

CEO MTL

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## LEVEL 1 -- 1 OF 3 STORIES

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FDCH Political Transcripts

September 6, 1995, Wednesday

TYPE: NEWS CONFERENCE

LENGTH: 1430 words

HEADLINE: BUSINESS LEADERS DISCUSS MEETING WITH PRESIDENT CLINTON REGARDING PARTNERSHIPS BETWEEN BUSINESS AND EDUCATION.; WASHINGTON, D.C.

SPEAKER:

JOE GORMAN, CHAIRMAN & CEO OF TRW, INC.  
JOHN PEPPER, CHAIRMAN & CEO OF PROCTOR AND GAMBLE  
LOU GERSTNER, CHAIRMAN & CEO OF IBM  
OZ NELSON, CHAIRMAN & CEO OF UNITED PARCEL SERVICE  
DAVID WHITWAM, CHAIRMAN, PRESIDENT & CEO OF  
WHIRLPOOL CORPORATION  
ALBERT HOSER, PRESIDENT & CEO OF SIEMENS COMPANY  
EDWARD DONLEY, FORMER CHAIRMAN OF AIR PRODUCTS  
AND CHEMICALS, INC.  
WALTER ELISHA, CEO OF SPRING INDUSTRIES

BODY:

GORMAN: Yes, I've been asked to say a few words about the purpose of the meeting. Specifically we are here to discuss the funding for Goals 2000. And as you know, the House bill struck the funding to zero. We think that Goals 2000 is critically important. Far more important than the dollars involved. Important in that it provides leadership to the states. It provides incentives to the states to cause them to transformationally change themselves within their educational systems. Establish standards, establish rewards for success, penalties for failure. In short, helping a state develop its own standards for its own purposes. The leadership and incentives are in Goals 2000. Forty-seven states have availed themselves of the opportunity to participate under Goals 2000. We think it would set back educational reform efforts in this country materially if we are unable in the Senate to restore funding for Goals 2000. I've asked a few of our participating members here to make comments and I'd start with Lou Gerstner of IBM.

GERSTNER: Thank you, Joe. About a month ago, I spoke to the Governors in their semiannual meeting in Vermont. And in that talk, I said that I believe we need a fundamental revolution in American education. And, if we don't get that revolution, we will see the economic and political failure of this country. Now, at the heart of that revolution has got to be a recognition across the country that we need standards of high performance from the expectation that every child can reach and must be helped to reach those high standards. Now, we must have accountability across the system to reach those standards.

Goals 2000 is only a small portion of what I think we need. But it is a very critical portion because it is the fragile beginning of the establishment of a culture of measurement standards and accountability in our country. We must go way beyond Goals 2000. But, if we lose Goals 2000, it is an incredibly

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negative setback for this country. Thank you.

GORMAN: Ozzie Nelson of UPS.

NELSON: Thank you. We've been having an enjoyable conversation with the President and also other CEOs about Goals 2000 and the importance of education in this country. Of course, the goals espouse principles for which we can cause a revolution that needs to take place to improve education in this country. And, if we follow the goals of 2,000 ideas, it means that all kids will improve their learning, teachers will teach better, and that the outcomes in terms of what people learn and how they can apply it to future jobs and future living will be a plus. One of the big concerns I have is the area of measurement.

NELSON: If we don't know how well our kids are doing in schools and can't them with schools in the adjoining city, the adjoining state, and even in the adjoining countries, how do we know whether their education system is on target. So, one of the biggest problems we have with Goals 2000 right now is supporting what needs to be a measurement system that tells parents and kids how they're doing. Thank you.

GORMAN: There were two bills passed in the 103rd Congress that deal with this issue. One was Goals 2000. The other was a school to work transition program. They're both very important in this nation. They're both bipartisan in our state, Pennsylvania. Governor Casey a Democrat and I co-chaired the effort during his administration. Now, we have a Republican Governor Tom Ridge, and he and I likely co-chair it.

So, we've made a transition from one party to another in our state with no wrinkle in this effort. And I mention that because it demonstrates the bipartisan nature of it. We need the high academic standards and we need the use of technology in the education system. We will in our state and Pennsylvania carry that effort on because of the needs that are intrinsic right at home in our state, regardless of what may happen in other states in the nation.

NELSON: So much of what we do in our country to day we do, I believe, somewhat better than we've done in years past. The products are manufactured in America. The skills of our people in our manufacturing plants, I think, have improved consequentially. And in part that has been accomplished by measuring, by bench marking these endeavors, one against the other, by comparing against certain standards to see that we're improving on how we do things, particularly, as we compete all around the world.

The fact that we do not establish these kinds of standards of too many parts of our public education system, I believe leaves something to be desired. Goals 2000, I know, has very strong support within the Business Round Table, certainly from my own company. And public education in this country is key, I believe, the key to K through 12 education, key to our continued ability to compete throughout the world.

So, I'm hopeful we'll keeping funding for these programs and support of the K through 12 education throughout the United States.

(UNKNOWN): (OFF-MIKE) is willing and will be able to bring more highly paid jobs to this country but only for people and workers that are well trained,

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who have the sound knowledge of the sciences, of mathematics, and who can read, write proficiently. So, what we need is a well educated work force and only then we are able to maintain and expand our manufacturing facilities in this country, which we are very willing to do.

If the educational level of the American worker is not higher than the one in Mexico, and Southeast Asia the jobs will travel to the place that the worker is cheaper. Therefore, we must educate our people better to be competitive. Only then we will be able to maintain and expand our manufacturing presence in this country.

GORMAN: One final word about the importance of educational reform in general. We're convinced and have been for sometime at the national Business Round Table, that we must basically change the paradigms in terms of our public education, our institutions at every level, not higher education. We've got the best higher education system in the world. We've got one of the worst, the least competitive K through 12 education systems in the world.

And increasingly that's becoming evident. So, that's a critically, important national problem. As you know, the Constitution leaves the education, public school education up to the states. So, our efforts at the Business Round Table have been largely focused on state reform.

GORMAN: And broad coalitions are required there. We've appointed CEOs in each of the 50 states to help lead those coalitions towards the kind of transformational reform that's necessary. The federal Goals 2000 legislation which we supported -- the Business Round Table helped get passed in a bipartisan way in the 103rd Congress -- is as Lou Gerstner said a beginning, and indeed an important, critically important beginning, to all of that.

I'd be happy to respond to any questions that you might have.

QUESTION: Do you think the President wants business leaders who are traditional Republicans and have certain relationships with Republicans? Do you think that's going to be influential as the Senate starts making its decisions about...

GORMAN: Well, I think the President...I know that the President believes, as I believe, and everyone of our group here today believes, that this issue is a bipartisan issue, clearly. We treated as such and indeed, both the House and the Senate treated it as a bipartisan issue in the 103rd Congress. It should be treated so today. Unfortunately, it has become politicized. What I would hope we can do, Republicans and Democrats alike, from the business community, would be to de-politicize it and get the facts on the table so that people understand how critically important this really is. And it's a drop in the bucket in terms of the total budget reform that is required. So the President is seeking our support, yes, officially from the Business Round Table.

QUESTION: But you haven't (OFF-MIKE)?

GORMAN: I am leaving here to join the Business Round Table meeting in progress. He's had it all along. President Bush had it. When the Goals 2000 was originally announced, as you know, President Clinton was then Governor of Arkansas and one of the leading Governors in that effort. So, it was a

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bipartisan event at that time. And so we hope to cause it to remain so.

(UNKNOWN): Thank you very much. Thank you.

END

## NOTES:

???? - Indicates Speaker Unknown

- Could not make out what was being said.

off mike - Indicates Could not make out what was being said.

LANGUAGE: ENGLISH

LOAD-DATE: September 10, 1995

## LEVEL 1 - 4 OF 4 STORIES

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The Morning Call (Allentown)

September 7, 1995, Thursday, FIFTH EDITION

SECTION: NATIONAL, Pg. A9

LENGTH: 506 words

HEADLINE: DONLEY TO HELP EFFORT TO REFORM SCHOOLS

BYLINE: PETE LEFFLER; The Morning Call

DATELINE: WASHINGTON

BODY:

President Clinton yesterday drafted eight corporate leaders -- including Allentown's Edward Donley -- in an effort to save an educational reform program with deep Lehigh Valley roots.

Goals 2000, created by Congress just two years ago, sets eight goals for America's schools to meet by the turn of the century and provides school districts with money to reach them.

But critics worry that the program will impose "politically correct" values on local educators and their pupils.

Fears of federal intrusion led New Hampshire, Montana and Virginia to forsake all grants, creating controversy.

The House last month wiped out all money for the program for the federal fiscal year that starts Oct. 1. Clinton had sought \$ 750 million. Now eyes are on the Senate, which has yet to act.

U.S. Sen. Arlen Specter, R-Pa., chairs the relevant subcommittee.

"He intends to put money back into it," spokeswoman Margaret Camp said.

Program goals range from the elimination of all alcohol and drugs from schools to the graduation of 90 percent of high school students. To meet them, the law calls for the creation of model academic standards that districts can use as guidelines.

Donley, former chairman of Air Products and Chemicals, Upper Macungie Township, and co-chair of Pennsylvania 2000, said suspicions can be allayed by creating "standards that are academic in nature ... not fuzzy social attitudes."

Donley and the other businessmen who met with Clinton described Goals 2000 as just one step toward a needed overhaul of America's public school system.

"We must go way beyond Goals 2000," said Lou Gerstner, chairman and chief executive officer of IBM Corp.

Albert Hoser, president and CEO of Siemens Co., a German-based corporation with 45,000 American employees, warned that he will hire here only as long as

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The Morning Call (Allentown), September 7, 1995

the knowledge of the work force justifies labor costs that exceed those in less-developed nations.

Among the others in the Oval Office yesterday were John Pepper, chairman and CEO of Proctor & Gamble Co.; Oz Nelson, chairman and CEO of United Parcel Service, and David Whitwam, chairman, president and CEO of Whirlpool Corp.

Corporate chieftains, complaining that today's high school graduates too often fail rudimentary job assignments, provided the impetus several years ago for Goals 2000. Active then, Lehigh Valley business leaders and educators continue to work toward reform.

Pennsylvania school districts this year received \$ 15 million in federal tax dollars under the program. The money went toward teacher training, parent centers, computer systems and links between grade schools and colleges.

Donley said the fight to improve the standards of public education will continue statewide regardless of federal action.

See also the following stories: "Call heard for schools to toughen the rules ... " by SALLY STREFF BUZBEE, AP which appeared on page A09, FIFTH EDITION And " ... but state reform plan called wrong" by C. McDOUGALL, AP which appeared on page A09, FIFTH EDITION.

