance to be more involved in the process. Using public/private partnerships for planning and funding, or starting a "business action committee," might help get local businesses involved.

Citizen leaders ought to make every effort to educate the public and encourage widespread participation. Local governments and planning commissions could solicit citizen input through direct and personal interaction instead of depending on large public hearings. Other specific suggestions included smaller "town hall"-type meetings, working with self-defined communities like neighborhoods or industries, sponsoring breakfast meetings or community picnics, and using randomly-selected population forums and focus groups, and mandatory training for all elected officials in communication and group facilitation, as well as in growth management.

Appealing to a sense of community could be vital to the success of local visioning. The local visioning process could benefit from actively appealing to unique local history and culture, and reaching out to and educating business, political and community leaders to make them partners in the process.

- **Information and Accountability**

Many Summit participants emphasized the need for simple, accessible and timely public information

about the planning process. Regulations and plans should not be too complicated or technical, and information about programs, initiatives and grants available for planning should be coordinated and centrally located. The general public should be educated about the overall impacts of growth — social and environmental as well as economic. Single-page fact-sheets and position papers might be helpful.

Some system of "benchmarks," or standards for measuring the quality and success of planning, might be a good idea. They could measure changes in public services, education, resources, economic growth or any other issues important to the community. Benchmarks ought to be based substantially on public input, and periodic assessments of community progress should be easily accessible.

- The Role of Government

Municipal and county governments can play an important role in this process, but they should not necessarily dominate it. Many participants outlined an appropriate leadership role. For example, local governments use tax incentives or develop a timeline to encourage coordinated, long-range planning. Evaluating city and county services to determine which level can provide them most cost-effectively, or establishing special districts across jurisdictions might lead to more efficient provision of services. One state representative asked for invitations from around the state to learn more about regional and statewide concerns.

There were other ideas for streamlining government involvement. Consolidating some governing bodies into smaller and fewer bodies with more authority and accountability might be helpful. Local and county governments could encourage informal cooperation and partnerships between public and private entities without establishing another layer of government for planning. Also, private and non-profit sectors could replace government in the provision of some services. Finally, it may make sense to reconsider the political boundaries of special districts, municipalities and even counties where the established lines may not make much sense anymore.

Regional planning may be the best way to address some issues, such as infrastructure planning and resource management. There is a need for some authority to make decisions regionally, and to encourage communication between different counties and municipalities. A regional planning board with some authority to supersede local decisions, or intergovernmental associations (IGAs) made up of counties and/or municipalities, could fill these roles. Planning region boundaries could be drawn according to specific issues to make planning more effective. For example, natural resource management might be better accomplished by focusing on a watershed or river basin, while infrastructure planning may be done better along existing highway corridors. However, all planning regions would have to inter-relate in order to coordinate comprehensive regional visions.

II Potential Legislative Reforms

Much of the discussion at the summit focused on the role state government should play in the process of smart growth. Summit participants suggested many reforms the state legislature could pursue that might help Colorado communities in this planning process. Groups mentioned that municipalities and counties should work with the state legislature to enact some of these changes.

One objection to state legislation is that each Colorado community faces unique challenges. However, the legislature could establish an index to identify high growth areas and provide governments there with growth management tools or legislation which are opposed in lower-growth areas around the state.

Most break-out groups suggested several examples of enabling legislation that counties or municipalities could use to help manage the impacts of growth effectively. Recommendations included enabling -- or possibly mandating -- revenue sharing between communities, redefining political boundaries (based on local initiative), making home-rule powers more available to counties and giving counties the power to regulate parcels of land larger than 35 acres. Local governments also need more flexibility for taxation -- including property tax allocation and the power to impose transportation impact fees such as toll roads or congestion pricing.

Legislative reforms for tackling land use planning might include a time limit for the vesting of development rights, more strict rules for annexation and changes to existing enterprise zone laws. To handle issues related to water management, the legislature could limit the trans-mountain transfer of water, set a minimum level of water availability as a statewide criterion for development, or re-examine our "use it or lose it" water policy.

In order to fund infrastructure and transportation, groups suggested: assessing a statewide growth fee when issuing new driver's licenses; increasing gas taxes, car registration fees and parking costs; putting in toll roads and implementing congestion pricing. The revenue from user fees like these could fund alternative transportation projects around the state. State tax incentives could encourage creative local and regional public transportation plans. Finally, local governments might welcome changes in the distribution of authority for and funding of transportation projects.

Suggested changes in tax policy included tax incentives to encourage the use of technology, changes in property and income tax law based on land use, the elimination of the tax exemption for a second home mortgage, the repeal of the sales tax exemption on fuel to provide more revenue to local governments, and the statewide redistribution of sales tax revenue to prevent competition for sales tax revenues between communities.

Finally, comprehensive private property rights legislation and ensuring that job benefits follow employees might be important parts of smart growth.

III Role of State Government

Every break-out group felt that state government has an important role to play in the process of smart growth. As one group put it, "the state should facilitate, coordinate and educate."

In general, state regulations should be more flexible. Agencies need to focus on helping Colorado communities meet their long-term goals. Specifically, the state could experiment with alternative methods for school funding, offer tools and money to help diversify housing, explore leasing state land for affordable housing developments, relax housing and land use regulations to empower local and regional experiments, or grant local control over and responsibility for state highways, conditional on regional planning.

State agencies could delegate some of their regulatory power to counties or municipalities, and representatives from the Department of Local Affairs could help different communities around Colorado arrange public/private partnerships. State money could fund local conservation plans, which would help relieve local dependence on sales tax for revenue. The state could define broad legal guidelines for regional land use planning and limit its interference with local decisions, or offer grant money as a regional planning incentive without pre-defining the planning regions eligible for the grants. Each of these ideas would encourage creative and cooperative planning.

Participants also emphasized that the Governor needs to endorse state legislation that enables local and regional planning, and that he and other state officials should work with federal agencies to make federal rules more flexible. Finally, the state should compile information necessary for local and regional planning -- such as data regarding resource management or transportation planning -- and make it easily available to planning teams, perhaps over the Internet.

Participants had several suggestions for state policies that could encourage smarter and more responsible water usage. A comprehensive water policy that recognizes a public interest in water could compensate for water laws that only recognize private rights. It also may be a good idea to broaden education efforts locally and regionally about water issues.

State mandates may be necessary for handling other resource or environmental issues, such as air quality. Recommendations included declaring our "visual environment" a statewide resource and strongly regulating visual pollution, and defining "airsheds" as jurisdictions for regulating pollution.

Many break-out groups emphasized the importance of the state's role in helping to direct economic growth around the state to places that need it and want it. Suggestions included locating state-run industries in areas that need them and using proactive transportation planning to direct development. The state also could sponsor telecommunications to redirect and accommodate new growth, or even use its purchasing power to encourage new development in the telecommunications industry.

Participants felt state government should develop a statewide policy to foster further telecommunications development all around Colorado. The state should protect the public "right-of-

way" on information highways from private telecommunications providers, invest in more information infrastructure (it is especially important to ensure equitable access for rural areas), and reform its regulations regarding universal service and access.

Finally, the state should help educate citizens about the smart growth process and the long-term consequences of planning decisions. Specific suggestions included training for all elected officials about land use, resource management and other planning issues, efforts to help the free market take account of public or non-fiscal value of natural resources, and to require and fund more emphasis in public education on civic participation and political involvement.

IV Quality of Life

Most break-out groups discussed general quality of life concerns in addition to specific planning issues. These discussions concerned the overall livability of Colorado towns and cities, and the need to achieve or maintain a sense of community. For example, one group pointed out the importance of informing newcomers about local community values. Recommendations for improving local schools were often made in this context.

Communities could establish benchmarks to measure quality of life in overall community planning. A "sustainability index" organized on a local and regional basis might include benchmarks for measuring diversity in housing costs or job opportunity, school quality, conservation of open space and other resources, or anything else important to the community. Local governments could base municipal development codes on such an index or other benchmarks.

Some local public support can be important for maintaining a sense of community. Regional cooperation and new technology could make public assistance more comprehensive and efficient, and public/private cooperation could support an immigrating work force.

To improve schools, most break-out groups felt a closer link between schools and the community was important. It can be important to include senior citizens and non-parents in the process of education, or to use school buildings as family and community centers. It also may help to develop 5-10 year comprehensive plans for schools in conjunction with overall local planning, or to incorporate local history into curriculum.

Finally, business mentor or school-to-work programs allow the local business community to offer curriculum input, expertise in the classroom, or even apprenticeships for individual students. School boards could coordinate these programs with the private sector, and local governments could work with businesses to give employees incentives to volunteer their time.

V Land Use Planning

Summit participants discussed several issues relating to better land use planning. These included preserving open space, preserving agricultural lands and minimizing urban sprawl. Many of the break-out groups stated the need to account for all of these issues in a single comprehensive regional plan.

Many rural Coloradans do not feel their concerns are respected by the Front Range residents. For example, development limits such as urban growth boundaries might drive up land prices, which would make it tougher for communities to sustain agricultural lands. Regional land use planning ought to take into account that rural communities do not want to be thought of as "dumping grounds" for urban tourism, recreation or landfills; and that agricultural lands are not the same as open space. A cooperative process for land use planning ought to include efforts to educate participating communities about the views of other affected areas and regions. It also may be helpful to set up mediation or some other process for resolving disputes between communities.

Several general strategies for long-term land use planning were suggested. Communities could tax property according to use (with lower rates for open space and agriculture), increase the jurisdiction of planning commissions across political boundaries, or force developers to define how their proposed developments support the long term visions of the community and region. Governments could collect fees or taxes to use for purchasing development rights and conservation easements, which would help prevent sprawl and preserve open space and agricultural lands. Elements of land use planning could be integrated into the public education curriculum and open space and agricultural lands could be used as "classrooms."

One of the most helpful strategies for local land use planning might be to identify and catalog the "best use" of land throughout the region: agriculture, open space, wildlife habitat or development. Such an assessment ought to be made with input from environmentalists and the business community as well as from landowners, and it should include consideration for preserving a critical mass of agricultural land.

There were many more specific suggestions for preserving open space, preserving agriculture, and minimizing urban sprawl. First, to preserve open space, regional planning could be organized around geographic, economic and political boundaries, as well as around common interests. Collaborative funding of open space lands through combinations of public grants, revenue from real estate transfer taxes or sales taxes, private land trusts or even private donations also would be helpful. Local governments could require designated sections of open space in all development proposals, and they could provide tax relief for clustered development and open space easements, as well as for private land trusts.

To help sustain agricultural lands, local and regional planners could encourage value-added industries to locate in agricultural areas. They could promote business and non-profit partnerships and sponsorships with agriculture. Local and county governments could experiment with "agricultural

enterprise zones," mandatory minimum lot sizes, or annexation agreements to preserve agriculture next to urban areas (which would also provide urban growth boundaries). Governments could also use tools such as transfers or purchases of development rights.

Finally, to encourage urban in-fill and minimize sprawl, tax incentives could be used to encourage density where appropriate, and zoning guidelines could be used to cluster development around existing infrastructure. Greater subsidies for amenities in urban areas, such as parks or recreation centers, might make higher housing densities more acceptable to residents and neighbors. Local governments could offer bonuses for density in Planned Unit Development proposals (PUDs) and for using PUDs in non-urban areas. Also, designated greenbelts might be effective urban growth boundaries.

VI Transportation and Infrastructure

A continuing process of collaboration between local, regional and state agencies is especially important for transportation planning, because it is so closely affected by state planning and funding. Regional collaboration also can be particularly important for rural areas. The private sector could be included in planning and funding partnerships, and comprehensive planning -- for example, linking infrastructure planning with land use decisions -- could be very important.

It is possible to do a lot of infrastructure and transportation planning at the local level. Regional taxation and revenue sharing mechanisms can ease the burden of traffic impacts. Requiring developers to provide infrastructure as new development is created would ease the burden placed on local governments. Impact fees aimed at truckers, tourists and commuters, such as toll roads, vehicle-per-mile taxes and increased vehicle registration fees, might be helpful. Also, local governments may want to seek out public/private partnerships to fund infrastructure, or explore privatization options.

Local commissions could be created to define transit corridors where future development would have to occur. To deal with pollution problems, local officials could implement more thorough and stringent vehicle inspections. Something like a fee-based sticker necessary to drive on high pollution days could discourage pollution as well as increase revenue. To ease pollution and traffic congestion, local governments could partner with businesses and state or federal agencies to explore alternative transportation technologies, or with the private sector to adopt staggered business hours or encourage employees to reduce travel.

Finally, it might be a good idea to have a summit at the regional level devoted entirely to transportation planning. Such a summit could include input from all transportation industries, including air and rail as well as automotive. Such a summit could start to develop an overall transit plan, work on public outreach, and even explore changing the way we approach transportation questions.

VII Water

Issues of water quantity, quality and conservation were mentioned in every break-out group. Most groups felt largely dependent on the state to address this issue, but there were several suggestions for local and regional action.

In general, it is important for communities to encourage individuals to change their attitudes about water consumption, and to measure the value of water in ways that are not totally market-driven. It also is important to discuss local water issues in a regional framework, since local usage affects other communities as well as open space, wildlife and agriculture. The long-term and environmental trade-offs that come with water usage could be identified and discussed at public water-user meetings.

