

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Heidi Ramirez to Andrew Rotherham re: work for this weekend (partial) (1 page)	09/24/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Andrew Rotherham (Subject Files)
OA/Box Number: 17352

FOLDER TITLE:

Email Correspondence

2011-0103-S

rc165

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

Clinton Library

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2201(3).

RR. Document will be reviewed upon request.



"Ramirez, Heidi" <Heidi_Ramirez@ed.gov>
09/24/99 07:36:06 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Andy Rotherham/OPD/EOP, Ann O'Leary/OPD/EOP, "Tom Corwin (E-mail)" <tomcorwin@aol.com>, "Mike Cohen (E-mail)" <mikec_20904@yahoo.com>
Subject: RE: work for this weekend

<<GIFTED_001.PDF>> <<RURAL_002.PDF>> <<MCKIN_002.PDF>>
<<MAGNET_002.PDF>> <<ed_all.PDF>> <<ed_all.PDF>> <<FORMUL_003.PDF>>
And it looks like the big ger meeting has been moved from Sunday to Monday.

> -----Original Message-----

> From: Ramirez, Heidi

> Sent: Friday, September 24, 1999 5:42 PM

> To: Cohen, Mike; Liu, Goodwin; Kelley, Thomas; Cook, Sandra; Jones,

> Lonna; Corwin, Thomas; Jovicich, Catherine; Johnson, Judith; Hansen,

> Randy; Bunce, Kristin; Rogers, Diane; Bradley, Bridget; Smith, Mike; Ann

> O'Leary (E-mail); LeTendre, Mary Jean

> Subject: work for this weekend

>

> The latest news... Title VII is not coming tonight!

>

> But everything else is still on the plate....we'll be e-mailing along as

> we get information...

>

> In the meantime, here's the phone list:

> Mike Cohen

> Goodwin Liu P6/(b)(6)

> Tom Kelley

> Sandra Cook

> Lonna Jones P6/(b)(6)

> Tom Corwin

> Catherine Jovicich

> Judith Johnson

> Randy Hansen

> Kristen Bunce

> Heidi Ramirez P6/(b)(6)

> I'll be in Maine tomorrow, the Hotel number is: 207 443-9741; my

> pager number is: 1-800-sky-page, pin 2167680.

>

> Thanks to everyone for giving up your weekend.

>

> Heidi



- GIFTED_001.PDF



- RURAL_002.PDF



- MCKIN_002.PDF



- MAGNET_002.PDF



- ed_all.PDF



- ed_all.PDF



- FORMUL_003.PDF

Message Sent To:

"Ramirez, Heidi" <Heidi_Ramirez@ed.gov>
"Cohen, Mike" <Mike_Cohen@ed.gov>
"Liu, Goodwin" <Goodwin_Liu@ed.gov>
"Kelley, Thomas" <Thomas_Kelley@ed.gov>
"Cook, Sandra" <Sandra_Cook@ed.gov>
"Jones, Lonna" <Lonna_Jones@ed.gov>
"Corwin, Thomas" <Thomas_Corwin@ed.gov>
"Jovicich, Catherine" <Catherine_Jovicich@ed.gov>
"Johnson, Judith" <Judith_Johnson@ed.gov>
"Hansen, Randy" <Randy_Hansen@ed.gov>
"Bunce, Kristin" <Kristin_Bunce@ed.gov>
"Rogers, Diane" <Diane_Rogers@ed.gov>
"Bradley, Bridget" <Bridget_Bradley@ed.gov>
"Smith, Mike" <Mike_Smith@ed.gov>
Ann O'Leary/OPD/EOP
"LeTendre, Mary Jean" <Mary_Jean_LeTendre@ed.gov>



"Ramirez, Heidi" <Heidi_Ramirez@ed.gov>
09/28/99 11:38:02 AM

Record Type: Record

To: Andy Rotherham/OPD/EOP

cc:

Subject: outstanding formula questions

Andy,

Working off my shorthand notes, here's where we think we are...

1) There are some outstanding issues in regard to allocations to the outlying areas. The proposal would set out instructions for allocating a 1% set-aside from Title I LEA Grants for the BIA and the Outlying Areas, which also includes a \$5 million reservation from the Outlying Areas share for islands that are not U.S. territories but are "freely-associated states."

However, after September 30, 2001, the number of entities that would be eligible to receive funding under the 1 percent set-aside drops from seven entities to the four Outlying Areas (American Samoa, Guam, Northern Marianas, and the Virgin Islands). (This would leave the outlying areas w/ the resulting windfall, even though they are already well provided for under the 1 percent set aside.)

Because the bill terminates eligibility to the freely associated states after September 30, 2001, the four Outlying Areas would be the sole eligible entities for competitive grants. (The competitive grant program should then be repealed to avoid having two different funding mechanisms (formula grants and competitive grants) for the same four entities.)

