

CHARLES B. RANGEL

16TH CONGRESSIONAL DISTRICT
NEW YORK

DEPUTY WHIP

COMMITTEE:

WAYS AND MEANS

SUBCOMMITTEE ON HUMAN
RESOURCES

SUBCOMMITTEE ON TRADE

JOINT COMMITTEE ON TAXATION

Congress of the United States
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Washington, DC 20515-3215

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PLEASE RESPOND TO
OFFICE CHECKED

October 28, 1996

The Honorable Richard Riley
Secretary of Education
US Department of Education
600 Independence Avenue, SW
Washington, DC 20202

Dear Secretary Riley:

As you are aware, Americans have identified education as a major concern that should receive priority attention in the new Congress and the Administration.

I am therefore pleased to invite you to join me in developing an education and training initiative that will soon culminate in draft legislation. Since July, I have been working with the private sector on a concept to develop "Educational Empowerment Zones" throughout the nation. These Zones would offer tax credits and incentives for the private sector to invest in educating and training the future and current workforce in support of US global competitiveness.

Partnerships between the schools, business community, labor and municipal, state and the federal government would be established to support world-class national academic standards within the Zones. These national standards would be supported by academic and vocational curriculum responsive to the demands of employers and the global marketplace.

There is an inextricable link between education and US trade competitiveness. In my leadership role on the House Ways and Means Committee in the next Congress, I intend to make education and training a top priority. Efforts to expand US exports will certainly not be sustainable over time if we do not work aggressively to prepare a new generation of leaders for the challenges of the global economy.

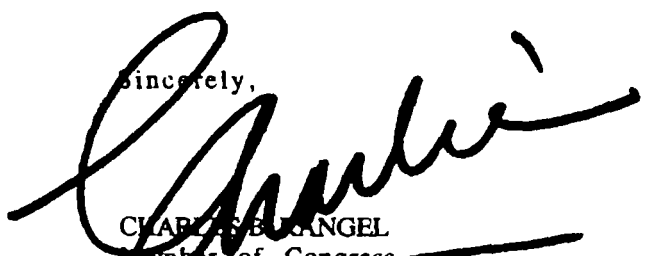
I would appreciate your support in assigning a senior member of your staff to work with me in further developing this idea. I would also appreciate your participation in an Education and Training Roundtable that I will call after the election with key leaders from the private sector, labor, and

Page 2, Rangel

educational institutions. I will provide more information on the logistics of this roundtable after the election.

Attached please find a draft concept paper on the Educational Empowerment Zone initiative and information on a corresponding educational initiative currently underway by the US Chamber of Commerce, The Business Roundtable, and The National Alliance of Business. I look forward to your input and support of these initiatives.

Sincerely,


CHARLES B. RANGEL
Member of Congress

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the year 69.

**Congressman Rangel's Education and Training Initiative
DRAFT**

Rosa Whitaker/Vinita Jethwani with input from the business and
education communities

Educational Empowerment Zones:

*A Business/Education Partnership For Job Growth, Opportunity and
Global Competitiveness*

I. Objective

Legislation creating Educational Empowerment Zones (EEZ) throughout the Nation would provide incentives for the development of working partnerships between business, educators, labor and local communities in support of world-class educational and training initiatives for the current and future workforce. The overall objective of the Educational Empowerment Zones would be to prepare American workers as well as a new generation of leaders for the demands of high-growth industries and the global marketplace.

II. EEZ Provisions

**A. Education/Business/Labor/Community Partnerships--
EEZ Boards**

The EEZ Boards would consist of partnerships among local school, business, labor, community, school and municipal and state government officials in support of educational and training initiatives that would close the gap between what the schools are teaching and what employers and the global marketplace are demanding.

- (1) The Business community would systematically identify basic functional skills and education requirements necessary for a competitive edge in world markets;
- (2) Educators would develop curricula responsive to employment skill and educational requirements;
- (3) The business community would assure, to the extent possible, that job opportunities will be available to individuals educated and trained in accordance with defined requirements.

Page 2, CHR EEZ

- (4) Labor would help to achieve flexibility in permitting EEZ Board/school autonomy in devising hiring and work rules. Labor and local school boards would participate in the development of the rules governing the EEZ schools through their representatives on the EEZ Boards.

