NPR Performance Agreement -- Education

NATIONAL PERFORMANCE REVIEW
Al Gore, Vice President

National Performance Review
750 17th Street
Box 101
Washington, DC 20006

Note to Paul Weinstein
Michael Schmidt

Here is the final draft of the Secy Riley's agreement and a draft copy of the cover memo. As far as I can tell, the one outstanding item is the question of Administration Support - - which was left blank. I think that the department is not requesting anything but will get back to you if anything of substance is proposed.

At the review meeting, Mike said that Bill Galston wanted to look at the final. I know that you will take care of that and anyone else at DPC who needs to see it. Call if you have any questions - - 632-0150, ext 142, 632-0390 fax.

As usual thanks.

Pamela

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

To Paul Weinstein	From Pamela Johnson
Dept./Agency Michael Schmidt	Phone #
Fax # 456-7028	Fax #

\# of pages ▶

NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

DRAFT

MEMORANDUM TO THE PRESIDENT

FROM: THE VICE PRESIDENT

RE: PERFORMANCE AGREEMENT FOR SECRETARY RICHARD W. RILEY

DATE:

Attached is a signed performance agreement submitted by Secretary Richard W. Riley that is ready for your consideration. It describes his major objectives for the Department of Education and specific performance measures to be accomplished in FY 1994.

The draft of the Education agreement was circulated on March 10, 1994, to Michele Hunt, Phil Lader, Nancy-Ann Min, Carol Rasco, Bruce Reed, Frank Reeder, Isabel Sawhill, Alice Rivlin, Robert Rubin and Christine Varney, Paul Weinstein and Peter Yu. Elaine Kamarck chaired a review meeting on March 17 with the Department.

Education revised the agreement to reflect the issues raised and the agreement was circulated again for review on May 19. OMB has indicated that the agreement falls within budget availability and has no additional issues. The agreement incorporates standard language for earlier agreements provided by the White House Counsel. The Department of Justice provided a number of suggestions which have been taken into account in the preparation of the final version.

No outstanding issues have been identified. Therefore, I recommend that, if you agree, you sign the attached agreement.

PERFORMANCE AGREEMENT

BETWEEN

THE PRESIDENT OF THE UNITED STATES

WILLIAM JEFFERSON CLINTON

AND

THE SECRETARY OF EDUCATION

RICHARD W. RILEY

I. Introduction

The American people deserve a government that works better and costs less. The departments and agencies of the federal government hold vital keys to improving performance and to restoring the faith of the American people in their government. Many changes will need to take place for this broad goal to be realized. The purpose of performance agreements with senior officials is to establish clarity and consensus about the priorities for departmental management. They are intended to improve the management of the Executive Branch and are not intended to and do not create any legally enforceable rights. From these agreements should flow the program and management priorities of the departments. These agreements represent a beginning, a basis for continuous improvement as we reinvent our government to meet the needs and expectations of the American people.

II. The Department of Education

This agreement reflects the major objectives developed by the Secretary for the Department of Education to achieve over the next several years as well as specific performance measures to be accomplished in Fiscal Year 1994.

The Secretary undertakes to accomplish the following at the Department of Education: (1) provide leadership and promote partnerships in systemic reform in grades K-12, (2) provide effective systems for school-to-work opportunities, (3) simplify and reduce the cost of student loans, and (4) transform the Department into a high performance, customer-focused organization.

Provide Leadership and Promote Partnerships in Systemic Reform of Education to Ensure That All Children Have Adequate Opportunities to Reach the National Education Goals by the Year 2000

The Secretary is committed to promoting systemic reform. Systemic reform aligns all parts of the elementary and secondary education school systems with the challenging academic standards states are developing, and encourages coherent strategies and bottom-up reform through flexibility coupled with clear accountability for results.

A. To systematically mobilize State and local efforts and focus them on achieving the goals, Goals 2000: Educate America Act supports and sustains voluntary high standards by codifying the National Education Goals and assisting in the development and adoption of voluntary content and performance standards in academic and vocational areas and opportunity-to-learn standards.