2) On Basic Grants, Concentration Grants, and Targeted Grants...

It looks like they've added a provision which would guarantee Title I funds to LEAs that do not meet the specific eligibility thresholds for four additional years under the three Title I formulas (Basic Grants, Concentration Grants, and Targeted Grants), drastically reducing increases in funding to all eligible LEAs. This provision would prevent the retargeting of Title I funds to LEAs that are newly eligible for funds or that are experiencing substantial increases in poverty. For example, with the use of new poverty data in 1999, 1,626 LEAs were newly eligible for Title I funding, and 1,732 LEAs had insufficient poverty to meet the criteria for eligibility. Continuing funding to the 1,732 ineligible LEAs for four additional years severely reduces funding to the newly eligible LEAs and could leave them with nothing at all in the event that the Title I appropriation is not substantially increased each year. (Basically, the provision would circumvent targeting under the Concentration and Targeted Grants formulas that are specifically designed to provide money to the highest poverty LEAs.)

The proposal would significantly decrease the amount of funds allocated as Targeted Grants; it would authorize substantial annual increases in funding

allocated as Basic Grants, which spreads funds thinly across high- and low-poverty LEAs. At the same time, Targeted Grants would receive only 50 percent of any increase in Title I LEA Grants above the FY 1999 level. In contrast, our proposal would allocate substantial funds through the Targeted Grants formula, which distributes funds more fairly and provides higher per-child amounts to the higher-poverty LEAs, and lower per-child amounts to less poor LEAs.

I hope this helps,
Heidi



"Ramirez, Heidi" <Heidi_Ramirez@ed.gov>

09/28/99 12:11:20 PM

Record Type: Record

To: Andy Rotherham/OPD/EOP

cc:

Subject: RE: formulas

Sorry, I forgot to mention I was going to take another quick look at the ranking language...

For schools above 75% poverty, its not entirely clear whether K-6 schools must be served first, though it some places its a bit clearer. (We'd obviously prefer current language.)

It would need to require LEAs to serve remaining schools in rank order from high- to low-poverty; it does not. The proposal is not clear in either ensuring that funds be allocated "in rank order" or in ensuring against a higher poverty school receive a lower per-pupil allocation than a lower poverty school.

The proposal includes an exception that, as written, exempts all LEAs from the ranking provisions. This should apply only to small LEAs.

Of course, there are other small wording issues as well.

Heidi

> -----Original Message-----

> From: Andy_Rotherham@opd.eop.gov [SMTP:Andy_Rotherham@opd.eop.gov]

> Sent: Tuesday, September 28, 1999 11:49 AM

> To: Ramirez, Heidi

> Subject: formulas

>

> do you have anything on within district targeting?

>



Bryan Hassel <Bryan_Hassel@publicimpact.com>
03/07/2000 10:23:01 AM

Record Type: Record

To: John B. Buxton/OPD/EOP, Andy Rotherham/OPD/EOP
cc:
Subject: FW: Religious involvement

Andy and JB --

Here are some responses to the query about religious involvement. Nothing too earth-shattering, I'm afraid, but some grist for the mill.

A couple of people mention the IOJ memo on relig involvement in NY schools -- it's coming to me and I'll forward it as soon as I receive.

Would one of you send a fax number?

Thanks,

Bryan

Bryan C. Hassel
Public Impact
423 Hermitage Court
Charlotte, NC 28207
ph: 704/370-0357
fax: 704/333-8978

-----Original Message-----

From: Jon Schroeder [SMTP:jon@charterfriends.org]
Sent: Tuesday, March 07, 2000 9:57 AM
Subject: Religious involvement

Hello charter friends...

Following are the responses to the e-mail information request from Bryan Hassel on allowable religious involvement in charters...

Original question --

Have any states or districts issued written guidelines about permissible links between religious institutions and charter schools? Many states ban some of the more obvious kinds of links -- like control of a charter school by a church or synagogue, conversion of a religious private school to a

charter school, and religious instruction in charter schools.

But what about more gray areas? Are there any guidelines that place any restrictions on:

- * the role religious institutions may play in starting charter schools
- * how religious institutions may be involved in the governance of charter schools, e.g. by appointing members of charter boards
- * ways charter schools may partner with religious institutions in the delivery of the schools' programs and services
- * whether/how charter schools may lease facilities from religious institutions.

Following, then, are the responses that came in from a number of you...

>From Pearl Kane at Columbia University...

Not a charter school but there is a relationship between one of NYC's small schools, Thurgood Marshall and the Abyssinian Baptist Church. I believe the relationship is to a committee of the church but may be worth investigating.

>From Roger Gerber, NC League of Charter Schools

One could probably do some (all being most difficult) of the things Bryan mentions in NC.