B. EEZ: National Education and Training Academies

National Education and Training Academies (NETAs) would be created within select schools located in the EEZs to provide academic and vocational training to the current and future workforce.

- (1) The NETAs would provide training for college bound and non-college bound youth as well as an evening training program for adult workers in need of remedial education and skill enhancement and diversification.
- (2) The NETA curriculum would focus on K-12 core academic/vocational competencies with a particular emphasis on skills needed by high-growth industries and sectors essential to our nation's ability to compete in the global marketplace.

C. World Class National Academic/Vocational Standards in Support of US Global Competitiveness

The curriculum of the National Education and Training Academies (NETAs) will be based on National Standards in support of US global competitiveness. These National Standards would be developed by a consortium of existing national educational standards boards, labor, and business associations to include: National Skill Standards Board; the National Education Goals Panel; National School-to-Work Program Board; NEA/AFT; Competitiveness Policy Council; Council on Competitiveness; National Alliance of Business; US Chamber of Commerce; International Business Roundtable; US Dept. of Education

Page 3. CBR EEZ**III. EEZ Incentives/Financing Mechanisms**

- A. Private sector tax credits for firms contributing funds and/or curriculum and instructional systems/technology to the NETAs
- B. Good Corporate Citizen recognition for firms contributing funds and/or instructional systems to the NETAs.
- C. Tax-exempt bonds, issued by the States, under which the federal government would subsidize interest payments on bonds issued to support the National Educational and Training Academies (NETAs) within the Educational Empowerment Zones. The non-refundable tax credits would be set at a rate that would permit the bonds to be issued with no or nominal interest cost.
- D. The credit would provide States or local governments with a low cost source of capital to cover the cost of establishing the National Education Training Academies within existing schools. The proceeds of qualified bonds could be used for cost incurred in establishing the academies.

The credit would not be available unless there were one or more corporate sponsors for the academy. Corporate support could be made in the form of technical assistance, providing employees as teachers, mentorships or apprenticeships. The percentage limitation on the charitable deduction would not apply to corporate contribution. Depending on revenue constraints, there could be additional incentives for corporate sponsors.

IV. Next Steps

**Draft Educational Empowerment Zone Legislation
(Dec. 1996)**

Page 4, CHR EEZ

Next Steps cont.

CHR Roundtable with Secretaries of Education and Labor with Members of Congress, business, labor and education leaders, and competitiveness policy councils to commence dialogue and review legislation (Jun. 1997)

Create Job Growth and Opportunity Advisory Committee chaired by the Ways and Means Committee chair, with the ranking member as vice-chair. (Feb. 1997)

The Committee, comprised of business and educators, would meet regularly and self-fund necessary activities to build a consensus among members on an action plan that would:

- compile and utilize existing data to pinpoint education and training needs that will enable US businesses to gain a competitive edge in world markets; and, ensure meaningful job opportunities for Americans at all socio-economic levels.
- recommend structures and systems that would ensure on-going communications and interaction between the business and educational communities on skill, training, and educational needs.
- recommend implementation steps, including needed legislative action.

NTEA Curriculum

The NTEA curriculum will be based on the national business led academic/vocational standards. An NTEA training curriculum will also be established for an adult/worker re-training curriculum.

In addition to the basic literacy areas, The NTEA K-12 curriculum will include core competency areas in support of US global competitiveness.

--Technology, Communications and Information Systems
(computer literacy and space technology)

--Geography

--Math/Science

--Vocational Training--eg tool making and manufacturing

--Foreign Language

NTEAs will also have:

Business Mentoring Programs

Internships

Work Ethics/Job Search Skills

Study Abroad/International Field Trips

International Academic Exchange Programs

**Congressman Rangel's Talking Points: Education, Training
and US Trade Competitiveness**

**US Chamber of Commerce International Forum International
Trade, Jobs and Competitiveness**

- In my leadership role on the House Ways and Means Committee in the next Congress, I intend to focus a great deal of attention on the important role of education and training to US trade competitiveness.
- Under the leadership of Chairman Crane, the Trade Committee held a hearing on July 25 on the issue of education and US trade competitiveness. This hearing was a preamble to an effort to better promote education and training as a national priority--key to US trade competitiveness.
- While we will continue to work with the US Chamber and other private sector groups to promote US trade competitiveness through free and fair trade agreements. And, while we will continue to work together to open even more markets abroad to US goods and services, I hope that we will also work collaboratively with the private sector to better train and educate our current and future workforce, so that America can maintain her leadership position in the global economy.
- Efforts currently underway to expand US exports and to promote free and fair trade will not likely be successful without corresponding investments in human capital--America's most treasured resource.
- I know that training and education is important to US firms. In fact, US companies invested over \$52 billion (dollars) in education and training last year.
- I also realize that with shrinking federal resources and the untenability of raising taxes in our national interest, the expansion of trade and private sector growth are among the best options to create jobs and expand the economy. In the same vein, the private sector is in the best position to assume more responsibility in training and preparing our youth and workforce for the challenges of the global economy.

P. 2 Education and Training

- Over the past months, I have held meetings with private sector leaders across the country to determine how we best address the issue of training and education.
- A few weeks ago, I meet with officials from IBM, the National Alliance of Business, The National Association of Advanced Manufacturing and the Competitiveness Policy Council to solicit ideas.
- This morning, I invite all of you to share with me your suggestions on how we best ensure the competitiveness of our country through training and education--with the private sector working in concert with the schools, municipal, state and the federal government and community organizations.
- America needs world-class national employer-led academic standards in order to be competitive.

EDUCATIONAL EMPOWERMENT ZONES

- In the next Congress, I will commence work on legislation to initiate educational empowerment zones. The Educational Empowerment Zone (EEZ) would promote an educational partnership between the private sector, the schools, teachers' unions, and federal/state/municipal education authorities to develop world-class business-led academic standards in order to close the gap between what the schools are teaching and what employers and the global marketplace are demanding.
- Business-certified, national academic standards integrating both academic and occupational skills would give employers more confidence in hiring high school graduates. All parties of the Educational Empowerment Zones would work in support of (1) a community consensus in support of the national standards; (2) the utilization of technology in the classroom; (3) better trained educators; and, (4) changes in the management of schools in order to facilitate improved student performance.

P.3 Education and Training

- All of the parties involved in the Educational Empowerment Zones: companies would invest in education through the provision of resources and direct training, serve as mentors to students, work with school officials in developing world-class business-oriented standards, and provide employment opportunities.
- State and municipal government officials in concert with the EEZ will work collaboratively with community boards and other community-based-organizations to create an enabling environment for students to learn and for businesses to thrive in communities that are most in need of jobs.
- Labor unions would: assist in developing incentives for teachers to improve student performance; support legislative efforts to waive certain laws/work rules in order to drive the achievement of standards; support the liberalization of rules in order to better link teachers' pay to performance vs. seniority; and, work in support of smaller class rooms.
- In summary, the school system and the Educational Empowerment Zone would work to remove institutional barriers in order to create a management system, inclusive of business-oriented world class standards, tutors, mentors, career/orientation, and community support activities that would result in the public production of potential employees and entrepreneurs that are globally competitive.
- I look forward to an exchange of ideas with you on how we best devise national standards and develop the educational compact. I am open to discussing tax incentives for training and retraining the workforce. I am also open to supporting cuts in the capital gains taxes and other business-friendly initiatives. I hope, however, that you will in turn work with me and other Members of Congress, from both parties, to seriously address education and training in support of US productivity and trade competitiveness .

P. 4 Education and Training

- Throughout my political career, I have linked education and training to my advocacy against drug and substance abuse, crime and urban unemployment.
- On the Ways and Means Committee, I have linked my advocacy of training and education to US trade competitiveness because there is an inextricable nexus between education/training and the productivity and growth of the US economy--US trade competitiveness; living standards/wages and job creation.
- Investments in human capital through education and training by both the public and private sectors will yield returns. Some of America's current investments, however, yield no returns, drain the budget, and expand the deficit. For example, there are 1.6 million people in prison at an average cost of \$27,000 per year with an average life cost of between \$600,000 to \$1 million (dollars) per prisoner. Many of the incarcerated are young and are imprisoned for non-violent crimes. In total, crime cost American taxpayers about \$450 billion per year. These astronomical expenditures diminish productivity and represent investments in the wrong direction. By comparison, it only cost about \$7,000 per year to send a youth to college.
- Prisoners receive shelter, food, recreation and medical attention at astronomical costs to the US taxpayer without contributing anything to the productivity of the economy or the overall well-being of the nation.
- Investments in education and training, known crime deterrents, are cheaper and yield far better returns.
- Public expenditures associated with the cost of drug and substance abuse cost American taxpayers about \$70 billion per year while the public cost of teenage pregnancy is about \$7 billion a year.