Specific local strategies included regulating development based on the availability of water, and re-examining the process of well permitting to take better care of resources. Local authorities also could provide incentives for conservation and for using or installing efficient appliances. Finally, progressive tap fees based on the size of the house or business could be effective for managing growth.

At the regional level, communities ought to cooperate to protect rivers and streams. Regional planning groups should address issues like pollution and conservation by watershed. They might also consider transferring some water from agricultural areas to urban areas.

VIII Resource Management and Environmental Concerns

Every break-out group discussed the need for careful management of other natural resources besides open space and water, and the need for long-term environmental stewardship. Several discussed other environmental issues such as wildlife management separately, but many of the suggestions for local and regional planning policies were similar.

There were a few general suggestions for new ways of approaching the challenges of resource management and environmental care. First, we should begin actively preventing pollution, instead of focusing on waste disposal and cleanup from pollution which can be expensive and unreliable. Second, we ought to do integrated resource planning, which takes into account the effect of one resource on another. Third, we could promote public/private partnerships instead of leaving problems to the public sector alone. Finally, it may be helpful to translate non-economic environmental values into market mechanisms, based on the value of the environmental or natural resource to the region. This last idea may include requiring compensation to the community for negative impacts on public resources, as well as compensating property owners for preserving specified resources.

Specific policy suggestions for managing resources at the local level included requiring proof of

sustainability in development proposals, or developing local groups to help inform and guide state and federal action on environmental and resource issues that have an impact on the area. A "Coordinator of Local Affairs" might help encourage integrated planning and assure that development occurs in concert with resource limits and the local vision.

Summit participants also stressed the need for local education on environmental management issues. In general, the public should be taught about "sustainability" and the need to preserve resources for future generations. Local governments also could educate the public about specific development proposals, outlining the process of mining or extraction and its long-term implications and detailing both the financial gain to the area and the eventual cost of clean-up. Resource management classes could be mandated in local schools, and public education about the relative environmental impacts of low- and high-density housing, and about the dangers of hazardous and solid waste and materials like paint or fertilizer, might be a good idea.

A regional framework -- perhaps based on watershed or other common geological lines -- can help make sound environmental decisions and exchange information. Regional authority also might be necessary for better environmental stewardship and to mitigate the impacts of growth, because, as one group put it, "punitive programs at the state and federal level aren't successful in the long-term."

IX Affordable Housing

Affordable housing was mentioned in almost every group discussion as a vital part of smart growth. Summit participants pointed out the relationship between housing costs and labor, and many thought local governments should actively promote mixed communities with lower-cost housing among higher-priced housing and businesses. Showcasing successful projects, both for developers and the general public, can help everyone learn about different, better ways of providing housing. New local and regional housing authorities also could help tackle this issue.

Comprehensive plans could include consideration for the need for affordable housing, along with concerns for infrastructure, natural resources, land use, market impacts and economic development patterns. Forming regional housing plans with input from economic development groups and councils of governments (COGs) also might help guarantee lower-cost housing in growing areas.

Specific policy strategies for meeting the challenge of providing affordable housing might include encouraging banks to offer low-interest housing loans in certain areas or under certain conditions, or tailoring impact fees to make it easier for first-time homebuyers to find affordable housing, to give senior citizens some relief from school taxes or to give apartment-residents some relief for their lower water use. Other tax incentives and increased regulatory flexibility for developers could encourage the development of affordable housing. A tourism tax or a real estate transfer tax could generate funds to subsidize housing, or possibly fund direct community purchases of lower-cost housing. Local and county authorities could force large or new businesses (such as ski resorts) to help handle housing for the low-wage employees they attract. Finally, communities might explore the possibility

of leasing federal or state lands for the development of low-cost housing.

X Continued Economic Development

Almost every break-out group at the summit discussed the need for continued growth and development in certain areas of the state, even while trying to control the impacts of excessive development in other areas.

Generally, local economic development efforts should focus on strengthening existing businesses and employing the local workforce. When attracting outside industry, local officials should look for businesses that will employ the existing labor force. It also may help to spend local resources on adult education or other programs to increase the skills of the existing labor force.

To encourage growth, local governments could use tax credits or incentives for hometown or agricultural businesses which are expanding to create additional jobs or to stimulate other growth. Developing a method for public feedback when considering the use of public funds to attract new business might be a good idea.

To pursue development at the regional level, it may help to create regional economic development authorities (EDAs). They could be organized around common infrastructure and resources, and charged with attracting tourism and new industries, coordinating impact fees among communities to avoid competing for economic development, and marketing existing urban areas to revitalize them.

XI Telecommunications

Telecommunications technology was mentioned in almost every break-out group as an important key to Colorado's future. Telecommunications will allow economic development without a lot of the physical development that traditionally accompanies it, so communities may want to experiment with creative ways to fund telecommunications infrastructure. However, telecommuters may redefine "community" as we know it, particularly for small towns. Some communities may want to exercise more local or regional regulatory control, or at least planning guidelines, over telecommunications development.

Policy strategies for encouraging telecommunications growth included working with the Public Utilities Commission to include advanced telecommunications service along with basic utilities, and forming a special district with passive private and public investors to help fund a fiber-optic network or other technology. Local governments could promote telecommuting among their own employees (perhaps partnering with the private sector to get the necessary tools), and encourage businesses to do the same by providing a public infrastructure or using tax incentives.

XII Creative and Innovative Suggestions

Some other strategies generated during the break-out sessions are included here:

- Base local visions on the "village concept": designing neighborhoods to be "full service communities" where school, work and most other everyday needs are separated by no more than a 5-minute walk. Neighborhoods would be smaller, and include a mix of businesses as well as different types of residential housing. Zoning codes might require certain amounts of trees and parks, sidewalk space, narrower streets and reduced parking.
- Local and county governments could explore ways to let the non-profit sector take up some of the burden of providing services.
- Use the Board of Cooperative Education Services (BOCES) as a model for intergovernmental cooperation to provide services, especially between spread-out rural communities.
- In order to fight excessive pollution from transportation, communities may want to experiment locally with using natural gas or solar heat to power public vehicles or heat buildings.
- Communities along the Front Range might work together to build high speed rail and ease the burden along the I-25 corridor.
- To make housing more affordable, local and county governments might team up with the private sector and pool mortgages to make interest rates substantially lower. Governments could also contribute to paying off the pool.
- Governments might work with the private sector and community colleges to provide people with the skills to plan and build their own housing.
- Communities might offer property tax relief to farmers and ranchers when they agree not to subdivide or sell development rights, and then ask for reimbursement from the state or from a special fund set up by the legislature for this purpose.
- Counties might look into purchasing agricultural land and water rights, and then lease land back to farmers.
- Local governments could offer day-care as an incentive to get more members of the community involved in the planning process.
- Communities could use graduate students and other resources of the state university system to assist with planning.

GUIDING PRINCIPLES

**as revised by participants at the
Colorado Leadership Summit on Smart Growth and Development**

To help kick off discussion at the Summit, Governor Romer offered twelve draft principles to spark discussion about smart growth. During the first break-out session, Summit participants discussed and revised the principles. What follows reflects the results of those discussions.

This list of principles could be discussed and revised again at the regional meetings. They are meant to be an aid for keeping the goals of the Summit participants in mind, and they should be as fluid as the process of Smart Growth itself.

- 1) Our vision and the process we take to get there should fully develop the human potential of all our citizens. We must strive to make our communities places where all kids and adults can fully develop their human capacities -- their minds and bodies. We should work together to ensure that strong families and communities, as well as great educational opportunities, cultural resources, good jobs, adequate food, clothing and health care are available for all of our citizens. Colorado communities must sustain and enhance the lives of families and individuals today and for the future.
- 2) We need to enhance the quality of our place. We must identify and emphasize both the physical and the human elements of our communities that are important to us. We must make our communities more livable by keeping crime off our streets, making all our neighborhoods attractive, protecting our natural resources and celebrating the magnificence of our setting. We also must cultivate an ethic of community, preserving towns and neighborhoods where we know and care for each other, where we respect cultural and ethnic diversity and the value of the environment, and where a child can grow up with a healthy body and healthy values.
- 3) At the local and regional level, we should better coordinate growth planning with the provision of services such as schools, water, infrastructure and transportation. A more cooperative effort between governments, communities and the private sector to make sure services accompany growth will guarantee the provision of services for new development, avoid duplication and inefficient use of services, allow for the fairer allocation of the cost of development, account for non-fiscal costs of development, help encourage urban in-fill and discourage sprawl, and allow us to preserve cherished areas we may not want to develop. Better coordination locally and regionally will also make it easier to plan for the long-term, increase citizen participation and enhance our sense of community.
- 4) We need to expand the opportunities -- such as better jobs, education, housing and health care -- that result from growth, and help Coloradans take advantage of those opportunities. Economic development can and should bring many benefits to Colorado. Clearly, affordable housing, improved education, better health and expanded job choices ought to be among the measurable results of growth in Colorado. Just as clearly, growth should generate increased cultural and recreational opportunities for Colorado citizens. To the extent possible, smart growth must strengthen the

identity of Colorado's diverse neighborhoods, communities and regions. We must empower local governments to attract and help create "good" growth, and we must help Colorado residents -- including low and moderate income residents -- receive the benefits resulting from growth.

5) We need to provide the structures so that we can effectively make the decisions that need to be made within each community, region and the state. We must make decisions as locally as it is possible for them to be effective. Therefore, we need to identify more ways to support regional and local priorities while simultaneously assuring a positive response to the crucial statewide issues of air quality, transportation, telecommunications, and water quality. We need to foster collaborative and supportive relationships at every level of decision-making, by making governmental structures more flexible, reducing institutional barriers to cooperation and input, creating more opportunities for citizens to be involved, cultivating partnerships between different governments and the private and non-profit sectors, empowering grass-roots activism, and taking into account overlapping areas of commercial or ecological interests.

6) We must continuously reform our tax, revenue and regulatory framework. Without creating an unpredictable regulatory environment, we must constantly rethink our tax and regulatory structure. Fees, licenses, permits, regulations such as zoning, taxes and tax revenue, should encourage and empower -- not impede -- state, regional and local efforts to provide services, as well as manage resources and plan for infrastructure, telecommunications and land use. We also must encourage non-regulatory approaches such as collaborative decision-making, facilitation and negotiation to foster cooperation and dialogue among public, private sector and community groups regarding growth initiatives.

7) We need to protect, enhance and promote the value of our public lands, our open spaces, our natural resources, our wildlife, our parks, our recreational opportunities and our historical facilities. We must take personal and community responsibility for ensuring that growth supports and facilitates the protection and enhancement of Colorado's public assets. They enrich our lives. We need to cultivate improved relationships between state and federal land management and regulatory agencies, regional and local governments, community groups and the private sector in order to preserve assets that are valuable to our environment, our history and our communities.

8) We need to foster a sustainable agricultural economy. Agricultural lands are not merely open space. We must acknowledge the importance of Colorado's agriculture lands and communities to the state's economy, as well as the benefits that go beyond the primary purpose of farms and ranches such as aesthetics, cultural contributions and wildlife habitat. Development of a sustainable agricultural economy should be given emphasis in state, regional and local growth strategies.

9) We need to protect Colorado from pollution. The health of our citizens and our environment is vital to our high quality of life and our economic strength. Individual citizens, community groups, government and the private sector must collaborate to reduce and prevent pollution and protect and conserve our natural resources, without disregarding local circumstances or disrespecting private property rights.

10) We need to continue to develop economically. We need a business climate that fosters quality jobs in stable or growing industries like telecommunications, promotes growth in areas that want it, and that allows us to withstand boom and bust cycles. Smart growth is good business: long-range planning can help strike a balance between Colorado's "haves" and "have-nots," achieve economic diversity throughout the state and ensure a stable economy for many years into the future.

11) We must always be conscious of the need for sustainability. We must meet the economic, social and environmental demands of the present without compromising the ability of future generations to meet their needs. We must also work to mitigate the problems related to past actions.

12) We need to foster a sustainable system of water management, in terms of treatment, storage and the regulation and determination of usage. Water is the most important resource in Colorado, as it applies to growth and the environment. We also need to develop a conservation ethic as a state, within communities and as individuals.

13) Smart growth must be an inclusive and cooperative process. Direct citizen input at all levels of decision-making is crucial to viable growth management. Education and information about all the costs and benefits of growth as well as the needs and values of different communities around the state, must be available. We also must remember that the private and non-profit sectors can be very effective partners with government, and planning decisions should be made with as much input, support and collaboration as possible. This is a cooperative venture, so we should share data and experiences, learn from each others' mistakes and share in each others' successes.

14) We all must be conscious of our rights and responsibilities as individuals. Planning decisions always must honor and respect private property rights and the need for compensation of all individuals, including businesspeople, farmers and ranchers. At the same time, we all must take responsibility for the impacts our private actions and decisions have on other individuals, communities or shared resources.

BACKGROUND, ACCOMPLISHMENTS AND VISION

CHILD CARE

"The hardest and most important part of welfare reform is moving people from welfare to work. You have to educate and to train people. You've got to make sure their kids aren't punished once they go to work by losing their health care or their child care."

President Clinton
National Association of Counties
March 7, 1995

BACKGROUND

The need for assistance with child care is large and growing yet the quality of child care available in the United States is far from adequate. Poor quality care threatens children's development. A recent study by economists and child development experts confirms that quality care is related to child outcomes. The vast majority of care in the country was found to be mediocre, with 40% of infant care considered poor.