The leasing is the easiest (no religious icons in building). The non-profit would have to be separated from a religious non-profit and no obvious link between the religious group would be permitted. (We do have a charter that has its board members appointed by a native-American tribal council.) Delivery of education by a religious group would be difficult. Wording and sales job would have to be done with great care.

>From Bruce Barron, Pittsburgh area charter founder

The so-called "gray areas" to which Bryan refers are, with little or no exception, areas in which a state would be infringing on the constitutional rights of persons of faith if they set guidelines. States should set no such guidelines (e.g., whether a religious organization may recommend persons for the board) beyond those that are established by Supreme Court cases and stated more clearly in US DOED's extensive guidelines on religion and public education. Where they do so, charter schools unhappy about the situation

should go to Charles Haynes of the Freedom Forum First Amendment Center for help. He is probably the nation's foremost authority on religion and public ed, he's no radical fundamentalist, his center is funded by Gannett, and his resources are excellent.

The PA appeal board, in one of its denials, did mention the problems with a charter school being located in a church. The denial would have been horrifying had there not been plenty of other reasons to deny. There is at least one PA charter school operating in a church.

I have worked extensively on issues of religion and education since my PhD dissertation and, although my time is limited, would be happy to help Bryan or you if you need further assistance in these areas.

>From Eric Premack, California Charter Schools Development Center

Many states have a lot of case law regarding the reach of their state's specific constitutional provisions from pre-charter times. It may be most helpful to look to these for guidance since the restrictions contained in charter law are quite general. It may be that guidance issued by state departments of education is of little value relative to the case law.

>From Mary Gifford, Center for Market-Based Education, Phoenix

Arizona charter schools may rent facilities from churches, and in fact, many do. Religious schools may convert to charter schools but they have to become nonsectarian. There may be nothing religious inside a charter school. When I visited those schools in Chicago that were housed in churches I was surprised at the latitude given. In Arizona all religious icons have to be covered or turned to the wall, etc.

>From Tim Dutton, CT charter school network

After a quick perusal of our law there is nothing specific pertaining to the relationship between charters and religious institution. However, CT makes charter schools follow all public school laws, which of course prevent religious indoctrination or affiliation. There is nothing specific outlawing a religious group forming a school, as long as they follow all state laws, which means they do not discriminate or provide religious education during the school day. In practice no religious groups have been accepted for charters. The state does have a couple of schools that rent space from religious organizations. They were required to cover any religious symbols or artifacts before the schools were allowed to open. I would find it difficult to believe that charter schools in CT could exist as a religious.

school.

>From Ramon Dourado, Pennsylvania Charter School Coalition

PA Allows for the participation of religious institutions as long as the charter can show a true and distinct separation. Some schools do rent/lease/ purchase facilities from religious institutions.

>From Jim Griffin, Colorado League of Charter Schools

There is a clear Colo. constitutional prohibition against religious institution "controlling" the board of anything receiving state money. . . no statutory or informal guidelines. . . though multiple schools leasing from churches - in every instance I know of, there is no other connection between school and church in those transactions

>From Gerry Vazquez, New York Charter School Resource Center

I'm not aware of any guidelines issued by our chartering entities but the Institute for Justice did produce a memo for us on this issue of the involvement of religious individuals in charter schools. I'd be glad to forward a copy to you or to Bryan.

>From Amy Anderson, Denver-based consultant and school founder

The only one I know about is charters leasing from religious institutions. Odyssey, among others here in CO, have leased space from a church as a temporary/start-up facility (generally for the first year or so). There is nothing in the law either restricting or permitting this. As is the case with most school facility decisions here, they are usually decided at the local level. Schools here and in other places have been renting out their gyms and other spaces to churches on Sundays--this is just a reversal of that.

>From Greg Richmond, Chicago Public Schools

Illinois only prohibits the conversion of existing private and parochial schools into charter schools. No other statutory restrictions on religious organizations are in place. Most of our charter schools lease their school buildings from the Archdiocese of Chicago.

NOTE: I also have a copy of the Institute for Justice paper on this issue and guidance from the U.S. Department of Education that applies to all public schools. I'm sending both documents to Bryan and would be happy to forward them to anyone else who asks. Please let me know.

JON SCHROEDER



"Medler, Alex" <Alex_Medler@ed.gov>
03/06/2000 03:34:42 PM

Record Type: Record

To: Andy Rotherham/OPD/EOP

cc:

Subject: follow-up by schroeder to house

Here's Jon Schroeder's specific suggestions more succinctly described.
Alex

March 6, 2000

Hon. Peter Hoekstra, Chair
Subcommittee on Oversight and Investigations
Committee on Education and the Workforce
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Hoekstra:

Thanks very much for the opportunity during your Subcommittee's March 3 hearing to offer some reflections on the background and current issues relating to the federal charter grant program, as well as other federal issues relating to charter schools. I believe it was helpful for your Subcommittee to hear directly on these issues from leaders of three of the nation's leading charter schools, as well as the perspective of the grassroots charter support organizations we work with through the Charter Friends National Network.

