

1st part Ed + Vocational Training Goat ops

- Doug Ross
- X Gussie Kapron
- David Longmeyer - Poted
- X Diane Dawson - Admin Family & children
- Cecilia - office of vets affairs

➤ Doug Ross
Need to turn disconnected system of job training program into integrated system

Principles:
- Simplicity, Tailored Services, Admin Efficiency, Outcome Account.
Universality, Quality achieved thru ~~for~~ customer ~~turn~~ driver services. - (Market driven)

Need Labor Markets that serve people's needs.?

3 areas of problems

- 1) Hard to find relevant info. to make informed choices
- 2) Aren't credible brokerages to help make decisions
- 3) Timely purchasing power

REA
- Consolidating programs into one income stream, (same qualifications, paperwork, etc.)

REA
- Encourage local areas to build one-stop centers, allow local areas to combine goat programs.

REA
- Some waiver authority needed from Congress to blend, consolidate &

What are we doing?

- ^{Interagency} Working group to create common ^{tech.} networks,
- Skill Standards developed jointly

Gussie Kaper

responsible for Perkins programs

Development & Implementation of School-to-work is great example of DoL - DoEd partnership on vocational ed. matters.

(School to work Discussion)

- states must bring together all relevant actors together to coordinate before getting \$ from Fed
- Worker authority
- states build on Perkins Tech-prep program
- DoL & DoEd will integrate this act together. Single group implementing all this
- portable skill certificates upon graduation that employers can use to know what students know & can do.

- Now for info sharing, joint implementation, etc with HHS, make some ~~jobs~~ JOBS program as good as it can be

States have begun a number of ~~integrated~~ initiatives

Georgia - OEC. Tech prep?

NY - integrate services

David Conover ^{office of} - Post-Secondary Education.

2

→ Fed student loan programs serve more than Pell Grants

Drop in student loan programs over past 3 yrs
Work study & other programs also assist
Voc Ed students

- 1.5 million ^{voc} students served by these programs
\$6 billion in loan funds

- Implementation of new Direct Student Loan program
(1st loans July 1)

- Title IV ed programs strengthened

principles
increase access & retention
most needy targeted
best means for prep workforce
improve effectiveness & efficiency

VA 50th anniversary of GI Bill this year. Changed
entire concept of adult education.

~~most~~ Chpt 30 - oriented toward college training - -
biggest program

Service members Occupational Training Act of 1980 -- to assist members of armed forces separated to train & find new job.

Questions

Peterson

(1) Working (fracking) Group in White House to look at this issue -- per that request -- so far as I can tell, not much going on. Can't get answers out of

~~NEC Group~~ (2) Doug Ross -- working closely with them. Group trying to look at broader threats, linkages

Peterson -- How many meetings have there been. -- what have they been doing?

Problem -- Mike Smith is lead on this -- we will get back to you with written statement.
-- vets affairs -- not involved

Ross -- Tom Glynn lead person

(2) Peterson waivers -- if programs not working, why not change programs, not let states do what they want -- badge page

Ross waivers are in tool in toolkit. we also need Congress to consolidate some programs in law.

3

- Peterson - where is proposal from WH task force?
why waivers?

↳ Peters - one-size fits all approach does not fit all local needs. -- instead, set broad framework.

Peterson - Sounds like a radical idea -- these waivers -- if fed govt is the problem, why not just give block grants to states?

Ross - Difference is between the what and the how.

↳ Peterson - If you grant waivers, where's the accountability? we don't have ways to measure outcomes -- how do we measure this? Sounds like more bureaucracy to manage bureaucracy.

Kaplan - that's the key -- if states ~~hasn't~~ want waivers, we must develop measures of performance, measures of accountability. Difficult -- will take time -- we will make mistakes at first.

Peterson - what about recommendation that we fed entirely grant waivers? Set up new agencies,

Kaplan - eventually WH discussion will get to point of looking at single fed entity to manage training programs

Peterson - School-to-work - where will these mavericks go?

Gussie Eppner - \$ goes to development grants, implementation rights to states that they use to fund school-business partnerships

Ross - New way of using fed resources -- venture capital model -- use funds to leverage state, local, & private \$.

Peterson - is outcome to find out how to change fed. Govt.

Ross - Blindly a by-product. - we will learn from experience.

Rush - Mr. Ross - Concerned that we don't lead welfare recipients into low-paying jobs. Concerned that 2-year limit won't work because we don't have resources to properly train & get them jobs. Kids drop out of school because they don't like school getting 2 prong approach. For those who are willing to work - get entry-level jobs.

Ross - JTPA Longitudinal study -- for adults, ~~do~~ do provide some success in getting people into 1st jobs; OTJ training provided better training than classroom training. For young people ~~doesn't~~ JTPA does not work -- that's where school-to-work comes in.

(Ross) (cont.)

in welfare defcon, trying to get people in jobs for OTJ Training
ASAP.

(4)

(Rush) - Segment of young people, drop outs, ^{maybe} have kids -- biggest problem. What do we do there?

(Ross) Youth Fair chance, Job Corps, some resources in Crime Bill, but we don't have all the answers yet.

(Rush) Would you consider some additional approaches to Targeted Job tax credits? (Referral from authorized job service?)

(Ross) ~~any~~ of course.

(Rush) What is position of administration on renewing funding for target job tax credit.

(Liss) - no request for new funding, but interested in looking at ways to use a different version of it that would be more effective.

(Lush) ^(frustrated) concerned that we are throwing out baby with bathwater just to claim ownership -- in process, we don't get to root of problem. just need refining of old approaches -- don't need new approach -- don't need reinvention. Are we really trying to solve problems? Bureaucracies don't allow govt to get at heart of problems. (he is pissed that targeted tax credit program is cut)

(Peterson) EITC is not being accessed -- people don't know how to do it. Does IRS compute it automatically?
(yes)

Shays

⑤
~~Green~~ - Dol -- (Shay?) -- why can't we track Job Training users across our programs?

(Green - Dol) - Describes ^{new} Computer info system for JTPA, gets ^{hounded} on details, why can't we (or can we) automatically flag cheats?

(Shay?) - Then Hounds Dawson, HHS, on success of JOBS program. Is it successful? what success measures are there? where are the outcome measures?

(Dawson) - Makes mistake of trying to defend program on money spent, participants in program.

(Shay) - ~~As~~ we need ways to measure whether these programs are working. - Shay attacks ~~with~~

(Peterson) - has JOBS program reduced AFDC Caseload? (no) - then how can we call it a success? - want to see info on JTPA program.

Peterson Cookie Wipe - 4:55

~~Shays~~ - 14 agencies, 150 programs - who is coordinating activities? - There is no one person accountable. Need that or no accountability

Peterson - Leach & Kelly should be commended for their partnership -- but they won't be there forever! -- need some system. Also, you better get into an job training programs or we will stop funding them.

Workforce Policy Workinggroup -- 2-24-94

- Principal's group meets today @ 11-72

Policy Group

- meet Tues/Wed
- Next steps from this group
- Strategy -- build on leg effort, other policies
- Find gaps
- OK Co-Chair
- Defense Dept involvement

Working Group Paper

- anchor for future strategies/policies
- How to distribute?
 - internal to admin
 - background paper for G-7
 - as a white paper - disseminated widely
 - Quiet dist? big splash?
- Paper isn't trying to lay out solution, but simply identifying problems, thinking about solutions
- Release it G-7 as point of Dialogue, background paper

Career Lattice Gearan
#1, Training, Reemploy -- Policy Group 3-1-99

- shifting Coalitions
- many baskets to play into
- so much going
- Table never big enough

2 streams form base of this group

- ① Work Force Group - NEC
- ② Growing sense inside & outside w/ that w/ it was implying very large cd / train / reemploy manage it agenda -- no idea how to

- Form long-term play view ~~on~~ team

Resources

- Workforce Group
- ACE Speech
- State of Union

- Look at Workforce Paper findings
- Find/define areas that we need to focus more attention on

WKFce Group

- non hierarchical
- subject experts

Paper Focus

- what is Jobs Problem - Define
 - WKFce of future?
 - Solutions/Policies to address problems
-

DOD

- an important actor on the whole agenda
 - long history of Training
 - large, sophisticated Training infra.
 - Many employees now transitioning into civilian economy
 - \$15 billion each yr on Training
- Training for specific Mission, but many skills overlap w/ private sector.
- Programs to specifically Transition Teachers, Law enforcement to private sector
- sophisticated in Distance Learning, other technologies may be easily transferred to private sector

no cater ↴

who over at DoD thinking strategically about Training?

- What thinking goes on behind this system?
- How does DoD train to keep people up with constant upgrading of weapons systems?
- Lifelong training/philosophy behind?
- Career ladder/Career

DoD clearly ~~is~~ is one important area for further policy development

- Think about other issues to consider
- ~~also~~ set regular schedule of meetings
7:30 Thursdays

(- Also, how do HHS - type issues (F-A)

(Income contingent student loan program -
allow anyone to take advantage of)
Lifelong learning

(matrix)

- Ink grad already has 2-3 page
drafts ~~or~~ plans to attempt to define
matrix Vert & Horiz
- will pass out

Indian Tribes

- ① where are the jobs -- part of this is "what do you do about mass layoffs" -- must be able to explain how economy is changing
- ② Job supply problem for some low-skill workers in certain areas (Black male unemployment)
- ③ Get a better sense of job mobility (McDonald's study)

issue of racial/ethnic discrimination?

Capitalism means free flow of Capital -- if it is impeded by discrimination, job creation is ~~held~~ held back

OFC - Future of Am WF

Process

- Next Thurs - 7:30 Morning
- Take cat at horizontal, vertical Matrix - 2 pages
- or an issue

Policy Group -- PAPMS, assignments 3-2-94
PAPMS we now have

Papm assignments

- Paul Dimond - Implementation cross-cut
- Lou Kirch - what DED does / has done in C.F.E. Long
learning / changing tools
- Technology
- EU Erlich - conceptual strategy for
- Mike Smith concept 1
- Jack Donahue - C.F.E. Long learning - Infantant, w/fer
Kent Hughes - " " " "
- Peter Edelman - Discrimination
- Belle - Do what he said did for on where the jobs

BTR Policy Group 3-10-94

Short Term Goals

- Reich (Reilly/Brown) Policy Roundtable

^{11/5/94} ① What will work places of future look like?

① - need to think about current programs (130)
- what are they, how do they fit
our needs

② should we create a public lifelong learning system

③ Incumbent workers

- ignored by public policy,
because it is an awkward
fit for public policy

how do you get segments that public policy
normally targets (disadvantaged, minority)
onto the skills-building track &
prepare them for high performance work

3 models

- military model (creams people - takes best)
- Private Sector Model (McDonalds)
- Jobs Corps Model (time intensive, expensive)

Leverage is crucial - - Public Sector leveraging Private
efforts & resources

Levels of Certainty

- Military has well-defined demand factor -- they know where the jobs are.
- Private Sector knows pretty well where jobs are, in near term
- Jobs Corps & Public Programs don't really know where jobs are for their trainees.

Our sense of Transition is wrong -- McDonald's-type jobs are not dead-ends, they teach important workplace skills.

- Issue of transferability is key -- if you want to leverage private sector, need to get types of skills that mean something

① - we already are doing a lot -- need to look at how it all fits together - vital

M Smith p 2 - #① & #③ crucial

also leveraging

- how do we implement our current init.?
- How to we promote the firm
- How do we leverage private sector

Do things incumbent workers are critical segment -- how do we get them to access lifelong learning

Incumbent Worker Training

Jack Benahue

- ① Is the standard Human Capital Analysis wrong?
- Do seems to think so -- we should examine
- ② What's the mix of solutions that demand our attention?
- ③ To what extent do we want to alter the course that the mainstream emp gets are taking, and to what extent do we want to alter individual skills/attitudes.
- ④ Do you worry about the supply or Demand side of the issue?

Corporate Training Community
- Training tax credit

Phil Diamond

- surprise we made it possible for all workers to achieve skills & ed independent of their employers. (BEST income cont. loans, etc).
How ~~with~~ would that effect employers willingness to move to HP workplaces, competitive learning environment.

- employer worker to get skills -- would employers join in or leave them alone.

- would employers fear $\uparrow$ worker mobility to not train?