P.5 Education and Training

- Increased investments in education and training and the development of Educational Empowerment Zones comprised of federal/state government officials, business, labor, and community organizations, schools and universities could realign America's investment choices and result in the public production of a new generation of competitive workers and entrepreneurs prepared to confront the challenges of the global economy and lead our country into the 21st century.
- A National Association of Manufacturers study concluded that the US school system had failed to provide adequate basic skills or adequate understanding of business and the work ethic.
- By the year 2005, 60% of all jobs created will require some post-secondary education. Job growth in the past decade concentrated in sectors requiring high education, outpaced job growth in less demanding sectors by 3 to 1.
- 4 to 10 businesses say that they cannot modernize their equipment because their workers do not have the appropriate skills.
- According to the National Association of Advanced Manufacturing, there are currently 20,000 job openings in the tool-making industry with an average entry-level salary of \$27,000. Finding workers with the adequate skills to fill these jobs have proven difficult for the tool-making industry. Unfortunately less than 10% of federal education funds were allocated for vocational/technical education.
- As business leaders, you are in the best position to help us to address these challenges and those associated with the fact that 25% of American adults are functionally illiterate compared with only 1% in Japan; that when compared to other large countries, US students rank last in science and math and have shown little improvement over the past 20 years; that US high school graduates receive a fraction of the training that their counterparts receive in Germany, France and Japan; and that a smaller proportion of US students are pursuing science and engineering.

P. 6 Education and Training

- A 10% increase in the educational level of a company's workforce (about 1 year of additional education) increases productivity by 8.6%. It is in all of our interests to promote education and training.
- This is why I will work for the establishment of Educational Empowerment Zones in communities throughout the nation. I will call on labor, the schools, the religious community, local, state, and national leaders--to help make investments in education and training a national priority.
- In my leadership role on the House Ways and Means Committee in the next Congress, I will work to promote initiatives to broaden the economy--to make the pie bigger with all Americans having an equitable share.. International trade will, in my estimation, be an engine of such growth with a well-trained, technically advanced and globally competitive workforce at the helm.



SDS - Bill Kinard

UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

November 27, 1996

Honorable Charles B. Rangel
House of Representatives
Washington, DC 20515-3215

Dear Charlie:

Thank you for sharing with me your thoughtful concept paper on Educational Empowerment Zones. I understand that your office has also spoken with my special advisor, Ray Cortines, concerning this proposal.

I greatly appreciate your past support for this Administration's efforts to improve education and training, including the Goals 2000: Educate America Act and the School-to-Work Opportunities Act, and welcome your continued leadership in this area. I strongly agree with you on the continuing need for innovative approaches to preparing "a new generation of leaders for the demands of high-growth industries and the global marketplace." As the eighth grade results on the Third International Math and Science Study (TIMSS) suggest, we still have far to go educationally if we wish to ensure the Nation's continued vitality economically.

As you are aware, the President has announced some key initiatives that will help us improve education across America, such as Hope Scholarships, America Reads, and School Construction. In addition to these initiatives, on which we look forward to working closely with you and your staff, and the need to reauthorize vocational and adult education programs, the Higher Education Act, and the Individuals with Disabilities Education Act, my staff has been discussing further steps that we can take to raise academic standards and improve our economic competitiveness, especially with respect to improving urban education.

I have asked the Acting Deputy Secretary, Marshall Smith, and others in the Department to carefully review your proposal and to incorporate some of its key elements into our planning, particularly with respect to exposing students to a world-class curriculum in core subject areas and to reviewing management and instructional practices to ensure that the primary focus always remains on helping raise student achievement. We also greatly appreciate your focus on deepening business and community involvement, which is critically important to successful education improvement efforts.

Page 2 - Honorable Charles B. Rangel

We look forward to further discussions with you and your staff concerning your proposal. Please feel free to contact either Dr. Cortines at 818-795-9835, or Mr. Bill Kincaid, special assistant to Acting Deputy Secretary Smith, at 202-205-0704.