LOAD-DATE: September 8, 1995

THE WHITE HOUSE  
Office of the Press Secretary

For Immediate Release

September 6, 1995

REMARKS BY THE PRESIDENT  
AT GOALS 2000 CEO MEETING

The Oval Office

2:00 P.M. EDT

THE PRESIDENT: Good afternoon. As you can see, I'm about to have a meeting here with some distinguished American business executives who support the idea that our most important agenda here in government is to advance the cause of education, and they have in particular been good supporters of the Goals 2000 program in which 48 of our 50 states are now participating, and which is the most grass-roots-oriented reform program the United States Department of Education has ever promoted for improving the quality of education through reforms at the state, school district and school level to provide more technology, to raise standards, to have smaller classes to do a whole range of things that will make education better.

There is a way to balance the budget without destroying the Goals 2000 program. The proposed congressional majority budget would get rid of Goals 2000, and it would deprive 44 million students of the opportunities that they would otherwise have to be in more grass-roots reform efforts.

This Goals 2000 project is the result of the recommendations we've gotten over the years from business leaders, as well as educators and, frankly, the result of all of the work that Secretary Riley and I did for more than a decade in our previous jobs. And I very much hope it can be saved, and it is not necessary to balance the budget to back up on the education commitment. I think the partnership we've enjoyed, both the bipartisan partnership between Republicans and Democrats and the partnership between business and government that we've enjoyed in this education reform effort should not be destroyed, because it doesn't have to be to balance the budget.

I'd like to ask Mr. Joe Gorman to make a couple of remarks about the program and then we'll go on with our meeting.

Joe?

MR. GORMAN: Thank you, Mr. President. I would simply underscore what you have said and reiterate that we believe, in the business community, that it is a bipartisan issue, that Goals 2000 is very important; particularly, it is important to the states and local school systems in their efforts to transformationally reform themselves from the state law aspect to the classroom. And as you know, Goals 2000 provides leadership and incentive for that kind of state transformational reform. We think it's very important in that dimension.

Q. Mr. President, are you also going to discuss with the CEOs the stagnant wages over the last two decades that you always keep talking about?

THE PRESIDENT: Every time I talk to business leaders I talk about that. But let me just say, as I've said on Labor Day, there are a lot of alternative explanations being offered for this, but one of the clear lessons of not only for our country, but for

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every wealthy country is that if we want to continue to raise incomes in a global economy, we have to raise the level of education of the work force; we've got to do it.

There are some other things we can do and that I hope we will do and some things they can do and that many of them are doing, but if we don't raise the educational level of the American work force and if we don't set up a system of real reform for excellence in our public schools and then lifetime education afterward, nothing they or we do will achieve that goal.

So I will say again, the purpose of balancing the budget is to remove the burden of debt off of our children and grandchildren and to free up more capital for private investment so that the economy will grow. The purpose of balancing the budget is not to shut the economy down by undermining our fundamental commitment to education. So the question is, how can we meet both objectives.

I've presented a plan which does that, there are lots of ways to get it done, and that's what I think we're all agreed on, again without regard to party.

Q Have you heard from the First Lady, sir?

THE PRESIDENT: Yeah, I had a nice talk with her. I've talked to her twice since she left for China. I talked to her after her speech. I told her I thought she had done a great job on the speech, I liked it very much, and she seemed very pleased with it and she said that the women, the many thousands of women who were there gave it a very good response.

We had a very -- we had kind of a brief conversation; the connection wasn't the greatest because I was in an airplane.

Q Was there any concern about the treatment of Secretary Shalala?

THE PRESIDENT: Secretary Shalala spoke for herself on that. I thought what she said was just great. She'll do just fine. (Laughter.)

Q Any public relations --

Q Was there any concern that the First Lady's remarks might have any impact on the U.S.-Chinese relations?

THE PRESIDENT: No, I don't think so. You know, she said -- what she said was what we have both said many, many times on the issues that affect China, and much of her speech pertained to conditions in other countries, not China, and some of it related to conditions in our country as well. So I thought it was a balanced speech. There was no attempt to single any country out. She stood up for the rights and the potential and against the abuse of women everywhere in the world.

I thought that's what made the speech powerful, that there was no attempt to have a particular political agenda or single any country out; it was a very strong speech.

Q They know who they are.

THE PRESIDENT: I was proud of her.

THE PRESS: Thank you.

THE WHITE HOUSE

WASHINGTON

September 5, 1995

**GOALS 2000 EDUCATION REFORM MEETING WITH BUSINESS LEADERS**

Date: September 6, 1995  
Time: 2:00p.m.-2:45 p.m.  
Location: The Oval Office  
From: Gene Sperling

**I. PURPOSE**

This meeting will be with seven CEOs who are all supporters of Goals 2000. The purpose of the meeting is: (1) To gain commitment from these key CEO's to actively support funding for Goals 2000 in the Congress by contacting key Senators and by making public statements in support of Goals 2000 funding; and (2) to re-energize business involvement in education reform by challenging these CEO's to find ways of speeding the pace of education reform.

**II. BACKGROUND**

Next week the Senate Appropriations subcommittee on Labor-HHS-Education will hold a hearing on Goals 2000 and then mark up its FY 96 appropriations bill. Sen. Specter has indicated that he will include approximately \$300 million for Goals 2000--less than the \$750 million you requested and the \$362 million in the final FY 95 appropriation, but considerably better than the House figure of zero. In order for the final FY 96 appropriations for Goals 2000 to be sufficient, it is essential that the initial Senate figure be as high as possible, and hold throughout Senate action on appropriations. Sen. Specter, together with Sen. Hatfield and Sen. Jeffords will need help, especially from other Republican Senators on and off the appropriations subcommittee.

Business leaders can help, and will if asked. Traditionally, business leaders and business organizations have not been involved in the appropriations process with respect to education. This year, partisan pressures as well as their support for a balanced budget have made it especially difficult to enlist business community support for the full range of Administration funding priorities in education. However, a number of business leaders have been strong supporters of Goals 2000 since you first proposed it, and will work hard to support its funding. This meeting will help mobilize the business community.

A number of CEO's will be in Washington on September 6 for Business Roundtable meetings. A small number of those (as well as others not necessarily involved in BRT) will meet with you and Secretary Riley. Each of the CEO's has been deeply involved in promoting education reform--through the BRT or other organizations, such as the National

Alliance of Business, the New American Schools Development Corporation, or through their own companies in one or more states. They have been promoting this agenda since 1989, especially through the Business Roundtable. The BRT education initiative was started in 1989, in response to a challenge issued by President Bush--at a meeting you addressed as Governor of Arkansas. At that time, three months before the Charlottesville Summit, the CEO's committed to a ten-year effort to work with Governors to promote standards-based education reform.

Now, more than five years later, most CEO's and other observers have concluded that the pace of education reform has been too slow, and that the movement itself is jeopardized by discontinuity in state leadership, attacks from the right, and not enough real change in the education system itself. Nationally, education performance data show that while there has been some significant progress in the past decade, we are not moving at a pace that would lead us to reach the National Education Goals.

It would be both helpful and appropriate for you to challenge the CEO's to redouble their efforts on finding ways to speeding the pace of education reform around the country, making effective use of new technologies to promote teaching and learning, and helping to educate the public about the importance of education reform. By asking the CEO's to report back within 60 days you will reinforce a sense of urgency, and create another occasion for an education event with business leaders.

### **III. PARTICIPANTS**

YOU

The Vice President

Secretary of Education Riley

Joe Gorman (TRW)

John Pepper (Proctor and Gamble)

Lou Gerstner (IBM)

Oz Nelson (UPS)

David Whitwam (Whirlpool)

Albert Hoser (Siemens)

Ed Donnely (former CEO of Air Products, Inc.)

Walter Elisha (Spring Industries)

#### IV. SEQUENCE OF EVENTS

- The meeting will begin with a press pool spray. **YOU** will make a statement underlining the importance of continued funding of education reform efforts, particularly Goals 2000 (see attached pool press statement).
- The press will leave the room and the meeting will begin.
- **YOU** start the meeting by reminding participants of the long-standing, common, bipartisan agenda for education reform you share, expressing your sense that the pace of reform needs to be enhanced, and that Goals 2000 is an important vehicle for advancing that agenda. (closed press)
- Secretary Riley briefs the meeting participants on the status of Goals 2000. (closed press)
- **YOU** lead the CEO's in a discussion about the continuing importance of Goals 2000, and seek specific commitments for their action to help secure a reasonable appropriations level for Goals 2000. (closed press)
- **YOU** challenge the CEO's to strengthen their efforts in education reform, and to identify ways in which **YOU** can assist their efforts. **YOU** ask them to work closely with Secretary Riley, and to report back to **YOU** within 60 days. (closed press)
- **YOU** engage in a brief discussion of the efforts that might be undertaken. (closed press)
- Secretary Riley and the CEO's leave the White House and meet press, where the CEO's express their support for funding for Goals 2000, and report on the challenge **YOU** made to them.

#### V. REMARKS

- (1) Talking points and statement to the press are attached.

#### Attachments:

- (1) Notes on Education Meeting With CEOs
- (2) Pool Spray Talking Points
- (3) List of CEO's in attendance and their participation in education reform efforts
- (4) Background on Goals 2000
- (5) Q &A on Block Grants

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## NOTES ON EDUCATION MEETING WITH CEOs

### I. **Pool Spray** (Talking Points attached)

### II. **Opening Comments**

You may want to start the meeting by mentioning that, like many of the CEOs in attendance, you are concerned that we are not moving fast enough to improve education, and that it is critical that we continue to work on a bipartisan basis to improve education in this country.

You may also want to mention that the leadership and hard work of the business community helped secure the passage of Goals 2000 just a little more than a year ago. With their help we will be able to maintain bipartisan support for Goals 2000.

### III. **Secretary Riley's Overview of the Status of Goals 2000**

Secretary Riley will give a quick briefing on where we stand with Goals 2000 at present.

### IV. **Challenge to CEO's to find ways to speed the pace of education reform**

You should mention that each of the CEOs present--and hundreds more business leaders like them--have played a critical role in helping promote education reform over the past decade. But more must be done, if we are to make the progress we need. Funding for Goals 2000 is currently under attack by the House and Senate.

**In order to move forward, You should challenge these CEOs to work together to (1) reach out to other business leaders and business organizations, (2) identify the concrete steps that the business community can take to speed the pace of education reform throughout the nation, (3) identify what you can do to support their efforts, and (4) ask them to report back to you in 60 days. Ask them to work closely with Secretary Riley, and call on the Secretary for any assistance that they need.**

### V. **Educational Technology -- Make Specific Mention of the use of Technology in Schools**

Your staff has been working to put forward to you a series of proposals for a major public-private campaign to make sure that our schools are not left behind in the

information technology revolution that is sweeping through our economy. As you well know, new information technologies are dramatically reshaping the way we live and work, and are revolutionizing business and virtually every other sphere of our society -- except our schools, which technologically still look and operate in most cases like they did 50-100 years ago. The CEOs in attendance at this meeting could be important players in this partnership. Therefore, you should ask them to give some thought to the issue as a part of the overall education reform movement.