Because a number of issues were touched on, I thought it might be helpful to briefly summarize my recommendations for clarification of legislative intent on several matters relating to administration of the grant program. As I said a number of times during the hearing, it's my hope that these issues can be dealt without having to reopen the law and make statutory changes beyond those made in the reauthorization that took place in 1998.

To that end, I'd be happy to work with your staff -- and with the Charter Schools Office in the U.S. Department of Education -- on some combination of committee report language, colloquies and non-regulatory guidance that would clarify legislative intent and then inform the states and schools.

Following are the issues we discussed at the hearing and general statements of principle that could be expanded upon using non-legislative means to establish legislative intent.

Authority to make early stage planning grants

States may include, in their overall charter grant program, smaller grants made to charter planning groups prior to actually receiving a charter. These grants may be used to help finance research, legal and accounting services, travel to visit schools or attend conferences and other activities that contribute to the development of stronger charter school proposals.

Waivers on the number of planning grants and time limitations for planning grants

If states make smaller pre-charter planning grants, they may seek waivers on the limitations in the law on the number of grants schools may receive and the time period during which planning, start-up and implementation grants may be made. Such flexibility may also be used by states to encourage schools to take a "planning year" during which they have more time to identify a facility and prepare it for occupancy, recruit students, begin to involve parents, prepare budgets and business plans, develop curriculum and accountability plans, recruit and orient teachers and other activities that will ultimately result in a stronger school on opening day.

District and state approval of planning grant applications

When submitting a proposal for a pre-charter planning grant, states may require school planning groups to notify the school district in which the charter will be located and/or the chartering authority to which the planning group intends to apply. However, the district or other chartering authority need not formally approve or endorse the planning grant proposal in order for it to be considered by the state.

Grant administration fees or charges by districts

In some states, the charter law or other laws may require a school district to be the fiscal agent for planning, start-up or implementation grants to charter schools. Should that be the case, the entire grant amount must be made available to the charter school or planning group. The district may not require that a fee or percentage of the grant be paid by the school or planning group for the district's administrative services.

Admissions procedures when applications exceed space

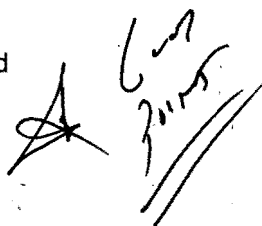
The lottery provision in the law should remain unchanged. However, the Department should continue its past practice of allowing enrollment preferences for specific categories of students, such as siblings of currently enrolled students, children of founders, teachers and other staff, students living within an attendance area determined by the charter agreement and students who previously attended "feeder schools" in the same attendance area or that have the same or similar mission, goals or educational philosophy.

Besides working with your staff and the Department on these or other non-legislative means to establish or clarify legislative intent, I'd also like to repeat my offer to assist in the development of realistic estimates

of demand for planning, start-up, implementation or dissemination grants by charter schools across the country. These estimates could then be used to develop a credible appropriations proposal for FY2001 that may be higher than the President's \$175.0 million budget re-request. Again, factors that could contribute to a larger request include projections for a substantial additional increase in the number of schools opening in FY2000 or 2001, passage of new laws or strengthening of existing laws, increased use of pre-charter planning grants, the growing number of schools eligible for dissemination grants and an increased number of states that propose creative uses of grant funds by schools to enhance privately organized, pooled technical assistance capacity.

In addition, I'd like to repeat my cautions on two issues being discussed in the ESEA reauthorization that are of great concern to charters:

* The provision in the President's ESEA reauthorization proposal that would require states to have 90 percent certified teachers within four years. More than two-thirds of the states -- with more than 80 percent of the charters -- currently have some degree of flexibility in allowing use of teacher qualifications other than traditional certification. This flexibility could be jeopardized by an overall mandate applying to all public schools in a given state.

Handwritten signature and initials, possibly "Curt" and "Parks", with a large "A" to the left.

* Broader initiatives in several proposals to link federal funding eligibility to federally prescribed improvements in student achievement. Charter schools strongly support the objective of holding schools accountable, but believe that any such high stakes accountability strategies should be determined on a school-by-school basis in the charter agreement between each school and its sponsor.

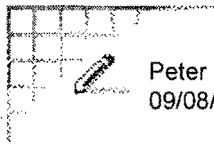
Finally, I'd like to repeat by interest in working with your staff on creative proposals such as block granting federal categorical programs, broadening waiver authority and providing incentives for individual public schools to apply for federal grants in consortia. All of these initiatives could make applying for, competing for and using federal grants and categorical funding more feasible for smaller, individual charter schools.