Again, thank you for your commitment to addressing these issues and to strengthening America's future.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Dick", with a stylized flourish at the end.

Richard W. Riley

November 21, 1996

Note to Mike

Attached is a **draft response** (for the Secretary's signature) to the letter Secretary Riley received regarding Congressman Rangel's proposal for Educational Empowerment Zones. I read a copy to Ray Cortines over the phone today, and he thought it sounded about right. I will have Exec Sec run this through OLCA, etc., before it goes, but wanted you to look at it before you take off. **Any comments?** (I will also find out what happened in today's meeting between Rangel and Bowles; may also see if there has been a comparable letter to DOL).

Briefly, Rangel's **proposal** is to create Educational Empowerment Zones (EEZ's).

- EEZ's would provide incentives (including tax incentives) for the development of **business-education-labor-community partnerships** in support of "world class educational and training initiatives for the current and future workforce."
- The legislation would ask the business community to "**systematically identify basic functional skills and education requirements** necessary for a competitive edge in world markets", then assure "to the extent possible" that job opportunities would be available to individuals educated and trained in accordance with those requirements.
- Evidently, **EEZ boards** would be established separate from local school boards, but would have labor and school board representation on them.
- Within EEZ's, in existing schools, there would be created select **National Education and Training Academies (NETA's)** to provide academic and vocational training. NETA's would provide instruction/services for both college-bound and non-college bound youth, as well as adult workers. The curriculum would focus on skills needed by high-growth industries.
- The curriculum in NETA's would be based on **National Standards** developed by a consortium of existing educational standards boards, labor, and business organizations, including ED.
- Firms would get **tax credits** for contributing funds and/or instructional systems/technology to the NETAs, as well as Good Corporate Citizen recognition.
- **Tax exempt bonds** (subsidized by the federal government) would be issued by states to support NETAs that have secured corporate sponsors.

While the objectives seem praiseworthy, overall this proposal seems unfocused, bureaucratic and largely unconnected with current standards-based/school-to-work reform efforts (or even with existing EZ/EC's). It reads as though Rangel wanted to address education, and simply

to do so in a way that would maximize Ways and Means involvement (and leverage with the business community).

It seems as if we should be able to give him a lead role on Hope or School Construction and let him take credit for that, and try to keep our distance from EEZ's -- although of course we would be available to provide technical assistance.

I have also attached the letter from Rangel, his 4-page concept paper, and some backup materials (including talking points) his staff sent to Ray.

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- 4 to 10 businesses say that they cannot modernize their equipment because their workers do not have the appropriate skills.
- According to the National Association of Advanced Manufacturing, there are currently 20,000 job openings in the tool-making industry with an average entry-level salary of \$27,000. Finding workers with the adequate skills to fill these jobs have proven difficult for the tool-making industry. Unfortunately less than 10% of federal education funds were allocated for vocational/technical education.
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- This is why I will work for the establishment of Educational Empowerment Zones in communities throughout the nation. I will call on labor, the schools, the religious community, local, state, and national leaders--to help make investments in education and training a national priority.
- In my leadership role on the House Ways and Means Committee in the next Congress, I will work to promote initiatives to broaden the economy--to make the pie bigger with all Americans having an equitable share.. International trade will, in my estimation, be an engine of such growth with a well-trained, technically advanced and globally competitive workforce at the helm.

CHARLES B. RANGEL
18TH CONGRESSIONAL DISTRICT
NEW YORK

DEPUTY WHIP

COMMITTEE

WAYS AND MEANS

SUBCOMMITTEE ON HUMAN
RESOURCES

SUBCOMMITTEE ON TRADE

JOINT COMMITTEE ON TAXATION

Congress of the United States
House of Representatives
Washington, DC 20515-3215

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DISTRICT OFFICES:

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PLEASE RESPOND TO
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FAX TRANSMITTAL

Date: 10/30

From: Rosa Whitaker

To: Ray Cortines

Fax Number: 818 564-9380

No. of Pages (including cover): 11

Re: Education & Training
Initiative.