In mentioning this issue, you should specifically refer to Lou Gerstner's July 30, 1995 speech on education reform to the National Governors Association, where he mentioned this issue as a key to education reform. You could mention that over the coming weeks, you will be calling on Lou and other business leaders around the country to help plan and become a part of a national campaign on this issue, which your staff is working on now.

**VI. Additional issues you might want to raise with the CEO's as part of his challenge to them, to find ways of speeding the pace of education reform:**

- Standards and Incentives: Talk about the importance of keeping the standards movement on track, and of helping parents, employees, the public, etc. understand and support the need for more challenging standards. Also, talk about how employers can signal clearly to kids that performance counts--e.g., by looking at report cards and other measures of student achievement in hiring decisions.
- Keeping Governors' on board: Remind CEO's of the tremendous turnover among Governors in the past five years (only 3 left from the Summit); challenge them to bring new governors of both parties into the process, and get involved in leading education reform.
- Building Public Support: Challenge CEO's to build broad and deep networks to support education reform in each state--bringing in small businesses (who frequently aren't involved yet, but often more influential with newly elected R's at federal and state level); building new alliances with progressive educators, etc.

# UNITED STATES DEPARTMENT OF EDUCATION



## GOALS 2000: EDUCATE AMERICA ACT

September 1995 Update



Americans are concerned that too few students are prepared to meet world-class academic standards and too many students are leaving schools unprepared for productive work and effective citizenship. The Goals 2000: Educate America Act addresses these challenges. It provides funds to states and communities to raise academic achievement by supporting high-quality teacher professional development, expanding the use of computers and technology in classrooms, raising academic standards, and increasing parental and community involvement in education.

### Bipartisan History

- The nation's governors and President Bush laid the groundwork for the Goals 2000 Act in 1990 when they established national goals for education and launched a grassroots state and local effort to reach them.
- The Goals 2000 Act passed with strong bipartisan support in Congress and with the endorsement of every major national business, parent, and education organization.
- The Goals 2000 Act, signed into law by President Clinton on March 31, 1994, recognizes that education is a state and local responsibility, but it must also be a national priority. The Act provides direct support to state and local school improvement efforts.

### Goals 2000: An Overview

- Goals 2000 represents the first federal education act that helps states and communities build on and coordinate their existing reform efforts rather than creating a new discrete program.
- Goals 2000 promotes flexibility by providing, for the first time ever, authority for the Secretary of Education to waive certain regulations to assist states and local communities in implementing school improvements. No regulations have been or will be issued for Goals 2000.
- Participating states form broad-based citizen panels responsible for developing or building upon a comprehensive statewide school improvement plan. During the first year of the program, at least 60 percent of the funds were passed on to individual school districts and schools for teacher professional development and district and school improvement planning. At least 90 percent of the funds must be passed on to individual school districts and schools for years 2-5. Congress appropriated \$105 million for Goals 2000 in 1994. Forty-eight states received first-year Goals 2000 funds. A total of \$362 million has been appropriated for 1995. To date, 21 states have received second-year funding.

Every state is using Goals 2000 to support its own unique approach to improving education. In Massachusetts, Goals 2000 funds are helping to create 14 charter schools. In Kentucky, funds are being used to encourage parental involvement in schools. Goals 2000 funds in Pennsylvania are enabling Philadelphia to implement a new management structure that provides school leaders maximum flexibility to implement school improvements.

The House of Representatives has voted to eliminate funding for Goals 2000 in fiscal year 1996. The Senate will act this month.

## EDUCATION ACTIVITIES OF CEO'S

### **Joe Gorman (TRW)**

- Chairman of Business Roundtable Education Task Force, and lead CEO supporter for passage of Goals 2000
- New American Schools Development Corporation Board member
- Works closely with Gov. Voinovich on Ohio's education reform initiatives

### **John Pepper (Proctor and Gamble)**

- Member, BRT Education Task Force
- Co-Chair, Governor's Education Management Council (Ohio)
- Lead CEO behind Ohio education reform legislation

### **Lou Gerstner (IBM)**

- Co-author of Reinventing Education: Entrepreneurship in America's Public Schools
- Launched major effort through IBM foundation to fund technology initiatives in selected states and districts around the country
- Vice- Chair of New American Schools Development Corporation Board
- Keynote address at NGA meeting in July during which he challenged governors to address standards and accountability, technology, and financing education reform.

### **Oz Nelson (UPS)**

- Member, BRT Education Task Force
- Key player in the passage of Kentucky Education Reform Act in 1990, and continuing to support its implementation as leader of the Partnership for Kentucky Education Reform

### **David Whitwam (Whirlpool)**

- Chair, Michigan Business Leaders for Education Excellence
- Works closely with Governor Engler on education reform--especially involved in promoting academic standards in Michigan

### **Albert Hoser (Siemens)**

- Runs one of the largest in-company apprenticeship programs in the country
- A member of the Board of the National Alliance of Business
- Strong advocate of School-to-Work Act

### **Edward Donley (former CEO, Air Products and Chemicals Inc.)**

- Chair, Pennsylvania 2000 state panel, responsible for developing Pennsylvania's education reform plan under Goals 2000
- Early and strong supporter of America 2000, and strong supporter of Goals 2000
- Previously involved in U.S. Chamber of Commerce education initiatives

**Walter Elisha (Spring Industries)**

- Member of Business Roundtable Policy Committee
- Member of Business Roundtable Education Task Force

## Q&A ON BLOCK GRANTS

One or more of the CEO's may encourage YOU to support a block grant proposal for education reform. Bill Goodling will be introducing one shortly. CEO's see block grants as desirable because they are provide flexible uses of resources, consistent with their education reform agenda.

It does not seem desirable for you at this time to oppose any block grant proposal--this will be interpreted as being unreceptive to ideas consistent with your views and theirs. However, for you to appear open to block grants now may send a signal to the CEO's that the Administration could be receptive to Republican block grant proposals.

If asked about block grants, **YOU should:**

- **Indicate that the Secretary has been following specific block grant proposals closely, and ask him to respond.** The Secretary will:
  - Indicate that he is open to responsible block grants, like Goals 2000, which are focused on important national priorities and which provide the widest possible flexibility in how funds are used, together with accountability for performance;
  - Indicate his concerns about the block grant proposal being circulated by House Republicans, including, specifically:
    - the likelihood that the block grant/consolidation will be accompanied by a significant reduction in funding, when we need to be investing more in education reform;
    - the fact that almost all of the funds (92.5%) could be used for private school vouchers, taking federal funds away from public schools;
    - the uncertainty that the final version of the proposal will retain a requirement for states to establish challenging academic standards--since the freshman Republican's most eager to shift to block grants are also those with the weakest commitment to education reform based on challenging academic standards;
    - the lack of any specific accountability provisions in the draft legislation.

TALKING POINTS  
PRESIDENT WILLIAM JEFFERSON CLINTON  
MEETING WITH CEOs  
THE WHITE HOUSE  
SEPTEMBER 6, 1995

- I am about to meet with a group of chief executive officers who share my concern that proposed Congressional budget cuts will seriously hamper much-needed education reform -- and particularly our Goals 2000 initiative.
- These business leaders understand that their companies and America's future depends on developing the best educated and best trained workforce in the world.
- That's why they support the Goals 2000: Education America Act which was passed with bipartisan support during the last Congress.
- Goals 2000 supports state, community, and local school efforts to raise standards of achievement and discipline and encourage students to meet them. Forty-eight states are already participating. In my 1996 budget, I call for nearly doubling the program. By the year 2002, we would be able to support improvements for all 44 million children in our public schools.
- Congressional budget cuts would totally eliminate this effort. This would undermine what has been a bipartisan effort to spur bottom-up improvements in schools across the nation.
- These CEO's realize that education must be the number one business of America.
- At this time, Joe Gorman of TRW will tell you why. Joe...

**Remarks of Louis V. Gerstner, Jr.,  
Chairman and CEO - IBM Corporation  
at the National Governors' Association Annual Meeting  
Burlington, Vermont  
July 30, 1995**

Thank you, Governor Dean. It's good to be back in Vermont.

In 1983, the report A Nation at Risk focused the country's attention on the deficiencies in our public school system. Here's a quote from that report that has stuck with me for many years: "If an unfriendly foreign power had imposed our schools upon us, we would have regarded it as an act of war."

That was 12 years ago. What's happened since? Lots of hand wringing, lots of speeches, lots of reports. Not much change - very little improvement. It's twelve years since A Nation at Risk was published, and U. S. students still finish at, or near, the bottom on international tests of math and science.

I wonder what the national reaction would have been if in the 1984 Olympic games we had finished dead last. A national outrage, in all likelihood, that would have brought about sweeping changes in amateur athletics in this

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| Post-It Fax Note | 7671            | 8-7-95  | 18           |
| To               | Jennifer Wright | From    | Shay Smiger  |
| Co./Dept.        |                 | Co.     |              |
| Phone #          |                 | Phone # | 914-765-6416 |
| Fax #            | 301-926-1630    | Fax #   |              |

country. Believe me, by now, 11 years later, we would have seen massive improvements. But in public education? None — and no national outrage or frustration 12 years after A Nation at Risk.

Let's move from 1983 to the education summit in 1989 when, at a meeting similar to this, President Bush and the nation's governors set the wheels in motion for the Educate America Act: Goals 2000 that President Clinton helped shape and then signed in June of 1994. Let me read just a few of those goals we set for ourselves for the year 2000:

- o All children in America will start school ready to learn.
- o The high school graduation rate will increase to at least 90 percent.
- o All students will leave grades four, eight and 12 having demonstrated competency in English, math, science, foreign languages, civics and government, economics, art, history and geography.
- o Every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning and productive employment in our nation's modern economy.

Six years have passed since those wonderful goals were set. More important, 1616 days remain until the year 2000 arrives. I wonder how many people in our country are committed to achieving those goals. I wonder how many people think we have a chance of achieving them. I often think how many people even know they exist.

One of the goals I just cited talks about graduation rates, and another the need for standards. I read recently that Milwaukee now has a requirement that high school seniors must demonstrate a proficiency in math before they are allowed to graduate. That is great. And we need more cities and states doing the same. But the same article I read reported that 79 percent of the junior class failed in a warm-up test this spring. That's dismal. And it's reflective of our country at large.

Now, that's not the whole story. The test consisted of complex, open-ended problems, which -- for these kids -- was a new approach to math. Exactly the right approach, of course. Exactly the direction we want to head in, and they'll have a full year to master it. But what happens then? What happens

next year if a large percentage of the senior class fails to demonstrate the required proficiency? Will Milwaukee refuse to graduate those who fail? If they don't, so much for standards.

But it's not that easy. What do we do about the students we've promoted for 13 years through the public school system without demanding high performance? How will they get the skills necessary to earn a living? And, of course, it is much worse than a single class of seniors. We have given high school diplomas in this country to a whole generation of Americans who cannot basically read those diplomas -- they are functionally illiterate.