Thank you again for the opportunity to provide testimony to the Subcommittee and for this opportunity to expand on several of the key issues we discussed. I look forward to working with your staff as you begin to incorporate this and other input to this year's legislative and appropriations initiatives.

Sincerely,

JON SCHROEDER
Project Director

cc: Rep. Tim Roemer, Ranking Member
Rep. Bob Shaffer, Subcommittee Member



Peter Rundlet
09/08/99 02:15:42 PM

Record Type: Record

To: Edward W. Correia/WHO/EOP@EOP
cc: See the distribution list at the bottom of this message
bcc:
Subject: Re: Title IX Regs

Eddie,

Before we go ahead with these Title IX regs, I think we need to touch base with Education and Justice about where they are in their review of the single-sex education regs. We want to be careful that we don't come out with inconsistent regs in this area. My understanding is that Education and Justice are close to finalizing their review, and may have something to share with us soon. If there is a need to fast-track this, we might want to call them in for a meeting on the status of these regs. What do you think?

Edward W. Correia

Edward W. Correia

09/02/99 04:17:42 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Title IX Regs

Several months ago, DOJ completed work on proposed Title IX regulations for agencies that do not have them. OMB approved them for publication as well. Because these regulations would apply to HUD programs, Senator Gramm, Chairman of the Banking Committee, invoked the right of the Committee to review them. Under the statute, the Committee has 15 days to review a HUD-enforced regulation before publication. However, Gramm and his staff have had these since January and they are still not satisfied. DOJ and ED staff have met a number of times with Gramm and his staff in order to resolve his concerns, many of which have to do with how Title IX will affect the athletic program at Texas A&M. In the meantime, this review has had the effect of delaying the publication of regulations that affect many other agencies besides HUD.

DOJ is now prepared to publish the proposed rule for all agencies except HUD. Gramm's office will be informed in advance of the publication date. While Gramm might be disappointed, this approach still accommodates him by delaying any effect on HUD programs well beyond the statutory review period of 15 days. I strongly agree that DOJ should proceed with publication. It makes no sense for a single Committee Chairman to delay a proposed regulation indefinitely, particularly if the purpose is to negotiate changes in policies which are largely outside the jurisdiction of his Committee. Please let me know in the next couple of days if you have any concerns about DOJ proceeding with publication. Otherwise, I will let

them know that that they should go ahead.

Message Sent To:

Cheryl D. Mills/WHO/EOP@EOP
Maria Echaveste/WHO/EOP@EOP
Minyon Moore/WHO/EOP@EOP
Peter Rundlet/WHO/EOP@EOP
Tracey E. Thornton/WHO/EOP@EOP
Caroline R. Fredrickson/WHO/EOP@EOP
Andy Rotherham/OPD/EOP@EOP
Donald R. Arbuckle/OMB/EOP@EOP
Robert G. Damus/OMB/EOP@EOP

Message Copied To:

cheryl d. mills/who/eop@eop
maria echaveste/who/eop@eop
minyon moore/who/eop@eop
tracey e. thornton/who/eop@eop
caroline r. fredrickson/who/eop@eop
andy rotherham/opd/eop@eop
donald r. arbuckle/omb/eop@eop
robert g. damus/omb/eop@eop

Irene Bueno

12/08/99 02:37:23 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Eric P. Liu/OPD/EOP, Andy Rotherham/OPD/EOP

cc: Anna Richter/OPD/EOP

Subject: FL Affirmative Action Program

As I mentioned during the team leaders meeting, the President will raise the FL affirmative action initiatives and Gov Jeb Bush's affirmative action plan when he is Florida this weekend. Speechwriting is drafting statements on this issue that I will send to you for your review when I receive it.

Attached for your review are a set of qs and as that Eddie Correia and I drafted on this issue. Also, attached is a background piece this issue. I will also fax the press release and executive order on Gov. Jeb Bush's plan. Please let me know if you have any comments or need more info. Thanks.


Fla AA Q and A's -- revised.


Affirmative Action in Florida

JEB BUSH
GOVERNOR

STATE OF FLORIDA

Office of the Governor

THE CAPITOL

TALLAHASSEE, FLORIDA 32399-0001

**FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 9, 1999****CONTACT: JUSTIN SAYFIE
or LUCIA ROSS
(850) 488-5394****GOVERNOR BUSH ANNOUNCES HIS
ONE FLORIDA INITIATIVE***--An Innovative Plan to Increase Opportunity and Diversity while Ending Racial
Preferences and Set-Asides in State Contracting and University Admissions--*

TALLAHASSEE - Providing strong leadership to unite all Floridians behind a plan of opportunity, diversity and fairness, Governor Jeb Bush today announced his One Florida Initiative.