- Almost one million children of working poor families receive assistance through the At-Risk and Child Care and Development Block Grant Programs. Without this support, many of these hard working American families could be cut off and put at-risk for welfare dependency.
- Low-income families who pay for child care spend more than a quarter of their income on these expenses, and millions more are in need of child care assistance. In California, 225,000 children are on a waiting list for child care.
- More than 400,000 children each month receive child care assistance through AFDC and Transitional Child Care programs. Assistance for these children and their families is in jeopardy if child care funds are capped. Studies indicate that when child care arrangements break down, parents are more likely to drop out of school or leave work and go back on welfare.

ACCOMPLISHMENTS

- Streamlining federal child care by bringing together the operations of the four main child care programs administered by the Administration for Children and Families (ACF) into a Child Care Bureau;

- Stimulating partnerships between the health and child care communities to ensure safe and healthy environments for children in child care;
- Launching a National Child Care Information Center to disseminate child care information, publications, and resources to grantees and the public; and
- Convening the states to share promising practices around key issues such as: ensuring health and safety in child care, infant care and school age care;

VISION

All children from birth to age three need early childhood experiences that honor their unique characteristics and provide love, warmth, and positive learning. All families need encouragement and support from their communities so they can achieve their own goals and provide a safe and nurturing environment for their very young children.

There is a growing consensus that early childhood development must focus on two generations: the parent and the child. The Administration wants children to have safe and healthy environments that promote their development and parents to have a learning environment for themselves as well as information to enable them to make informed choices from a variety of settings for their children.

As the life situations for families change, as they move from welfare to work, or transition from one job to another, there should be as much continuity of care for their children as possible. Child care can be a natural setting for family support; a place where parents are actively involved in their children's lives, and where efforts are made to protect and promote children's health.

Early childhood education is also an area of employment for the millions of mostly women who dedicate their lives to taking care of our nation's children everyday. The quality of the work environment for these providers is a strong determinant of the quality of care and education that is provided. Efforts must be made to ensure adequate wages and ongoing supports to this work force.

CHILD WELFARE: CHILD PROTECTION, FAMILY PRESERVATION AND SUPPORT, ADOPTION AND FAMILY VIOLENCE PREVENTION

"We have a national interest in the welfare of our children. Let's reform welfare. Let's cut the deficit. But let's not mix up the two and pretend that one is the other. Let's put our children first."

President Clinton
National Association of Counties
March 9, 1995

BACKGROUND

- Children become part of the child welfare system, because they have been abused or neglected or because they are in danger of being abused or neglected.
- Nearly 3 million children - 4% of America's children - were the subjects of abuse and neglect reports in 1993, a 25% increase from 1988.
- Foster care caseloads increased from 340,000 to 440,000 children between 1988 and 1993. Nearly 25% of children entering foster care are under age one, and many were exposed to drugs prenatally.
- More than one thousand children die each year from mistreatment.

ACCOMPLISHMENTS

FAMILY PRESERVATION AND SUPPORT Investments in the family are smart money. This Administration won bipartisan support for a comprehensive Family Preservation and Support program. In this program, states examine the changes that are needed to make services more responsive to the needs of individuals and families and more sensitive to their context. As a result, each state, in partnership with the Federal Government, is developing a comprehensive plan to strengthen and integrate children's services in the child welfare system.

CHILD WELFARE The Clinton Administration is reinventing child welfare monitoring. We are implementing a system comprehensive enough to address ongoing stewardship responsibilities, but at the same time putting greater emphasis on State/Federal partnerships. The new Federal role focuses on improving services and the outcomes experienced by children and families served through the public child welfare system rather than merely determining whether Federal laws, regulations, and policies are being followed.

FAMILY VIOLENCE Violence is not only a criminal justice problem but a major public health problem. Enactment of President Clinton's Crime Bill \$1.4 billion available over the next six years to: 1) after-school activities for at-risk youth, 2) launch a national domestic violence hotline, 3) enhance shelter services for women and children, and 4) increase economic development and employment opportunities within disadvantaged communities.

The Administration has built four national resource centers with 1-800 number access to provide comprehensive information, policy development, and technical assistance to help communities respond to and prevent domestic violence.

We have launched an effort to coordinate child abuse and family violence programs. Demonstration projects are underway to help improve services to families where both child abuse and spouse/intimate abuse are present.

ADOPTION The Administration is ensuring that states make full and effective use of the Adoption Assistance program, which provides critical economic support to families who adopt special needs children, since they may have large medical and other expenses. Under the Clinton Administration, the number of children for whom adoption subsidies are provided has increased by about 30%.

The Administration provides support for the National Adoption Exchange, the Adoption Clearinghouse, the National Resource Center for Special Needs Adoption, and the Interstate Compact on Adoption and Medical Assistance. In addition, the Administration is committed to fully enforcing the Multiethnic Placement Act, which allows for race and ethnicity to be a factor in adoption but not the deciding issue in adoption.

VISION

The Clinton Administration is committed to supporting and strengthening families. No matter whether the family is biological, adoptive, foster or extended. We want to enhance parents' ability to create stable and nurturing home environments that promote healthy child development. We want to assist children and families to resolve crises, connect with necessary services, and remain safely together in their homes. We want to avoid unnecessary out-of-home placement of children, and help children already in out-of-home care return to their families.

INCOME SECURITY FOR FAMILIES: CHILD SUPPORT ENFORCEMENT AND WELFARE REFORM EFFORTS

"I believe we must end welfare as we know it, because the current welfare system is a bad deal for taxpayers who pay the bills and for the families who are trapped on it. The American people deserve a government that honors their values and spends their money judiciously, and a country that rewards people who work hard and play by the rules."

President Clinton
December 8, 1994

BACKGROUND

JOB OPPORTUNITIES AND BASIC SKILLS TRAINING (JOBS) Created by the Family Support Act of 1988 and championed by then-Governor Clinton, the Job Opportunities and Basic Skills Training (JOBS) program helps AFDC recipients become job-ready and enter the workplace. JOBS offers education, training, and job placement, as well as guaranteed

child care and other support services.

To support local flexibility, the Family Support Act gave state welfare agencies primary administrative responsibility for JOBS. The law also encouraged welfare agencies to form collaborative relationships with other community institutions -- such as schools, non-profit organizations, and business groups -- so that JOBS programs would fit local circumstances and needs.

Currently, over 640,000 people are active in JOBS programs each month.

CHILD SUPPORT ENFORCEMENT The Child Support Enforcement (CSE) program is a joint Federal, State and local partnership that seeks to locate noncustodial parents, establish paternity, and set and enforce support orders. Collections made on behalf of non-AFDC families are paid directly to these families. For non-AFDC families with low incomes, receipt of child support collections assists them in remaining off the welfare rolls.

Since the creation of the child support enforcement program, total child support collections have increased annually. In recent years, States have increased collections by using approaches such as income withholding, offset of income tax refunds, support guidelines and closer links to credit bureaus.

ACCOMPLISHMENTS

WELFARE REFORM On June 14, 1994, the President introduced The Work and Responsibility Act of 1994 to "end welfare as we know it." Under President Clinton's welfare reform plan, an enhanced JOBS program becomes the core of the transitional assistance approach. His proposal would expand and improve the current program to include:

- **Fewer exemptions.** The President's proposal would reduce existing exemptions and ensure that, from day one, even those who can't work must meet certain expectations. Mothers of infants would receive only short-term deferrals. Mothers with disabilities and those caring for disabled children would initially be exempt but will be required to develop employability plans to move from welfare to work.
- **A personal employability plan.** From the very first day, the welfare system must focus on making young parents self-sufficient. Working with a caseworker, each parent should develop an employability plan identifying the education, training, and job placement services needed to move into the workplace. Most plans will aim for employment well within two years.
- **Real work requirements.** Participants who are job-ready should be oriented immediately to the workplace. Anyone offered a job must take it. Parents who refuse to stay in school, look for work, or attend job training programs will be sanctioned, generally by losing their share of the AFDC grant.

- **A two-year time limit.** Time limits should restrict most AFDC recipients to a maximum of 24 months of cash assistance after which recipients will be required to work. The Administration believes that no adult who is able to work should receive welfare for an unlimited time without working.
- **Resources for states.** Adequate child care is essential to preventing welfare dependency in the first place and moving people off the rolls and into work. Recognizing this, the Clinton Administration would support increasing child care availability through additional funding for existing programs and coordinating rules across child care programs. The Administration's proposal also includes additional resources for states to provide the education and training necessary to move people from welfare to work.

STATE FLEXIBILITY Since President Clinton summoned the country to "end welfare as we know it," the Administration has encouraged states to initiate demonstrations on welfare reform. As a former governor, the President recognizes states as the nation's laboratories and their need for the flexibility to innovate and experiment.

In two years, this Administration has approved 32 demonstrations in 29 states, more states than the previous two administrations combined. In an average month, the welfare demonstrations cover at least 6.3 million people, representing over 45 percent of all recipients.

The themes of work, responsibility and family are consistent messages and goals of the state demonstrations. Some are targeting specific approaches, while others are experimenting with many program components. Some are testing projects in a single or a few counties, while others are ambitiously undertaking statewide efforts. All are using incentives and sanctions with the primary goal of moving people into work. States are also making important strides in increasing child support collections, requiring teenage parents to live at home and stay in school, and rewarding parental responsibility.

CHILD SUPPORT The President has proposed annual expansions in child support enforcement, increasing resources by more than 25 percent since taking office. In 1994, the federal-state child support enforcement system collected **a record \$10 billion** from non-custodial parents, an increase of 11 percent over 1992.

- **Seizing tax refunds.** On February 21, 1995, HHS announced the collection of **a record \$703 million** in delinquent child support for 1993 by intercepting income tax refunds of non-paying parents. Benefiting nearly one million families, the amount was 13 percent more than collections from income tax refunds for 1992.
- **Prosecuting non-payers.** Billions of dollars more in support is owed to children whose parents have crossed state lines and failed to pay. The Justice Department is

investigating and prosecuting these cases aggressively under the Child Support Recovery Act.

- **Improving paternity establishment.** Already, the Clinton Administration has proposed, and Congress has adopted, a requirement for states to establish hospital-based paternity programs, as a proactive way to establish paternities early in a child's life.
- **Federal employees.** On February 27, President Clinton signed an executive order to make the federal government a model employer in the area of child support enforcement. It requires all federal agencies, including the Armed Forces, to cooperate fully in efforts to establish paternity, and to ensure that children of federal employees are provided the support to which they legally are entitled.
- **Customer service.** In 1994, the Office of Child Support Enforcement launched a new initiative to promote dramatically improved performance, service quality and public satisfaction with the child support enforcement program. As part of a two year pilot project under the Government Performance and Results Act (GPRA). The Office of Child Support Enforcement has approved 28 applications from State and local governments to implement innovative approaches for addressing major issues in the program. Examples include new efforts to improve access to medical insurance, encourage welfare mothers cooperation in identifying and locating alleged fathers, and providing employment counseling to noncustodial parents.

VISION

The Administration is committed to welfare reform that emphasizes work, parental responsibility, state flexibility, and the protection of children. We want tough work requirements while providing opportunities for education, training, child care and supports to working people. President Clinton encourages and supports creativity and responsiveness of states. We have fostered many opportunities for real reform by giving states the flexibility to design and administer welfare programs tailored to their unique circumstances and needs.

LIFELONG LEARNING AGENDA

"Now, more than ever, education and training are the keys to opportunity for every American, and the future will only make that more true. . . it is clear that the key to opening the American Dream for all Americans as we move into the next century is our ability to broadly spread the benefits of education."

President Clinton
American Council on Education
February 14, 1995

HEAD START President Clinton's FY96 budget proposes an additional \$400 million increase for the Head Start program, which provides comprehensive services for disadvantaged children, ages three to five, and their families.

- The reinvigorated Head Start program is serving almost 752,000 children in FY 1995, up from 621,000 in 1992. The Administration's FY 1996 budget will create 32,000 new opportunities for children and families to participate in part-day programs. In addition, 22,000 current part-day slots will be expanded to provide full-year full-day Head Start services for children whose parents either work or are in job training. The budget includes \$3,935 million for Head Start, an increase of \$400 million, or 11 percent over the FY 1995 level.
- The Clinton Administration also created the Early Head Start program for infants and toddlers up to age three and their families. 12,000 infants and toddlers will be served in FY 1995.
- With bipartisan support, the President appointed the Head Start Advisory Commission to examine and recommend improvements to the program after 25 years of service.

GOALS 2000 Goals 2000 affirms the President's belief in the critical role of education in building America's future and the federal government's central role as a partner in that effort.

- Legislation passed in 1994 supports meaningful state and community school improvement efforts, based on raising academic and occupational standards, improving teaching and expanding the use of technology.
- The President's FY96 budget proposal requests a \$347 million increase in funding for states and communities to proceed with their education reform agenda. More than 40 states have already chosen to participate in Goals 2000 and with the leadership of local communities, parents, teachers and school administrators have developed their own strategic plans for educational reform.

NATIONAL SERVICE With passage of the National Service legislation, Americorps has 20,000 volunteers working in schools, hospitals, neighborhoods and parks. Reiterating his belief that National Service can change the way government works by enabling participants to further their education while helping to change communities, President Clinton is asking for \$812.5 million in 1996 to expand the program to 47,000 participants.