- most training goes to workers who already have skills

lets get people who are doing this in here to talk about this.

Motorola
Saturn
etc.

CTR Policy Group 3-17-84

① - Policy Roundtable

- ① Reich - Incumbent workers
- ② Kelly - Lifelong Learning
- ③ Brann - Competitiveness

Format - Sec leads discussion -- bring in private sector, others from outside -- information-gathering exercise.

→ good discussion → community building, leveraging, etc. application of technology to the learning enterprise

- Next week, Dowhue, Smith do some thinking on organization, fees for Secretariat Roundtable

Cashin Apen

- Wage inequality ↑ dramatically in 1980s among minorities -- especially ^{wage} ~~horrisone~~ educated between white & black college

esp high-end business

However, high growth in AF Am Businesses. p2

- weak link in theory -- scale:
black bus growth only can effect
S.I. of Black wif.

② Discrimination Effects must be
looked at given growth of
earning gap, especially between white &
black college grads.

- also interesting to see striking dip in
real wages/income

- JTPA Findings -- negative effect of JTPA JTC:
on minority employment -- less likely to
get job with JTPA JTC
is there signaling going on? Discrimination?
irrelevant job training?

- Minority participation in colleges and schools ↓ in
1980-86 period.

- Minority Set-asides -- effect on ↑ of minority businesses
in 80's? only AFF action program that continued
on relatively unfettered during 1980's

- how much to do with shift in demand side?
changing work place (↓ Mfg. Factoring jobs, etc.)
Caught Blacks in cross fire. Traditional

"Minority" jobs that were well-paying (Manufact.)
are disappearing in 80s. §3

likely to be a principle study - topic

- Agenda to Con. Finch

check - he got
left off

Curriculum

Employer-based Training

- Technical Training - highly concentrated in
manufacturing sector

- old-line technical apprenticeship training
is collapsing into a "super-tech"
category - electronics, computers, etc.

- Data Processing Training
- Skill Training
- Sales Training
- Professional Training (accounting, law, etc.)
- Quality Training (spread thru organization)

Nobody in companies, not even HR VPs, know how much training they do -- too decentralized
- ^{Training} system is, in general, not elitist in companies where it exists - doesn't exist in very many places.

Formal Training - \$30 billion annually (11.0% of GDP)
Informal Training - \$80 - 100 billion

- Policy Issue - Training tax credit idea ~~seem~~ seen as bad idea because it would institutionalize formal training.
- what you want is applied learning, etc.

- our assumption has been -- we're not doing enough training - but credible argument can be made that we are doing plenty of training (informal training, re-training, etc)

BLS - 41% of people get retraining over last 10 yrs.

- maybe not enough, but more than we think
- possible achilles heel in our pro-training approach -- is there enough return on training for businesses to invest in it?

- p. 5
- issue is middle ~~size~~ sized institutions
- big institutions train
- mid size companies do not
 - also - companies that train are also best
wages, jobs, etc

Govt Training \$5?

Mid-sized companies -- Informal, on the job training
going on?
(Remett Harrison took on this)

- Productivity in smaller institutions
~~is~~ is collapsing.

Small companies don't train either -- don't have
scale

① Can't only talk to big companies, in
Round table -- must get input from
Mid-size, smaller companies

Packet to Wm

ETR Meeting 3-24-94

Possible Directions that ETR group could take

- ↳ sub groups created to look in depth at particular issues?
 - ↳ we will do inventory of issues that came up at Mtg.
-

Peter Edelman - paper

- put ~~up~~ off Discrimination issue till later Fall session. Invite outside people to participate.
- HHS Re- support for families to support work & ed.
- many people not prepared for work
 - drug abuse
 - mental health problems
 - etc.
- all really affect work-readiness

① Need a fully 3-dimensional view of what is meant by "work-readiness".

② Service providing -- organizational issues:

① relationship between ^{human} service-delivery agencies & employment service agencies.

both need to be in same place

② How do you organize services at local level so people get what they need?

- Work-~~related~~ ready question must be included in our discussions.

- Community health service delivery services
- Drug treatment / health services
- Other work-related services.

Should Extent to which Social Services can be employment opportunity

many complaint, at local level that outsiders run services -- what about hiring local people to deliver services?

Galster

- Suppose a 19 yr old - out of school, non-military, who is not working.
→ useful to think of inventory of why he ^{is} has no job.

- absence of jobs
- Physical or mental disabilities
- Lack of ~~person~~ skills
- Social problems
- Behavioral problems (substance abuse)
- Problem of past behavior
- Lack of job network
- Possibly more lucrative opportunities outside normal work
- Discrimination
- Small child in picture (teen pregnancy)

Supply vs Demand issues
(employee) / (employer)

(Bill Wilson's new book on Chicago's South side talks about these issues)

Demand

- Different perspective -- how could we leverage existing resources in communities (and families) to affect growth of kids. Instead of looking at providing new range of social services, build off of existing resources.

re-engineering the process of service delivery --
streamlining services, using technology, etc.

DoD Paper - Con Finch

DoD is very competitive, discriminating employer! screen people before they join-up.

- 10-12 HS Grads
- Qualifying tests
- No Drug-users, ~~behavioral problems~~ criminal records, etc.

Very discriminating process

- Boot camp is weeding-out process
- Basic Training designed to assimilate diverse people to military culture
- Teamwork / big part of military culture
"if you don't do your job, we all may die"

- after Basic Training - 2 types of ^{continuous} Training
 - ① Basic Skill Training
 - ② Professional Training (leadership, teamwork)

- Very controlled environment

- In Terms of Skill Training, a "Demand-Pull System"

- Downsizing Services

↳ lot of this activity

- DoD ~~has~~ competitive employers -- if treat people fairly even after downsizing, it will attract people recruiting - wise.

- Transition programs extensive, successful

- Training technology -- very extensive

- interactive, computer-based courseware
- satellite delivery / distance learning
- Central Training / sent out electronically
 - computer-based courseware
 - DoD information highway used for distance learning / training

Exhibit

- Applicability of DoD distance learning techniques is under careful study by OSTP - VCET

- DoD Lifelong Learning vs Private Sector model

DoD Bottom's - up Demand Pull system answers perennial Training Question -- Train for what

THE WHITE HOUSE

WASHINGTON

February 24, 1994

MEMORANDUM FOR EDUCATION, TRAINING AND REEMPLOYMENT --
policy group
See Attached Distribution

FROM: BILL GALSTON
PAUL DIMOND

SUBJECT: MARCH 1 MEETING 5:00 MEETING AND AGENDA

Our group for coordinating development of policy and implementation with respect to education, training and reemployment will meet on Tuesday, March 1, at 5:00 pm in Room 230 OEOB.

The agenda will include:

- process for developing concept and strategy to pursue the direction set in Workforce Policy Paper; role of current and pending initiatives in this strategy and identification of any gaps that need to be filled
- process for assisting in coordination of implementation of new initiatives and consolidation or reshaping of existing programs to support new direction
- organization and Agency staff to support these two efforts

Please let Patrick Lester or Geoff Tibbetts (456-2999; FAX 456-2878) know whether you can attend (or who you will send in your place).

We look forward to working cooperatively with you in this effort to develop and implement policies that are key to the President's economic message for preparing America to meet today's challenges and to seize the opportunities of tomorrow -- building the skills of all Americans is the path to national growth, higher living standards and competitive firms.

cc Carol Rasco
Bob Rubin
Bo Cutter
Gene Sperling

EDUCATION, TRAINING AND REEMPLOYMENTPOLICY GROUP

Ev Erlich (Commerce)	O:482-3727	F:482-0432
Dave Barram	O:482-4625	F:482-3310
John Deutch (Defense)	O:703-695-2381	F:703-693-2576
Bill Galston (DPC)	O:6-2216	F:6-2878
Mike Schmidt	O:6-2615	F:6-7028
Mike Smith (Education)	O:401-3389	F:401-3095
David Ellwood (HHS)	O:690-7858	F:690-7383
Peter Edelman	O:690-8157	F:690-7595
Larry Katz (Labor)	O: 219-5108	F:219-7659
John Donahue	O: 219-6181	F:219-6924
Doug Ross	O: 219-6050	F:219-6827
Tony Carnevale (NDCP)	O: 5-6736	F:703 548-2383
Paul Dimond (NEC)	O:6-2800	F:6-2223
Sheryll Cashin	O:6-2800	F:6-2223
Belle Sawhill (OMB)	O:5-4840	F:5-1005
Alicia Munnell(Treasury)	O:622-2200	F:622-2633

CC:

Bo Cutter

Carol Rasco

Bob Rubin

Gene Sperling

**EDUCATION, TRAINING AND REEMPLOYMENT
POLICY WORKING GROUP MEETING AGENDA
MARCH 17, 1994 6:30pm - 7:30pm**

I. Continue Discussion of Issue Papers:

- Sheryll Cashin's paper on African-American labor markets and businesses;
- Anthony Carnevale's paper on employer-based/incumbent worker training;
- Lou Finch's paper on DOD program case studies.

(We will discuss Peter Edelman's paper on overcoming discrimination at next week's meeting -- Peter is out of town this week);

II. Next Steps:

- Assignment to review existing government education/training programs for quality, coordination, and reinvention;
- Discussion of policy roundtable with Secretaries.
- Discussion of the jobs creation/"demand side" of the issue.

**EDUCATION, TRAINING AND REEMPLOYMENT
POLICY WORKING GROUP MEETING AGENDA
MARCH 24, 1994 6:30pm - 7:30pm
Room 230 OEOB**

I. Continue Discussion of Issue Papers:

- Peter Edelman's paper on overcoming discrimination.
- Lou Finch's papers on DOD program case studies.

II. Next Steps:

- Discussion of policy roundtables with Secretaries.
- Discussion of possible issue areas for future Policy Working Group meetings:
 - Discrimination;
 - Productivity of Learning;
 - Productivity and High Performance in the Service Sector;
 - Other issues?

THE WHITE HOUSE

WASHINGTON

February 1, 1994

MEMORANDUM FOR BOB RUBIN
GENE SPERLING
SYLVIA MATHEWS

FROM: PAUL DIMOND
BONNIE DEANE

SUBJECT: WORKFORCE, LEARNING, and the ECONOMY
--Organization and Priorities--

SUMMARY: Pursuant to our previous discussions with you, Bo and Bill Galston, and the joint recommendation of Larry Katz, Jack Donohue, and Mike Smith, we propose combining -- with the full cooperation and participation of the Secretaries of Labor and Education -- the DPC/NEC work on Workforce, Learning and the Economy. The concerted effort of this group can then be focussed on three, related activities in 1994:

- (i) assist in passing pending legislation with a coherent message to make 1994 the "Year of Education and Training." Passage of the pending legislation with a unified Presidential message provides the political foundation for the human capital agenda; and if the White House supports this effort fully, we will build the kind of cooperative relationship and sense of team success with the Secretaries and the Agencies that will move forward the rest of the agenda.
 - (ii) assist in implementing key policies to ensure that they create a whole which is larger than the sum of the parts. For example, skills standards, one-stop shopping, school-to-work, and income-contingent loans can create a consumer driven market for training if these initiatives properly reinforce each other.
 - (iii) assist in developing lifelong learning opportunities and motivating people to use them. We must convince the workforce of today and tomorrow to upgrade their skills, compete, and win in the global economy. At present, our policies fall short of the goals set by the Secretaries and the President to increase the skills of the American workforce. The consensus of the interagency Workforce Policy Group -- like our own informal NEC consensus -- is that real increases in Lifelong Learning may be the most promising point of leverage for improving the wages of workers, the competitiveness of firms, and living standards of families.
- 1) COORDINATED LEGISLATIVE ACTION TEAM. In the first quarter of 1994, the NEC, DPC and White House Legislative Affairs and Communications should play a key role in coordinating the enactment of the following authorizing legislation and securing the

necessary appropriations:

- Workforce Security Act (Reemployment, Dislocated, UI, One-Stop)
- GOALS 2000: Educate America Act
- Reauthorizations with high priority changes (ESEA, Higher Ed, JTPA)
- School-to-Work
- [Welfare-to-Work]

We recommend that Bill Galston and Paul Dimond work with Susan Brophy and Michael Waldman to coordinate the White House effort.