"With my One Florida Initiative, we can increase opportunity and diversity in the state's universities and in state contracting without using policies that discriminate or that pit one racial group against another," Governor Bush said. "Behind a common vision that unites us, we can ensure that the promise of Florida's future will be shared by all of Florida's residents, regardless of race, ethnicity, neighborhood, or background."

The education component of the One Florida Initiative includes the following elements:

- Eliminate race and ethnicity as a factor in university admissions.
- The "Talented 20" Program will guarantee state university admission to the top 20 percent of students in every Florida high school senior class. Even with the elimination of race and ethnicity as a factor in admissions, the "Talented 20" Program will result in a net increase in minority enrollment in the state university system.
- An increase in need-based financial aid by 43 percent, a \$20 million increase.
- Proposed funding to make the Preliminary Scholastic Achievement Test available to all Florida tenth-graders so that Florida's eleventh-graders will be better prepared to take the Scholastic Achievement Test.

(more)

ONE FLORIDA INITIATIVE- -Page Two

- Increased availability of Advanced Placement courses in low performing schools.
- A new partnership with the College Board to improve college preparation for students at low performing high schools.
- The creation of the Equity in Educational Opportunity Task Force to make recommendations on eliminating inequities in our K-12 educational system. Sen. Daryl Jones, of Miami, will serve as the Chairman of the Task Force.

The state-contracting component of Governor Bush's One Florida Initiative includes the following:

- The elimination of racial set-asides and racial price preferences. The time has come to eliminate these legally suspect practices that never fully achieved their goals. These programs are constitutionally suspect and account for a miniscule amount of money for minority businesses each year.
- Reform of the procurement process to encourage the pursuit of diversity by making the state's procurement agents more accountable for their purchasing decisions. Procurement officers will report directly to the Governor and their positions will be reclassified from career service to select exempt status.
- Reduction of the red tape in the minority certification process to encourage more minority businesses to become certified.
- Enhancement of minority business development through financial and technical assistance programs that target the legitimate development needs of emerging minority businesses, minority construction firms and minority franchisees.

"My initiative ends racial preferences, racial set-asides and race-based university admissions, not affirmative action properly understood," Governor Bush said. "The One Florida Initiative transcends traditional notions of affirmative action and increases opportunities for Floridians of all racial backgrounds in ways that unite us, not divide us."

Joining Governor Bush for today's announcement were the Chancellor of the State University System Adam Herbert, Speaker of the House John Thrasher, College Board President Gaston Caperton and D.J. Miller, president of D.J. Miller and Associates, the state's professional consultants.

Governor Bush also signed an agreement and two executive orders with Caperton. The agreement with the College Board will assist in identifying, motivating and better preparing students in low performing schools. Executive Order 99-281 reaffirms the Bush/Brogan administration's commitment to non-discrimination in state hiring, contracting, education, and directed the Governor's agency heads not to use optional race and gender set-asides and preferences in their agencies.

(more)

ONE FLORIDA INITIATIVE--Page Three

Executive Order 99-280 creates the Equity in Educational Opportunity Task Force.

"I firmly believe that with the One Florida Initiative, we can prevent our state from being divided along racial lines," Governor Bush said. "It is my hope that the One Florida Initiative can replace conflict with consensus in providing opportunity with diversity and fairness in our state."

For more information on Governor Bush's One Florida Initiative, visit the Governor's Website at www.flgov.com.



EXECUTIVE OFFICE OF THE GOVERNOR

Executive Order 99-281

WHEREAS, the Florida Constitution provides that all natural persons, female and male alike, are equal before the law and that no person shall be deprived of any right because of race or national origin; and

WHEREAS, Florida's government has a solemn obligation to respect and affirm these principles in its policies relating to employment, education and contracting; and

WHEREAS, the use of racial and gender set-asides, preferences and quotas is generally inconsistent with the obligation of government to treat all individuals as equals without respect to race or gender; and

WHEREAS, the use of racial and gender set-asides, preferences and quotas is considered divisive and unfair by the vast majority of Floridians, produces few, if any, long-term benefits for the intended beneficiaries, and is of questionable legality; and

WHEREAS, the laudable goal of increasing diversity in Florida's government and institutions of Higher Education, and in the allocation of state contracts, can and should be realized without the use of racial and gender set-asides, preferences and quotas; and

WHEREAS, the obligation of Florida's government to root out vestiges of discrimination can and should likewise be accomplished without resort to remedies involving the use of racial and gender set-asides, preferences and quotas.

NOW, THEREFORE, I, JEB BUSH, as the Governor of the State of Florida, by virtue of the authority vested in me by the Constitution and laws of the State of Florida, do hereby promulgate the following executive order effective immediately:

Section 1: Non-Discrimination in Government Employment

(a) It is the policy of my Administration to provide equal opportunity to all qualified Floridians, to prohibit discrimination in employment because of race, gender, creed, color or national origin, and to promote the full realization of equal employment opportunity through a positive, continuing program in each Executive Agency and the Office of the Governor. This policy of equal opportunity applies to every aspect of employment policy and practice in my Administration.