DIRECT LENDING Since the passage of the Student Loan Reform Act, 104 schools and over 300,000 students have begun to participate in this innovative loan program. This year more than 1,400 schools - representing 40% of the total number of loans and the maximum allowed under this year's authorization - have committed to enrolling. This program cuts bureaucracy and saves taxpayers and students billions of dollars, while allowing more

borrowers flexible repayment arrangements -- including pay-as-you-earn plans through Individual Education Accounts.

ELEMENTARY AND SECONDARY EDUCATION ACT Designed primarily to help disadvantaged children, this law focuses on improvements in teaching in more than 50,000 schools and has a direct impact on five million children in high poverty areas. By increasing school flexibility to use federal aid and supporting effective innovations, this law is a significant step in helping *all* students meet high academic standards.

SCHOOL TO WORK ACT Broadens educational, career and economic opportunities for students not immediately bound for four-year colleges through local partnerships among businesses, schools, community organizations and state and local governments. By equipping students with the knowledge and skills they need to pursue work or post-secondary training, this law helps ensure that America can compete and win in the global economy.

TECHNOLOGY AND LEARNING To ensure that our nation's classrooms are not left behind in the technological and information revolution that is taking place, the Clinton Administration has initiated a "Technology Learning Challenge," which will challenge learning communities -- teachers, students, local businesses, telecommunications companies, curriculum and learning specialists -- to develop and deploy interactive learning curriculum content that will allow students to learn both at school and at home.

"FAMILY FRIENDLY" POLICIES

THE FAMILY AND MEDICAL LEAVE ACT OF 1993

BACKGROUND

During the 1992 campaign, President Clinton pledged a number of initiatives to "treat families right" and "put people first." He promised to sign into law the family and medical leave bill that President Bush vetoed in 1990. With newly-elected President Clinton pledging support for FMLA, Congress approved the measure on February 4, 1993. President Clinton signed FMLA into law on February 5, 1993, making the Act the first major legislative accomplishment of his administration.

FMLA requires public employers and private-sector employers of 50 or more employees to provide up to 12 weeks of unpaid leave a worker to take care of a newborn or a sick child, spouse or parent. It also protects a worker who has a serious health condition that prevents him or her from working. Pre-existing group health benefits must be maintained during the leave and employees must be restored to the same or equivalent positions. Effective August 5, 1993, this law affects an estimated 45 million U.S. workers and 300,000 U.S. businesses.

ACCOMPLISHMENTS

FMLA became effective for most employees on August 5, 1993. It has received favorable reviews primarily because of its "user-friendly" regulations, extensive efforts at public education, and prompt servicing of over 2,000 complaints.

The FMLA is a "family-friendly" law whose enactment was predicated on two overarching concerns -- the needs of the American workforce, and the development of high-performance work organizations. The Commission on Family and Medical Leave, which will assess the new law's impact on both employers and employees has initiated two national surveys and scheduled three hearings.

THE WOMEN'S BUREAU

BACKGROUND

The *Working Women Count! Honor Roll* and *Child Care Forums* are integral components of the work in which the Women's Bureau is currently engaged.

ACCOMPLISHMENTS

- **The Honor Roll.** The purpose of the Honor Roll is to stimulate voluntary community action to help strike a balance between work and family. Already many of our pledges from employers, labor unions, government entities and other organizations directly address the needs of children, e.g. establishing day care centers, issuing vouchers for summer camps and the adopting more flexible working hour options. Groups such as a Restaurant and Hotel Union, YWCA, and Blue Cross/Blue Shield have already made pledges to assist working women with their child care needs. And as the workplace becomes more "family-friendly" children will benefit.
- **Child Care Forums.** One of the major concerns of working women is child care. The Women's Bureau is conducting child care forums throughout the country to heighten community awareness of child care and other dependent care issues faced by working families and to stimulate local action by a variety of community stakeholders. Forums have already been held in San Francisco, California and Portland, Oregon.

VISION

CRIME AND VIOLENCE

"Let's give our children a future. Let us take away their guns and give them books. Let us overcome their despair and replace it with hope. Let us, by our example, teach them to obey the law, respect our neighbors, and cherish our values. Let us weave these sturdy threads into a new American community that can once more stand strong against the forces of despair and evil because everyone has a chance to walk into a better tomorrow."

THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994

BACKGROUND

One of President Clinton's most significant legislative achievements, the 1994 Crime Bill balanced policing, prevention and punishment, and embraced a tough, smart strategy on youth crime. With new penalties and punishment -- The Crime Bill sent a strong NO to gangs, guns and drugs. It bans handguns for juveniles; creates stiff penalties for crime-committing gang members; establishes Boot Camps and Drug Courts to discipline first-time, non-violent and drug offenders; and provides for hardened young criminals -- as young as 13 years old -- to be tried as adults.

With Smart Prevention Programs -- The Crime Bill also reinforces the difference between right and wrong by investing in after-school, weekend and summer programs which give young people something to say "yes" to.

ACCOMPLISHMENTS

- **The Community Oriented Policing Services (COPS) Program.** This initiative will eventually put 100,000 more police on the streets. Already, it has helped more than half of the nation's law enforcement agencies fund nearly 17,000 new police. Many of them will be involved in school violence or drug abuse prevention through community policing initiatives.
- **The President's Crime Prevention Council.** The Crime Bill established the Council to coordinate the administration of federal crime prevention programs, to assist communities and community-based organizations seeking information about these programs, and to develop services for program integration and grant simplification.
- **Community Schools and Family and Community Endeavor Schools Program.** Provides an opportunity for educational institutions to play a broader role in the lives of children, families and the community. Both of these programs will provide resources to schools and coalitions of community groups (\$36 million in fiscal year 1995) to keep schools open after "normal" school hours.
- **Crime Prevention Block Grants.** Provides funds to local governments to fund crime prevention, intervention and treatment initiatives. Monies will go to proven crime fighting programs such as boys and girls clubs in public housing, afterschool and recreation programs, youth anti-crime councils, and police partnerships, to name just a few. This is a formula block grant program and \$377 million has been authorized for

FY 1996-2000.

- **Delinquent and At-Risk Youth Program.** Provides assistance to public and non-profit organizations to support the development and operation of projects that provide residential services to youth between the ages of 11 and 19 who have dropped out of school, had contact with the juvenile justice system, or are at risk of doing either or both. This is a discretionary grant program in which public and private non-profit agencies providing residential services to at-risk youth may apply. \$36 million is authorized for FY1996-2000.
- **The Model Intensive Grant Program.** Authorizes the Attorney General to establish model crime prevention programs in no more than 15 chronic high crime areas. The model programs must be comprehensive, collaborative and community-based. They must address, among other things, the lack of youth programs; public facilities; services such as transportation, street lighting, substance abuse treatment and employment; and police or public safety services and facilities. Grants will be awarded on a discretionary basis and Congress has authorized \$625.5 million for FY 1996-2000.

VISION

These proven crime fighting programs offer kids an opportunity of safe havens and constructive activities, instead of street corners, alley ways, and gangs. All Americans, and particularly young Americans, deserve hope and opportunity; and they need to know that there is a better answer than crime, that there is a better path to take in life.

STRONGER NEIGHBORHOODS AND CITIES

"For a long time the government really thought that if we just had a solution designed here in Washington that was properly funded, we could solve the problems of every community in the country. Well, we learned that that wasn't true. But we've also learned ... that neglect is not a very good policy either. [There] needs to be a new partnership between Washington and the communities and the individuals of this country, and there needs to be a way of doing business in which we try to create the conditions in which people can seize opportunities for themselves."

President Clinton
January 17, 1994

BACKGROUND

EMPOWERMENT ZONES (EZ) AND ENTERPRISE COMMUNITIES (EC) Thirteen years after the first federal enterprise zone legislation was introduced, President Clinton's

Empowerment Zones/Enterprise Community initiative became law.

ACCOMPLISHMENTS

The President's initiative includes \$2.5 billion in tax incentives and \$1.3 billion in flexible grants to spur local communities to address barriers to economic growth.

Over 500 communities across America took up the "EZ" challenge, submitting a strategic plan for revitalizing their communities. On December 21, 1994, President Clinton and Vice President Gore announced 105 winners -- nine urban and rural EZs, two supplemental zones, and 95 ECs, four of which received enhanced awards.

The private/public partnerships that have developed as a result of the EZ/EC application process will be a force for change far into the future. In Detroit, for example, more than \$2 billion in private-sector commitments have been pledged. And Baltimore's plan leverages \$8 in outside resources for every \$1 of federal funds.

VISION

CHILD NUTRITION AND HEALTH

"There are certain fundamental national needs that should be addressed in every state, north and south, east and west -- school lunches in all our schools, nutrition for pregnant women and infants ... All these things are in the national interest."

President Clinton
1995 State of the Union

SCHOOL MEALS FOR HEALTHY CHILDREN

BACKGROUND

- More than five million children are hungry each month in the U.S. -- one in eight children under age 12 goes to bed hungry.
- Hunger in America does not resemble the bloated stomach image of developing nations. Domestic hunger is chronic and leads to low birthweight babies, impaired physical and cognitive development, lack of preparedness to learn, and alarming rates of infant mortality.

ACCOMPLISHMENTS

- **Increased funding for nutrition.** The President's FY96 budget requests more than

\$42 billion for nutrition assistance, up from \$40.2 billion allotted in FY95.

- **Expanding WIC.** The Clinton Administration has expanded funding for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) dramatically -- \$610 million in the first two years, and a further proposed increase of \$350 million in FY96 to serve an additional 400,000 women, infants and children. This program works: Every \$1 invested in WIC has proven to save up to \$4.25 in preventive health-care costs.
- **Reforming the School Lunch Program.** The Administration has developed a School Meals Initiative for Healthy Children to update and improve school meals. The Initiative provides nutrition education for children, offers school food service directors nutrition training and technical assistance, streamlines administrative burdens, and invites public and private sector participation in local school meal decisions.

THE CHILDHOOD IMMUNIZATION INITIATIVE

BACKGROUND

In the United States, only 67 percent of 2-year-old children are fully immunized, leaving as many as two million children vulnerable to diseases such as measles and polio. It is during the first two years of a child's life that 80 percent of vaccine doses (11 to 15 doses) should be administered.

ACCOMPLISHMENTS

The Clinton Administration has made significant progress in five broad areas of the Childhood Immunization Initiative:

- **Improve the Quality and Quantity of Vaccine Delivery Services.** In October 1993, this Administration provided \$129 million (\$83 million in new federal resources) to states and large local health departments, based on plans they developed, to improve and expand existing immunization services. These resources are being used at the discretion of each area to contend with the immunization barriers that the local community faces, such as expanding immunization clinic hours to make it easier for working parents to take children to visit a health provider.
- **Reduce Vaccine Cost for Parents.** In October 1994, the Vaccines for Children Program was initiated to provide the neediest children with free vaccine in their medical homes. By March 1995, more than 21,000 private provider sites were enrolled in the VFC program and receiving free vaccine.
- **Increase Community Participation, Education and Partnerships.** A National

Outreach Program was established in September 1993. Through this program, outreach workers -- community organizers -- enhance involvement, expand participation, facilitate coordination and communication among all sectors of the community. They also provide skills training to enhance local capacity to sustain outreach activities. Regional meetings brought together thousands of people involved on the front-lines of immunization efforts to share strategies and coordinate activities. Last year, the last week in April was established by the President as National Infant Immunization Week. This provides an opportunity to include new partners in long-term promotion efforts.

- **Improve Systems to Monitor Diseases and Vaccinations.** The Centers for Disease Control and Prevention has expanded its ability to assess immunization rates at the local, state and national levels in order to pinpoint which populations are not receiving the benefits of infant vaccination. Equally important is surveillance, which will help public health providers take fast action to prevent widespread outbreaks of disease. Through this effort, gains have been made in disease prevention. Cases of rubella and Haemophilus influenzae type b are at or near all time low levels, and, it is anticipated that fewer than 1000 cases of measles will be reported this year. This would be the second lowest number of measles cases ever reported.
- **Improve Vaccines and Vaccine Use.** In January 1995, a simplified immunization schedule for administration of the childhood vaccines was issued. This was an effort that harmonized differing recommendations of two national groups. In April 1995, the Food and Drug Administration approved a vaccine for prevention of chicken pox.

VISION

Through these initiatives, the Clinton Administration hopes to: promote good nutrition for children; eliminate most childhood vaccine preventable diseases; increase vaccination levels for 2 year olds to at least 90 percent for the initial and most critical doses by 1996; establish a sustainable system to ensure that at least 90 percent of all 2 year olds receive the full series of vaccines by the year 2000 and beyond.

Department of Transportation

To promote the safe transportation of our children, "Moving Kids Safely".

Background:

Beginning in early May, we embarked on 4 month program to highlight our child safety message. A youngster growing up in the United States is more likely to be killed or injured in a transportation accident than from any other cause. Transportation accidents kill 3,200

children a year, injure 360,000, hospitalize 200,000 and permanently disable 30,000 kids. Statistics indicate that 30% of the accidents occur during the summer months when students are on vacation from school.

"Moving Kids Safely" is our attempt to heighten awareness and make inroads on this largely preventable and unnecessary cause of death. A great number of these senseless injuries and deaths can be avoided by a simple act such as using a child safety seat, wearing a personal flotation device, buckling a safety belt or teaching our children not to play near railroad tracks.