We must all keep our eyes on this legislative prize first: if we succeed in making this the Year of Education and Training, we will build a broader political and policy foundation for investing wisely in people as the means to improve the skills of our workforce and competitiveness of our firms. A direct White House legislative, communications and policy focus and a regular process of coordination with DOL and DoEd are essential given the crowded legislative calendar.

2) **COORDINATED IMPLEMENTATION.** Our initiatives center on a vision of a more effective and more responsive market for employment and skills investment. Coordinating the implementation of each of our new initiatives is essential. A small group (e.g., Bill Galston, Doug Ross, Jack Donohue, Mike Smith and Paul Dimond) could be given responsibility for identifying issues and options for review by the Secretaries and you:

-- Can we implement ATP, TRP, AARPA, DOD and other federally funded or operated R&D programs to stimulate the development of a new industry of active learning programming for pre-schoolers, youth, families and incumbent workers which can be used in the home, as well as in schools, libraries, museums, interactive learning centers, colleges, firms and the military?

-- Can we coordinate implementation of the new reemployment system, school-to-work, and welfare reform (a) to maximize the development of customer responsive, performance-driven networks for job or training advice and (b) to empower active learners to more effectively manage their own careers in a more rapidly changing, turbulent -- and rewarding -- economy?

-- Can we implement flexible world class learning/occupational skills standards as a lever to promote continuously improving schools, firms as high performance learning organizations, and active learning at home and on the job?

-- Can we implement the reauthorization of Chapter One of ESEA [and Headstart] so that schools in poor communities work in a new way with families and firms to enable disadvantaged children, youth and young adults to become active learners -- with the habits of mind and motivation -- to

connect successfully to the rewards of work and learning opportunities in the mainstreams of the new economy?

-- Can we make income contingent loans sufficiently flexible and visible to spur far larger demand among incumbent workers and firms for lifelong learning, far higher quality providers of active learning, new arrangements for sharing learning in key competencies?

3) LIFELONG LEARNING. Our Workforce Group also concluded that lifelong learning, because of its potential high pay-off for American workers and firms in the years ahead, merits further exploration. A small interagency group (e.g., Bill Galston, Bo Cutter, Gene Sperling, Larry Katz or Jack Donohue, Doug Ross, Mike Smith, Ev Ehrlich, Dave Barram, David Ellwood and Paul Dimond) could join with the Secretaries to brainstorm additional options to promote lifelong learning. The range of options might involve scanning tax laws, accounting standards, institutional investor information, technology policy, or urban policy-- not just labor and education policy. Examples could include:

-- evaluating whether new investor disclosure and accounting requirements regarding investment in employee skills would create a more favorable climate for lifelong learning in firms

-- examining whether there are regulatory or anti-trust changes to encourage firms and workers to invest in improving skills after formal schooling ends -- e.g., through firms joining with one another or with community colleges and universities to form learning consortia to continuously upgrade the skills of incumbent workers and to share learning "credits."

-- exploring how to make better use of the time not in school or not on the job to promote continuous, active learning -- e.g., the NII, Distance Learning, the next generation of PBS and interactive learning programming.

Our working hypothesis in each of these examples is that such a new generation of levers for learning -- much like the learning and skills standards or the new customer responsive labor market tools discussed in the second section on "Coordinated Implementation" above -- may create new conditions to promote active learning in schools, workplaces and firms far more effectively than any federal program targeted directly at the school, workplace, or firm. Such an exploration may also help DOL, DoED, and Commerce continue to come together in defining their mission, programs, and inter-agency activities to serve a whole new set of lifelong learning customers from the families, workers and firms who want to manage their own pathways to success in the new economy. Finally, such an exploration needs to address what are the available and new means for persuading or encouraging opinion leaders and decision-makers, workers, firms and families to embrace a new commitment to lifelong learning at home, in school, in the firm, on the job, in the community.

THE WHITE HOUSE
WASHINGTON

Draft

February 22, 1994

MEMORANDUM FOR CAROL RASCO
BOB RUBIN

FROM: BILL GALSTON
PAUL DIMOND

SUBJECT: REVISED AGENDA, NEXT STEPS FOR ETR GROUP

We met on February 17 with Gene Sperling, Larry Katz from DOL, Mike Smith from DOEd, and David Ellwood and Peter Edelman from HHS to discuss (1) the agenda for the meeting of the Principals' Committee on Education, Training and Reemployment, (2) the organization chart and (3) next steps:

- **Revised Draft Agenda.** Attached is a revised draft agenda. It includes two revisions: a separate time for Pat Griffin to discuss the legislative calendar; and a more definite statement from DOD.
- **Revised Draft Organization Chart.** Attached is a revised draft Organization Chart. All that has been added is an initial assignment for the "Policy Group" -- developing a concept and a strategy "to embrace change," which is the basic policy direction unanimously adopted by the White House and the Agencies in the Workforce Policy Group.
- **Next Steps.** The meeting of the Principals' Committee is set for this Thursday at 1 pm in Room 472 OEOb.

The "Action Group" will meet on February 28 at 5:30 pm. This group will include a policy person and a leg affairs person from DOL, DOEd, and HHS, as well as appropriate persons from the White House. Bill Galston will take responsibility for the appropriate involvement of Pat Griffin and David Gergen, Gene Sperling for George Stephanopoulos and Ricki Seidman.

The "Policy Group" will meet on March 1 at 5:00 pm. This group will include appropriate policy persons from DOL, DOEd, HHS, DOD (John Deutsch), and Commerce (Ev Ehrlich), as well as appropriate persons from the White House (and, possibly, others, such as National Commission on Employment Policy and NSF). Prior to the first meeting, Bill Galston and Paul Dimond will work with Larry Katz, Mike Smith, and David Ellwood to develop an outline for discussion of a concept and strategy to embrace change.

Please let us know what other changes you want to make to agenda, next steps and organization. The folks from DOL, DOEd and HHS welcome this new coordination and focus.

**PRINCIPALS' COMMITTEE
EDUCATION, TRAINING AND REEMPLOYMENT**

Agenda

February 24, 1994

1:00 - 2:00 pm

Room 472, OEOB

- I. **Introduction: The Importance of Making 1994 the Year of Education, Training and Reemployment**
Carol Rasco, Bob Rubin -- 5 minutes
- II. Principal's Review of Legislative Initiatives
Secretaries Reich, Riley, and Shalala -- 20 minutes
- III. Legislative Calendar -- Authorizations and Appropriations
Pat Griffin -- 5 minutes
- IV. POTUS Communication and Scheduling
Mark Gearan, Ricki Seidman -- 10 minutes
- V. Department of Defense and Education, Training and Reemployment
Undersecretary Deutsch -- 5 minutes
- VI. Organization and Next Steps
Carol Rasco, Bob Rubin -- 15 minutes

**EZ-EC Challenge
Community Reinvestment
Community Enterprise Board
Flexibility/Waivers**

Welfare Reform

**Principals' Committee on
Education, Training, and
Reemployment**

Coordinate:

- policy development
- legislative process
- communication strategies
- program implementation

**Policy Working
Group**

- policy development
- program implementation

**Action Working
Group**

- legislative process
- communication strategy
- POTUS events
- timing of announcements

e.g.

- Concept and strategy to embrace change
- Work force white paper
- Lifelong learning
- Job-changing tools
- Competiveness
- Job creation
- Black male unemployment

THE WHITE HOUSE

WASHINGTON

March 2, 1994

MEMORANDUM FOR ETR POLICY

FROM: PAUL DIMOND

SUBJECT: LOOKING OVER THE HORIZON FOR POLICY DEVELOPMENT
AND IMPLEMENTATION

Participation in a recent conference on international perspectives led me to read two papers that attempt to look over the horizon at ETR policy development for standards and job-entry and job-changing tools that may enable American families and firms to embrace the many changes in the many crossings to the new economy:

- G. Eliasson's draft paper for the OECD on a new approach to markets for learning, educational services and job networks for European countries
- S. Barley's paper on What Technicians Do in the U.S.

If my reading of these papers stimulates your thinking, I'll be glad to offer up copies when we next meet.

One International Perspective. Eliasson argues that in order for European countries to become world class competitors and to serve all of their workers better in the global economy, they must move away from their much too rigid systems of training, apprenticeship, occupational skills standards, labor markets, unemployment and income supports. Eliasson proposes: (a) a basic platform of learning competencies for all students and workers and (b) much more agile, customer-driven, open market and informal systems of learning, training, and job networks that encourage families, workers, and firms to invest in continuous improvement in learning and self-management of constantly evolving, if not changing careers. In discussing his paper with a group of American standards and labor market reformers here, Eliasson argued forcefully that the current European systems are **not** as competitive and do not serve workers as well as whatever the U.S. is doing (or not doing) now. He urged (a) innovation in framing a basic learning standard, (b) caution in setting or certifying separate occupational skills standards tied to current job descriptions, and (c) greater reliance on agile, customer-driven, even private markets in thinking about comprehensive reemployment measures.

Although not discussed in his paper, Eliasson also proposed government support for self-financing systems to empower incumbent workers to seek their own learning and job-

changing tools: e.g., income-contingent loans for workers early in their careers and tax-advantaged withdrawals from the worker's own retirement/learning plans at mid-career and later. Would this stimulate the demand of all persons for lifelong learning and the supply of innovative training for all from many more firms, whether acting alone, in consortia with one another or with colleges and universities, or through purchases from new suppliers of services?

One in-depth look at one, evolving U.S. occupation. Barley's ethnographic analysis describes how "technicians" fill rapidly evolving and increasingly important niches (18% of the jobs) in the U.S. As described by Barley, this wide variety of technicians constantly learns, solves problems and adds value in the context of their work on the job, while openly scorning their own formal schooling and any written training materials. How will basic learning standards or occupational skills standards be made sufficiently flexible, broad and open to capture what these technicians actually do, come to know, and are increasingly capable of doing? How would they be used to assist in the evolution of more agile, customer-responsive labor markets and job networks that facilitate job-entry, job-changing or career advancement? How would they be implemented to stimulate additional learning on the-job, on- or off-line, at home, in the community?

One Lever for Change. Finally, I also enclose a draft of an early thinkpiece on learning as a lever for all Americans to improve skills to make a successful leap in the crossing to the new economy. The draft also offers an alternative way of thinking about content as the core -- the real there, there -- in a burgeoning new learning industry.

As Bonnie so aptly put it in the workforce paper, let's keep our eyes on where the puck is headed in the years to come -- not where we think it has been, may be now, or wish it might be in a different era or economy. As a part of this process, I wonder: do we need to consider more carefully how to build on the strengths, flexibility and more rapidly evolving competitiveness in our country in many niches, workers and firms, perhaps, for example, in the information and high-value service sectors? Is our vision -- for policy, message, or implementation -- narrowed due to concerns about remedying our perceived deficits, weaknesses and shortcomings? Does our message need to include emphasis on the opportunities and rewards in burgeoning new information, content, communication, and service export sectors, as well the high performance, high-quality, customer-responsive manufacturing workplace and firm? How do we best marshal and use our limited federal resources and build and deploy our capital of national leadership to stimulate more American families, firms, students, incumbent workers, schools, colleges and universities to embrace change?

IT'S LEARNING, STUPID!

We need to consider whether we are on the cusp of a technological revolution that will enable us to choose a new direction for lifelong learning for all Americans. Consider three, related shifts in paradigms:

1. It's Learning: Let the Learning Lever Begin. It is learning--not education, training, or schooling--that is at issue. From this perspective, the major hurdle has always been that we know that every person is different and unique. If we could invent efficient and effective means of learning, therefore, we would not be satisfied just by finding the common needs of most learners. Instead, we would try to customize the means of learning to serve each learner and to allow learners to proceed at their own pace, in their own styles, including by working at learning with one another in pairs or larger groups, as well as alone, at home, on the job or at school. Such a reinvented vision of learning might seem to depend on having all variety of tutors for virtually every learner. Yet the primary work is done by the learner, not by the tutor or teacher. As a result, we can begin to imagine a system where the learner connects up with tutors at various times, but can also do much of the work of learning on her own (or, together, with peers and parents). What would be most helpful to such a reinvented system of learning are a wide variety of levers to assist the learner (and peers, parents and tutors, firms and co-workers) along a wide variety paths to learning. We, therefore, call these new tools: Learning Levers.