**Congressman Rangel's Education and Training Initiative
DRAFT**

Rosa Whitaker/Vinita Jethwani with input from the business and
education communities

Educational Empowerment Zones:

***A Business/Education Partnership For Job Growth, Opportunity and
Global Competitiveness***

I. Objective

Legislation creating Educational Empowerment Zones (EEZ) throughout the Nation would provide incentives for the development of working partnerships between business, educators, labor and local communities in support of world-class educational and training initiatives for the current and future workforce. The overall objective of the Educational Empowerment Zones would be to prepare American workers as well as a new generation of leaders for the demands of high-growth industries and the global marketplace.

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EEZ Boards**

The EEZ Boards would consist of partnerships among local school, business, labor, community, school and municipal and state government officials in support of educational and training initiatives that would close the gap between what the schools are teaching and what employers and the global marketplace are demanding.

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Page 2, CBR EEZ

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The curriculum of the National Education and Training Academies (NETAs) will be based on National Standards in support of US global competitiveness. These National Standards would be developed by a consortium of existing national educational standards boards, labor, and business associations to include: National Skill Standards Board; the National Education Goals Panel; National School-to-Work Program Board; NEA/AFT; Competitiveness Policy Council; Council on Competitiveness; National Alliance of Business; US Chamber of Commerce; International Business Roundtable; US Dept. of Education

Page 3, CBR EEZ

III. EEZ Incentives/Financing Mechanisms

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IV. Next Steps

Draft Educational Empowerment Zone Legislation
(Dec. 1996)

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Create Job Growth and Opportunity Advisory Committee chaired by the Ways and Means Committee chair, with the ranking member as vice-chair. (Feb. 1997)

The Committee, comprised of business and educators, would meet regularly and self-fund necessary activities to build a consensus among members on an action plan that would:

- compile and utilize existing data to pinpoint education and training needs that will enable US businesses to gain a competitive edge in world markets; and, ensure meaningful job opportunities for Americans at all socio-economic levels.
- recommend structures and systems that would ensure on-going communications and interaction between the business and educational communities on skill, training, and educational needs.
- recommend implementation steps, including needed legislative action.

CHARLES B. RANGEL

15TH CONGRESSIONAL DISTRICT
NEW YORK

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2110 FIRST AVENUE
NEW YORK, NY 10029
TELEPHONE: (212) 348-9830

PLEASE RESPOND TO
OFFICE CHECKED**FAX TRANSMITTAL**

Date: 11/21

From: Vinita Jethwani

To: Ken Tolo

Fax Number: 401-3095

No. of Pages (including cover): 4

Re: Ed / Training initiative

11/21: Returned Ms. Jethwani's phone call (202-225-4365)
Informed her that Ray Cortines had provided us
copy of one Rangel - not sure if same as she
wanted to fax me. Said I'd be glad to
receive her fax and that Bill Kircard or I
would get back to her after reviewing it.
Attached is the fax I received.

Congressman Rangel's Education and Training Initiative DRAFT SUMMARY

Education Empowerment Zones:

A Business/Education Partnership For Job Growth, Opportunity and Global Competitiveness

I. Objective

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Draft: Rosa Whitaker/Vinita Jethwani, with input from the business and education communities

The Honorable Charles B. Rangel
U.S. House of Representatives
2254 Rayburn House Office Building
Washington, DC 20515-3215

Dear Congressman Rangel:

Thank you for sharing with me your thoughtful concept paper on Educational Empowerment Zones; I understand that your office has also spoken with my special advisor, Ray Cortines, concerning this proposal.

I greatly appreciate your past support for this Administration's efforts to improve education and training, including the Goals 2000: Educate America Act and the School-to-Work Opportunities Act, and I welcome your continued leadership in this area. I strongly agree with you on the continuing need for innovative approaches to preparing "a new generation of leaders for the challenges of the global economy." As this week's release of the Eighth Grade results on the Third International Math and Science Study (TIMSS) suggest, we still have far to go educationally if we wish to ensure the Nation's continued vitality economically.

As you are aware, the President has announced some key initiatives that will help us improve education across America, such as Hope Scholarships, America Reads, and School Construction. In addition to these initiatives, on which we look forward to working closely with you and your staff, and the need to reauthorize vocational and adult education programs, my staff has been discussing further steps that we can take to raise academic standards and improve our economic competitiveness, especially with respect to improving urban education.