Accomplishments:

Held Child Safety Conference on June 01-02, 1995 that invited safety professionals to Washington, D.C. to share information, ideas, experiences and to establish partnerships and alliances to build safe communities for our children. The conference brought together, for the first time, transportation safety professionals from all over the country, including representatives of federal, state and local governments; academia, criminal justice, manufacturers, health care, law enforcement, business and education. Attended by 400+ people.

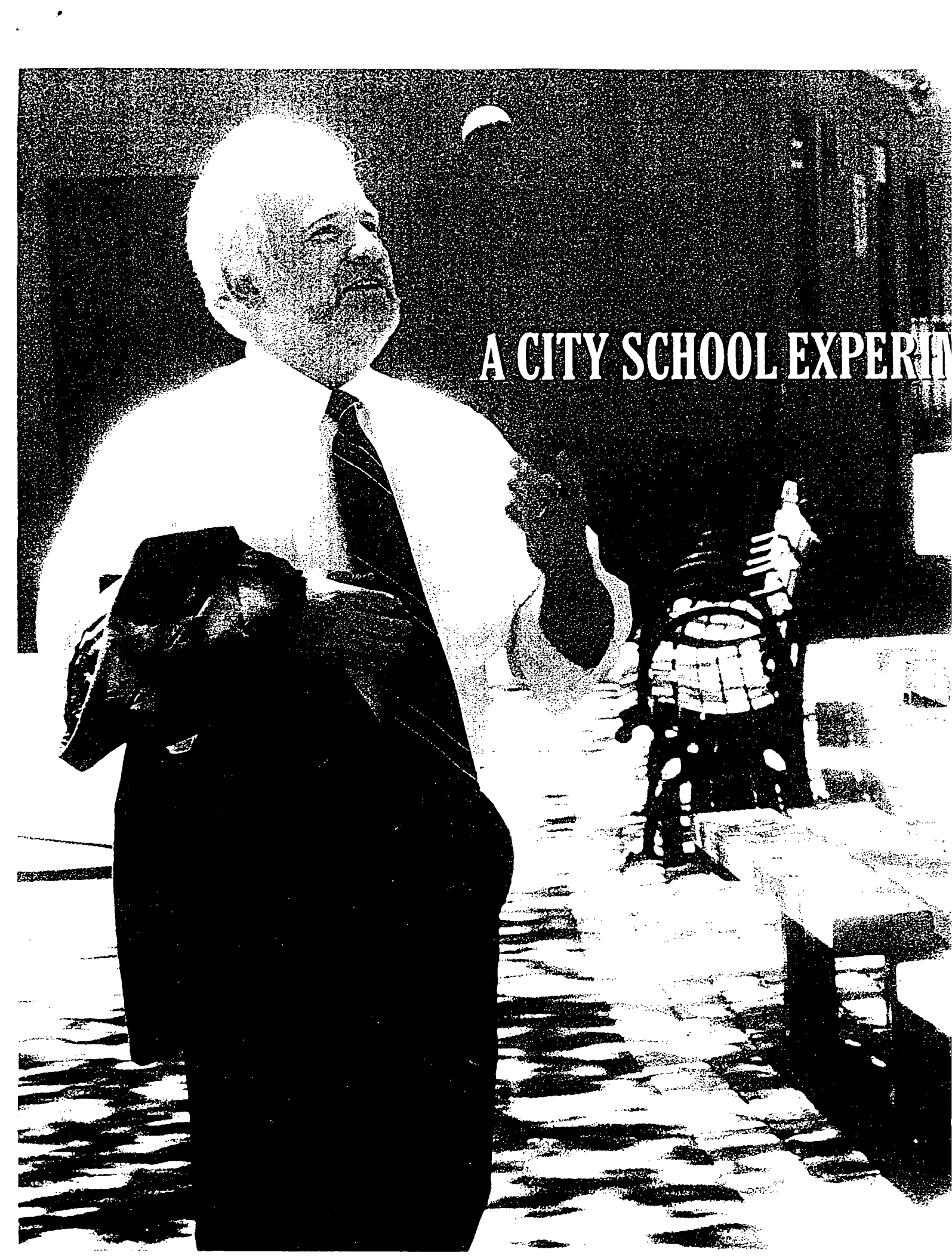
The Federal Railroad Administration is conducting a public service campaign, "Always Expect a Train." Accidents occur at highway-rail grade crossings every 90 minutes with over 1,100 people killed or injured each year. Additionally, another 1,000 people are killed or injured annually trespassing on railroad property, including over 25 children who die each year because they are illegally on railroad property. This public service campaign will increase awareness of these hazards, reduce these preventable tragedies and save lives.

Convened Blue Ribbon Commission on Child Safety seats. This 28 member panel composed of auto and child safety seat manufacturers, physicians, and technical experts/advocates was formed at the request of National Highway Traffic Safety Administration (NHTSA) in February, 1995 as a unique voluntary partnership to address this serious safety issue. The recommendations announced on May 30, addressed product development and research, government rule-making, voluntary industry standards, training and the need for expanded public information and education efforts conducted by industry and government. One long term recommendation is a universal child restraint system using uniform attachment fixtures for securement.

The settlement of the GM C/K pickup case following the government's investigation into alleged defects in the company's 1970-1991 pickups resulted in a positive push for child safety. The settlement will allow for the purchase of 200,000 child safety seats for needy families that are estimated to save at least 50 lives and prevent at least 6,000 injuries. Secretary Peña said last December that "this settlement is a common sense outcome and a victory for safety. The settlement will save hundreds of lives- far more than could have ever been saved by proceeding with the recall or closing the case."

Vision:

We will continue our child safety message throughout the summer. We hope to build partnerships at the Child Safety Conference that will aid us in this effort.

A high-contrast, black and white photograph of a man in a suit and tie, holding a jacket, standing in a room with a large window and a desk. The man is looking upwards and to the right. The room has a large window in the background and a desk with a lamp in the foreground. The text "A CITY SCHOOL EXPERIMENT" is overlaid on the right side of the image.

A CITY SCHOOL EXPERIMENT



TUALLY WORKS

Small is the answer — if there are ample funds and outsized talent. A concrete example is School for the Physical City, where students and teachers are breaking down apathy, bureaucracy and alienation. **By Sara Mosle**

JOSEPH NEWKIRK LOOKED LIKE SPIDERMAN. HE WAS clinging to the cyclone fence surrounding the playground at Intermediate School 70 on West 17th Street in Manhattan. His tie whipped his face in the breeze. Far below, his students egged on their superhero: "You can do it, Mr. Newkirk!" and "You've almost got it now-w-w-w!" The string he was clutching made it look as if he were actually spinning a web. It rose to the top of the fence, slipped down through the bare branches of the tree, dipped and ascended again, and finally halted where the kite had become ensnared in the fire escape of an adjoining building.

Newkirk pulled; the kite wagged its tail. "Oooh! Careful!" cried several kids below. The students had built the kite in Newkirk's middle-school science class at the School for the Physical City, a new public school in its second year in Manhattan, and they didn't want to see their latest test model destroyed. Across the playground, kites of all shapes and sizes floated like clouds above the cement plain. Below, clumps of students shadowed their movements and recorded data on clipboards.

The students, most of them barely teenagers, wore the standard uniforms of stylish urban grunge — baggy jeans, T-shirts, flannel work shirts, baseball caps, boots, sneakers. Their parents had chosen to send them to S.P.C., as it's called, instead of their regular neighborhood schools, as part of a foundling citywide "choice" program initiated by Joseph A. Fernandez in 1992, when he was School Chancellor. The students, from mostly lower- and middle-income families, come from all over the city. Although there are slightly more boys than girls, the kids otherwise represent an ideal cross-section of the city's student population. By ideal, I mean

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Small Schools



Among educators, Annenberg's name is constantly being evoked, as in 'When Annenberg comes...' and 'When Annenberg gets here...' and 'Now that Annenberg is here.' You'd think Godot had finally arrived.

more integrated: African-Americans, Latinos and whites each constitute somewhat less than a third; the remaining 15 percent or so are Asian. The students could have walked straight out of one of those multicultural Benetton ads.

Newkirk's students were conducting an experiment, and they are part of one too. The School for the Physical City is just one of 50 new public schools that have opened in New York City in the last two years. Fernandez pushed for their creation before being ousted in 1993. They are organized around a variety of themes and pedagogical philosophies. Their unwieldy names announce their missions: the High School for Health Professions and Human Services, El Puente Academy for Peace and Justice, the Kingsborough Academy of Sciences High School. Each of them, though, might be called the Smaller School of Smaller Classes, for that is their chief, shared, revolutionary idea.

Although all of the schools fall under the auspices of the city's central Board of Education, most of these new schools have been given

private dollars. (Already \$8.5 million has been raised from three organizations — Time Warner, the Aaron Diamond Foundation and the Charles Hayden Foundation.) Among educators, Annenberg's name is constantly being invoked, as in "When Annenberg comes..." and "When Annenberg gets here..." and "Now that Annenberg is here." You'd think Godot had finally arrived.

Annenberg's money has provided a desperately needed infusion of hope into the city's beleaguered public school system. But as great as his gift may seem, it's dwarfed by the city's annual \$8 billion education budget and doesn't begin to make up for recent cutbacks. Because of the ongoing fiscal crisis in New York, some \$540 million has been cut from the city's schools in the last year alone, and an additional \$750 million may be slashed even before classes begin in the fall — more than \$1 billion total. All of this comes at a time of steeply rising enrollments. A new demographic bulge, the baby boomers' children, has just entered grade school.

In New York, this influx has been

apart. But because of the city's budget crunch, a capital improvement campaign has essentially been abandoned. Some of the city's neighborhood high schools resemble anonymous factories, with upward of 4,000 students each. Production, one might say, is at a standstill: only half of the city's entering freshmen typically graduate in four years.

Can smaller schools and smaller classes really transform a school system beset by so many other problems? And if they can, are we willing to pay for them? The story of the School for the Physical City is instructive of some of the difficulties inherent in what might be called, for lack of a better term, "school-raising." S.P.C. has already been subject to as many influences — fiscal, parental, political, pedagogical and philanthropic — as the most impressionable adolescent; and, like many new schools, it may be neglected or even abandoned before it's full grown. The story is a little like "Bringing Up Baby," the 30's comedy about raising a leopard, and the plot twists are as frequent. To the extent that all successful schools resemble one another, it's also the story of a school-reform movement.

didn't get out of the car. His wife and daughter got in. Together we drove to his daughter's open-school night at her suburban public high school — a sprawling state-of-the-art facility that lighted up the night sky like Cape Canaveral before a midnight launch. The art rooms alone consist of a drafting area, a pottery studio with full-size kiln, a photo lab and darkroom, and a space set up with easels for painting or drawing.

Mark seemed untroubled by the inequities between his daughter's school and his own. Like a former star quarterback in the sky box, he offered a running commentary on the parent-teacher play-by-play. By 9:30, the family was back home, and by 10 Weiss and his wife were in bed. This was a late night. From the guest room I could hear his daughter tiptoeing around. In a touching reversal of roles, she was trying not to wake her slumbering parents.

Mark, as even his students call him, likes getting to the office early to enjoy a moment of peace and quiet, to make a few phone calls and to get a pot of coffee going for his teachers. They start to stream in around 7 A.M. The School for the Physical City doesn't actually *have* a physical school in the city — at least not yet. Like most of the new schools, it consists of a few fugitive classrooms inside the leviathan brick hull of I.S. 70 in the Chelsea section of Manhattan. Although S.P.C. will move into a newly renovated building in the fall, it is almost the sole exception among the new schools in having acquired permanent housing.

Finding S.P.C.'s quarters inside the larger building isn't easy. You don't walk "into" the school: its classrooms are scattered across two floors. Mark's office isn't really an office, but a large classroom that also serves as a teachers' lounge, conference room, nurse's office, storage closet, Xerox room, reception area and general place to hang out — a kind of TV room without the TV. Kids camp out on the large sofa installed against one wall. They gos-



The AV Squad Sam Schwartz and a student check out traffic radar equipment.

crucial support from several local nonprofit groups that last year received the first "Annenberg grants." These much-coveted awards come from the philanthropist Walter K. Annenberg, who pledged \$500 million in December 1993 to help reform public school systems nationwide. Over the next five years, New York City will receive some \$50 million, to be matched 2 to 1 by both public and

compounded by a huge increase in immigration. In New York City, for instance, the total number of students in the last two years has topped one million. And the number is expected to rise by some 20,000 students annually well into the 21st century. Overcrowding is rampant, with classes held in hallways, cafeterias, auditoriums, closets and even some lavatories. School facilities, most of them built before the Depression, are falling

MARK WEISS'S TYPICAL school day begins when his digital alarm goes off at 4:48 A.M. Weiss, the principal of S.P.C., gets up and takes his dog for a walk outside his home in Peekskill, N.Y., about an hour's drive north of Manhattan. By 5:25 A.M. he's in his car barreling south on the Henry Hudson Parkway toward S.P.C. in the dark.