2. It's technology: Let the Interactive Rebellion Begin. For such a learning revolution to proceed, of course, we will need a technological revolution as well. And, one is on the horizon if not already upon us. To date, most computers have been linear--yes-no, stringing words and bits together in a line, computing numbers, most triggered by a numerical/alphabetical keyboard. But icons, images, sounds, non-linear information and insights, rolling frames and stop action, interactive multi-media are all coming together. Miniaturization, compacting of data, new means of transmitting images, sound and information, and so much more are upon us. The potential for creating all variety of Learning Levers is a rebellion in the making.

3. It's Interactive Entertainment: Let The Games Begin. Finally, the smashing revolution may be that the real variety (and payoff) is not in the hardware or the systems software of Learning Levers: it's in the content, the programs, the entertainment, the production of the plays and the provision for the interactions with the players. Current estimates are that 1% of the revenues, profits, and jobs are in making the hardware, up to 4% in the systems software, and something like 95% in the content. Imagine if CD's, games, entertainment, interactive multi-media, and all manner of engaging content and multiple pathways to knowledge all came together with the revolution in technology and interactive communication!

Now, here is a potentially burgeoning new industry where the U.S. has a competitive edge on the rest of the world. If the 21st Century is to be an American Century as Ben Wattenburg argues, then Learning Levers could be a key to translating what he assumes is our current cultural dominance into a major economic advance for our firms and for our people. If the 21st century will belong to those firms and nations who learn how to increase productivity in ever expanding service sector as Drucker argues, then Learning Levers could provide the means to increase the skills of all Americans, the productivity of our workforce, and the competitiveness of our firms in the emerging global economy of information and knowledge.

THE WHITE HOUSE

WASHINGTON

March 8, 1994

MEMORANDUM FOR SECRETARY REICH

FROM: Bill Galston, Deputy to the President for Domestic Policy
Paul Dimond, Special Assistant to the President for
Economic Policy

SUBJECT: Update on the Education, Training, and Reemployment
Initiative

We thought you might like an update on our progress since last week's meeting of the Principals' Committee on Education, Training, and Reemployment. As you know, two subgroups of the Principals' Committee have been formed: The Action Working Group, which will focus high level White House attention on legislative and communication strategy, Presidential events, and the timing of major announcements; and the Policy Working Group, which will build on the Workforce White Paper and focus on developing strategies to embrace workforce and economic change.

Both of these sub-groups met for the first time this week. The Action Group will meet on an ad-hoc basis as needed, but will keep in constant contact and share information on events and the legislative process. As enactment of Goals 2000 and School-to-Work already seems certain, a primary focus will be on getting the Reemployment Act through Congress this year.

The Policy Group will meet weekly, focusing on longer-range issue development in areas such as lifelong learning, job creation, competitiveness, and job-changing tools. Within the next four to six weeks, the Policy Group will have identified a number of issues that are crucial to our education, training, and reemployment efforts. At that time, it would be useful to hold a roundtable discussion of these issues, chaired by you and including whomever else you think appropriate. Bill Galston will call you early next week to see if we can set a date for the roundtable and to answer any questions you may have about this process.

Rest assured, however, that none of this policy work will detract from our priority focus on enacting the Reemployment Act. With Gene Sperling's assistance, we are working closely with Tom Glynn, Doug Ross, Geri Palast, and Larry Katz on this; we now do have the full attention of White House Legislative Affairs, Communications, and Scheduling on this priority. Please call either of us at any time if you have any questions, concerns, or suggestions with respect to the proposed Act.

**EDUCATION, TRAINING AND REEMPLOYMENT
POLICY WORKING GROUP MEETING AGENDA
APRIL 21, 1994 6:30pm - 7:30pm
Room 230 OEOP**

I. Update/Discussion on Progress of ETR Policy Subgroups

- Overcoming Discrimination and Extending Networks of Opportunity: Sheryll Cahsin and Bill Dickens will discuss their draft plan (see attached) on how the ETR should proceed on this issue.
- Bill Galston will lead a discussion on Understanding and Accepting the New Economy.

II. Update on progress of other ETR subgroups.

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Discrimination / Job Isolation / Entrepreneurship Working Group

There is much statistical and anecdotal evidence documenting the severe impact that discrimination and economic and social isolation are having on the employment prospects of inner-city minorities. Compounding these problems are the relative lack of workforce preparedness among individuals in this group. A sub-group of the Education Training and Reemployment Working Group proposes to address three key areas that may positively improve labor market conditions for economically and socially isolated communities and people: (1) federal antidiscrimination enforcement policy for employment; (2) strategies to link residents of economically isolated communities with job hiring networks and/or post-secondary education and training; and (3) entrepreneurship and self-employment policies that have the potential to increase minority employment. A fourth critical area that we believe needs to be addressed by some component of the ETR group is workforce preparedness.

The subgroup proposes to engage in the following activities:

Antidiscrimination Enforcement.

1. Conduct or obtain a comprehensive assessment of the state of anti-discrimination enforcement for employment in the federal government. We will begin by having informal discussions with knowledgeable persons both inside and outside the federal government, in an attempt to garner all current material on this subject.

2. Propose additional strategies or improvements to address weaknesses in current enforcement efforts. In particular, we will examine existing enforcement policies with a view to determining whether those policies have any relation to the types of jobs for which economically and socially isolated minorities and first-time entrants into the workforce are likely to be vying. We will place a special emphasis on first-time jobs available to youth. Among the potential additional strategies we would propose are testing programs focused on entry-level jobs.

3. Produce a policy paper, possibly for public release, that documents the impact of discrimination on socially and economically isolated minorities and states proposed actions by the Clinton administration. This paper would be analogous to the Interagency Task Force on Fair Lending Policy Statement.

Strategies to Promote Linkages to Hiring Networks, Post-Secondary Education and Training.

1. Produce a document that recounts the problem definition in detail and states the policy interventions that have been shown to work and that are needed.

2. Assess the extent to which current and proposed policies regarding workforce training, job access and post-secondary education are being implemented in a way that benefits or reaches economically isolated communities.

Entrepreneurship.

1. Assess in more detail the job-creation potential of minority-owned and other businesses for economically and socially isolated minorities. Assess the potential for federal policies to spur the creation and expansion of more of these types of companies and, based upon this assessment, propose federal or other policy interventions.

2. Assess the extent of current minority-business support efforts across the federal government and, where relevant to the focus of this group, propose additional action.

Proposed Invitees to the Subgroup

Justice:	Deval Patrick
EEOC:	Jim Neely (Acting General Counsel) Phil Sklovar (Assoc. General Counsel)
SBA:	Cassandra Pulley
Commerce:	Kent Hughes Larry Parks
WH Counsel:	Cheryl Mills
Labor:	Shirley Wilshire Larry Katz Isaac Shapiro David Levine Doug Ross Bernard Anderson
NEC:	Sheryll Cashin Gene Sperling Peter Yu
DPC:	Donsia Strong
OMB:	Belle Sawhill Chris Edley
HUD:	Roberta Achtenberg
DoEd:	Mike Smith Judy Winston
HHS:	Peter Edelman Dennis Hayashi
CEA:	Bill Dickens Mark Mazure Connie Dunham
NECP:	William Spriggs

Notes on Economic Dissatisfaction
Bill Galston
April 21, 1994

Our current message:

- o Economic change is inevitable and unstoppable. A preservationist policy is doomed to fail. Our best--indeed, only--hope is to open ourselves more fully to the world, with all its competitive rigors.

- o The challenge is to make change our friend, not our foe.

- o We can best meet that challenge by increasing opportunities to acquire knowledge and skill and by guaranteeing basic building-blocks of middle class life such as health care.

Our problem: the public does not yet regard economic change as friendly.

- o A Times-Mirror poll was released last week under the title "Economic Recovery has Little Impact on American Mood."

- o The survey found that more than half of Americans say that they or someone in the family has lost a job, taken a cut in pay or benefits, or is employed where job cuts have taken place.

is this different than the past

- o Only 44 percent are satisfied with their pay, and 51 percent worry about their children not having good job opportunities.

Key difficulties in the current job market that evoke this public response seem to include the following:

- o wage stagnation/appropriation of the lion's share of productivity gains by employers

- o rising income inequality/concentration of wage gains in the upper two deciles

- o increased job insecurity

- o lack of predictable, comprehensible paths of upward mobility

- o replacement of broad "social compact" with ad hoc contractual arrangements, frequently without benefits

The practical issue before us: what can long-term employment/training/labor market policies do to address these and related sources of disaffection from the new economy?

• Wage stagnation may continue because productivity ↑
~~that~~ may not continue

ETR Mtg 4-21-84

Sheryl - Bill - Peter

- Overcoming Discrimination Group
- Work Force Preparation is key to success of this -- most fiction some where
- 3 areas - driven by Sheryl, Bill, Peter
 - each produce document paper on impact of discrimination may want to be publicized policy statement
- Employment Testing an important issue - emerging concept
- Studies in Red Hook section of Brooklyn on how people hear about this?
- Link in School-to-work -- high poverty sections

Bill suggestion -- it would be useful to marshal the statistical evidence behind discrimination as the factual predicate for group's work

Bill Galston - New Economy

↓ Would Stan Greenberg bring something to this -- focus groups, etc.

lots of comfortable big companies & employees breaking up (Military, Communications, etc)

Tamping phenomenon - 3 → 3%.

Jawolistic Phenomenon.

Income inequality, income insecurity

For many reasons, an enormous amount of ~~insecure~~ insecurity out there

Are we doing everything that we can to end this insecurity? To address this insecurity? That's the question.

↓ Is this worth looking at?

- insecurity is enemy of good policy and good politics

Tony: yes - need overall framework

must understand psychological impact of change
Tension between economics of change and psychology of change

- IF economic indicators not changing, why is this insecurity so pervasive.

- More risk ^{today} if you lose your job

Belle Bonnie's Group's Paper lays out the groundwork of this problem not only insecurity, but cynicism about what Govt can do. Lack of faith.

↳ Governance Issue

Kent

① Maybe we ought to modify change message:

① ~~not that~~ re-emphasize change

② change, but things we can do

③:

DATE: April 21, 1994
TO: Bill Galston
FROM: Mike Schmidt
RE: Status of ETR Issue Subgroups

As promised, here is a summary of the status of the ETR issue subgroups:

- **Overcoming Discrimination and Extending Networks of Opportunity.** (Sheryll Cashin, Bill Dickens, Peter Edelman) This group will report at tonight's ETR meeting on their draft plan on how they will proceed on this issue.
- **Implementing Goals 2000, School-to-Work, and the Reemployment Act and Reviewing Performance and Operation of Federal Education, Training, and Reemployment Programs.** (Belle Sawhill, Doug Ross, Mike Smith, and Tom Glynn) The review of federal programs has been underway for some time now, headed up by Belle Sawhill and Mike Smith. However, the question of merging this group's focus with a focus on implementing our education legislative agenda is still up in the air per your request. You said on Monday that you had a call in to Mike Cohen at DOE on this issue, and that we should put this "merger" of issues on hold until you had talked to him. (noodge note: have you talked to him yet?)
- **Productivity and High Performance in the Service Sector.** (Ev Ehrlich, Bo Cutter, Kent Hughes) This group is up and running and will likely have something for the ETR to review at next week's meeting.
- **Improving the Skills of Incumbent Workers.** (Jack Donahue, Leslie Lobel, Mike Smith, Kent Hughes, Tony Carnevale) The Department of Labor will be focusing hard on this issue after the Reemployment Act is further along on the Hill. This group is therefore on hold at the moment, per DOL's request, and will not get rolling for at least a month.
- **Creating a Virtual ETR Group Conference.** (Dave Barram, Kent Hughes) Dave and Kent are working on a proposal for creating an on-going computer network to do our work and fully engage agency staff and resources. They will have a proposal in three to four weeks.
- **Supporting Work and Family in the New Economy.** (Peter Edelman) Peter is working to push this issue at HHS, but is still talking with Paul Dimond to better define the issue. There is also a workload concern at HHS -- with Health Care and Welfare Reform going full tilt, the staff is not there to properly do the work on this. So as of now, the issue of timing is up in the air.