Performance Indicators:

- o New mechanisms and management are in place to provide timely guidance, application and waiver review, technical assistance, and assessment of progress in FY 1994.

- o Voluntary national curriculum standards developed through ED grants are submitted to the National Education Standards and Improvement Council (NESIC) for approval by 1995.

- o Respondents to customer surveys indicate satisfaction with ED's delivery of information and assistance on the state plans and substantive technical assistance on systemic reform.

- o State plans show efforts to integrate federal and state resources in a coherent reform strategy and to enlist schools systemwide in reform.

B. Improving America's Schools Act, the reauthorization of the Elementary and Secondary Education Act (ESEA) of 1965, transforms the $10 billion investment in K-12 by calling for the kinds of reforms that will equip communities to provide high quality teaching and learning for all students.

Performance Indicators:

- o The legislative package for the Improving America's Schools Act is passed by summer 1995. Basic principles that have guided the Administration's legislative proposals, particularly the link to the Goals 2000 Act, remain intact.

- o New mechanisms and management are in place to implement timely regulations development, application and waiver review, technical assistance, and assessment of progress by FY 1996.

- o Evaluation of state plans and a representative sample of local plans indicates full consideration of the needs of children served by Federal programs through appropriate opportunities and services and necessary alignment with state content and performance standards, assessment, professional development and technology in the implementation of programs.

- o Respondents to customer surveys indicate satisfaction with ED's and federally-supported delivery of information and assistance on the state plans and substantive technical assistance in school improvement.

- o States and communities are adequately targeting professional development, technical assistance, technology and other resources on schools which are not making adequate progress.

- o Assessments show that students in schools that receive ESEA funding are making adequate progress in achieving high standards.

Provide Effective Systems for School-to-Work Transitions to Assist Students in Making the Transition From Secondary School to Postsecondary Education and Training and a Good First Job in a High-Skill, High-Wage Career

The Department of Education and other Federal agencies are entering into a partnership with States and local communities to build a comprehensive and effective school-to-work opportunities system. This system will equip America's youth with the academic and occupational skills needed in an increasingly complex labor market.

A. School-to-Work Opportunities Act supports capacity building and the forging of new partnerships among states, schools, employers, associations, labor organizations, and communities to develop school-to-work opportunities' systems.

Performance Indicators:

- o With ED input, mechanisms and management are in place to establish goals and objectives and implement timely regulations development, grant application review, monitoring and technical assistance, and assessment of progress by FY 1996.

- o Reporting indicates student progress toward receiving a high school diploma, a certificate or diploma from a postsecondary institution, if appropriate, and an occupational skills certificate by FY 1998.

Simplify and Reduce the Cost of Student Loans

The current student loan program is too complex and costly to both students and the taxpayers. Successful implementation of the Direct Loan program will save the Federal government billions of dollars over the next few years. In addition, it will lower the cost of borrowing and simplify the process of taking out a student loan by eliminating the numerous intermediaries between students and ED. Because of its streamlined process, direct lending will reduce the potential for error and abuse.

A critical aspect of the Direct Loan program is the ability to offer borrowers flexible repayment options including repayment based on their incomes. The offering of an income contingent repayment system as part of Direct Loans will help ensure that borrowers can repay their loans without being overly burdened by debt and without the Federal Government incurring the cost of their defaults.

Performance Indicators:

- o Customer surveys show that participating institutions are more satisfied with the direct lending program than with the former system that used multiple lenders.

- o The regulations, administrative procedures, consultations, and marketing efforts with schools are designed and carried out so that schools representing at least 40% of the total loan volume for academic year 1995-1996 apply for and are approved for direct lending. The goal of 50 percent of volume is reached by 1996-97 and 60 percent by 1997-98 with the eventual goal of 100 percent direct lending by 1998-99.

- o Depending upon interest rates and borrowing patterns, significant cost savings are achieved due to the implementation of the Student Loan Reform Act.

- o A system to handle income contingent repayment is in place by July, 1994.

- o A decision memorandum, jointly prepared by ED and IRS, is sent to the White House in FY 1994 regarding IRS involvement in collection of student loans. ED works closely with IRS to implement the agreed upon course of action, if any, by 1998.