The bottom line is that if our kids are failing in the classroom, it's not just their fault. It's our fault. And that, my friends, underscores a very frightening reality. Setting goals for U. S. education is one thing. Reaching them is another. And the only way it will happen, the only way that we have even a ghost of a chance of getting there, is if we push through a fundamental, bone-jarring, full-fledged, 100 percent revolution that discards the old and replaces it with a totally new performance-driven system.

Which is what brings me to Vermont today. I'm here because of Willie Sutton. Willie robbed banks, the story goes, because he realized that's where the money is. I'm here because this is where the power is -- the power to reform -- no, to revolutionize -- the U. S. public school system.

You are the CEOs of the organizations that fund and oversee the country's public schools. That means you are responsible for their health. They are very sick at the moment. And we are past the time for incremental change and tinkering at the margin. Fortunately, we're not past the point of no return.

I've spent a lot of time on education. So have many of you. We all have scars to prove it.

But, I've also spent a lot of time helping troubled companies get back on their feet. It's hard work. Lots of hard work, and it invariably involves massive structural change.

But here's the good news. When companies do turn around, they often go on to bigger and better things.

I'm convinced that our public schools can do just that. We can win gold medals in the education Olympics. But it will take a world-class effort and it will only happen if you, the CEOs of the system, reach out, grab it by the throat, shake it up and insist that it happen.

The turnarounds we've seen in corporate America don't come close to the complexities of the job you face in fixing our public schools, but I believe the principles of structural revolution are the same:

- o First, it takes a personal commitment on the part of the CEO. This is not a job you can delegate.
- o Second, it takes a willingness to confront and expel the people and the organizations that are throwing up roadblocks to the changes you consider critical.
- o Third, you need to set high expectations. You can't have too many goals. One or two are best. Certainly no more than three.
- o Fourth, it's critical to measure the progress against those goals — relentlessly and continuously.
- o And finally, there must be a willingness on the part of the change agent to hold people accountable for results.

Nothing pleases me more than to see some of you moving in this direction in your state. You are responsible for some very bright spots in an overall dismal picture. But there aren't nearly enough.

So what do we do now? In the spirit of my views on how one goes about radical restructuring of institutions, I want to suggest three, and only three, priorities for public education for the next year:

- o The first is setting absolutely the highest academic standards and holding all of us accountable for results. Now. Immediately. This school year. Now if we don't do that, we won't need any more goals, because we are going nowhere. Without standards and accountability, we have nothing.

But if we do have standards and accountability, I would suggest two other priorities that are critical to allow our institutions of education to reach those goals, and they are:

- o Financing change, and;
- o Exploiting technology.

Let's talk very briefly about each. First, standards and accountability.

If we don't face up to the fact that we are the only major country in the world without an articulated set of education standards -- and without a means of measuring how successfully we are reaching them, we're lost before we get started. Which pretty much sums up where we are today. To turn the tide, we must set standards. Immediately. And we must have a means of measuring how we are doing. Without standards, educational reform is shuffling deck chairs on the Titanic.

I have to confess I find the whole thing baffling. In virtually everything else we do in the United States, we set high standards and strive to be No. 1. Why not in education? In basketball, you score when the ball goes in the hoop, not if it hits the rim. In football, you score when you cross the goal line, not when you show up in uniform. In track and field, you must jump over the bar, not go under it or around it. And who would practice baseball with the fences 150 feet from home plate?

Why can't we establish standards of excellence for our schools? Why isn't winning in the classroom important in America?

We put a man in space because we set a goal that was beyond -- not within -- our grasp. We need the same approach for education. And we must be relentless in its pursuit. The lessons we understand so well in every other aspect of our lives must be translated into education or else we will lose.

We cannot be side-tracked by academicians who say it will take five years just to set the standards. Nor can we be misled by misinformed people who will argue that certain Americans aren't able to reach high standards, so it's inappropriate to even set them. I find that insulting and demeaning to those people, not supportive.

It boils down to the fact that we can't just settle any more for mediocrity. We must commit to the highest levels of student achievement. And we must do it now. We can't allow our schools to simply sit back, complacently convinced that their only responsibility is to keep students at their desks until they are 18 years old.

They'll get to 18 fast enough and regardless of what we do. What they need from us are tools to help prepare them for success as they go off to college or work, raise families and join the adult community. This requires an articulated set of academic standards that recognizes the real world they'll be entering.

In many places, they don't even exist at a rudimentary level. Many states still require only two years of math and science for a high school diploma. Why? Math isn't something that students can finish in the tenth grade, and think they'll never need it again. And, if we are going to do this right, we must make sure our high school students take real math, academic math — not what the students call "dummy math." And they must take laboratory science, not general science.

We must find innovative ways to help students master these complex subjects, and we must hold schools accountable for what students learn. It's not enough to memorize facts and figures. Whether we're dealing with the requirements in the job market or skills needed to participate in society, the bar is higher and gets higher every year.

When the Labor Department recently asked businesses what they expected our schools to teach, the answer was clear -- a foundation of reading, writing and arithmetic, combined with an ability to use information to solve problems and to communicate them effectively.

These are not esoteric or complex concepts. They are, however, for every one of these children, the difference between success or failure in their lives. We must find ways to teach them, to measure whether they have been taught and to reward teachers and administrators at schools where students succeed. And we must have serious sanctions for those at schools where students are not learning.

Obviously, Milwaukee will have a difficult choice to make next year because it's out in front. But the fact remains that until we are prepared to penalize students, teachers and administrators for lack of performance, the system will fail. We have a word for that in business. Accountability. It works. Without it, institutions atrophy and die. Let's turn quickly to the second and third priorities beyond standards.

True accountability for performance will depend on exploiting technology and financing change in the system. You've all heard about information technology. Bear with me if this sounds a bit stuffy, but information technology is the fundamental underpinning of the science of structural re-engineering. It is the force that revolutionizes business, streamlines government and enables instant communication and the exchange of information among people and institutions around the world.

But information technology has not made even its barest appearance in most public schools. Look around. The most visible forms of technology remain the unintelligible public address systems, which serve largely to interrupt the business of learning, and the copier in the principal's office, which spews out the forms and regulations that are the life blood of the education bureaucracy.

Before we can get the education revolution rolling, we need to recognize that our public schools are low-tech institutions in a high-tech society. The same changes that have brought cataclysmic change to every facet of business can improve the way we teach students and teachers. And it can also improve the efficiency and effectiveness of how we run our schools.

I'd like to make you a personal offer. I'd like to invite you, the governors, and your key people to a conference that I will organize and run next year. I'll get experts from all parts our industry — including our competitors — to participate and, together, we will show you how technology created for business and government can be used to help re-shape the public schools of America.

We'll pull it all together but we'll need your help. And you'll have to be there. You'll have to invest a day — not a few hours. Because, as I said before, real change requires the participation of the CEO. It will be worth it. I think you will be excited by the innovative things that are beginning to happen in some classrooms. And some of you are already moving in that direction.

Let's think about how technology is benefiting students right here in Vermont. For example, the portfolios used to measure student development are being taken out of manila folders and put on digital discs. This allows educators to make evaluations based on a student's entire output rather than on simple multiple-choice exams. Chicago is combining the power of telecommunications and the Internet to train teachers in math and science.

Schools in Charlotte, North Carolina are using video technology to reach into the home. Philadelphia schools are using voice technology to teach language skills to learning-disabled students.

And outside the classroom, technology is cutting away at the school bureaucracy and dealing with routine matters like bus routing, meal deliveries and purchasing.

Which brings me to my third priority -- financing change. It is my experience in business, and especially in turnaround situations, that if you want to bring about real change, budget allocations must support the new direction.

Reforms perish from lack of support. And that means resources. A true change agent puts their money where their mouth is. The educational aparatchiks fight hard to starve the reformers.

So how do we finance the revolution? How do we use our education resources to reward success and encourage performance? Let's start with the \$150 billion or so that you, as the CBOs of our states, invest directly in the public school system. I've done some homework, so I know that a state's

education budget is typically constructed by adding a percentage increase to the prior year's outlays. The basic formula -- which many describe as arcane -- is largely driven by the number of pupils in the system, supports priorities set decades before, and rarely, if ever, is linked to performance, success or change.

Here's my proposal. Let's try something new. This year, instead of following the old formula, hold back ten cents of every dollar and earmark it for strategic investments. Where would we put this \$15 billion to work? If it were me, I'd invest a portion of it in moving teacher training out of the horse and buggy era. We expect doctors to get their training in teaching hospitals. We wouldn't send an NBA player on the court if his only training consisted of lectures on the theory of the jump shot, case studies of the fast break and films of games played years ago.

Why, then, do we entrust our children to teachers who have only listened to lectures, written essays on classroom management and read text books on the theory of child development? It's time teachers learned their craft in real schools side-by-side with expert teachers. It's time they got the kind of hands-on experience most other professions consider vital for certification.

If it were up to me, I'd invest some of that \$15 billion in reorganizing how our kids spend their time in school. In Japan, where the school year runs 240 days a year, the average 18-year-old has spent more cumulative time in school than the average American MBA.

And while I challenge you to find a teacher anywhere in this country who truly believes that every subject -- or any subject, for that matter -- is best taught in exactly 45 minutes, we still ring the bell at the end of each period, as though there was a natural order to it all! A science project may take a full six hours to complete. Other subjects may be best taught in 15-minute slots over a two-week period. The school day, week and year need to be re-shaped fundamentally to reflect reality.

There are hundreds of good ideas out there about how to use the \$15 billion. I know about them, so do you. Some of the most promising are emerging from the New American Schools Development Corporation which is funding development of breakthrough reforms across the country. All that's lacking is the courage to shift funding from the status quo that has failed unarguably, to the agenda of reform and hope for our children.

Obviously, my three suggestions are sure to generate howls of protest from the education establishment and from others who are happy with the status quo and are unwilling to change. They will say that setting standards is not possible in education. Or that setting high standards will only raise the dropout rate. Others will attack the focus on technology, maintaining it's a self-serving business scam or a vain grasp for a silver bullet that won't work.

Still others will attack the \$15 billion we're reallocating for strategic investments, saying it's just a gimmick, it won't work and it is really an approach to disguise cutting education budgets. I see it as just the opposite. Everyone in the education community talks reform and supports reform, but when push comes to shove, they back off and attribute the lack of progress to the lack of financial wherewithal.

Well, now we have it. Our \$15 billion fund will provide a way to kick-start a major effort for reform. And here's the real kicker: we're only going to give \$15 billion to the schools and systems that actually implement true reform.

Let me conclude by recognizing again that many of you are working very hard to bring about the changes that we need. The problem is not enough of us in America are committed to seeing that change happens. Too many of us just talk about it. You are the leaders of our 50 states. It really is up to you to bring us the education leadership we desperately need.

School reform is not a partisan issue, so I'd hope that you would work together as a team, and that you would support and learn from each other.