At 49, Mark looks a little like Santa Claus in civvies. He has white hair, a white beard, pink cheeks and twinkly eyes. He isn't fat like Santa, but is just as jolly, even so early in the morning. For the previous 24 hours, I'd been shadowing my subject and was feeling a little bleary-eyed. We left the school around 6 the night before and arrived at Weiss's home just before 7:30. He



Habitat for Humanities The round-table size of classes at the School for the Physical City has given hope to teachers like Joel Barsky, whose previous school had 4,000 students.

sip with each other, do their homework, give passing teachers a hard time, chew on their hair. The teachers, for their part, give as good as they get. They sit around a large table that stands at the room's center both literally and metaphorically, where the entire staff gathers to discuss everything from that day's field trip to the direction of the school. If the school can be said to exist in any one place at all it's in this classroom up on the second floor.

IN APRIL 1992 MARK WEISS WAS having lunch with his old friend Sam Schwartz at a Thai restaurant on Ninth Avenue when they came up with the idea for S.P.C.U. The two first met at the Nixon Impeachment Coalition in Brooklyn in 1972. "If it weren't for Richard Nixon, this school wouldn't exist today," Schwartz likes to say. Schwartz is perhaps best known to the public as "Gridlock Sam" — he coined the term "gridlock" when he was the city's traffic commissioner in the 80's. He's now the director of the Infrastructure Institute at the Cooper Union for the Advancement of

Science and Art in New York. As he recalled, "I was bemoaning how most of the city's infrastructure professionals" — urban planners, tunnel inspectors, civil engineers — "didn't come from New York City, much less the city's public schools, and I wanted to find a way to interest city kids in their own environment." Mark, not surprisingly, thought of starting a school.

At the time, Weiss was director of instruction and professional development at the Office of Alternative High Schools at the Board of Education. He grew up in Flatbush, attended the neighborhood public schools and went to Brooklyn College in the mid-1960's. He was a student radical. (He met his future wife at an antiwar meeting and still refers, only half-jokingly, to "the revolution.") He began his career in 1967 by returning to teach at his alma mater, Brooklyn Technical High School, and has worked ever since in the city's public schools — as a teacher, a principal, a union delegate, and even a Board of Education bureaucrat.

From 1979 to 1991, Weiss was the

founding principal of Bronx Regional, a small, successful "alternative" high school in the South Bronx for kids who weren't succeeding, for one reason or another, in the city's regular public schools. As Mark later put it: "Sam didn't understand that people like us could start a public school. He thought it was something that only the Board of Ed could do." As the two friends talked, they began to imagine a junior-high and high school that would use the city as an extended classroom for hands-on projects that might motivate kids and become a springboard for introducing more traditional subjects in science, math, history and language arts.

Weiss knew that if they wanted to create a really good school, they'd have to find outside money. Nowhere, perhaps, are public schools more complicated than in how they are financed. They're cobbled together by various scraps of Federal, state, city and philanthropic funds, most of which come with strings attached. Many schools have what's known as "grant writing" committees that send out mass

mailings, which resemble direct-mail campaigns, to raise money. Once pieced together, however, these unrelated programs often don't make any sense, which is one reason why the design of so many public schools — dictated by necessity rather than reason — is so peculiar.

Schwartz approached the New York City Mission Society, the city's oldest charitable organization, which agreed to devise the school's parental-outreach programs. He also teamed up with John Jay Iselin, president of Cooper Union. In many ways, Cooper was the ideal partner. The college was established in 1859 by the industrialist and inventor Peter Cooper to provide educational opportunities for the city's working poor. Today Cooper Union is the only private, tuition-free college of its caliber in the country. It operates on a shoestring and is everything that Weiss and Schwartz hoped their own school would be: rigorous, diverse and, most important, free.

Together Weiss and his partners applied for and received a "planning grant" from the Fund for New York



Common Ground Joseph Newkirk rubs elbows with students in the principal's office, which is also a teachers' lounge, nurse's office, storage closet and hangout spot.

City Public Education to establish one of its 16 "New Vision" Schools. Founded in 1989, the fund is one of the groups receiving the Annenberg money. It functions a little like a Ouija board — channeling the disparate and mysterious forces of the Board of Ed, the United Federation of Teachers, community organizations, individual educators, foundations and philanthropists into sensible and clearly articulated reforms. "You need an independent group to mediate, to push things, to negotiate hard, to provide some accountability," explained Naomi Barber, the fund's New Visions project director. "People talk to us because we don't have a political stake in being aligned with any particular group. And we bring the private sector to the table."

In July 1992 Weiss went on a weeklong rafting trip on the Green River in Colorado. The trip was led by the Harvard Outward Bound Project to bring educational leaders together to discuss school reform. One of the participants was Campbell, co-director of Outward Bound's expeditionary learning

center at Harvard's graduate school of education. The first night there was a torrential downpour. They huddled under their tarps on the banks of the Green River. Out of the dark a National Park Ranger emerged with a message: Outward Bound had won a grant from the New American Schools Development Corporation to create several "expeditionary learning centers" throughout the United States.

Over campfires, the group discussed its plans. "An Outward Bound course is a very accelerated method of finding out a great deal about a person," Campbell recalled. "You find out if they're really workaholics, or if they just paddle a little bit on top of the water. It told me a lot about Mark's backbone, his patience and tenacity and his remarkable gift of humor." Partly because of what Campbell learned, Outward Bound picked the School for the Physical City as one of its first expeditionary learning centers.

The educators eventually rafted 45 miles down Disaster Falls, Hell's Half Mile and Triplet Falls. But for Weiss, starting his new school was

to be the real River Wild. Its name alone gives one pause. The school's letterhead now reads:

School for the Physical City, An Expeditionary Learning Center, a New Visions/New American Schools Development Corporation Partnership with the Cooper Union for the Advancement of Science and Art, the Infrastructure Institute at Cooper Union, the New York City Mission Society, New York City Outward Bound, Outward Bound USA, a collaboration of Community School District 2 and the Division of High Schools' Office of Alternative High Schools and Programs

A public school is the educational equivalent of Grand Central Terminal: all of these lines intersect in the physical place called "school." That Weiss has been able to keep it, of the competing interests from colliding and on track is a testament to his fund-raising abilities, his general political savviness and his considerable powers of persuasion. But this elongated title also suggests the difficulty in duplicating S.P.C.'s potential success, which at least partly depends on coming up with the

kind of private resources that Weiss, with his unique talents, has been able to marshal. And even he can't do it all. As Campbell noted: "The rug is between outside demands on Mark's time, in terms of fund-raising and resource mobilization — just being married to all those different partners, all of whom want him to come to their board meetings and their galas — balanced against the knowledge that the school is really about teaching and learning and the students' work."

TWO DAYS BEFORE CLASSES were to begin last fall, Weiss was still having to scrounge for furniture and other basic supplies. His nine-person teaching staff had even begun eyeing the 20-foot pile of trash in the school's courtyard — rusted, overturned desks, broken chairs, rotting books — that sat waiting to be hauled off by sanitation officials. It looked like the barricade in the musical of "Les Misérables." His teachers, however, were relatively

Small Schools



unconcerned by the material deprivation, which, after all, is commonplace in the city's schools. For the previous half-hour, they had been debating a far more pressing issue: What to do with Lydia?

The discussion was unusual not least for its occurring at all. In most of the city's public schools, teachers were just returning for the first time since June. Because principals have to wait to see who returns before making final staffing decisions, many teachers don't know whom or even what they will be teaching until weeks after classes have begun. The lucky ones receive computer-generated lists of their students' names and vital statistics: ID numbers, dates of birth, how well they did on the previous year's citywide reading and math tests. But it's usually something of a minor miracle if they have stories to go with any of their new students' faces or names. As one S.P.C. teacher described her old school: "There wouldn't be room keys. There wouldn't be class lists. It would be so disorganized, and it would be October."

At S.P.C., however, teachers seemed to know everything about their students' lives. Like coaches on draft day, they had been swapping students to try to assemble the best teams:

Teacher No. 1: How about trading your three sixth graders for my three seventh graders?

Teacher No. 2: But I can't put Lydia and Joseph together.

No. 1: Lydia was out for two months last year.

No. 2: Her sister ran away and her mother died.

No. 1: O.K. How about Jackie and Justine switch.

No. 2: Then we could put Lydia with Kenya.

No. 1: Also, Forrest's parents want him to have the same teacher.

Teacher No. 3: O.K., I'll take him.

This personal approach is really at the heart of the School for the Physical City. What makes S.P.C. different from so many other public schools in New York is not so much its hands-on curriculum, progressive as it is, but its size, from which everything else follows. In most junior-high and high schools in New York, teachers regularly see

as many as 180 students a day in classes of 34 students, the legal limit. At S.P.C., however, there are fewer than 180 kids in the whole school and no class has more than 20 students.

I know from my own experience teaching for three years at two different public schools in upper Manhattan how important school size and class size are. Both of my elementary schools had more than 1,500 students in facilities originally built for roughly half that many, and I had anywhere from 30 to 34 students in my third- and fourth-grade classes. It seems silly to have to say it, but that's way too many kids. Every once in a while, when a snowstorm would keep half the class at home, I'd get a taste of what teaching might be like at a tony private school. Suddenly, all my difficulties in the classroom would evaporate. I instantly saw how the School for the Physical City could work.

Smaller classes unleash a kind of domino effect of reforms in a school. With fewer students, teachers can devote more time to their lessons. They can give more complicated assignments and spend more time correcting them. They can know students individually and follow their social and academic progress closely, without having to rely on crude, standardized means of assessment. They can communicate more effectively with parents. And, because the school's staff is so small, it can sit around a table, like that in Mark's office, and make decisions about the shape and design of the school, instead of getting caught up in the bureaucracy. Is it any wonder, then, that smaller classes have long been the chief pedagogical tool of most private and parochial schools?

If this all sounds stunningly common-sensical, it is. Yet it took a visionary to see the need for such reforms and to make them happen. The reform movement known as Smaller Schools of Smaller Classes began 20 years ago with one of those incidents that at the time seems like nothing at all but that, one later realizes, was the precipitating event of a revolution.

In the spring of 1974, Anthony Alvarado, then a new, reform-minded superintendent in District 4 in East Harlem, asked a woman named

'Sam didn't understand that people like us could start a public school. He thought it was something that only the Board of Ed could do.'

Deborah Meier if she wanted to start her own school. At the time, Meier was just another schoolteacher frustrated by the system. Alvarado couldn't offer her much, just a few classrooms inside another building. She'd have to recruit her own students. (This was billed as giving parents "choice.") She began unceremoniously with six teachers, one assistant and fewer than 100 students: "I said, 'Let's have smaller classes and put everyone in the classroom,' and I got an answering machine to take care of the office."

At the time, "choice" wasn't the buzzword it is today. It simply provided Alvarado and Meier with a

her 20-20 vision for reform. She explained: "Not only is 20 the maximum workable number of students in a class. It's also the largest workable number of teachers in a school. Ideally, no school should have more than 400 students." Research has since backed up her assumption. A recent study by the American Legislative Exchange Council, an association of state lawmakers, found that a school's size is even more important in determining the performance of students on nationwide tests (like the S.A.T.) than the amount spent per pupil.

Unlike many other school-reform movements, however, in



Aeronautics 101 A course in kite-building got students working out in the field.

certain amount of political cover. If parents didn't like the school, they were free to take their kids elsewhere. In return, Alvarado gave Meier virtual autonomy over curriculum and hiring decisions. Such freedom was against union and Board of Ed rules at the time, but Meier encountered little opposition at first. Frankly, no one cared what she was up to.

Meier's success is now legendary (She went on to win a MacArthur Award, the so-called "genius grant," for her work in the district.) Central Park East, the school she started, has spawned dozens of similarly small "choice" schools in the city. The essence of her reforms was a single idea, what might be called

which theory dictates practice, Meier's ideas had arisen from years of experience in the classroom. She eventually teamed up with TheodoreSizer, who is the director of the Annenberg Institute for School Reform at Brown University. It's largely because of their association that New York City received the first of the Annenberg money.

She also began to proselytize about her reforms in *Dissent*, the quarterly founded by the late democratic socialist Irving Howe, and in *The Nation*, probably the country's best-known liberal weekly. Weiss remarked: "She has always been interested in education for education's sake. In the 1960's, Debbie was al-

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ready worried about assessment" — that is, improved means of measuring students' academic progress. "In the 1960's, I couldn't have cared less about assessment. Debbie's understanding of the whole tradition from Dewey on has been so important. You need someone like her to frame the issues for the American people."

S.P.C. HAS ACHIEVED ITS smaller classes, as Meier did, largely by putting all of its teachers in the classroom — a reform impossible to duplicate in the city's more overcrowded schools. The overall student-to-teacher ratio in New York is actually close to what it is in a lot of private and parochial schools: about 15 to 1. But many teachers in the city hold what are known as "out of classroom" positions: curriculum coordinators, staff developers, resource or special-ed instructors who provide individual instruction in reading or math.

Mark told me that he would never have started S.P.C. if he hadn't been able to select his own staff. As he put it: "Your teachers are your school." His teachers felt similarly about their principal. As Joel Barsky, a middle-school humanities teacher explained: "School size and all that is important, but Mark is a big part of the success here. A big part. Every teacher who's here *chose* to be here. That's powerful."