Transform the Department Into a High-Performance, Customer-Focused Organization to Achieve High Quality Program and Policy Goals

The Secretary is committed to transforming ED into a high-performance, customer-focused organization.

A. Building Partnerships With Our Customers means putting our customers first by building partnerships with State and local governments, school districts, and communities to promote open communication and cooperation, providing external customers with easy access to information and assistance whenever they contact us, and providing service that makes a difference to our external customers.

Performance Indicators:

- ED implements a customer service plan.
- Customer surveys indicate increased levels of satisfaction with ED's services.
- ED creates "one-stop shopping" for centralized information and guidance to Federal, state, and local stakeholders.

B. Strategic Planning is essential in identifying the key priorities in the Department, targeting resources to those priorities, and implementing action plans to achieve high-quality programs and policies that meet the needs of our customers. Performance management involves identifying performance measures, and collecting, analyzing, and reporting performance information for the purpose of improving the management of programs and achieving high-quality program and policy goals.

Performance Indicators:

- Key FY 1994 priorities in the ED Department-Level Strategic Plan and in the principal office plans are in place by Spring, 1994.
- Implementation of the first ED Consolidated Strategic Plan, as well as office-level plans, begins in May, 1994. A performance management system is launched by Summer, 1994. Performance is documented according the

GPRA schedule, with continuous improvement across key objectives of the Department's Consolidated Strategic Plan. Performance data guide key management, budget, legislative, and policy decisions.

- o Through a Government Performance and Results Act Pilot (GPRA), the Department applies the requirements of GPRA to the Student Financial Assistance Programs, developing strategic plans, performance plans and reports for FY 1994, 1995, and 1996, and producing evidence of continuous improvement for performance management.

C. Investing in Our Employees to Enhance Their Ability to Perform

No organization can transform itself without continuous improvement, diversity, communication, and continuous training and professional development.

Performance Indicators:

- o Training opportunities are provided to ED staff to upgrade basic, as well as more specialized skills, to enable them to carry out legislative reforms.

- o New forms of work organizations such as a flattened bureaucracy and cross-cutting teams heighten communication within ED and increase reliance on the expertise of individual employees.

- o ED staff indicate increased satisfaction with management practices in ED (including how they are managed), training opportunities, and the management and outcomes of ED programs.

- o Access to advanced technology is expanded for ED staff and employee surveys show that technology use is integrated into daily job functions.

III. Measurement of Performance

To measure progress against the above objectives, the Secretary is committed to accomplishing specific measurable results. To maintain focus and a sense of urgency and to have a real impact on performance, there will be periodic reviews of progress, discussion of difficulties encountered and agreement on appropriate actions. These reviews will be held between the President and/or his designees and Department officials and, with greater frequency, within the Department. Any specific reporting requirements will be developed jointly with the Department.

IV. Administration Support

(To be determined after submission of this document).

V. Miscellaneous

This Agreement is intended only to improve the internal management of the Executive Branch and is not intended to and does not create any right, benefit, trust or responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

VI. Term of Agreement

This Agreement will remain in effect until modified. It is expected that it will be updated at least annually to reflect significant changes in budget, policy, personnel or other factors that may affect the accomplishment of objectives.

This agreement represents our joint commitment to a Department of Education that works better and costs less and fulfills our sacred trust to the American people.

Richard W. Riley Secretary of Education	William J. Clinton President of the United States

OFFICE OF THE VICE PRESIDENT

WASHINGTON

March 10, 1994

To: See Distribution

From: Elaine Kamarck

Subject: Review of the Performance Agreement for Secretary Reilly, Department of Education

We will hold a meeting to review the draft performance agreement submitted by Secretary Reilly on Thursday, March 17 at 5:00 pm in Room 248. A copy of the Secretary's draft agreement is attached. I have asked Pamela Johnson at NPR to develop an issues paper for the meeting. Please let her know if there are any issues that you would like to have included in the paper or if you need any other information. She can be reached at NPR, 632-0150, ext. 142, fax 632-0390.