We're talking about the future of our nation. Economic prosperity for all our citizens is an empty and cynical dream unless we provide the necessary education to all students. Perhaps more ominously, no democracy can survive without an educated citizenry.

So let's add an "R" to our traditional reading, 'riting and 'rithmetic. An "R" for revolution. The country needs a new revolution. The first one gave birth to America. We now need a second to save our country -- and to give our children back their future.

Thank you very much.

THE WHITE HOUSE

WASHINGTON

September 5, 1995

**GOALS 2000 EDUCATION REFORM MEETING WITH BUSINESS LEADERS**

Date: September 6, 1995  
Time: 2:00p.m.-2:45 p.m.  
Location: The Oval Office  
From: Gene Sperling

**I. PURPOSE**

This meeting will be with seven CEOs who are all supporters of Goals 2000. The purpose of the meeting is: (1) To gain commitment from these key CEO's to actively support funding for Goals 2000 in the Congress by contacting key Senators and by making public statements in support of Goals 2000 funding; and (2) to re-energize business involvement in education reform by challenging these CEO's to find ways of speeding the pace of education reform.

**II. BACKGROUND**

Next week the Senate Appropriations subcommittee on Labor-HHS-Education will hold a hearing on Goals 2000 and then mark up its FY 96 appropriations bill. Sen. Spector has indicated that he will include approximately \$300 million for Goals 2000--less than the \$750 million you requested and the \$362 million in the final FY 95 appropriation, but considerably better than the House figure of zero. In order for the final FY 96 appropriations for Goals 2000 to be sufficient, it is essential that the initial Senate figure be as high as possible, and hold throughout Senate action on appropriations. Sen. Spector, together with Sen. Hatfield and Sen. Jeffords will need help, especially from other Republican Senators on and off the appropriations subcommittee.

Business leaders can help, and will if asked. Traditionally, business leaders and business organizations have not been involved in the appropriations process with respect to education. This year, partisan pressures as well as their support for a balanced budget have made it especially difficult to enlist business community support for the full range of Administration funding priorities in education. However, a number of business leaders have been strong supporters of Goals 2000 since you first proposed it, and will work hard to support its funding. This meeting will help mobilize the business community.

A number of CEO's will be in Washington on September 6 for Business Roundtable meetings. A small number of those (as well as others not necessarily involved in BRT) will meet with you and Secretary Riley. Each of the CEO's has been deeply involved in promoting education reform--through the BRT or other organizations, such as the National

Alliance of Business, the New American Schools Development Corporation, or through their own companies in one or more states. They have been promoting this agenda since 1989, especially through the Business Roundtable. The BRT education initiative was started in 1989, in response to a challenge issued by President Bush--at a meeting you addressed as Governor of Arkansas. At that time, three months before the Charlottesville Summit, the CEO's committed to a ten-year effort to work with Governors to promote standards-based education reform.

Now, more than five years later, most CEO's and other observers have concluded that the pace of education reform has been too slow, and that the movement itself is jeopardized by discontinuity in state leadership, attacks from the right, and not enough real change in the education system itself. Nationally, education performance data show that while there has been some significant progress in the past decade, we are not moving at a pace that would lead us to reach the National Education Goals.

It would be both helpful and appropriate for you to challenge the CEO's to redouble their efforts on finding ways to speeding the pace of education reform around the country, making effective use of new technologies to promote teaching and learning, and helping to educate the public about the importance of education reform. By asking the CEO's to report back within 60 days you will reinforce a sense of urgency, and create another occasion for an education event with business leaders.

### **III. PARTICIPANTS**

YOU

The Vice President

Secretary of Education Riley

Joe Gorman (TRW)

John Pepper (Proctor and Gamble)

Lou Gerstner (IBM)

Oz Nelson (UPS)

David Whitwam (Whirlpool)

Albert Hoser (Siemens)

Ed Donnelly (former CEO of Air Products, Inc.)

Walter Elisha (Spring Industries)

#### IV. SEQUENCE OF EVENTS

- The meeting will begin with a press pool spray. **YOU** will make a statement underlining the importance of continued funding of education reform efforts, particularly Goals 2000 (see attached pool press statement).
- The press will leave the room and the meeting will begin.
- **YOU** start the meeting by reminding participants of the long-standing, common, bipartisan agenda for education reform you share, expressing your sense that the pace of reform needs to be enhanced, and that Goals 2000 is an important vehicle for advancing that agenda. (closed press)
- Secretary Riley briefs the meeting participants on the status of Goals 2000. (closed press)
- **YOU** lead the CEO's in a discussion about the continuing importance of Goals 2000, and seek specific commitments for their action to help secure a reasonable appropriations level for Goals 2000. (closed press)
- **YOU** challenge the CEO's to strengthen their efforts in education reform, and to identify ways in which **YOU** can assist their efforts. **YOU** ask them to work closely with Secretary Riley, and to report back to **YOU** within 60 days. (closed press)
- **YOU** engage in a brief discussion of the efforts that might be undertaken. (closed press)
- Secretary Riley and the CEO's leave the White House and meet press, where the CEO's express their support for funding for Goals 2000, and report on the challenge **YOU** made to them.

#### V. REMARKS

- (1) Talking points and statement to the press are attached.

#### Attachments:

- (1) Notes on Education Meeting With CEOs
- (2) Pool Spray Talking Points
- (3) List of CEO's in attendance and their participation in education reform efforts
- (4) Background on Goals 2000
- (5) Q &A on Block Grants

## NOTES ON EDUCATION MEETING WITH CEOs

### I. **Pool Spray** (Talking Points attached)

### II. **Opening Comments**

You may want to start the meeting by mentioning that, like many of the CEOs in attendance, you are concerned that we are not moving fast enough to improve education, and that it is critical that we continue to work on a bipartisan basis to improve education in this country.

You may also want to mention that the leadership and hard work of the business community helped secure the passage of Goals 2000 just a little more than a year ago. With their help we will be able to maintain bipartisan support for Goals 2000.

### III. **Secretary Riley's Overview of the Status of Goals 2000**

Secretary Riley will give a quick briefing on where we stand with Goals 2000 at present.

### IV. **Challenge to CEO's to find ways to speed the pace of education reform**

You should mention that each of the CEOs present--and hundreds more business leaders like them--have played a critical role in helping promote education reform over the past decade. But more must be done, if we are to make the progress we need. Funding for Goals 2000 is currently under attack by the House and Senate.

**In order to move forward, You should challenge these CEOs to work together to (1) reach out to other business leaders and business organizations, (2) identify the concrete steps that the business community can take to speed the pace of education reform throughout the nation, (3) identify what you can do to support their efforts, and (4) ask them to report back to you in 60 days. Ask them to work closely with Secretary Riley, and call on the Secretary for any assistance that they need.**

### V. **Educational Technology -- Make Specific Mention of the use of Technology in Schools**

Your staff has been working to put forward to you a series of proposals for a major public-private campaign to make sure that our schools are not left behind in the

information technology revolution that is sweeping through our economy. As you well know, new information technologies are dramatically reshaping the way we live and work, and are revolutionizing business and virtually every other sphere of our society -- except our schools, which technologically still look and operate in most cases like they did 50-100 years ago. The CEOs in attendance at this meeting could be important players in this partnership. Therefore, you should ask them to give some thought to the issue as a part of the overall education reform movement.

In mentioning this issue, you should specifically refer to Lou Gerstner's July 30, 1995 speech on education reform to the National Governors Association, where he mentioned this issue as a key to education reform. You could mention that over the coming weeks, you will be calling on Lou and other business leaders around the country to help plan and become a part of a national campaign on this issue, which your staff is working on now.

**VI. Additional issues you might want to raise with the CEO's as part of his challenge to them, to find ways of speeding the pace of education reform:**

- Standards and Incentives: Talk about the importance of keeping the standards movement on track, and of helping parents, employees, the public, etc. understand and support the need for more challenging standards. Also, talk about how employers can signal clearly to kids that performance counts--e.g., by looking at report cards and other measures of student achievement in hiring decisions.
- Keeping Governors' on board: Remind CEO's of the tremendous turnover among Governors in the past five years (only 3 left from the Summit); challenge them to bring new governors of both parties into the process, and get involved in leading education reform.
- Building Public Support: Challenge CEO's to build broad and deep networks to support education reform in each state--bringing in small businesses (who frequently aren't involved yet, but often more influential with newly elected R's at federal and state level); building new alliances with progressive educators, etc.

# UNITED STATES DEPARTMENT OF EDUCATION



## GOALS 2000: EDUCATE AMERICA ACT

September 1995 Update



Americans are concerned that too few students are prepared to meet world-class academic standards and too many students are leaving schools unprepared for productive work and effective citizenship. The Goals 2000: Educate America Act addresses these challenges. It provides funds to states and communities to raise academic achievement by supporting high-quality teacher professional development, expanding the use of computers and technology in classrooms, raising academic standards, and increasing parental and community involvement in education.

### Bipartisan History

- The nation's governors and President Bush laid the groundwork for the Goals 2000 Act in 1990 when they established national goals for education and launched a grassroots state and local effort to reach them.
- The Goals 2000 Act passed with strong bipartisan support in Congress and with the endorsement of every major national business, parent, and education organization.
- The Goals 2000 Act, signed into law by President Clinton on March 31, 1994, recognizes that education is a state and local responsibility, but it must also be a national priority. The Act provides direct support to state and local school improvement efforts.

### Goals 2000: An Overview

- Goals 2000 represents the first federal education act that helps states and communities build on and coordinate their existing reform efforts rather than creating a new discrete program.
- Goals 2000 promotes flexibility by providing, for the first time ever, authority for the Secretary of Education to waive certain regulations to assist states and local communities in implementing school improvements. No regulations have been or will be issued for Goals 2000.
- Participating states form broad-based citizen panels responsible for developing or building upon a comprehensive statewide school improvement plan. During the first year of the program, at least 60 percent of the funds were passed on to individual school districts and schools for teacher professional development and district and school improvement planning. At least 90 percent of the funds must be passed on to individual school districts and schools for years 2-5. Congress appropriated \$105 million for Goals 2000 in 1994. Forty-eight states received first-year Goals 2000 funds. A total of \$362 million has been appropriated for 1995. To date, 21 states have received second-year funding.

Every state is using Goals 2000 to support its own unique approach to improving education. In Massachusetts, Goals 2000 funds are helping to create 14 charter schools. In Kentucky, funds are being used to encourage parental involvement in schools. Goals 2000 funds in Pennsylvania are enabling Philadelphia to implement a new management structure that provides school leaders maximum flexibility to implement school improvements.

The House of Representatives has voted to eliminate funding for Goals 2000 in fiscal year 1996. The Senate will act this month.