- **ETA Response to NSF Research Proposal for a Human Capital Research Initiative.** (Bill Dickens, Larry Katz, Sheryll Cashin, Belle Sawhill, Tony Carnevale) This group is a result of our briefing last week by the NSF. However, it has yet to be formally created due to an ethical issue raised by the two "chairs" of the group Bill Dickens and Larry Katz: a question has arisen as to whether Larry and Bill, as former and prospective future NSF grant awardees, can actively participate in such an effort under current ethics rules. As of this afternoon, the DOL Counsel has given Larry a green light to participate, and the WH Counsel is supposed to have an answer for Bill by this afternoon. As soon as they get formal OKs, this group will get right to work. **You may or may not want to raise this issue tonight at the meeting, either to get an update from Larry and Bill, to give the group its marching orders if Larry and Bill already have a formal OK, or to discuss the ethical issue in more detail -- for example, given the current politicized situation regarding government ethics, do we want to avoid even the appearance of ethical conflict regardless of ethics laws and rules? I don't think that this situation is as serious as all that, but it is something to consider.**
- **DOD/DOL Seminar on Learning Levers/Technology Transfer.** (Mike Smith, Henry Kelly, Paul Dimond, Lou Finch, Jack Donahue) The agenda for the meeting is being drafted, and the group should have something to report next week. The timeframe we are looking at is on a Saturday 2-4 weeks in the future. Tom Glynn is meeting with John Deutch on a different issue this Monday, but will make this seminar a part of their discussion -- primarily fleshing out what Deutch thinks should be included in the agenda.
- **Understanding and Accepting the New Economy.** (Bill Galston) You will discuss this issue at tonight's meeting.

ETR Tasks for week of April 18

① Liaison with ETR subgroups to discuss deadlines & agendas - see what they will have finished when.

② Meet w/ Galston on how he wants to proceed on his tasks

- my help in drafting - new economy act implementing goals 2000
- he calls Kitty Higgins to reinforce fact that he is main point person - of contact for Reemployment Act - that's why ETR cy group was set up.

~~③ Talk to Kent Hughes about ETR "Virtual Conference"~~

~~④ Agenda for Thurs. Mtg~~

~~⑤ Get Group together for ETR Group response to NSF Agenda~~
- Katz, Dickens, Sawhill, Carverale, Cashin

EDUCATION, TRAINING AND REEMPLOYMENTPOLICY GROUP

<u>Name</u>	<u>Agency</u>	<u>Phone</u>	<u>Fax</u>
Ev Ehrlich	DOC	482-3727	482-0432
Dave Barram	DOC	482-4625	482-3610
John Deutch	DOD	703-695-2381	703-693-2576
Bill Galston	DPC	456-2216	456-2878
Mike Schmidt	DPC	456-2615	456-7028
Mike Smith	DOED	401-3389	401-3095
David Ellwood	HHS	690-7858	690-7383
Peter Edelman	HHS	690-8157	690-7595
Jack Donahue	DOL	219-6331	219-6924
Tony Carnevale	NDCP	703-683-8150	703-548-2383
Bo Cutter	NEC	456-6630	456-1605
Gene Sperling	NEC	456-2620	456-2878
Paul Dimond	NEC	456-2800	456-2223
Sheryll Cashin	NEC	456-2800	456-2223
Belle Sawhill	OMB	395-4844	395-5730
Greg Simon	OVP	456-6222	456-6231
Alicia Munnell	TRS	622-2200	622-2633
Joe Stiglitz	CEA	395-5036	395-6947
Bill Dickens	CEA	395-4597	395-6853
David Kusnet	WH	456-2777	456-2239
Henry Kelly	OSTP	456-6034	456-6023

THE WHITE HOUSE

WASHINGTON

April 13, 1994

MEMORANDUM FOR EDUCATION, TRAINING, AND REEMPLOYMENT
POLICY GROUP MEMBERS

FROM: BILL GALSTON
PAUL DIMOND

SUBJECT: AGENDA FOR APRIL 14 MEETING AND REVIEW OF
ASSIGNMENTS FROM APRIL 7 MEETING

We will meet tomorrow, Thursday, April 14, at 6:30 in Room 230 OEOB. Representatives from the National Science Foundation (NSF) will be at the meeting to give us a presentation on their upcoming research initiative, "Investing in Human Resources: A Strategic Plan for the Human Capital Research Initiative." A copy of the draft executive summary of this report is attached.

Leading the briefing will be Dr. Henry Farber of Princeton. He will present the case for a coordinated, multi-disciplinary research initiative to increase understanding of the nature and causes of existing human resource issues in this country. Dr. Farber is a leading authority on workforce productivity and co-author of the upcoming NSF research initiative.

Issues suggested by NSF for discussion include:

- the advisability of launching such a research initiative;
- the development of an interagency action plan for launching such an initiative, and;
- mechanisms for linking mission-agency research needs to research supported under such an NSF initiative.

In addition to laying out the agenda for tomorrow's meeting, we thought it would be helpful to review the assignments that were handed out at last week's meeting:

● **Overcoming Discrimination and Extending Networks of Opportunity.** Peter Edelman, Sheryll Cashin, and Bill Dickens are putting together a subgroup to look at these issues. This group will report back to us at next week's meeting with a draft plan on how we should proceed on this issue.

- **Productivity of Lifelong Learning.** As we announced last week, pursuant to Secretary Reich's suggestion, this issue will be the topic for our first policy roundtable session, with specific focus on what we can learn from the Department of Defense's investments in learning technology and lifelong learning. Lou Finch, Jack Donahue, Henry Kelly, and Paul Dimond will work to organize this roundtable and will announce a time, date, and location for the event sometime in the next week.

- **Productivity and High Performance in the Service Sector.** Ev Ehrlich, Kent Hughes, and Bo Cutter will prepare a two-page paper on how we should proceed on this issue and will report back to the group at next week's meeting.

- **Understanding and Accepting the New Economy.** Bill Galston is working to flesh out this topic in more detail, and, with Tony Carnevale, will make a proposal for review within the next few weeks. *- 2 page*

next week

- **Improving Skills of Incumbent Workers.** Jack Donahue and Leslie Lobel, with Mike Smith, Kent Hughes, and Tony Carnevale, will propose a process for addressing this issue for review within the next several weeks.

- **Supporting Work and Family in the New Economy.** Peter Edelman will prepare a proposal for proceeding to review these issues with Secretary Shalala.

- **Implementing Goals 2000, School to Work, and the Reemployment Act and Reviewing Performance and Operation of Federal Education, Training and Reemployment Programs.** Belle Sawhill, Mike Smith, Tom Glynn, and Doug Ross will head-up this effort along with Bill Galston and Paul Dimond to assure effective implementation of these pillars of our legislative agenda and to review how all other programs and policies can complement these initiatives. *Bill think piece can be used to catalyze change*

- **Creating a Virtual ETR Group Conference.** Dave Barram will make a proposal within four weeks as to how we can create an on-going network to do our work and to fully engage agency staff and resources. *talk to Kent Hughes*

We can discuss any suggested additions or revisions at the beginning of tomorrow's meeting.

make clear at outset that this is not set in stone

Patricia Jeff

Mike V. Hye
Bill
Fig 2 out --
Seminar to help focus on reviewing existing programs - from outside - hands up catalyze change

Don't set seminar
① This could track through

APR 11 '94 03:02PM SBER

P.2/15

PRELIMINARY DRAFT

DO NOT CITE

EXECUTIVE SUMMARY

INVESTING IN HUMAN RESOURCES:
A STRATEGIC PLAN FOR THE HUMAN CAPITAL INITIATIVE

The human capital of a nation is a primary determinant of its strength. A productive and educated workforce is a necessity for long-term economic growth. Worker productivity depends on the effective use and development of the human capital of all citizens, which means that schools, families, and neighborhoods must function effectively. Unfortunately, there is substantial evidence that the United States is not developing nor using the skills of its citizens as fully as possible. Only if the United States invests wisely in its human resources will it be able to maintain its place in a global economy where human creativity and human skill is increasingly more important than raw materials or physical infrastructure.

This document lays out a research strategy on human capital issues designed to increase understanding of the nature and causes of existing problems and to develop the tools and data necessary to evaluate the effectiveness of policies aimed at improving the human resources of America's citizens. Past scientific research on issues of human capital made a significant contribution to the public understanding of these issues as well as to the specific design of policy. A coordinated, multi-disciplinary research effort, focussed on key theoretical and empirical gaps in the scientific literature, promises substantial future rewards.

Now is a propitious time to launch a major new human capital research initiative. The research community is better prepared than ever before to effectively undertake such an initiative. The policy community has demonstrated a rising interest in these problems and is increasingly looking to the scientific community to help design and evaluate policies aimed at human capital development.

A research agenda in six key areas is proposed.

1. Employing a Productive Workforce

America needs a skilled workforce and the organization of the workplace must fully utilize workers' skills. A human capital research initiative would improve the scientific understanding of how human behavior, group behavior, and organizational structure relate to employment and productivity. Among the key questions: How are workers and jobs effectively matched? How are workers motivated to acquire new skills and how are the skills demanded by employers changing? How are high-performance workplaces best organized?

2. Educating for the Future

Not all of America's youth are being adequately educated. Research focused on education and development of human capital among youth can improve our understanding of the human learning process and how it interacts with school

APR 11 '94 03:03PM SBER

P.3/15

PRELIMINARY DRAFT**DO NOT CITE**

structure and organization. Among the key questions: How can students sustain motivation to learn and perform in school? What organizational reforms are effective in improving student achievement and developing skills that foster life-long learning and productivity?

3. Fostering Successful Families

Families must provide children and adolescents with the resources to become competent adults and productive citizens. Research focused on families can improve our knowledge about the causes and consequences of recent radical changes in America's families. Among the key questions: What is the effect of America's changing family structure on children's development and behavior? What child/adult interactions within families most impact children's development and result in successful parenting?

4. Building Strong Neighborhoods

A neighborhood environment can facilitate or inhibit the life chances and human capital development of its residents. Research focused on neighborhoods can improve our knowledge of the impact of neighborhoods on their residents. Among the key questions: What are the neighborhood-level social processes that determine the nature of peer influences, criminal behavior, or employment? How do neighborhood organizations affect activities and future expectations of children and adults?

5. Reducing Disadvantage in a Diverse Society

America's population is growing in diversity. This creates challenges for workplaces, schools, and public policy. Diversity is also closely linked with disadvantage as certain groups are excluded from economic opportunities. Research in this area can help understand the nature of diversity and overcome the problems of disadvantage. Among the key questions: How and why do humans categorize people into groups? What are the consequences of categorization? What are the causes of group disadvantage and how is it perpetuated?

6. Overcoming Poverty and Deprivation

Problems of poverty and deprivation remain remarkably stubborn among certain groups in the U.S. Research focused on poverty could better define and describe the causes of poverty and help design and evaluate anti-poverty efforts. Among the key questions: What economic changes are causing deteriorating wages among less skilled workers? How have changes in families relate to changes in poverty in the U.S.? How do programs designed to reduce poverty shape the lives of low-income families?

Other Research Needs

In addition to research on the above topics, expanded data collection and development of new methodologies would produce returns for researchers from all disciplines who are involved in investigating various aspects of human capital formation and utilization.

Diamond - Galston Mth 4-14

Urban Study

- new metropolitan forms
- not fiscal
- regional econ realities

✓ April 25th as latest date for HUD to get back

✓

ETR

NSF

- ✓ they want advice from us on how to go
- ✓ want our pressure to NSF to Fund
- ✓ Dickens, Katz, Galston, Diamond → get response to NSF in future

ROD event

- Saturday session
- ✓ back into on prod of leaving

Disconnects

① Can we leverage tech / link to people?
off work time / off school time

② Take advantage of new pathways to learning

VID - Simulation led by Anita Jones
- everyone participate

Reutch - His vision for Future

Summary to Reich, Kelly, Shakh

3-4 hr Saturday Session

① I will liaison with all of the groups, next week to set deadlines/agendas

Service Sector

Do/EU worked out separate group

Incumbent Workers

Do wants to wait on this - longer time frame

Talk to Kent Hughes about
CTR "Virtual Conference" Concept

✓ Will call Kitty --
reinforce fact that
he is main point of
contact for Reemp

(Pass out 60 page draft)

ETR Policy Mtg 4-14-94
NSF
Cora Merritt

- ↓ an emergency initiative on H/C.
- ↓ had been funding some research in H/C area, but with no focus
- ↓ Have now set of research systems, need interest + support of wide variety of people
- ↓ Trying to find way in which agenda can be broadened

Hook
result of NSF
together - social scientists
- broke up into sub-groups
- lots of academic backgrounds
represented

Trying to get underpinning of what
we know the design program is
address key problems

Leelle

Govt in business of getting other actors/
institutions to provide services & solve
problems. — Leverage

How does Fed Govt leverage other
actors effectively to make change
happen in real ways at local level.
need help



Issue of incentives

NSF Agenda is multi-discipline effort

Look at underpinnings of knowledge
& resources that are at foundation of curricula,
issues/programs/policies

Tong-Lant-Bo

Need framework to ^{bind} ~~set~~ this together

Plan
ETR Sub group to come up with
framework that agenda could fit
under — therefore, both NSF & Admin
can profit.