Attachment: a/s

Distribution:
- Dept. of Education
- Michele Hunt, FQI
- Phil Lader (WW)
- Nancy-Ann Min (Room 262)
- Jack Quinn (6606 Room 272)
- Carol Rasco (2216 -WW)
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GENERAL SERVICES ADMINISTRATION

PERFORMANCE AGREEMENT BETWEEN THE PRESIDENT AND THE SECRETARY OF EDUCATION

During the Clinton Administration's first term in office, the Secretary of Education is committed to promoting and leading systemic reform in grades K-12, providing effective systems for school to work transitions, implementing direct lending, and reforming the management of the Department of Education (ED).

I. Promoting Systemic Reform of Education

To ensure that all children have adequate opportunities to learn and reach the national education goals by the Year 2000, the federal government is promoting systemic reform. Systemic reform means aligning all parts of the elementary and secondary education school systems with the challenging academic standards states are developing. By providing leadership, guidance, and resources, the federal government will serve as a partner in systemic reform with states and local communities.

A. <u>GOALS 2000: Educate America Act</u> is a systemic reform bill that supplies legislative foundation to support and sustain high standards by codifying the national education goals and provides for oversight of the development and adoption of content and performance standards in academic and vocational areas and opportunity to learn standards.

Performance Indicators:

- o The legislative package for GOALS 2000 is passed by the spring of 1994. Basic principles that have guided the Administration's legislative proposals remain intact.
- o More than half of the states submit proposals under the GOALS 2000 Act.
- o All curriculum standards in the arts, citizenship and civics, foreign language, geography, history, mathematics, and science are submitted to the National Education Standards and Improvement Council (NESIC) for approval.

- o Skill standards, to be approved by the National Skills Standards Board, are under development for industries identified by the Department of Labor.

B. Improving America's Schools Act, the reauthorization of the Elementary and Secondary Education Act (ESEA) of 1965, transforms the $10 billion investment in K-12 by calling for the kinds of reforms that will equip communities to provide high quality teaching and learning for all students. Key among these reforms are targeting of resources to children with the greatest need, ongoing and intensive professional development, assistance in planning and implementing effective programs, and the expansion of new knowledge and technologies in the nation's schools.

Performance Indicators:

- o The legislative package for the Improving America's Schools Act is passed by summer 1995. Basic principles that have guided the Administration's legislative proposals, particularly the link to the GOALS 2000 Act, remain intact.

- o State and community plans accurately assess needs and adequately provide the appropriate opportunities and services for special populations to achieve high standards.

- o State and community plans provide evidence that children served with ESEA funding are making progress.

II. Providing Effective Systems for School to Work Transitions

To assist students in making the transition from school to a good first job on a high- skill, high-wage career track, the federal government is entering into a partnership between employers, educators, the U.S. Department of Labor, and the U.S. Department of Education to build a comprehensive and effective school-to-work transition system. This system will equip the seventy-five percent of America's young people who do not achieve a college degree with the opportunity to learn basic academic and occupational skills needed in an increasingly complex labor market. By providing leadership, guidance, and resources, the federal government is making a commitment to make school-to-work efforts successful..

A. School to Work Opportunities Act enables the Department of Education with the Department of Labor to support capacity building and the forging of new partnerships among states, schools, employers, associations, labor organizations, and communities to develop systems that ease the transition from schools to work.

Performance Indicators:

- The legislative package for School to Work Opportunities is passed by the spring of 1994. Basic principles that have guided the Administration's legislative proposals, particularly the links between GOALS 2000 and the ESEA reauthorization, remain intact.

- A high-level of cooperation between the Secretaries of Labor and Education continues in a fashion productive for the country.

- State and local school-to-work system plans show that students are making progress toward receiving a high school diploma, a certificate or diploma from a postsecondary institution, if appropriate, and an occupational skill certificate.

III. Implementing Direct Lending

The current student loan program is too complex and costly to both students and the taxpayers. Successful implementation of the Direct Loan program will save the federal government billions of dollars over the next few years. In addition, it will lower the cost of borrowing and simplify the process of taking out a student loan by eliminating the numerous intermediaries between students and ED. Because of its streamlined process, direct lending will reduce the potential for error and abuse.