## EDUCATION ACTIVITIES OF CEO'S

### **Joe Gorman (TRW)**

- Chairman of Business Roundtable Education Task Force, and lead CEO supporter for passage of Goals 2000
- New American Schools Development Corporation Board member
- Works closely with Gov. Voinovich on Ohio's education reform initiatives

### **John Pepper (Proctor and Gamble)**

- Member, BRT Education Task Force
- Co-Chair, Governor's Education Management Council (Ohio)
- Lead CEO behind Ohio education reform legislation

### **Lou Gerstner (IBM)**

- Co-author of Reinventing Education: Entrepreneurship in America's Public Schools
- Launched major effort through IBM foundation to fund technology initiatives in selected states and districts around the country
- Vice- Chair of New American Schools Development Corporation Board
- Keynote address at NGA meeting in July during which he challenged governors to address standards and accountability, technology, and financing education reform.

### **Oz Nelson (UPS)**

- Member, BRT Education Task Force
- Key player in the passage of Kentucky Education Reform Act in 1990, and continuing to support its implementation as leader of the Partnership for Kentucky Education Reform

### **David Whitwam (Whirlpool)**

- Chair, Michigan Business Leaders for Education Excellence
- Works closely with Governor Engler on education reform--especially involved in promoting academic standards in Michigan

### **Albert Hoser (Siemens)**

- Runs one of the largest in-company apprenticeship programs in the country
- A member of the Board of the National Alliance of Business
- Strong advocate of School-to-Work Act

### **Edward Donley (former CEO, Air Products and Chemicals Inc.)**

- Chair, Pennsylvania 2000 state panel, responsible for developing Pennsylvania's education reform plan under Goals 2000
- Early and strong supporter of America 2000, and strong supporter of Goals 2000
- Previously involved in U.S. Chamber of Commerce education initiatives

**Walter Elisha (Spring Industries)**

- Member of Business Roundtable Policy Committee
- Member of Business Roundtable Education Task Force

## Q&A ON BLOCK GRANTS

One or more of the CEO's may encourage YOU to support a block grant proposal for education reform. Bill Goodling will be introducing one shortly. CEO's see block grants as desirable because they are provide flexible uses of resources, consistent with their education reform agenda.

It does not seem desirable for you at this time to oppose any block grant proposal--this will be interpreted as being unreceptive to ideas consistent with your views and theirs. However, for you to appear open to block grants now may send a signal to the CEO's that the Administration could be receptive to Republican block grant proposals.

If asked about block grants, **YOU should:**

- **Indicate that the Secretary has been following specific block grant proposals closely, and ask him to respond.** The Secretary will:
  - Indicate that he is open to responsible block grants, like Goals 2000, which are focused on important national priorities and which provide the widest possible flexibility in how funds are used, together with accountability for performance;
  - Indicate his concerns about the block grant proposal being circulated by House Republicans, including, specifically:
    - the likelihood that the block grant/consolidation will be accompanied by a significant reduction in funding, when we need to be investing more in education reform;
    - the fact that almost all of the funds (92.5%) could be used for private school vouchers, taking federal funds away from public schools;
    - the uncertainty that the final version of the proposal will retain a requirement for states to establish challenging academic standards--since the freshman Republican's most eager to shift to block grants are also those with the weakest commitment to education reform based on challenging academic standards;
    - the lack of any specific accountability provisions in the draft legislation.

TALKING POINTS  
PRESIDENT WILLIAM JEFFERSON CLINTON  
MEETING WITH CEOs  
THE WHITE HOUSE  
SEPTEMBER 6, 1995

- I am about to meet with a group of chief executive officers who share my concern that proposed Congressional budget cuts will seriously hamper much-needed education reform -- and particularly our Goals 2000 initiative.
- These business leaders understand that their companies and America's future depends on developing the best educated and best trained workforce in the world.
- That's why they support the Goals 2000: Education America Act which was passed with bipartisan support during the last Congress.
- Goals 2000 supports state, community, and local school efforts to raise standards of achievement and discipline and encourage students to meet them. Forty-eight states are already participating. In my 1996 budget, I call for nearly doubling the program. By the year 2002, we would be able to support improvements for all 44 million children in our public schools.
- Congressional budget cuts would totally eliminate this effort. This would undermine what has been a bipartisan effort to spur bottom-up improvements in schools across the nation.
- These CEO's realize that education must be the number one business of America.
- At this time, Joe Gorman of TRW will tell you why. Joe...

CEOS ATTENDING MEETING WITH POTUS ON EDUCATION - SEPTEMBER 6, 1995

| FIRST NAME | LAST NAME | TITLE                                | COMPANY                          | CITY          | STATE |
|------------|-----------|--------------------------------------|----------------------------------|---------------|-------|
| Edward     | Donley    | Former Chairman                      | Air Products and Chemicals, Inc. | Allentown     | PA    |
| Walter     | Elisha    | CEO                                  | Springs Industries, Inc.         | Fort Mill     | SC    |
| Louis      | Gerstner  | Chairman and CEO                     | IBM                              | Armonk        | NY    |
| Joseph T.  | Gorman    | Chairman & CEO                       | TRW Inc.                         | Cleveland     | OH    |
| Albert     | Hoser     | President and CEO                    | Siemens Company                  | New York      | NY    |
| Kent       | Nelson    | Chairman & CEO                       | United Parcel Service            | Atlanta       | GA    |
| John       | Pepper    | Chairman and Chief Executive Officer | Proctor and Gamble               | Cincinnati    | OH    |
| David W.   | Whitwam   | Chairman, President, & CEO           | Whirlpool Corporation            | Benton Harbor | MI    |

**THE WHITE HOUSE**

WASHINGTON

September 5, 1995

**GOALS 2000 EDUCATION REFORM MEETING WITH BUSINESS LEADERS**

Date: September 6, 1995  
Time: 2:00p.m.-2:45 p.m.  
Location: The Oval Office  
From: Gene Sperling

**I. PURPOSE**

This meeting will be with seven CEOs who are all supporters of Goals 2000. The purpose of the meeting is: (1) To gain commitment from these key CEO's to actively support funding for Goals 2000 in the Congress by contacting key Senators and by making public statements in support of Goals 2000 funding; and (2) to re-energize business involvement in education reform by challenging these CEO's to find ways of speeding the pace of education reform.

**II. BACKGROUND**

Next week the Senate Appropriations subcommittee on Labor-HHS-Education will hold a hearing on Goals 2000 and then mark up its FY 96 appropriations bill. Sen. Spector has indicated that he will include approximately \$300 million for Goals 2000--less than the \$750 million you requested and the \$362 million in the final FY 95 appropriation, but considerably better than the House figure of zero. In order for the final FY 96 appropriations for Goals 2000 to be sufficient, it is essential that the initial Senate figure be as high as possible, and hold throughout Senate action on appropriations. Sen. Spector, together with Sen. Hatfield and Sen. Jeffords will need help, especially from other Republican Senators on and off the appropriations subcommittee.

Business leaders can help, and will if asked. Traditionally, business leaders and business organizations have not been involved in the appropriations process with respect to education. This year, partisan pressures as well as their support for a balanced budget have made it especially difficult to enlist business community support for the full range of Administration funding priorities in education. However, a number of business leaders have been strong supporters of Goals 2000 since you first proposed it, and will work hard to support its funding. This meeting will help mobilize the business community.

A number of CEO's will be in Washington on September 6 for Business Roundtable meetings. A small number of those (as well as others not necessarily involved in BRT) will meet with you and Secretary Riley. Each of the CEO's has been deeply involved in promoting education reform--through the BRT or other organizations, such as the National

Alliance of Business, the New American Schools Development Corporation, or through their own companies in one or more states. They have been promoting this agenda since 1989, especially through the Business Roundtable. The BRT education initiative was started in 1989, in response to a challenge issued by President Bush--at a meeting you addressed as Governor of Arkansas. At that time, three months before the Charlottesville Summit, the CEO's committed to a ten-year effort to work with Governors to promote standards-based education reform.

Now, more than five years later, most CEO's and other observers have concluded that the pace of education reform has been too slow, and that the movement itself is jeopardized by discontinuity in state leadership, attacks from the right, and not enough real change in the education system itself. Nationally, education performance data show that while there has been some significant progress in the past decade, we are not moving at a pace that would lead us to reach the National Education Goals.

It would be both helpful and appropriate for you to challenge the CEO's to redouble their efforts on finding ways to speeding the pace of education reform around the country, making effective use of new technologies to promote teaching and learning, and helping to educate the public about the importance of education reform. By asking the CEO's to report back within 60 days you will reinforce a sense of urgency, and create another occasion for an education event with business leaders.

### **III. PARTICIPANTS**

YOU

The Vice President

Secretary of Education Riley

Joe Gorman (TRW)

John Pepper (Proctor and Gamble)

Lou Gerstner (IBM)

Oz Nelson (UPS)

David Whitwam (Whirlpool)

Albert Hoser (Siemens)

Ed Donnely (former CEO of Air Products, Inc.)

Walter Elisha (Spring Industries)

#### **IV. SEQUENCE OF EVENTS**

- The meeting will begin with a press pool spray. **YOU** will make a statement underlining the importance of continued funding of education reform efforts, particularly Goals 2000 (see attached pool press statement).
- The press will leave the room and the meeting will begin.
- **YOU** start the meeting by reminding participants of the long-standing, common, bipartisan agenda for education reform you share, expressing your sense that the pace of reform needs to be enhanced, and that Goals 2000 is an important vehicle for advancing that agenda. (closed press)
- Secretary Riley briefs the meeting participants on the status of Goals 2000. (closed press)
- **YOU** lead the CEO's in a discussion about the continuing importance of Goals 2000, and seek specific commitments for their action to help secure a reasonable appropriations level for Goals 2000. (closed press)
- **YOU** challenge the CEO's to strengthen their efforts in education reform, and to identify ways in which **YOU** can assist their efforts. **YOU** ask them to work closely with Secretary Riley, and to report back to **YOU** within 60 days. (closed press)
- **YOU** engage in a brief discussion of the efforts that might be undertaken. (closed press)
- Secretary Riley and the CEO's leave the White House and meet press, where the CEO's express their support for funding for Goals 2000, and report on the challenge **YOU** made to them.

#### **V. REMARKS**

- (1) Talking points and statement to the press are attached.

#### **Attachments:**

- (1) Notes on Education Meeting With CEOs
- (2) Pool Spray Talking Points
- (3) List of CEO's in attendance and their participation in education reform efforts
- (4) Background on Goals 2000
- (5) Q &A on Block Grants

## **NOTES ON EDUCATION MEETING WITH CEOs**

### **I. Pool Spray (Talking Points attached)**

### **II. Opening Comments**

You may want to start the meeting by mentioning that, like many of the CEOs in attendance, you are concerned that we are not moving fast enough to improve education, and that it is critical that we continue to work on a bipartisan basis to improve education in this country.

You may also want to mention that the leadership and hard work of the business community helped secure the passage of Goals 2000 just a little more than a year ago. With their help we will be able to maintain bipartisan support for Goals 2000.