NSF would welcome such input
from ETR (as from Foundations, etc)

what will be a useful agenda for today &
future.

NIH - Translational research linking disciplines

↳ NSF ~~not~~ trying this approach too

Belle - Find out where the gaps are in
knowledge in critical areas

Get Back to ETR with
our own suggestions
to NSF on agenda

matter of weeks

EDUCATION, TRAINING AND REEMPLOYMENTPOLICY GROUP

<u>Name</u>	<u>Agency</u>	<u>Phone</u>	<u>Fax</u>
Ev Ehrlich	DOC	482-3727	482-0432
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Mike Schmidt	DPC	456-2615	456-7028
Gaynor McCown	DPC	401-1120	401-0596
Mike Smith	DOED	401-3389	401-3095
David Ellwood	HHS	690-7858	690-7383
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Chris Edley	OMB	395-3120	395-4639
Barry White	OMB	395-4532	395-1596
Greg Simon	OVP	456-6222	456-6231
Alicia Munnell	TRS	622-2200	622-2633
Joe Stiglitz	CEA	395-5036	395-6947
Bill Dickens	CEA	395-4597	395-6853
David Kusnet	WH	456-2777	456-2239
Henry Kelly	OSTP	456-6034	456-6023

**EDUCATION, TRAINING AND REEMPLOYMENT
POLICY WORKING GROUP MEETING AGENDA
APRIL 28, 1994 6:30pm - 7:30pm
Room 230 OEOB**

Presentation/Discussion of Goals 2000 and School-to-Work

With the recent passage of Goals 2000 and the soon-to-be-signed School-to-Work Act, we thought it would be appropriate to hear a presentation from the Department of Education and the Department of Labor on these two important pieces of legislation.

ETR Policy Mtg 4-28-94

Gossie Kaphen, Leslie Ede - Presentation
on Goals 2000 & School-to-Work.

Goals 2000

aside from symbolic events/bully pulpit,
Fed Govt has been irrelevant or an obstacle
to ed reform.

only 6¢ on every dollar of ed spending
comes from Fed govt

- sets much higher standards for
what students should know - model/5/
benchmarks
- Encourages states to set higher
standards

- waiver provisions/ Flexibility
demonstration programs - -
States will get power to
use waiver authority on
their own.

asked states to develop their own reform
plans - - we kept out framework
- shows how you will move from
small # of reform schools to
statelike reform

School-to-Work

- Pilot Projects for standards Boards --
16 in ED - 6 in Labor
- Trick is for standards to be written in way that capture futuristic (or at least up-to-date), high performance standards -- not old ways of doing business

Example — Any tech. Electronics
— surveyed member businesses

- 3 broad pcc. areas / standard areas
- technical
- admin / support services
- sales and service

School to Goals -

- both broad authorities
- joint implementation
- not just targeted

Huge marketing job, to bring Employers,
Schools, parents on board

a new role for the Fed Govt:
Marketing - the Fed Govt ~~can't~~
doesn't have the \$ to force
states to change.

Kent - Brochure to motivate
Parents - - here's what other
countries kids are doing.
here's what we are doing - -
encourage parents to demand
action

GOALS 2000: EDUCATE AMERICA ACT
SUPPORTING SYSTEMIC EDUCATION REFORM NATIONWIDE
April 7, 1994

OVERVIEW

- o Goals 2000 provides resources to states and communities to develop and implement comprehensive education reforms aimed at helping all students reach challenging academic and occupational skill standards.

LEGISLATIVE UPDATE

- o On March 23, the House of Representatives approved the final Goals 2000 bill with a bipartisan vote of 306-121. On March 26, the Senate approved Goals 2000 with a 63-22 vote.
- o The President signed the bill into law March 31, 1994.

TIMETABLE AND FUNDING

- o Congress has appropriated \$105 million for Goals 2000 for fiscal year 1994. First-year funds will be available to the states on July 1, 1994. The President has asked for \$700 million in his 1995 budget proposal to be administered by the Department of Education and \$12 million for the Department of Labor to support the National Skill Standards Board.
- o For first-year funding, state educational agencies (SEAs) will be asked to submit an application that will describe the process by which the state will develop a school improvement plan and how the SEA will use the funds received, including how the SEA will make subgrants to local educational agencies (LEAs) and awards for education preservice programs and professional development.
- o In year one, SEAs will use at least 60 percent of the allotted funds to award subgrants to LEAs for the development or implementation of local improvement plans, and to make awards for education preservice programs and professional development activities.
- o In succeeding years, at least 90 percent of each state's funds are to be used to make subgrants for the implementation of the state and local improvement plans and to support educator preservice and professional development.
- o In year one, LEAs will use at least 75 percent of the funds they receive to support individual school improvement initiatives. After year one, LEAs will pass through at least 85 percent of the funds to schools.

COMPONENTS OF THE "GOALS 2000: EDUCATE AMERICA ACT"

National Education Goals

- o Codifies in law the original six National Education Goals -- concerning school readiness, school completion, student academic achievement, leadership in math and science, adult literacy, and safe and drug-free schools -- and adds two new goals encouraging parental participation and professional development of teachers.

National Education Reform Leadership, Standards, and Assessments

- o Establishes in law the National Education Goals Panel which will: build public support for the goals; report on the nation's progress toward meeting the goals; and review the voluntarily-submitted national content, student performance, and opportunity-to-learn standards, and the criteria for certification of these standards developed by the National Education Standards and Improvement Council (NESIC).
- o Creates NESIC to examine and certify voluntary national and state content, student performance, and opportunity-to-learn standards, and assessment systems submitted by states and content groups on a voluntary basis.
- o Authorizes grants to support the development of voluntary model opportunity-to-learn standards as well as assessment systems aligned to state content standards.

State and Local Education Systemic Improvement

Title III is a state grant program to support, accelerate, and sustain state and local improvement efforts aimed at helping all students reach challenging academic standards.

State Planning Panel

- o The Governor and the Chief State School Officer will each appoint half the members of a broad-based panel comprised of the chair of the state board of education and the chair of the appropriate authorizing committees of the state legislature, teachers, principals, administrators, parents, representatives of business, labor, and higher education, and members of the public.
- o States that already have a broad-based panel in place that has made substantial progress in developing a plan may request that the Secretary of Education recognize the existing panel.

Comprehensive Improvement Plan

- o The State Planning Panel is responsible for developing a comprehensive reform plan.
- o States with reform plans already in place that meet the Act's requirements will not have to develop new plans for Goals 2000. The Secretary may approve plans, or portions of plans, already adopted by the state.
- o In order to receive Goals 2000 funds after the first year, a state has to have an approved plan or have made substantial progress in developing it.
- o A peer review process will be used to review the state plans and offer guidance to the State Planning Panel. The Department of Education also will offer other technical assistance and support.

In general, the plans are to address:

- o Strategies for the development or adoption of content standards, student performance standards, student assessments, and plans for teacher training.
- o Strategies for providing all students an opportunity to learn at higher academic levels.
- o Strategies for improved management and governance, and for promoting accountability for results, flexibility, site-based management, and other principles of high-performance management.
- o Strategies to involve parents and the community in helping all students meet the challenging state standards and for promoting grass roots, bottom-up involvement in reform.
- o Strategies for ensuring that all local educational agencies and schools in the state are involved in developing and implementing needed improvements.
- o Strategies for assisting local educational agencies and schools to meet the needs of school-aged students who have dropped out of school.

Funds also will be available to states to support the development of a state technology plan, which will be coordinated with the overall reform plan. This plan is to describe how states will use technology to support systemic reform and the achievement of high standards.

Local Planning Process

- o LEAs may use Goals 2000 funds to develop or implement a local improvement plan. As is true for the state, LEAs will be asked to develop broad consensus regarding the improvement plan.
- o LEAs will encourage and assist schools in developing and implementing reforms that best meet their particular needs. The local plan would include strategies for ensuring that all students meet the academic standards developed by the states.

National Skill Standards Board

- o This title creates a National Skill Standards Board to serve as a catalyst in stimulating the development and adoption of a voluntary national system of occupational skill standards and certification that will serve as a cornerstone of the national strategy to enhance workforce skills. The Board will be responsible for identifying broad clusters of major occupations in the U.S. and facilitating the establishment of voluntary partnerships to develop skill standards for each cluster. The Board will endorse those skill standards submitted by the partnerships that meet certain statutorily prescribed criteria.

WAIVERS

- o State educational agencies (SEAs) may apply to the Secretary of Education for waivers of certain programmatic requirements of Department of Education programs that impede the implementation of the state or local implementation plans. SEAs may also submit waiver requests on behalf of LEAs and schools.
- o The Secretary may select up to six states for participation in an education flexibility demonstration program, which allows the Secretary to delegate his waiver authority to SEAs.
- o The Act specifies certain statutory and regulatory programmatic requirements that may not be waived, including civil rights laws.

THE RELATIONSHIP OF GOALS 2000 TO OTHER FEDERAL EDUCATION PROGRAMS

- o State participation in all aspects of Goals 2000 is voluntary, and is not a precondition for participation in other Federal programs.

- o Goals 2000 is the first step toward making the Federal government a supportive partner in state and local systemic reforms aimed at helping all children reach higher standards.
- o Other new and existing education and training programs will fit within the Goals 2000 framework of challenging academic and occupational standards, systemic reform, and flexibility at the state and local levels. The aim is to promote greater coherence among Federal programs and between Federal programs and state and local education reforms.
- o For example, the pending School-to-Work Opportunities Act will support state and local efforts to build a school-to-work transition system that will help youth acquire the knowledge, skills, abilities, and labor-market information they need to make a smooth transition from school to career-oriented work and to further education and training. Students in these programs will be expected to meet the same academic standards states establish under Goals 2000 and will earn portable, industry-recognized skill certificates that are benchmarked to high-quality standards such as the skill standards that will be established under Goals 2000.
- o Similarly, the Administration's proposed reauthorization of the Elementary and Secondary Education Act of 1965 (ESEA) allows states that have developed standards and assessments under Goals 2000 to use them for the ESEA, thereby providing a single set of standards and assessments for states to use for their reform needs and to meet Federal requirements.
- o In the future, the Administration's proposals for the reauthorization of education programs also will fit within the same framework of challenging standards and comprehensive reform.

revised 4/7/94

THE WHITE HOUSE

WASHINGTON

April 6, 1994

MEMORANDUM FOR EDUCATION, TRAINING AND REEMPLOYMENT POLICY

See Attached Distribution

FROM: BILL GALSTON
PAUL DIMOND

SUBJECT: AGENDA FOR APRIL 7 MEETING

We will meet tomorrow, Thursday, April 7, at 6:30 in Room 230 OEOB. We will decide areas for priority attention and next steps, as well as the timing and substance of the policy seminars with the Secretaries.

Areas for priority attention that have been discussed to date include:

- Overcome Discrimination in and Isolation from Networks for Job Hiring and Upward Mobility for Minorities; Encourage Minority Enterprise and Entrepreneurial Opportunities
- Improve Skills and Opportunities for Incumbent Workers -- including (a) leveraging learning at work, with on-the-job training, through firm consortia, and with colleges/universities and (b) improving job-changing networks, hiring halls, work-to-work transitions
- Improve Productivity of Learning -- including through use of technology and National Information Infrastructure; implementing Goals 2000 and School-to-Work; leveraging time at home with family and friends or in the workplace with peers with time at school, in college, or connecting with other providers of learning experiences or coaching; more active learning in context of work, apprenticeship, or school-to-work transition)
- Improve Productivity and Consider the Relevance of High Performance Workplaces in the Service Sector
- Evaluate Administration Policies Concerning Family, Work, Productivity, Jobs, and Living Standards, and Consider how These and Other Possible Alternative Strategies Can Help Americans Understand and Accept the Changing American Economy

These suggestions are illustrative only. We will discuss these and any additional suggestions (or redefinitions) at tomorrow's meeting. To help you review all of the issues that this group has touched on so far, we have included a list of the issue paper topics that have been discussed over the past six weeks and the Issue Matrix created by the Workforce Policy Group.