Performance Indicators:

- The level of satisfaction of participating institutions with the direct lending program will be improved over the former system which used multiple lenders.

- Cost savings over the current program will reach almost $4 billion over the next five years.

IV. Transforming the Department Into a High-Performance, Customer-Focused Organization

The Secretary is committed to transforming ED into a high-performance, customer-focused organization by (1) building partnerships with our customers, (2) increasing accountability through performance based management, (3) developing a world class information system, and (4) investing in employees.

A. Building Partnerships With Our Customers means putting our customers first by building partnerships with state and local governments, school districts, and communities to promote open communication and cooperation, providing external customers with easy access to information and assistance whenever they contact us, and providing service that makes a difference to our external customers.

Performance Indicators:

- o Legislation proposed by ED increases partnerships among Federal, State, and local stakeholders.
- o Customers indicate a high level of satisfaction with ED's services.

B. Increasing Accountability Through Performance Based Management will help the Secretary and ED make the tough choices that face education as ED transforms itself, our mission, goals, and objectives. Strategies for achieving our goals and objectives must be clear, measurable, and prioritized. Articulating the direction of ED, each principal office in the department, and its employees ensures individual accountability and uniformity of purpose to render our reinvention a success.

Performance Indicators:

- o ED's agency-level and office-level plans are in place, and set overall priorities and goals.
- o The strategic plan measures ED's progress across key priorities and goals.

C. Developing a World Class Information System will play an important role in empowering employees to perform their jobs as efficiently and effectively as possible, as well as increase ED's ability to communicate electronically with the education community. To meet this challenge, ED will improve its technology and institute improved information systems.

Performance Indicators:

- o Availability of and access to advanced technology will be improved for ED staff.

- o Public use of ED's electronic information systems increases.

D. Investing in Our Employees will be a necessary component of ED's management reforms. No organization can transform itself without a strategy to invest in its employees and enhance their ability to perform. The organizational culture in which employees work must be one of continuous improvement, diversity, and communication. Openness, continuous training, professional development, and good working conditions are all integral to the success of our staff.

Performance Indicators:

- o Opportunities are provided to ED staff to upgrade basic, as well as more specialized skills, to build the internal capacity of the agency.

- o Cross-cutting teams assist in breaking down communication barriers across individual principal offices.

Paul, call Pamela with any comments/concerns you have

OFFICE OF THE VICE PRESIDENT

WASHINGTON

March 10, 1994

To: See Distribution

From: Elaine Kamarck

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NATIONAL PERFORMANCE REVIEW

Paul - I have a call in to you to see if DPC has any issues on this or on VA's agreement. Pamela

March 16, 1994

To: See Distribution

From: Pamela Johnson

(I assume that sending you this change-of-time note is sufficient for the DPC. Hope you can make it.)

Subject: CHANGE OF TIME AND PLACE: Review of the Performance Agreement for Secretary Reilly, Dept of Education

Because of a conflict for some of the key actors, we have had to reschedule the meeting to review the draft performance agreement submitted by Secretary Reilly. The new time and place are:

Thursday, March 17
3:15-4:00pm
Jackson Room, White House Conf. Center
726 Jackson Place

If you are unable to attend, please let me know if there are any issues that you would like to have discussed at the meeting. I can be reached at 632-0150, ext. 142, fax 632-0390.

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MIKE: PLEASE ATTEND PJW

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Performance Indicators:

- ED's agency-level and office-level plans are in place, and set overall priorities and goals.
- The strategic plan measures ED's progress across key priorities and goals.

C. Developing a World Class Information System will play an important role in empowering employees to perform their jobs as efficiently and effectively as possible, as well as increase ED's ability to communicate electronically with the education community. To meet this challenge, ED will improve its technology and institute improved information systems.

Performance Indicators:

- o Availability of and access to advanced technology will be improved for ED staff.

- o Public use of ED's electronic information systems increases.

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Performance Indicators:

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- o Cross-cutting teams assist in breaking down communication barriers across individual principal offices.