### **III. Secretary Riley's Overview of the Status of Goals 2000**

Secretary Riley will give a quick briefing on where we stand with Goals 2000 at present.

### **IV. Challenge to CEO's to find ways to speed the pace of education reform**

You should mention that each of the CEOs present--and hundreds more business leaders like them--have played a critical role in helping promote education reform over the past decade. But more must be done, if we are to make the progress we need. Funding for Goals 2000 is currently under attack by the House and Senate.

**In order to move forward, You should challenge these CEOs to work together to (1) reach out to other business leaders and business organizations, (2) identify the concrete steps that the business community can take to speed the pace of education reform throughout the nation, (3) identify what you can do to support their efforts, and (4) ask them to report back to you in 60 days. Ask them to work closely with Secretary Riley, and call on the Secretary for any assistance that they need.**

### **V. Educational Technology -- Make Specific Mention of the use of Technology in Schools**

Your staff has been working to put forward to you a series of proposals for a major public-private campaign to make sure that our schools are not left behind in the

information technology revolution that is sweeping through our economy. As you well know, new information technologies are dramatically reshaping the way we live and work, and are revolutionizing business and virtually every other sphere of our society -- except our schools, which technologically still look and operate in most cases like they did 50-100 years ago. The CEOs in attendance at this meeting could be important players in this partnership. Therefore, you should ask them to give some thought to the issue as a part of the overall education reform movement.

In mentioning this issue, you should specifically refer to Lou Gerstner's July 30, 1995 speech on education reform to the National Governors Association, where he mentioned this issue as a key to education reform. You could mention that over the coming weeks, you will be calling on Lou and other business leaders around the country to help plan and become a part of a national campaign on this issue, which your staff is working on now.

**VI. Additional issues you might want to raise with the CEO's as part of his challenge to them, to find ways of speeding the pace of education reform:**

- Standards and Incentives: Talk about the importance of keeping the standards movement on track, and of helping parents, employees, the public, etc. understand and support the need for more challenging standards. Also, talk about how employers can signal clearly to kids that performance counts--e.g., by looking at report cards and other measures of student achievement in hiring decisions.
- Keeping Governors' on board: Remind CEO's of the tremendous turnover among Governors in the past five years (only 3 left from the Summit); challenge them to bring new governors of both parties into the process, and get involved in leading education reform.
- Building Public Support: Challenge CEO's to build broad and deep networks to support education reform in each state--bringing in small businesses (who frequently aren't involved yet, but often more influential with newly elected R's at federal and state level); building new alliances with progressive educators, etc.

# UNITED STATES DEPARTMENT OF EDUCATION



## GOALS 2000: EDUCATE AMERICA ACT

September 1995 Update



Americans are concerned that too few students are prepared to meet world-class academic standards and too many students are leaving schools unprepared for productive work and effective citizenship. The Goals 2000: Educate America Act addresses these challenges. It provides funds to states and communities to raise academic achievement by supporting high-quality teacher professional development, expanding the use of computers and technology in classrooms, raising academic standards, and increasing parental and community involvement in education.

### Bipartisan History

- The nation's governors and President Bush laid the groundwork for the Goals 2000 Act in 1990 when they established national goals for education and launched a grassroots state and local effort to reach them.
- The Goals 2000 Act passed with strong bipartisan support in Congress and with the endorsement of every major national business, parent, and education organization.
- The Goals 2000 Act, signed into law by President Clinton on March 31, 1994, recognizes that education is a state and local responsibility, but it must also be a national priority. The Act provides direct support to state and local school improvement efforts.

### Goals 2000: An Overview

- Goals 2000 represents the first federal education act that helps states and communities build on and coordinate their existing reform efforts rather than creating a new discrete program.
- Goals 2000 promotes flexibility by providing, for the first time ever, authority for the Secretary of Education to waive certain regulations to assist states and local communities in implementing school improvements. No regulations have been or will be issued for Goals 2000.
- Participating states form broad-based citizen panels responsible for developing or building upon a comprehensive statewide school improvement plan. During the first year of the program, at least 60 percent of the funds were passed on to individual school districts and schools for teacher professional development and district and school improvement planning. At least 90 percent of the funds must be passed on to individual school districts and schools for years 2-5. Congress appropriated \$105 million for Goals 2000 in 1994. Forty-eight states received first-year Goals 2000 funds. A total of \$362 million has been appropriated for 1995. To date, 21 states have received second-year funding.

Every state is using Goals 2000 to support its own unique approach to improving education. In Massachusetts, Goals 2000 funds are helping to create 14 charter schools. In Kentucky, funds are being used to encourage parental involvement in schools. Goals 2000 funds in Pennsylvania are enabling Philadelphia to implement a new management structure that provides school leaders maximum flexibility to implement school improvements.

The House of Representatives has voted to eliminate funding for Goals 2000 in fiscal year 1996. The Senate will act this month.

## EDUCATION ACTIVITIES OF CEO'S

### **Joe Gorman (TRW)**

- Chairman of Business Roundtable Education Task Force, and lead CEO supporter for passage of Goals 2000
- New American Schools Development Corporation Board member
- Works closely with Gov. Voinovich on Ohio's education reform initiatives

### **John Pepper (Proctor and Gamble)**

- Member, BRT Education Task Force
- Co-Chair, Governor's Education Management Council (Ohio)
- Lead CEO behind Ohio education reform legislation

### **Lou Gerstner (IBM)**

- Co-author of Reinventing Education: Entrepreneurship in America's Public Schools
- Launched major effort through IBM foundation to fund technology initiatives in selected states and districts around the country
- Vice- Chair of New American Schools Development Corporation Board
- Keynote address at NGA meeting in July during which he challenged governors to address standards and accountability, technology, and financing education reform.

### **Oz Nelson (UPS)**

- Member, BRT Education Task Force
- Key player in the passage of Kentucky Education Reform Act in 1990, and continuing to support its implementation as leader of the Partnership for Kentucky Education Reform

### **David Whitwam (Whirlpool)**

- Chair, Michigan Business Leaders for Education Excellence
- Works closely with Governor Engler on education reform--especially involved in promoting academic standards in Michigan

### **Albert Hoser (Siemens)**

- Runs one of the largest in-company apprenticeship programs in the country
- A member of the Board of the National Alliance of Business
- Strong advocate of School-to-Work Act

### **Edward Donley (former CEO, Air Products and Chemicals Inc.)**

- Chair, Pennsylvania 2000 state panel, responsible for developing Pennsylvania's education reform plan under Goals 2000
- Early and strong supporter of America 2000, and strong supporter of Goals 2000
- Previously involved in U.S. Chamber of Commerce education initiatives

**Walter Elisha (Spring Industries)**

- Member of Business Roundtable Policy Committee
- Member of Business Roundtable Education Task Force

## Q&A ON BLOCK GRANTS

One or more of the CEO's may encourage YOU to support a block grant proposal for education reform. Bill Goodling will be introducing one shortly. CEO's see block grants as desirable because they are provide flexible uses of resources, consistent with their education reform agenda.

It does not seem desirable for you at this time to oppose any block grant proposal--this will be interpreted as being unreceptive to ideas consistent with your views and theirs. However, for you to appear open to block grants now may send a signal to the CEO's that the Administration could be receptive to Republican block grant proposals.

If asked about block grants, **YOU should:**

- **Indicate that the Secretary has been following specific block grant proposals closely, and ask him to respond.** The Secretary will:
  - Indicate that he is open to responsible block grants, like Goals 2000, which are focused on important national priorities and which provide the widest possible flexibility in how funds are used, together with accountability for performance;
  - Indicate his concerns about the block grant proposal being circulated by House Republicans, including, specifically:
    - the likelihood that the block grant/consolidation will be accompanied by a significant reduction in funding, when we need to be investing more in education reform;
    - the fact that almost all of the funds (92.5%) could be used for private school vouchers, taking federal funds away from public schools;
    - the uncertainty that the final version of the proposal will retain a requirement for states to establish challenging academic standards--since the freshman Republican's most eager to shift to block grants are also those with the weakest commitment to education reform based on challenging academic standards;
    - the lack of any specific accountability provisions in the draft legislation.

**TALKING POINTS  
PRESIDENT WILLIAM JEFFERSON CLINTON  
MEETING WITH CEOs  
THE WHITE HOUSE  
SEPTEMBER 6, 1995**

- I am about to meet with a group of chief executive officers who share my concern that proposed Congressional budget cuts will seriously hamper much-needed education reform -- and particularly our Goals 2000 initiative.
- These business leaders understand that their companies and America's future depends on developing the best educated and best trained workforce in the world.
- That's why they support the Goals 2000: Education America Act which was passed with bipartisan support during the last Congress.
- Goals 2000 supports state, community, and local school efforts to raise standards of achievement and discipline and encourage students to meet them. Forty-eight states are already participating. In my 1996 budget, I call for nearly doubling the program. By the year 2002, we would be able to support improvements for all 44 million children in our public schools.
- Congressional budget cuts would totally eliminate this effort. This would undermine what has been a bipartisan effort to spur bottom-up improvements in schools across the nation.
- These CEO's realize that education must be the number one business of America.
- At this time, Joe Gorman of TRW will tell you why. Joe...



## UNITED STATES DEPARTMENT OF EDUCATION

### GOALS 2000: EDUCATE AMERICA ACT



August 1995 Update

The Goals 2000: Educate America Act is seeking to increase academic achievement by raising academic standards, supporting high-quality teacher professional development, expanding the use of computers and technology in classrooms, and increasing parental and community involvement in education.

#### Bipartisan History

- The Goals 2000 Act is based on lessons learned from state and local education improvement efforts sparked by the Reagan Administration's 1983 report A Nation At Risk;
- The nation's governors and President Bush laid the groundwork for the Goals 2000 Act in 1990 when they established national goals for education and launched a grassroots state and local effort to reach them;
- The Goals 2000 Act passed with strong bipartisan support in Congress and with the endorsement of every major national business, parent, and education organization;
- The Goals 2000 Act, signed into law by President Clinton on March 31, 1994, recognizes that education is a state and local responsibility, but it must also be a national priority. The Act provides direct support to state and local school improvement efforts.

#### Goals 2000:

- represents the first federal education act that helps states and communities build on and coordinate their existing reform efforts rather than creating a new discrete program;
- provides incentive grants for schools, communities and states to support their own effective approach to improve student achievement;
- provides funds to states and school districts for better teacher training and professional development;
- encourages parents to get more involved in the education of their children;
- promotes flexibility by providing, for the first time in history, authority for the Secretary of Education to waive certain regulations to assist states and local communities in implementing school improvements;
- encourages each state to develop challenging academic standards for students.

## Overview of Implementation of the Goals 2000 Act

Goals 2000 recognizes that there is no cookie-cutter approach to improving education. It supports a wide array of state and local approaches to raise academic achievement.

No new regulations have been or will be issued for Goals 2000. The application for Goals 2000 first-year funds was only four pages. On average, state funding awards have been granted in less than a month following submission of the application.