In addition to defining substantive areas of priority attention, we will also need to determine how we wish to proceed. We have already created a subgroup to conduct a thorough review of the performance, operations, and value of existing federal education, training, and reemployment programs, and to come up with possible alternatives to this web of programs consistent with the vision of Goals 2000 and the Reemployment Act. After we have agreed on other areas of priority attention, we will need to determine how to proceed on these issues -- e.g. through additional subgroups, individual assignments, or seminars with the Secretaries.

Finally, Dave Barram and Bo Cutter have suggested that we create an on-going conference through "Communications Groupware." In addition to allowing us to communicate more regularly with one another on-line as our busy schedules permit, this might also help us to build cooperative, interagency alliances that can thrive apart from the substance of our work and the process of our regular, weekly meetings. One of our challenges is finding the means to integrate the interagency focus of our policy development into the on-going work of each agency: as many private firms are learning, we can now consider facilitating the evolution of agile, changing, cross-agency teams through such communications groupware. What better place to learn about such a potential revolution in productivity in the service sector than in our own work? Dave Barram will take the lead in figuring out how to proceed to implement such an approach.

We look forward to seeing you tomorrow night.

cc: Bob Rubin
Carol Rasco
Bo Cutter
Gene Sperling

ETR POLICY GROUP ISSUE PAPER TOPICS

Papers Discussed at ETR Policy Meetings

- Minority Entrepreneurship
- A Strategic Framework for Workers and Firms to Embrace Change
- Incumbent Workers -- A Strategy for Continuous Learning and Improving Earning
- Overcoming Discrimination; Human Service Support for Families to Facilitate Learning, Work, and Earning
- Department of Defense -- Lifelong Learning, Job Changing to Private Sector, Technology as a Lever to Promote Productivity of Learning
- Beyond (or Outside) the Matrix -- A Conceptual Strategy

Background Papers Not Discussed

- Lifelong Learning
- Job-Changing Tools
- Growth Strategy for Competitiveness and Good Jobs
- How to Address Inner-City Labor Market Problems
- A Process for Answering the Question: "Where are the Jobs?"
- A Cross-Cutting Outline -- How are we Doing on the Horizontal Axis?
- Three Examples of Looking Over the Horizon to Develop Policy

	Life Long Learning	Job Changing Tools	Competitiveness and Good Jobs	Where are the Jobs?
Problem Definition	A	F	K	P
Policy Development	B	G	L	Q
Proposed Legislation (scanning, communications, congressional)	C	H	M	R
Existing Legislation	D	I	N	S
Implementation	E	J	O	T

ETR Policy Group - 4-7-94

I Issues to focus on

- (1) Overcoming Discrimination - ones we listed
- deals with Sheryl's piece, defends piece
 - does not deal with public jobs
 - program proposals, etc.

Comments

- Too narrow? Expand legal inquiries to include other disadvantaged populations (poor, welfare recipients, etc)
- disadvantaged populations ^{minorities} _{non-minorities}
- Disables clearly face discrimination
- what about preparation & transition of disadvantaged populations to work
 - ↳ David Patrick
 - ↳ Asst. Council w/ for Civil Rts
 - ↳ Sheryl take lead on this one
 - Peter Edelman, Bill Rickens come up w/ Game Plan

(2) Improve Skills of Incumbent Workers

- Jack's paper as basis
- Bo's question on how to leverage this stuff
- Consortia of firms to do training
- Networking questions

(3) Productivity of Learning

First
Sec Rec. proposed next ~~sec~~ session
led by DOD / Deatch -- look at
how Fed spending on DOD staff has
paid off in technology of training --
Lifetime Learning, etc.

ATP, NSF, etc, link up
Govt action in learning technology
can learn the most from DOD

DOD Excited about it

Structure session ~~in~~ in way that allows
us to focus on transferability,
other difficult questions

Video - Games transfer to Learning technology for kids?
Learning/Training technology?

- Subgroup to plan this session

Jon Finch

Paul Dinnon

Henry Kelly

others?

- meet next wk

- next steps/follow up

- what session look like?

④ Service Sector HP

lots of energy, effort focusing on
Manufacturing Sector -- What is transferred
to Service Sector? What's going on?
- measurement of service sector productivity faulty?

2 sided approach
① measurement side
② productivity

Service Sector prod ↑ due to ↑ in scale? Health,
Financial Sectors particularly hard to measure

- Service Sector aspects of manufacturing
companies a good example.

Paul, BU, course, Bo? - Form Ramp Group,
report back in 3 weeks on whether
or not this group needs to focus on it.

~ we don't know what's out there,
what we should do, if anything

⑤ Understanding the Changing Economy

Times mirror fall

- people thought economy doth, but more concerned about their own jobs
- anxiety over transition to new economy

Productivity & income inequality?

2 questions

- do we have ^{adequate} strategies to make sure
we bring everyone along

- How do we make case that
we've done that

- Dislocation

- Gap between need for Reducers & Training, & we
have to try and move this along



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

SENIOR ECONOMIST

May 4, 1994

MEMORANDUM FOR DISTRIBUTION

FROM: BILL DICKENS, CEA
LARRY KATZ, DOL

SUBJECT: Comments on NSF Human Capital Proposal

The Sub-committee of the Education, Training and Reemployment Task Force considering the NSF Human Capital Proposal met today, briefly discussed the proposal. The group agreed to prepare a draft letter to the NSF as our next step. The letter will cover our enthusiasm for the project, comments on the proposal, and possibly ideas we might have about how to improve communication between NSF social science researchers and policy makers. We agreed to the following time table for work:

Friday, May 6	All comments into Bill Dickens by noon.
Wednesday, May 11	Dickens and Katz circulate draft letter to NSF.
Tuesday, May 17	Meeting (if necessary)
Wednesday, May 18	Draft letter passed to task force.

So that we might keep to this schedule please communicate any comments you have on the proposal, or any suggestions you have for improving communications between researchers and policy makers, to Bill Dickens by noon on Friday.

As background for thinking about this proposal I've attached some figures on research budgets at the NSF. Although the budget request for the human capital initiative has not been determined it would almost certainly be less than 30 million. This would be a significant increase for the behavioral sciences which receive considerably less than other areas. The NSF budget should also be compared to the budgets for other research agencies with substantial research missions such as NIH (11 billion) and NASA (14 billion).

Attachment

RESEARCH AND RELATED ACTIVITIES**\$2,348,700,000**

The FY 1995 Budget Request for the Research and Related Activities (R&RA) appropriation is \$2,348.70 million, an increase of \$180.00 million, or 8.3 percent, over the FY 1994 level of \$2,168.70 million, excluding funds for Major Research Equipment. In FY 1995, R&RA will support activities that produce new knowledge necessary to address a range of national priorities and to advance our understanding of many types of scientific phenomena and technological processes. These activities also contribute directly to strengthening the scientific and technical workforce and represent a vital investment in the nation's future.

(Millions of Dollars)

	FY 1993		FY 1994		Change	
	Actual		Current Plan	FY 1995 Request	Amount	Percent
Biological Sciences	271.33		288.78	313.94	25.16	8.7%
Computer and Information Science and Engineering	215.60		240.58	273.50	32.92	13.7%
Engineering	266.06		298.17	320.41	22.24	8.6%
Geosciences	381.80		403.87	443.09	39.22	9.7%
Mathematical and Physical Sciences	585.88		619.85	657.72	37.87	6.1%
Social, Behavioral, and Economic Sciences	90.67		98.25	112.81	14.56	14.6%
U.S. Polar Research Programs	180.76		188.10	182.83	4.73	3.0%
U.S. Antarctic Logistical Support Activities	63.43		62.60	62.60	0.00	0.0%
Critical Technologies Institute	1.00		1.50	2.00	0.50	33.3%
Major Research Equipment 1/	[34.07]		[52.00]	0.00	[70.00]	[-100.00%]
TOTAL R&RA	\$2,046.32		\$2,168.70	\$2,348.70	\$180.00	8.3%

1/ Major Research Equipment (MRE) appropriation is proposed in FY 1995 to fund the construction of major research equipment currently funded through the Research and Related Activities appropriation. For comparability, the FY 1993 and FY 1994 amounts for these construction projects are shown in MRE.

The Research and Related Activities appropriation funds a broad range of activities focused on strengthening the nation's scientific, mathematical, and engineering research enterprise.

- The Biological Sciences (BIO) Activity promotes understanding of the underlying principles and mechanisms governing living organisms. Research areas include analyses of the genetic and molecular processes underlying all life; the use of cutting-edge tools to understand organismal development and behavior; modeling of the interrelationships among organisms and the environment in which they live; and the development of new instruments and databases for the biological sciences. The 8.7 percent increase in FY 1995 will primarily support research in the U.S. Global Change Research Program and High Performance Computing and Communications, allowing enhanced support for research on biodiversity and the environment, Long Term Ecological Research sites, and the establishment of a Center for Ecological Analysis and Synthesis.
- Research in the Computer and Information Science and Engineering (CISE) Activity is directed at information processing in the broadest sense, ranging from fundamental theory of computing to systems architecture and engineering. In addition, significant attention is devoted to advanced computer and communications facilities providing services for the general research and education community. The 13.7 percent increase in FY 1995, directed toward the High Performance Computing and Communications initiative, enhances support for its Information Infrastructure Technology and Applications component, increases high performance computing

SOCIAL, BEHAVIORAL AND ECONOMIC SCIENCES**\$112,610,000**

The FY 1995 Budget Request for the Social, Behavioral and Economic Sciences (SBE) Activity is \$112.61 million, an increase of \$14.36 million, or 14.6 percent, over the FY 1994 Current Plan of \$98.25 million.

(Millions of Dollars)

	FY 1993 Actual	FY 1994		Change	
		Current Plan	FY 1995 Request	Amount	Percent
Social, Behavioral and Economic Research	65.64	70.61	83.87	13.36	18.9%
International Cooperative Scientific Activities	13.25	15.71	16.71	1.00	6.4%
Science Resources Studies	11.78	11.93	11.93	0.00	0.0%
Total, SBE	\$90.67	\$98.25	\$112.61	\$14.36	14.6%

Modern life has been and continues to be profoundly transformed by such widely diffused research-based innovations as probability sampling methods, longitudinal survey techniques, and industrial quality-control methods. It has also been affected by an enhanced understanding of the bases of visual and auditory perception, the aging process, the roles of families and schools in the development of cognitive skills, the causes and consequences of violence and social inequality, the dynamics of inflation, and the conditions under which societal institutions can change over time. By understanding the world around us and how individuals cope, we can enhance individual productivity and improve the quality of life nationally.

The SBE Activity addresses a range of important national issues across the social, behavioral and economic sciences. Subject matters vary from global commerce and conflict to individual memory and motivation, and from changes in individual behavior to the environments in which change takes place. SBE enhances access to international opportunities in science and engineering in conjunction with other NSF research and education efforts. It also serves as the nation's principal source of data on science and engineering resources.

SBE programs are designed to perform three major functions:

- Develop basic scientific knowledge about human behavior, culture, interaction, and decision-making, and about social, political, and economic systems, organizations, and institutions;
- Advance the U.S. science and engineering enterprise by promoting healthy international relationships and enhancing the work of U.S. researchers through cooperative activities with foreign scientists, engineers, and their institutions; and
- Collect, analyze, and publish data on the status of the nation's science and engineering resources.

An example of the caliber of SBE research is:

- In 1993, two U.S. economists, Robert W. Fogel of the University of Chicago, and Douglass C. North of Washington University in St. Louis received the Nobel Prize in Economic Science for their contributions to economic history for work supported in part by NSF. They are credited with developing research methods based on rigorous economic theory and quantitative analysis of large-scale data bases. Their research reshaped and enriched our understanding of the economics of slavery in the ante-bellum South, the decline of hunger and the lengthening of life spans in Europe and America, and the contribution of railroads to the American economy.