I have asked the Acting Deputy Secretary, Marshall Smith, and others in the Department to carefully review your proposal, and to incorporate some of its key elements into our thinking, particularly with respect to exposing students to a world-class curriculum in core subject areas, and to reviewing management and instructional practices to ensure that the primary focus always remains on helping raise student achievement. Of course, we also strongly appreciate your focus on deepening business and community involvement, which is critically important to successful education improvement efforts.

We look forward to further discussions with you and your staff concerning your proposal. Please feel free to contact either Dr. Cortines, at 818-795-9835, or Mr. Bill Kincaid, special assistant to Dr. Smith, at 202-205-0704. Again, thank you for your commitment to addressing these issues and to strengthening America's future.

Sincerely,

Richard W. Riley

CHARLES B. RANGEL
15TH CONGRESSIONAL DISTRICT
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- recommend implementation steps, including needed legislative action.

NTEA Curriculum

The NTEA curriculum will be based on the national business led academic/vocational standards. An NTEA training curriculum will also be established for an adult/worker re-training curriculum.

In addition to the basic literacy areas, The NTEA K-12 curriculum will include core competency areas in support of US global competitiveness.

--Technology, Communications and Information Systems
(computer literacy and space technology)

--Geography

--Math/Science

--Vocational Training--eg tool making and manufacturing

--Foreign Language

NTEAs will also have:

Business Mentoring Programs

Internships

Work Ethics/Job Search Skills

Study Abroad/International Field Trips

International Academic Exchange Programs

**Congressman Rangel's Talking Points: Education, Training
and US Trade Competitiveness**

**US Chamber of Commerce International Forum International
Trade, Jobs and Competitiveness**

- In my leadership role on the House Ways and Means Committee in the next Congress, I intend to focus a great deal of attention on the important role of education and training to US trade competitiveness.
- Under the leadership of Chairman Crane, the Trade Committee held a hearing on July 25 on the issue of education and US trade competitiveness. This hearing was a preamble to an effort to better promote education and training as a national priority--key to US trade competitiveness.
- While we will continue to work with the US Chamber and other private sector groups to promote US trade competitiveness through free and fair trade agreements. And, while we will continue to work together to open even more markets abroad to US goods and services, I hope that we will also work collaboratively with the private sector to better train and educate our current and future workforce, so that America can maintain her leadership position in the global economy.
- Efforts currently underway to expand US exports and to promote free and fair trade will not likely be successful without corresponding investments in human capital--America's most treasured resource.
- I know that training and education is important to US firms. In fact, US companies invested over \$52 billion (dollars) in education and training last year.
- I also realize that with shrinking federal resources and the untenability of raising taxes in our national interest, the expansion of trade and private sector growth are among the best options to create jobs and expand the economy. In the same vein, the private sector is in the best position to assume more responsibility in training and preparing our youth and workforce for the challenges of the global economy.

P. 2 Education and Training

- Over the past months, I have held meetings with private sector leaders across the country to determine how we best address the issue of training and education.
- A few weeks ago, I meet with officials from IBM, the National Alliance of Business, The National Association of Advanced Manufacturing and the Competitiveness Policy Council to solicit ideas.
- This morning, I invite all of you to share with me your suggestions on how we best ensure the competitiveness of our country through training and education--with the private sector working in concert with the schools, municipal, state and the federal government and community organizations.
- America needs world-class national employer-led academic standards in order to be competitive.

EDUCATIONAL EMPOWERMENT ZONES

- In the next Congress, I will commence work on legislation to initiate educational empowerment zones. The Educational Empowerment Zone (EEZ) would promote an educational partnership between the private sector, the schools, teachers' unions, and federal/state/municipal education authorities to develop world-class business-led academic standards in order to close the gap between what the schools are teaching and what employers and the global marketplace are demanding.
- Business-certified, national academic standards integrating both academic and occupational skills would give employers more confidence in hiring high school graduates. All parties of the Educational Empowerment Zones would work in support of (1) a community consensus in support of the national standards; (2) the utilization of technology in the classroom; (3) better trained educators; and, (4) changes in the management of schools in order to facilitate improved student performance.