Everyone I spoke to gave credit to the United Federation of Teachers president, Sandra Feldman, for introducing what's now known as the "school-based option," whereby teachers can vote to allow their schools to select their staff, regardless of seniority. The move wasn't popular among much of Feldman's membership, and she had to fight to make it happen. She's eloquent in its defense: "In a small school in which teachers have been working with each other to create something from the

ground up, they really need to have a camaraderie and agreed-upon philosophy of education. And if you create a school where the teachers are truly involved in decision-making, including on personnel issues, that's a trade-off for a straightforward seniority system, which is appropriate and needed in a factory-model system."

S.P.C.'s teachers described the school as a kind of life preserver tossed to them. They were drowning at their former schools. Joel Barsky, for instance, worked for four

nearly 2,000 students each. He said: "When I entered my first day in a classroom, kids were doing somersaults. I consulted a colleague who said, 'If you're teaching 2 to 3 percent of your students, then you are doing well.' I set very high standards; I lowered my standards. I would tell this to people, and they would say: 'So? You're getting a salary, are you not?' So I used to say to these people: 'Yes, but I have not earned my salary. I am forced to accept a salary under false pretenses.' This," he re-

its schedule, is literally a page from Deborah Meier's new book, "The Power of Their Ideas." She writes of Central Park East: "We decided on the simplest of schedules: two hours each day in humanities (art, history, literature, social studies), two hours daily of math and science and one hour of advisory" — meetings in small groups with teachers. S.P.C.'s schedule is similarly divided into two 90-minute periods, one in the morning and one in the afternoon. To the middle of the day, Weiss

were learning in their other subjects. Throughout, kids were learning about the city, its history, and how to improve their physical and social environment. At one point, Sam Schwartz even gave a guest lecture on being an "infrastructure activist."

A typical day in Edi Juricic's middle-school class, for instance, began with students sitting in a semicircle and talking about the chapters they read the night before in "Black Boy" by Richard Wright. Juricic solicited descriptions of the Jim Crow laws described by Wright, and students discussed their effect. He then moved into a discussion of Reconstruction, and of the Supreme Court decision *Plessy v. Ferguson*. Kids talked about how to amend the Constitution. Class ended with kids writing in their journals. The period had been a nice mix of history, literature and the law.

It would be wrong, however, to read too much significance into this interdisciplinary way of doing things. For one, the classes aren't that different from many others I've witnessed. The approach isn't so newfangled. Some teachers, who seemed less comfortable with this method, were a little more traditional.

What was different was the smallness. Kids took notes, wrote stories, kept journals, composed essays — except that now their work received more attention. Discipline problems still arose, but instead of 10 kids disrupting a class of 30, rendering it virtually unteachable, 4 or 5 kids might be snickering in a class of 20. Teachers still struggled, but not as much.

One of the best teachers at S.P.C. is probably Joseph Newkirk, a former mechanical engineer whom Weiss hired on a hunch even though he had no experience in the classroom. In mid-career, Newkirk is one of the five African-American or Guyanese people on staff. He's something of a dapper dresser, given to brightly colored shirts and ties and a brown suede fedora. He has a gray speckled beard, which he



One on One Lisa Jacobson, S.P.C.'s art teacher, works on a mural with Sherman Barr, an eighth grader.

years at Julia Richman, a troubled high school with some 4,000 students that is in the process of being broken up into several of the city's smaller new schools-within-a-school by the Center for Collaborative Education and the Board of Education. He recalled: "The kids were fine. I mean, kids are the same everywhere. The adults were why that school was failing. People had been there 20 years. They were hanging on for dear life. There were teachers there who did nothing. It was unbelievable. I've never seen such despair in children."

Leo Owen, a middle-school math teacher at S.P.C., agreed. Owen immigrated to this country from Guyana in 1983, and became a citizen last year. He has a soft voice, and speaks with a clipped accent. He had taught for nearly 10 years at two different intermediate schools in Brooklyn that had

marked with characteristic understatement, "did not make me very popular with my colleagues."

About the virtues of S.P.C., however, Leo was glad to testify: "I am happy because of Mark. His administrative style is exactly what mine would be. I work to try to make his vision happen. It makes me happy to fulfill it. He comes up and says, 'You're doing a good job.' That makes me happy. I am happy because of my colleagues. I can tell them even when they are rubbing me the wrong way, and they can tell me. I am happy because of the children. I know I am going to be able to do certain things with them. I'm happy because of the parents, who will talk to me about their children, volunteer information about them. For the first time, I feel as though I'm earning my salary."

S.P.C.'s whole structure, from its borrowed space to

has added a few electives: French, poetry and tutorials in English and math. The big blocks of time have allowed teachers to team teach, to take field trips and to conduct long experiments.

Last fall, for instance, the middle school studied "activists," a thematic unit in their humanities classes, which covered everything from the Civil War to the fall of Communism. Students read Frederick Douglass, visited homeless shelters, looked at graffiti around town and then, with the guidance of the arts teacher, Lisa Jacobson, designed their own murals. They painted slogans on wide swaths of butcher paper in the hallways. This in turn became the springboard for a writing assignment in which students composed personal statements about themselves and their own beliefs. No lesson was ever just an isolated exercise, but was integrated with whatever else the kids

rubbs when he's thinking, and wide eyes, and the demeanor of someone who has seen it all. For three months, his class built kites as part of a semester-long unit on "Kites in the Wind: How Do They Fly?" Around this ongoing project, Newkirk wove lessons on everything from the molecular content of the atmosphere to the basic principles of aerodynamics to how to write up a formal lab report. Kids built models of their designs. They then field-tested their kites in the school's playground, wrote up what they'd learned and revised their models, building ever bigger and more complex versions.

The day before Christmas vacation last fall, Newkirk's students took their finished projects to Hudson River Park for their maiden flights. They trundled down to the waterfront, dragging their brightly colored kites behind them. Before the flights began, Newkirk gathered his students together to review what they had learned throughout the semester. Kids recited different design principles: "If your kite is an arrow, it's easy to get up, but hard to control, but if it's a circle, it's hard to get up, and easy to control." They discussed area and aspect ratios. One kid showed me how to determine the kite's height once airborne by calculating the angles with a protractor. Another kid talked knowingly about Bernoulli's principle, which explains the lift produced by a wing having a curved upper surface and flat lower surface. Children's cries filled the park: "Yes, yes, YES" as one kite finally made it aloft, and "No-o-o-o!" as another took a nose dive. All the while, Newkirk went around, peppering his students with questions: "Try it in the sun. Why would that make a difference?" A kid guessed: "Because the air is warmer?" Newkirk shouted: "Yes! Yes!"

This spring, Newkirk won a prestigious Chancellor's Bright Lights Award for Distinguished Teaching in Mathematics and Science, one of

five handed out citywide. The key to Newkirk's success isn't very mysterious. His methods aren't so different from those of lots of good teachers at S.P.C. and elsewhere: he works extremely hard, and prepares assiduously for class. (He was at the school all hours of the day.) His seemingly endless enthusiasm has made up for his lack of experience. He has the respect of his students and is good at maintaining discipline. And he has made particularly good use of the resources that the partners

thing of a shock. As Marianne Melendez, a middle-school humanities teacher, put it: "Some of these kids are *used* to being 'lost' in school — that's the norm — so they feel like you're coming down hard on them when you care. No one has ever asked them for anything — expected anything from them — before. So, when you call on them in class, they think they're being singled out. They think you're constantly in their face. Some of these kids have difficulty just expressing them-

of having to wear too many hats, which they changed with almost Buster Keaton-like dexterity. As Weiss, the son of a former union organizer, said: "All of us work much harder than we have to. You have to put in long hours. You have to spend your own money. Our obligation isn't the same as a G.M. worker who's making money for the boss. I don't mind if we're exploited a little. We're educating working-class kids."

Still, before big vacations — Christmas or the February

S.P.C. with the sixth and seventh grades, and then tacked on a ninth-grade class as well. The reason, he admits now, was money: high schools are given more money for start-up costs than the city's junior highs. Consequently, Weiss was able to wring a few more badly needed dollars from the Board of Ed.

Starting a junior high and high school simultaneously, however, proved overwhelming, and Weiss came to regret the decision. "It wasn't a sound decision educationally, but at the time, we convinced ourselves that it was. You rationalize because you need the money." This year, Weiss added an eighth grade, but not another high-school class. The 10th grade — last year's 9th — remains, though its students and teachers expressed a strong sense of having been abandoned.

One of the most frequent charges against public school "choice" is that it's elitist and that its self-selection process leaves students who don't have savvy parents in the worst public schools. The middle-school students at S.P.C. are mostly there because their parents sought out the school, but the high-schoolers were mostly randomly assigned to S.P.C. by the Board of Ed. Consequently, they didn't necessarily have any particular interest in the school's emphasis and many of them, having languished for eight years in the city's regular public schools, were ill prepared for high-school level work. Yet for all of the 10th-graders' difficulties, S.P.C. has still given them, by any measure, a better education than they would have received in the city's regular high schools. Their reading scores, for instance, jumped an impressive 10 percent on average in the first year alone, simply because the school is giving them more individual attention.

Naomi Barber, a project director of the Fund for New York City Public Education, finds the charge of elitism particularly frustrating. She explained: "We wanted to



20-20 Vision Deborah Meier pioneered the idea of 20 students per class, 20 teachers per school.

have provided: professors and computers at Cooper, the Mission Society's 2,000-acre campsite in upstate New York. About Newkirk, Weiss had his own happy litany: "I love his spirit; there's just something about the person that's intangible. I love his willingness to grow. I love that he comes from the background of so many of the kids he teaches. I love that he's successful."

Newkirk has done well, however, partly because the job has been made manageable: not too many kids, not too many classes. He's had a principal and colleagues who have supported him daily in his classroom and share his vision for the school. In an enormous school, Newkirk — any good teacher — might have drowned along with the students.

FOR MANY KIDS, THE INDIVIDUAL attention they receive at S.P.C. comes as some-

thing because they've had no practice *talking* in class. Their classes before were so big, they were literally never, ever called on."

Reducing class and school size hasn't solved all of S.P.C.'s problems. Several teachers complained about the lack of supplies. But thanks largely to the political clout of its partners, S.P.C. has now secured itself a renovated plant. The school, designed by Carmi Bee, is five floors of colorful exposed pipes, air-conditioning ducts and industrial-size windows. It looks a little like the Pompidou Center on the inside, and the idea behind the design is similar: to reveal the building's infrastructure.

But S.P.C. is unusual in having acquired its own home; citywide there is a moratorium on building or renovating school space. Even with smaller classes, nearly all of the teachers complained of 16-hour days,

break — there was a sense of everyone staggering toward the finish line, exhausted, as after a marathon. And with everyone busy in the classroom, one sick teacher could throw the whole school into chaos. Meg Campbell of the Harvard Outward Bound Project remarked: "I think everyone, including us, just underestimated the extent of the infrastructure that one has to build to have a school function — just getting the pencils ordered! Starting new schools right now in the school reform movement is a very romantic thing to do. And I think some of us got caught up in that romanticism."

Mark described teaching in the city as a continual exercise in "making do." Most new schools, for instance, begin with the bottom few grades, and then add a grade a year, until the school is completed. Weiss, however, made a calculated decision to begin

start a 'gifted and talented' program at one school in Harlem. And the director said, 'I don't believe in "gifted and talented."' She thought it was elitist. But it's not as if rich white kids — or even rich black kids — were going there. These were neighborhood kids. All 'gifted and talented' means, really, is academically rigorous. This is something the parents in that community desperately need and want." And indeed this spring, the fund received several thousand applications for a few hundred openings at its "New Vision" schools.

AT OUR LAST INTERVIEW, MARK WEISS TOLD me: "I don't think a story like this should say, 'If he can do it, anyone can.' Some of us can make do with less, but that doesn't mean that everybody can, and then there's a point at which you can't make do." No curriculum, no matter how progressive or traditional, can work in atrociously overcrowded schools, where students are anonymous, teachers have little control over their curricula and principals have virtually no say in how their schools are run. Yet this is precisely the situation in the vast majority of the city's schools. There are some 65,000 teachers in the New York City schools alone. If the system is ever going to work, it's going to have to work for more average talents. There aren't enough superheroes to go around.

Unlike so many other school reforms, which depend on the way they're implemented in the classroom, the effort to achieve smaller schools and smaller classes is both measurable and easily replicable. Even a mediocre teacher is more effective in a class of 20 than in a class of 34. Similarly, there's just a limit to the number of students that even the best teacher can have and not regard them as a mob.

An \$8 billion annual education budget may sound like a lot of money, but if you divide that amount by more than a million students, it actually comes to less than \$8,000 a year per pupil — about the nationwide average — for a school system with greater-than-average challenges: poverty, violence and a large pool of immigrant students who are unfamiliar with this country's language and culture. The amount will only shrink as enrollments rise and the budget continues to be slashed. None of the money that has been cut as waste from the central Board of Ed has been redirected to the classroom. The savings have gone solely to alleviate the city's larger budget woes.

Meier, for one, is worried. "It scares me when I look at the closing down of after-school programs, youth centers, summer school. That adds to the work we do. Our schools have always relied on the system to provide certain things. The notion of going out and trying to raise private funds to replace that is terrifying. The entire Annenberg challenge has to raise \$50 million from private foundations and that doesn't leave a lot left over; and the places that get it will likely be the ones who need it least. We'll end up competing against ourselves." Even the Annenberg "challenge" has not produced the outpouring of philanthropy that many people expected. There is just not enough private money out there to replace government spending entirely.