Table C

FY 1994-1995 U.S. GLOBAL CHANGE RESEARCH PROGRAM

Budget by Framework
(Dollars in Millions)

	Total Budget		Observing the Earth System				Managing Data and Information		Understanding Processes		Predicting Change		Evaluating Consequences		Assessing Policies and Options	
			Space-based		Ground-based											
	1994	1995	1994	1995	1994	1995	1994	1995	1994	1995	1994	1995	1994	1995	1994	1995
Agency Totals	1,443.9	1,514.5 f	579.8	702.7	25.4	30.5	277.4	382.0	456.3	530.7	49.5	67.1	38.6	67.1	16.7	34.7
DOC/NOAA	61.0	64.0			8.4	10.4	4.4	4.4	39.1	66.7	10.5	22.4			0.6	0.6
DOD	5.7	6.4							4.1	4.7	1.6	1.7				
DOE	99.1	126.1 a					2.2	2.1	61.2	97.4	21.9	28.8			1.9	1.8
DOI	33.4	31.0			2.2	2.6	7.0	7.4	15.8	15.0			6.5	6.0		
EPA	27.4	31.8 b			1.5	1.6		1.8	9.4	10.1	4.3	4.3	10.4	11.0	1.3	1.8
HHS	1.2	25.5 c											15.0	25.0	0.4	0.5
NASA	1,021.5	1,285.6	579.8 g	700.7 g			261.9 h	363.7 h	872.2	162.1	7.7	7.1				
NSF	841.9	297.5 d			7.4	10.0	1.5	3.4	814.6	151.7	3.5	50.8	3.6	8.6	9.4	23.0
Smithsonian	7.3	7.3			2.3	2.3			3.8	3.8			1.0	1.0	0.2	0.2
TVA	0.3	1.0 e							0.6				0.3	0.4		
USDA	49.1	39.4			3.1	3.6			31.4	38.9			13.0	15.1	0.1	0.8

NOTES

The categorization of programs within the elements of the USGCRP Research Framework has been provided from the author's offices of the Changing Planet, and cannot be compared directly with previous element totals.

Figures include budgets from some previously established programs now incorporated in USGCRP.

- a (DOE) 27.3
- b (EPA) 2.1
- c (HHS) 24.0
- d (NSF) 0.8
- e (TVA) 0.6
- f (Total) 15.2

g Figures include 133 U.S. (\$796) and 9-USA. (\$795) for NASA's Global Change Research (GCR).

h Figures include 128.7 (\$796) and 128.7 (\$795) for NASA's EOS Data and Information System (EOSDIS).

Figures may not add in totals due to rounding to the nearest 0.1 million.

Figures may not add in totals

Health (HHS)
Smithsonian
Agriculture (USDA AR
USDA (FS, SCS)
EPA
DOI
DOC/NOAA
Natural Resources & En
DOE
TVA
NSF
General Science, Space
NASA
Library

TOTAL

Budget Function

FY 1994



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

SENIOR ECONOMIST

May 17, 1994

MEMORANDUM FOR DISTRIBUTION

FROM: Bill Dickens, CEA
SUBJECT: Letter from ETR group to NSF

Here are the draft letters and comments for NSF. Please send me any comments on them by Thursday.

Attachments

DISTRIBUTION:

Joseph Stiglitz
Paul Dimond
Gene Sperling
Bo Cutter
Mike Schmidt
Bill Galston
Mike Smith
Peter Edelman
Henry Kelley
Alicia Munnell
Ev Ehrlich
Belle Sawhill

FAX:

CEA (395-6947)
NEC (456-2223)
NEC (456-2878)
NEC (456-1605)
DPC (456-7028)
DPC/WH (456-2878)
DED (401-3095)
HHS (690-7595)
OSTP (456-6023)
Trs (622-2633)
DOC (482-0432)
OMB (395-5730)

8 pages

May XX, 1994

Mr. Neil Lane
National Science Foundation
4201 Wilson Boulevard
Arlington, Virginia 22230

Dear Mr. Lane:

The White House inter-agency task force on Education, Training and Reemployment is happy to have had the opportunity to review the National Science Foundation's proposal for its Human Resources Initiative. We are very impressed and excited by this proposal and hope that work can begin on this initiative as soon as possible.

As you know, the Clinton Administration agenda for putting people first is fundamentally concerned with developing our nation's human resources through a wide range of education, training and reemployment policies. We can think of no higher research priority than increasing our understanding of how this work can be done better. NSF funded research has been important in informing the development of administration policies and we look forward to the wealth of knowledge the human resources initiative promises.

We are impressed with the full range of substantive issues the NSF plans to address in this initiative. For example, the administration is very interested in ways to improve educational productivity. The work that is proposed on education for the future -- especially conceptualizing and measuring educational success -- can contribute to this long-run effort. The administration has already taken a number of steps to address the problems of the inner cities. Since no one has been able to demonstrate a single strategy which guarantees success, we have adopted a number of different approaches. We see the proposed NSF sponsored research on the problems of inner-city schools and labor markets as an important compliment to our policies. We must study what works and evolve an solution to our urban problems. Finally, the Administration's education and labor market initiatives were designed, in part, to address the problems of inequality of opportunity which have worsened over the last fifteen years. It will be important to monitor the systemic effects of these programs to determine if they have been effective. The proposed data gathering efforts and plans for the continued study of the sources of inequality are essential if we are to learn from our successes and failures.

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There are many more examples of ways in which we see the Human Resources Initiative as complimenting the policy work of the Administration. We are fully supportive of this effort and our only regret is that this important work could not have begun earlier. To that end, if there is anything we can do to expedite this initiative please do not hesitate to request our help. We look forward to NSF's rapid implementation of this proposal.

Sincerely,

Paul Dimond
National Economic Council
Co-Chair, ETR Task-force

William Galston
Domestic Policy Council
Co-Chair, ETR Task-force

May XX, 1994

Dr. Cora Merit
National Science Foundation
4201 Wilson Boulevard
Arlington, Virginia 22230

Dear Dr. Merit:

Thank you again for meeting with our Employment, Training and Reemployment Task-Force. We are very impressed with the Human Resources Initiative and hope that you can get this important work under way as soon as possible.

As we promised when we met, we have included our letter of support and our comments on the proposal. We also promised to provide some suggestions on how to improve communications between NSF researchers and the policy community. After some discussions of this question we decided not to make any specific recommendations. We strongly encourage you to move in this direction, but we feel that the NSF is in the best position to determine how to go about this. We feel it is essential to protect the integrity of the NSF peer review process and to respect the fact that scientific research agendas have to flow, to a large degree, from the internal dynamics of the sciences. NSF can best develop mechanisms for dialog which reflect these concerns.

Please contact us if there is anything we can do to expedite the development of the Human Resources Initiative.

Sincerely,

Paul Dimond
National Economic Council
Co-Chair, ETR Task-force

William Galston
Domestic Policy Council
Co-Chair, ETR Task-force

ETR Task-Force Comments on NSF Human Resources Initiative

Our internal review of this document generated considerable excitement. It also generated a number of comments which we pass along in the hopes of improving the proposal. In addition to a number of specific comments on the components of the current proposal there was concern expressed by a number of people about the focus of the proposal -- that no main organizing theme was apparent. We would like to suggest a way of reorganizing the proposal. This reorganization would not change the content of the proposal -- we believe the people writing it probably had this in the back of their minds so that most of the specific areas of research are already covered. However, it would improve the focus.

Much of the motivation for existing research and proposed research is understanding the profound changes that our society and economy are now going through. Our society is globalizing, our technology is changing the structure of our economy, and these changes are fundamentally altering the nature of our human resource needs and consequently the demands on our schools and social institutions. If the social sciences are to serve our policy needs for the rest of this decade and into the next century, we must develop a knowledge base on 1) the nature of these changes and where they are taking us, and 2) where the levers for improving outcomes are. We would recommend that the proposal be refocused towards addressing these two questions.

- **What is the Nature of Change and Where it is Taking Us?** We need to understand the dimensions of social change and its implications for human resource needs. We also need to know where the changes are taking us and the implications for future needs. Further, we need to know how effective the institutions which determine the supply of human resources are in coping with these changes. Are our schools, firms, families, churches and neighborhood organizations doing what needs to be done to prepare everyone to participate meaningfully in the society and economy that is emerging?
- **Where are the Levers for Change?** Ideally, research will not only describe what has happened and what is happening, but will give us the knowledge needed to change outcomes. Our human resource needs should be met in a way which supports economic growth while moving us towards a more equitable distribution of wealth and participation. It would be particularly helpful if researchers were cognizant of the limited resources available to government to affect change and concentrated on identifying "leverage points" -- places where small changes in available resources might bring about large changes in outcomes. For example, it may not require a large incentive to induce changes in the way a system is organized that have large effects on the outputs of that system.

Specific Comments:IV.1. Employing a Productive Workforce, Effective Matching
Between Workers and Jobs.

How do government systems of income support, training, and reemployment support influence how efficiently human resources are used. Cross-national comparative studies of this question would be particularly interesting.

IV.1. Employing a Productive Workforce, Effective Organization of
the Workforce.

In this section we believe that too much emphasis has been placed on doing further studies to establish what we already know and too little emphasis on addressing the important questions that the existing literature raises. Many studies have demonstrated the productivity enhancing effects of "high performance work places." A few of these studies convincingly establish this. What we don't know is 1) what is the range of organizations which can benefit from such practices (large vs. small, manufacturing vs. service, etc.), and 2) do changes in management have a one time effect on the level of productivity in the workplace or do they affect the rate of increase in the productivity in the workplace? If they affect the rate, what is the mechanism?

IV.2. Education for the Future

The discussion in this section suggests the issue of productivity in education but does not directly address it. We believe that it is important to: 1) support research on the measurement of educational productivity, 2) identify strategies for increasing educational productivity within the context of existing institutions, and 3) support research which explores the potential in non-traditional ways of providing education -- in particular the role that might be played by new technologies including the information infra-structure. This last point is meant to capture the growing interest in "life-long-learning." Do we need 'life-long-learning' now more than in the past and how should society provide it?

The section discusses the need for research on skill needs. We would hope that such research would focus, at least in part, on identifying skill needs in terms of market rewards. We know, for example, that the relative return to a college education has gone up considerably in this country over the last 15 years. We do not know what aspects of a college education are increasing in value or why.

Missing Agenda Item Under Section IV. -- Education and Growth

The new growth theory literature has established that human resources play an important role in economic growth, but leave considerable uncertainty about the nature of this role. Is human capital just another input to a standard production function, or does it play an important role in a more complicated process involving economies of agglomeration? The importance of this question can not be overemphasized as the social return to human capital investment can be orders of magnitude larger in the second case than in the first case. Further, since external economies play a large role in models of the second type, the likelihood of a significant role for social policy is greater in the second case and the importance of understanding the mechanism is greater.

V. Data

We are convinced of the need to devote additional resources to gathering data on human resources. In particular, given the many changes this administration is undertaking the areas of education, training, and welfare reform, it is essential that a new youth cohort of the National Longitudinal Survey should be undertaken so that changes in the labor market experience of new entrants can be studied. We also believe that it is essential that we explore the development of longitudinal data that links information on employers with employees. This is particularly important for understanding the provision and effects of on-the-job-training, and the effects of new forms of work organization.

VI. Methodology

We are far less convinced of the case for spending additional resources on the development of new statistical methodologies. The examples given in the proposal -- "Analytical techniques for dynamic questions" and "Models that link individual behavior to family and environmental characteristics" -- seem like cases where there are interesting substantive issues which need to be explored, but where we see no reason why those topics couldn't be pursued using existing technique.

Section V. "Imbedded studies that merge alternative forms of empirical analysis" makes the case for supporting research which mixes several different types of information -- for example statistical evidence with case studies. We think this is very important, particularly for disciplines such as psychology and economics which have tended to focus exclusively on one particular mode of investigation (experimentation in psychology, statistical analysis of existing data in economics). We would

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hope that the NSF would take an active role in encouraging the development of non-traditional research methodologies within social science disciplines. In addition to supporting research which takes such an approach it might be appropriate for NSF to support the discussion of methodology within the disciplines.