(b) It is the policy of my Administration to seek out employees for hiring, retention and promotion who are of the highest quality and ethical standards, and who reflect the full diversity of Florida's population.

(c) Unless otherwise affirmatively required by law or administrative rule, neither the Office of the Governor nor any Executive Agency may utilize racial or gender set-asides, preferences or quotas when making decisions regarding the hiring, retention or promotion of a state employee. Any law or administrative rule requiring or allowing the use of racial or gender set-asides, preferences or quotas in hiring, retention or promotion shall be brought to the attention of my General

*

Counsel by any affected Executive Agency no later than December 31, 1999.

Section 2: Non-Discrimination in State Contracting

(a) It is the policy of my Administration to provide equal state contracting opportunities to all qualified businesses, to prohibit discrimination in contracting because of race, gender, creed, color or national origin, and to promote the full realization of equal contracting opportunities through a positive, continuing program in each Executive Agency and the Office of the Governor. This policy of equal contracting opportunities applies to every aspect of contracting policy and practice in my Administration.

(b) Unless otherwise required by law or administrative rule, neither the Office of the Governor nor any Executive Agency may utilize racial or gender set-asides, preferences or quotas when making state contracting decisions. Any law or administrative rule requiring or allowing the use of racial or gender set-asides, preferences or quotas, or artificial, arbitrary goals in state contracting shall be brought to the attention of my General Counsel by any affected Executive Agency no later than December 31, 1999.

(c) The Department of Management Services and the Minority Business Advocacy and Assistance Office at the Department of Labor & Employment Security are hereby ordered to develop an implementation strategy for all other aspects of my Equity in Contracting Plan by January 31, 2000, and to present that plan to my Office of Policy and Budget for appropriate action.

Section 3: Non-Discrimination in Higher Education

(a) It is the policy of my Administration to support equal educational opportunities for all qualified Floridians, to prohibit discrimination in education because of race, gender, creed, color or national origin, and to promote the full realization of equal educational opportunities throughout the State.

(b) I hereby request that the Board of Regents implement a policy prohibiting the use of racial or gender set-asides, preferences or quotas in admissions to all Florida institutions of Higher Education, effective immediately.

(c) The Office of Policy and Budget is hereby ordered to develop an implementation strategy for all other aspects of my Equity in Education Plan by December 31, 1999.

Section 4: No Legal Cause of Action

Nothing in this Executive Order shall be construed to create a cause of action or any legal remedy not otherwise provided for by law.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of the State of Florida to be affixed at Tallahassee, the Capitol, this 9th day of November, 1999.



Jeb Bush
Governor

ATTEST:
/s/ Katherine Harris
Secretary of State



Cynthia A. Rice

12/06/99 12:13:00 PM

Record Type: Record

To: .Nicole R. Rabner/WHO/EOP, Andy Rotherham/OPD/EOP

cc:

Subject: Bob Greenstein on refundable child care and HOPE tax credits

I mentioned this morning that Bob Greenstein has gotten over his concerns about refundable tax credits potentially endangering the EITC. He's recommending the Administration propose to make the DCTC and/or the Hope credit refundable. He faxed me the memo he prepared for OMB which I'll get to you.

**CENTER ON BUDGET
AND POLICY PRIORITIES**

820 First Street, NE, Suite 510
Washington, DC 20002
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Fax: 202/408-0848 or 408-1056

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Cynthia Rice

456-7431

Bob Greenstein

December 3, 1999

13

Comments:



CENTER ON BUDGET AND POLICY PRIORITIES

To: Jack Lew
Sylvia Mathews

From: Bob Greenstein

cc: Barbara Chow

Subject: Poverty Initiatives and the Next Budget

Date: December 3, 1999

Last week the NEC suggested I prepare a memo with ideas for initiatives to include in the final Clinton budget. I recognize that the list that follows is considerably longer than what you will have room for in the budget. This is a slightly revised version (after more thinking) of what I sent to Gene.

1. EITC

The time is propitious to propose a final set of Clinton EITC improvements. As you know, the vetoed Republican tax bill included an EITC increase (in the form of EITC marriage-penalty relief).