P.3 Education and Training

- All of the parties involved in the Educational Empowerment Zones: companies would invest in education through the provision of resources and direct training, serve as mentors to students, work with school officials in developing world-class business-oriented standards, and provide employment opportunities.
- State and municipal government officials in concert with the EEZ will work collaboratively with community boards and other community-based-organizations to create an enabling environment for students to learn and for businesses to thrive in communities that are most in need of jobs.
- Labor unions would: assist in developing incentives for teachers to improve student performance; support legislative efforts to waive certain laws/work rules in order to drive the achievement of standards; support the liberalization of rules in order to better link teachers' pay to performance vs. seniority; and, work in support of smaller class rooms.
- In summary, the school system and the Educational Empowerment Zone would work to remove institutional barriers in order to create a management system, inclusive of business-oriented world class standards, tutors, mentors, career/orientation, and community support activities that would result in the public production of potential employees and entrepreneurs that are globally competitive.
- I look forward to an exchange of ideas with you on how we best devise national standards and develop the educational compact. I am open to discussing tax incentives for training and retraining the workforce. I am also open to supporting cuts in the capital gains taxes and other business-friendly initiatives. I hope, however, that you will in turn work with me and other Members of Congress, from both parties, to seriously address education and training in support of US productivity and trade competitiveness .

P. 4 Education and Training

- Throughout my political career, I have linked education and training to my advocacy against drug and substance abuse, crime and urban unemployment.
- On the Ways and Means Committee, I have linked my advocacy of training and education to US trade competitiveness because there is an inextricable nexus between education/training and the productivity and growth of the US economy--US trade competitiveness; living standards/wages and job creation.
- Investments in human capital through education and training by both the public and private sectors will yield returns. Some of America's current investments, however, yield no returns, drain the budget, and expand the deficit. For example, there are 1.6 million people in prison at an average cost of \$27,000 per year with an average life cost of between \$600,000 to \$1 million (dollars) per prisoner. Many of the incarcerated are young and are imprisoned for non-violent crimes. In total, crime cost American taxpayers about \$450 billion per year. These astronomical expenditures diminish productivity and represent investments in the wrong direction. By comparison, it only cost about \$7,000 per year to send a youth to college.
- Prisoners receive shelter, food, recreation and medical attention at astronomical costs to the US taxpayer without contributing anything to the productivity of the economy or the overall well-being of the nation.
- Investments in education and training, known crime deterrents, are cheaper and yield far better returns.
- Public expenditures associated with the cost of drug and substance abuse cost American taxpayers about \$70 billion per year while the public cost of teenage pregnancy is about \$7 billion a year.

P.5 Education and Training

- Increased investments in education and training and the development of Educational Empowerment Zones comprised of federal/state government officials, business, labor, and community organizations, schools and universities could realign America's investment choices and result in the public production of a new generation of competitive workers and entrepreneurs prepared to confront the challenges of the global economy and lead our country into the 21st century.
- A National Association of Manufacturers study concluded that the US school system had failed to provide adequate basic skills or adequate understanding of business and the work ethic.
- By the year 2005, 60% of all jobs created will require some post-secondary education. Job growth in the past decade concentrated in sectors requiring high education, outpaced job growth in less demanding sectors by 3 to 1.
- 4 to 10 businesses say that they cannot modernize their equipment because their workers do not have the appropriate skills.
- According to the National Association of Advanced Manufacturing, there are currently 20,000 job openings in the tool-making industry with an average entry-level salary of \$27,000. Finding workers with the adequate skills to fill these jobs have proven difficult for the tool-making industry. Unfortunately less than 10% of federal education funds were allocated for vocational/technical education.
- As business leaders, you are in the best position to help us to address these challenges and those associated with the fact that 25% of American adults are functionally illiterate compared with only 1% in Japan; that when compared to other large countries, US students rank last in science and math and have shown little improvement over the past 20 years; that US high school graduates receive a fraction of the training that their counterparts receive in Germany, France and Japan; and that a smaller proportion of US students are pursuing science and engineering.

P. 6 Education and Training

- A 10% increase in the educational level of a company's workforce (about 1 year of additional education) increases productivity by 8.6%. It is in all of our interests to promote education and training.
- This is why I will work for the establishment of Educational Empowerment Zones in communities throughout the nation. I will call on labor, the schools, the religious community, local, state, and national leaders--to help make investments in education and training a national priority.
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Bill -

Mike would like
you to be the staff
members for this
group. Could you
please draft a
response ~~or call~~ to
let them know.

Thanks!

Michael

Xerox:

(Margie - pls control to
Bill K.)