The popular issues in education these days tend to focus on what have been called the "culture wars." It's a testament to Meier and company's seriousness that they have stayed away from such hot-topic debates, which have served only to distract most politicians and education pundits from far more pressing concerns.

Recently New York City was consumed by a two-year debate over the ill-fated Rainbow Curriculum, a 600-page guide put out by the city's Board of Education that encouraged teachers to teach tolerance of all races, cultures and — here's where it got controversial — sexual orientation. "What most people don't realize," Meier explained with some exasperation, "is that there isn't a teacher in the city who reads those curriculum guides that the Board of Ed puts out — much less a 600-page one! But someone calls you up and so you have to take a position on it." It's not that such issues aren't important. What makes them so popular is that debating them costs, and requires, nothing. But they have virtually no impact on the classroom.

Smaller schools and smaller classes do work, but it remains to be seen whether the city and the country are serious enough about education reform to finance them. The city will eventually have to spend some money if it has a prayer of improving its schools: to build more space to relieve the gross overcrowding, to hire more teachers to handle the rise in enrollment, to provide basic supplies. That, or suffer a dysfunctional school system. As Meg Campbell remarked: "There are no economies of scale in education. You can't design a school the way you design a factory. Schools are more like families: having 34 children isn't necessarily the best thing." ■

ANSWERS TO PUZZLES

OF MAY 21, 1995

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PANEL II: EDUCATION AND STRAINS ON WORKING FAMILIES

PRINCIPALS:

POTUS

VPOTUS

SECRETARY RILEY

CAROL RASCO

MAYOR KATZ

PARTICIPANTS:

PARTICIPANTS:

FINANCING HIGHER EDUCATION

Scott Segrin, Parent -- Saving For And Financing Post-Secondary Education

Marsha Farver, Parent -- Financing Post-Secondary Education

Edwardo Mosqueda, Student -- Direct Lending

Velaida "Cricket" Shepard, Student -- AmeriCorps

Sam Smith, College President -- College Tuition

PARENTAL INVOLVEMENT

Elaine Griffin, Teacher -- Engaging Parents In The Education Of Children

Bertha Pendleton, Superintendent -- Parent Involvement

"Pann" Baltz, Parent -- Family Partnership Initiative

John Bryson, CEO -- Family Friendly Workplace

Diana Meehan, T.V. Writer -- Television Content

EDUCATION AND TRAINING

Susanjoy Baskoro, Mother -- Welfare To Work Program

John Wolford, Dislocated Worker -- On-The-Job Training

Kristy Semersheim, Labor Representative -- Accessibility Of Higher Education

BRIEF BIOGRAPHIES

PANEL II

FINANCING HIGHER EDUCATION

Scott Segrin owns a small business - "J and J Mechanical Insulators" - he started two years ago. His wife, Joan, is a bank teller. He works full-time and his wife works 20 hours per week. They have four children, and live in Portland, OR. Neither Mr. Segrin or his wife have a college degree and while he feels like they have done pretty well, he wants his children to have more security. Their oldest child is currently attending a small Christian College and has student loans and a Pall grant. His daughter who just graduated from high school received a scholarship as a result of being selected as the "Rose Festival Princess." In addition, she will get a student loan. Mr. Segrin indicated that he would not have been able to pay for the education of his daughters and is grateful for all the help they are receiving. He is also very concerned about how he will ensure that his younger children get to have the education they need and deserve.

Marsha Farver is the director of the Food Program at the Kids Centre Day Care Center in Seattle, Washington. She is married and has four children -- two who are grown and out of the house, one in college, and one who is a junior in high school. (The daughter who is in college is attending a community college in California. She waited for five years after high school to go to college because she could not afford the tuition.) Mr. Farver's husband is a sign maker. They both work forty hours a week. Neither Ms. Farver nor her husband have a college degree and have emphasized education to their children.

Edwardo Mosqueda is a Senior at the University of California at Irvine. He is majoring in Political Science and Computer Science. While in school, Edwardo has worked in the Financial Aid office and as a Peer advisor. He is a strong supporter of the Direct Lending Program.

Velaida ("Cricket") Shepard is a participant in the AmeriCorps Friends program. She is native Oregonian and was one of just a few African-American students at Tigard High School. Upon graduation, she received a basketball scholarship to attend Portland State University. She was in school for 3 1/2 years, but ran out of money to complete her degree. Cricket joined Americorps to help finance the rest of her education. In addition to taking classes at PSU in the Child Studies Program, she coaches basketball at Tigard.

Sam Smith is the President of Washington State University. He has also been on the faculty of the University of California at Berkeley and Pennsylvania State University. He has worked to make education at Washington State accessible to low income students as well as students in remote areas. He is married and has two children.

PARENTAL INVOLVEMENT

Elaine Griffin is Head Teacher for the K-8 School in Chiniak, Alaska, a 150 person village on Kodiak Island. She was the 1995 National Teacher of the Year. She and her husband have adopted 2 girls. They met one of the girls while volunteer teaching in Calcutta, India. The other girl is an Alaskan native. Elaine was honored by President Clinton in April at the White House as the 1995 Teacher of the Year.

Bertha Pendleton is the Superintendent of the San Diego Unified School District. She has won numerous awards for education and women's issues. Bertha is a strong advocate for all children, especially low income children. She is very committed to finding ways to integrate services for children, youth and families.

Patricia ("Pann") Baltz is a 4th and 5th grade science teacher from Arcadia, California, and was the 1994 Disney Teacher of the Year. She is a conservative Christian. Pann travelled with Secretary Riley to promote the Department of Education's "Family Involvement Partnership for Learning" initiative. She is in a wheelchair.

John Bryson is the CEO of Southern California Edison. Southern California Edison promotes family-friendly policies, including "Parent for Student Success," a parent education and assistance program. John and Department of Education Deputy Secretary Kunin held a press conference on family involvement during the kick-off of the Department of Education's "Family Involvement Partnership" initiative.

Diana Meehan is the head of VU Productions, a partnership of women committed to producing media on women and family issues. Previously, she was a professor of communications at University of California at Los Angeles and the founding director of the Institute for the Study of Women and Men at the University of Southern California. She has been honored by the University of Southern California and the Women's Legal Defense Fund for her work as a families and children advocate. She is married to a writer and has two daughters.

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EDUCATION AND TRAINING

Susanjoy Baskoro

P6/(b)(6)

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[002]

John Wolford

P6/(b)(6)

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Kristy Sermersheim is the Executive Secretary Treasurer of Local 715 of the Service Employees International Union. Ms. Sermersheim represents clerical and other service workers in county offices and hospitals.

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June 21, 1995

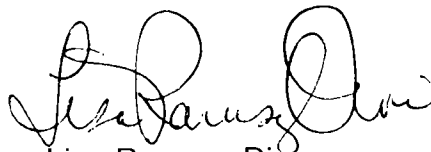
Kate Smith Carr
White House
Special Assistant to the President
Office of Public Liaison
Room 122, Old Executive Office Building
Washington, D.C. 20500

Dear Ms. Carr:

Enclosed please find a photo and biography of Gun Denhart, Hanna Andersson Chairman and CEO.

If you need any additional information, please do not hesitate to call.

Very truly yours,
Hanna Andersson

A handwritten signature in black ink, appearing to read "Lisa Ramsey Dion". The signature is fluid and cursive, with the first name "Lisa" being more prominent.

Lisa Ramsey Dion
Public Relations



Swedish Quality in 100% cotton clothing

Gun Denhart
CEO and Chairman of the Board

- Gun is co-founder and co-owner of Hanna Andersson Corporation, a direct marketer of exclusively designed, 100% cotton family apparel, and currently serves as the company's CEO and Chairman of the Board. Both Gun and her company are committed to having a positive impact on the community, as well as provide employees with a healthy and productive work environment. She is an active member of Businesses for Social Responsibility (BSR), and one of the founding members of BSR's recently established Northwest regional chapter. The company is widely known for its Hannadown program, which encourages its customers to send back their used Hanna Andersson clothing for 20% credit of the original purchase price. The company then donates the clothing to children in need.

Awards and Honors

- 1989--Received Working Woman Magazine's Harriet Alger "Entrepreneur of the Year" award.
- 1991-1994 Working Mother Magazine names Hanna Andersson as one of the "100 Best Companies for Working Mothers" for four consecutive years.
- 1992 receives the prestigious "Business Enterprise Trust Award" for creating the Hannadowns program.

Professional Background

- *Co-Founder, Co-Owner, CEO, and Chairman*, Hanna Andersson Corporation, 1983-1994
- *Area Financial Manager*, Board Member, Educational Foundation for Foreign Study, Greenwich, CT (7 years)
- *Assistant to Secretary General*, Business and Industry Advisory Committee (BIAC) to the OECD, Paris, France (2 years)
- *Systems Analyst*, Scandinavian Touring, Malmö, Sweden (2 years)
- *Teacher of Business and Business Law*, Landskrona, Sweden (2 years)
- *Comptroller*, American Can Company, Lund, Sweden (2 years)

Civic and Professional Activities

- 1992-1993, The Children's Trust Fund of Oregon
- *Founding Member*, Business for Social Responsibility
- 1990 to present, The Social Venture Network
- 1989 to present, Young Presidents Organization

Ms. Denhart was born in Lund, Sweden, and holds the equivalent of an MBA in Economics from Lund, University in Sweden. Her personal priorities are focused on her family and her other interests include hiking, yoga, and reading

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Awards, Honors, and Recognition

Working Mother Magazine-- September, 1994

Selected Hanna Andersson as one of the "100 Best Companies for Working Mothers," for the *fourth consecutive year*.

Catalog Age Magazine--June, 1994
Named Hanna Andersson the first annual Catalog Company of the Year. Judges cited Hanna Andersson's excellent customer service and charitable programs. (June, 1994)

American Business Ethics Award--
March, 1994
Awarded the first American Business Ethics Award, presented by the American Society of Chartered Life Underwriters (CLU) and Chartered Financial Consultants (ChFC) in association with FORBES magazine.

Inc. Magazine--1993
Selected Gun Denhart the 1993 Northwest Entrepreneur of the Year.

Business Enterprise Trust--1992
Awarded the prestigious Business Enterprise Trust award for "courage, integrity, and social vision," specifically citing the Hannadowns program.

Swedish Trade Council--1991
Recognized with the Entrepreneur Achievement Award.

Other recent highlights:

KATU Channel 2/ABC News Affiliate,
Portland, Oregon
January, 1995
Feature on corporate culture and companies policies

Forbes Magazine
February, 1995
Included in article about children's fashion industry. Positioned as designers and trendsetters in industry.

Business Ethics Magazine--
July/August, 1994

Cover story on Hanna Andersson featuring an interview with Gun.

Inc. Magazine--July, 1994
Cover story

NBC Today Show--June, 1994
Featured in a five minute segment detailing the Hannadown program which later ran on United Airlines' NBC News Magazine (still running).

Parenting Magazine--November, 1994
Substantial clothing feature with 800 number.

Women's World--October, 1994
Clothes featured with 800 number.

AM Northwest/KOIN-TV, Portland--
October, 12, 1994
Gun appears on children's fashion segment.

Ladies Home Journal--September, 1994
Gun included in an interview of successful women entrepreneurs committed to giving something back to society through their businesses. Article includes Hanna Andersson 800 number and encourages people to call for a catalog.

Our Home Show/Lifetime Network--
September 22, 1994
Clothing featured on fashion segment.

Associated Press article--August, 1994
Joyce Rosenberg describes children's fashions and their relationship to adult fashions.

Associated Press article--July, 1994
Richard Green interviews Gun Denhart.

Associated Press article--September, 1994
Cited among those companies as one of Working Mother Magazine's "100 Best for Working Mothers."

Associated Press article--July, 1994
Cited among those companies as having decided follow the U.S. Product Safety Commission's recommendation to eliminate drawstrings from children's apparel.

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Tom Denhart, co-founder, creative director, and Board Member, Hanna Andersson Corp.

John O'Neil, President, California School of Professional Psychology, Vice Chairman of the Board, Hanna Andersson Corp.

James Miscoll, Vice Chairman, Retired, Bank of America, board member, Hanna Andersson Corp.

Paul Escobosa, Esq., partner, Coblentz, Cahen, McCabe & Breyer, board member, Hanna Andersson Corp.

Senior Management Team:

Michael Eisenberg, Vice President of Marketing

Steve Eklund, Chief Financial Officer

Katherine Melchior Ray, Vice President of International

Gail Johnson, Vice President of Operations

Gretchen Fields, Vice President of Human Resource

Mission:

To establish Hanna Andersson as a premier retailer of family products in a global market. Hanna Andersson excels in its products, customer service, employee relations, social responsibilities, and community activism.

Facilities:

Business activities including management, product development, merchandising, catalog design, marketing, customer service, and order entry are performed out of the facility located in Portland, Oregon. Warehousing and shipping are performed out of the company's new distribution center located in Louisville, Kentucky.

Retail Stores:

Hanna Andersson outlet stores are located in Portsmouth, New Hampshire and Lake Oswego, Oregon. The company's retail store is located at their corporate offices in Portland, Oregon.

1994 Sales:

\$47 million

Catalog:

Nine issues per year, seasonal issues featuring Spring, Summer, Back to School, Fall and Holiday apparel for the family. Circulation approximately 15 million.