Year 1: Under Title III of Goals 2000, participating states used funds to form broad-based citizen panels responsible for developing or building upon a comprehensive statewide school improvement plan. At least 60 percent of the funds were passed on to individual school districts and schools for teacher professional development and district and school strategic planning. Congress appropriated \$105 million for Goals 2000 in 1994. Forty-eight states received first year Goals 2000 funds.

Years 2-5: Funds for years two through five will support implementation of state, district and community education improvement plans. At least 90 percent of the funds must be passed on to individual school districts and schools. Congress has appropriated \$362 million for 1995. To date, twenty-one states have received second year funding under Goals 2000.

Every state is using Goals 2000 to support its own unique approach to improving education. In Massachusetts, Goals 2000 funds are being used to support the creation of charter schools. In Kentucky, funds are being used to encourage parental involvement in ongoing reform efforts. In Illinois, challenging standards for student achievement have been set in six core subject areas.

Kansas, Kentucky, Michigan, Ohio, Oregon, and Utah have had their comprehensive statewide school improvement plans approved through a peer review process, and several other states will soon be notified that their plan has been approved. A team of teachers, business people, and community members involved in education reform efforts across the country reviews each plan and makes a recommendation to the Secretary for plan approval.

Oregon and Kansas are the first two states in the nation to be designated Ed-Flex states, giving the waiver authority of the Secretary of Education to the states to assist in the implementation of school reform efforts.

While implementation is still in the early stages, Goals 2000 is helping communities provide a quality education that prepares all children for responsible citizenship and productive employment in our modern economy.

## TO DO LIST FOR CEO EVENT

- Talking Points for the President (include Gorman/technology point)
- Event Memo, including background on why challenging for Goals, and why mentioning technology - *constraint*
- Press? What are we hearing on this? Press conf after? - *stake-out*
- One Pager on what business has done on Goals - *each CEO*
- Nail Down Statement!!!!!! Gorman to call Riley? How do we straighten this out?
- Secretary in Event?

• Set mtg for Tuesday

- (1) Gorman statement
- (2) Back-up for statement
- (3) other press

Gorman  
for  
oast  
NLSM  
withman

(1)

Secretary → moderate

- paper for press

| NAME            | ORG              | PHONE /  | FAX      |
|-----------------|------------------|----------|----------|
| Kellye WkIntosh | USSA             | 347-8772 | 393-5886 |
| Earl Adams      | LISSA            | "        | "        |
| Sarah Williams  | ACE              | 939-9365 | 833-4762 |
| Mike Schmidt    | WH               | 456-5567 | 456-7028 |
| Susan Frost     | <del>WH</del> ED | 401-8450 | 401-0596 |
| Jennifer Peck   | ED               | 401-0635 | 401-0042 |
| Ivan Frishberg  | PIRG             | 546-9707 | 546-2461 |



Office of the Chairman and Chief Executive Officer

Armonk, New York 10504-1783

August 10, 1995

Mr. Richard W. Riley  
Secretary  
United States Department of Education  
600 Independence Avenue, S.W.  
Washington, DC 20202-0100

Dear Dick:

Thank you for your very thoughtful comments, and, in particular, for the kind words and support for my recent speech at the National Governors Association. While you and I, in our various roles, have been working on fundamental school reform for decades, it is important to note as you mentioned in your letter, that only three of the sitting governors participated in the 1989 Education Summit. It is clearly time to move education back to the top of the priority list for the states and to step up our activity considerably if American students have a chance of meeting world class academic standards by the year 2000. I understand our staffs have already spoken about this, and we look forward to working with you and your people as we prepare for next spring's Education Summit. I hope the summit will provide some new impetus for activities at the state level and help to move the important agenda of standards and accountability back to the front burner.

Certainly the federal role in Goals 2000 has been an important first step, but I think we both agree that states have not yet established the high academic standards needed or made the specific changes in instruction, assessment, and accountability that are necessary to translate these goals into higher levels of student achievement. By the same token, while I applaud the progress you have made to increase the flexibility and effectiveness of federal dollars, the current challenge is to rein in and restructure the base operating budgets, state by state, and refocus those dollars on performance. And while many of the districts working with IBM have benefitted from federal waivers, the lion's share of restrictive regulations and policies are at the state and local level. The challenge at all levels, of course, is to move beyond individual waivers and on to the important question of fundamental and systemic changes in the operating environment.

I hope we have helped to raise the sense of urgency about the need for change in the nation's schools. While the task is certainly formidable, there is no question that it is within our reach to produce the finest school system in the world. We just need the will and commitment to get the job done. I look forward to working collaboratively with you on America's greatest challenge.

Sincerely,

A handwritten signature in dark ink, appearing to read "L. Gerstner".

Louis V. Gerstner, Jr.

LVG:kk

## **SCHEDULING REQUEST FOR THE PRESIDENT**

**To:** Billy Webster  
Director of Scheduling and Advance

**From:** Leslie Thornton, Deputy Chief of Staff and Counselor to the Secretary  
Mike Cohen, Senior Advisor to the Secretary

**Request:** Hold a 30 -45 minute meeting at the White House with 10-12 CEO's, who have been supporters of Goals 2000.

**Purpose:** The primary purpose of this meeting will be to elicit from the CEO's a statement of support for funding Goals 2000. Later in the day, a number of the CEO's will be meeting with Senators, urging them to support funding for Goals 2000 in the Senate Labor-HHS appropriations bill.

A second purpose of the meeting would be for the President to reenergize business involvement in education reform. He would do this by challenging the CEO's to find ways of speeding the pace of education reform around the country (including through the use of technology), and report back to him within a specified period of time (60 days) how they plan to do this. All of the CEO's who would attend the meeting are involved in the Business Roundtable Education Reform Initiative, which is highly compatible with Goals 2000 and the Administration's overall education reform agenda. Some of the CEO's may also be involved in the education reform efforts of other business groups, such as the National Alliance of Business.

**Background:** Approximately 50-60 CEO's will be in Washington on September 6, for a meeting of the Business Roundtable Policy Committee. A number of the CEO's, such as Joe Gorman of TRW, have been deeply involved in education in general, and in supporting Goals 2000 in particular. While it has been generally difficult to enlist business community support for the Administration's education budget proposals, because of the CEO's strong and consistent support of this program, it should be possible to elicit a clear statement of support for funding Goals 2000. A meeting with the President will provide an opportunity to demonstrate this support publicly, and will in fact help the CEO's coalesce in their support and strengthen their efforts in the Senate.

A meeting with the President can also more generally reinvigorate CEO involvement in education reform, on an agenda shared by the Administration and the business community. The Business Roundtable education initiative was started in 1989, in response to a challenge issued by President Bush--at a meeting also addressed by Gov. Clinton. The CEO's committed to a ten year effort to work with Governors, to promote standards-based education reform. Now, more than five years later and five years since the National Education Goals were established, this movement needs an additional push. It would be both helpful and appropriate for this President to challenge business leaders to redouble their efforts, to more effectively focus them on supporting changes in classrooms and in helping to educate the public about the importance of continued education reform. And by asking them to report back within 60 days, the President will create a needed sense of urgency, and another occasion for an education event with business leaders.

- Date and Time: The optimal date and time would be Wednesday, September 6, between 9:00a.m. and noon. This would provide the best window for the CEO's, and still enable them to make hill visits and then proceed to the BRT scheduled meetings, which begin at 2:00 p.m.
- Duration: The meeting should last for 30-45 minutes, possibly followed by a press briefing of 15 minutes.
- Location: The meeting should be held in the White House--the Oval Office, Cabinet Room or Roosevelt Room.
- Participants: There should be approximately 10-12 CEO's participating, though it may be possible to get more with sufficient notice. At present, the BRT does not know which CEO's are confirmed participants in its meeting on Sept. 6. While we are in no way limited to inviting the participants in the BRT meetings, this will be the easiest group to get, and is likely to include many of those we would want anyway. We do know that Joe Gorman will be participating, and expect that CEO's such as John Pepper (Procter and Gamble), Frank Shrontz (Boeing), John Ong, (BFGoodrich), James Orr (UNAM), and John Clendenin (BellSouth). We could invite Lou Gerstner (IBM) regardless of whether he plans to attend the BRT meetings. Gerstner gave the keynote address at the NGA meeting last month in which he challenged the Governors to strengthen their leadership of education reform, and to incorporate technology as a critical tool of reform. He specifically invited the Governors to a conference he will sponsor, on technology in education.

Outline of Events:

This would be a closed meeting. The initial discussion would focus on Goals 2000, and the CEO's would present the President with a statement of support for funding Goals 2000. The President would challenge the CEO's to strengthen their efforts in education reform, and to identify ways he could assist their efforts. There would be a brief discussion of the efforts that might be undertaken.

Immediately following the meeting, the President and CEO's would go to the press briefing room. The President would introduce the CEO's, and several would (1) express their support for Goals 2000 and (2) report on the challenge the President had made to them.

Remarks Required:

The President would lead the closed meeting. If desired talking points and briefing materials would be prepared by the Secretary's office.

Media Coverage:

Full coverage by electronic and print media, following the meeting..

Recommended By;

Richard Riley, Secretary of Education

Contact:

Michael Cohen, Senior Advisor to the Secretary  
U.S. Department of Education  
Telephone: 202-401-3070

# CEO Event

- 1-2 more people saying yes
- Set of talking pts →
- Gerstner speech

~~Backstage / on~~  
~~challenge~~  
- why bonds  
- why Tech

- Technology is important

Heads-up

Statement going down tubes

- ① Gorman & speech writer rejected statement stylistic grounds
- ② Gerstner had 2 substantive problems

③ those cats parts

- all comfortable in process

- Gorman supposed to call Riley -- hasn't yet

Kate help

- Skidishness about press → even higher if no statement

SEC in place

401-3800

202 364  
0069

**CEO MEETING WITH THE PRESIDENT  
PRIORITY INVITATION LIST**

Joe Gorman  
Chairman and CEO  
TRW, Inc.

216-291-7106

*Hager - Siemens*

Frank Schrontz  
Chairman and CEO  
The Boeing Company

206-655-7777

*128*  
John L. Clendenin  
Chairman and CEO  
BellSouth Corporation

404-249-2020

John E. Pepper  
Chairman of the Board and CEO  
The Procter and Gamble Company

513-983-4602

Louis V. Gerstner, Jr. (Lou)  
Chairman and CEO  
IBM Corporation

914-765-6717

James F. Orr, III (Jim)  
Chairman and CEO  
UNUM Corporation

207-770-4300

Kent Nelson (Oz)  
Chairman and CEO  
United Parcel Service of America

404-828-6275

David Whitwam  
Chairman of the Board and CEO  
Whirlpool Corporation

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James R. Houghton (Jim)  
Chairman and CEO  
Coming Incorporated  
Chair, Skills Standards Board

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John Ong  
Chairman, President and CEO  
The BFGoodrich Company

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