The 1993 EITC expansion has been one of the signature achievements of the Clinton Administration. This legacy can be enlarged upon by enhancing the EITC's effectiveness at reducing poverty among families with three or more children, simplifying the EITC/child tax credit relationship, and reducing for families close to the poverty line the high marginal rates to which the EITC contributes (something George W. Bush's proposal fails to do). There are three specific areas where important EITC improvements could be made:

- *A third tier.* I would strongly recommend adding a third EITC benefit tier — i.e., a benefit tier for families with three or more children. The poverty rate in 1997 was 12% for children in families with one child, 14% for children in families with two children, and over 25% for children in families with three or more children. Moreover, the poverty line and welfare benefits are adjusted for the number of children in a family, while wages are not. As more and more families move from welfare to low-wage work, we need more of an EITC boost for larger families.

Bradley's child poverty plan includes a proposal for a third benefit tier. But Al Gore who was here first — the 1991 Gore-Downey bill featured this proposal. And it was the Clinton Administration that established the precedent in law for this approach when it secured inclusion in the 1997 budget deal of a refundable

component of the child tax credit for families with three or more children whose payroll taxes exceeded their EITC.

This refundable child credit approach was an excellent foot-in-the-door. But it does not kick in until family income reaches about \$25,000 and it is complicated. I'd suggest establishing a third EITC tier in a way that reduces the proposal's cost (and simplifies the tax code) by converting the refundable component of the \$500 child credit into a new EITC benefit tier for families with three or more children. This approach also should make this initiative somewhat more palatable to Republicans, as it would convert one refundable credit component for larger families into another refundable credit for such families; that should be more acceptable to Republicans than adding a third EITC tier on top of the refundable component of the child credit. A third EITC benefit tier would be simpler and much better targeted than the refundable element of the child credit.

If the idea is adopted of converting the refundable component of the child credit into a third EITC benefit tier, I think this can be done for under \$1 billion a year.

There would be some very large families with incomes around \$30,000 that would be worse off, because the refundable component of the child credit they would lose would exceed the EITC benefits they would gain. But this is a price well worth paying to establish a third EITC tier.

Incidentally, one state has pioneered this approach and has established a state EITC with a third tier — Wisconsin under Governor Tommy Thompson. (I'd also note that a third EITC tier is a high priority for Hispanic groups like the National Council of La Raza. The proportion of poor families that work is higher among Hispanics than among non-Hispanic whites or blacks. In addition, Hispanic families have a larger average number of children than non-Hispanic families do.)

- *EITC marginal tax rate relief:* Combined marginal tax rates can be extraordinarily high on working families whose EITC, food stamp, and other benefits (such as child care) all phase down at the same time. These families can encounter marginal tax rates in the 50% to 100% range. George W. Bush has emphasized this problem and claimed incorrectly that his tax plan responds to it.

The final Clinton budget could contain a proposal here. Such a proposal would demonstrate that progress can be made in addressing this problem without having to pass a \$1 trillion 10-year tax cut and that the Administration's budget, unlike the Bush plan, is actually responding to this problem. Perhaps the best way to do this would be to lower the EITC phase-down rates for families in the part of the EITC phase-down range in which substantial numbers of families lose EITC and food stamp benefits at the same time and then to raise the EITC phase-down rates back up to current levels in the part of the phase-down range in which families no longer are eligible for food stamps or are very unlikely to be receiving them.

- *EITC marriage-penalty relief.* EITC marriage-penalty relief also can be provided. The vetoed tax bill and the House and Senate Democratic tax bills contained such a feature. But such a proposal probably does not make sense politically unless the budget also proposes middle-class marriage penalty tax relief, which would be costly and (in my view) is not a priority.

2. A related proposal to "make work pay"

Achieving the goal that President Clinton set for the nation — that if a parent works full time, the parent and his or her children should not live in poverty — entails that a family have a combination of full-time minimum wage earnings, the EITC, and food stamps. If a family of four or more fails to receive food stamps, it will be several thousand dollars below the poverty line. In fact, the food stamp benefit for which a family of four with full-time minimum wage earnings qualifies is nearly equal to the EITC benefit for which such a family qualifies.

Food stamp participation, however, is quite low among working poor families, a problem to which you have been devoting increasing attention. I think the Administration should include several proposals in the budget to help address this problem. The first two steps outlined below would be welcomed and endorsed by the governors on a bipartisan basis.

The first and principal such step is to give states the option of conforming the food stamp limit on the value of a vehicle that a household may own to the vehicle limit that the state has established in its TANF or Medicaid programs (so long as the TANF or Medicaid limit used is not more restrictive than the food stamp vehicle limit). The food stamp limit was originally set in 1977 to bar participation by families with luxury cars. Some 22 years later, however, the food stamp vehicle limit disqualifies families with very modest cars, because the limit is essentially the same in nominal terms as when it was first established in 1977. (It was established in 1977 as a \$4,500 limit on the market value of a vehicle; today, the federal food stamp vehicle limit is \$4,650 in market value.) During this 22-year period over which the food stamp limit has remained essentially unchanged, the CPI for used cars has *nearly tripled*. For the vehicle limit to have the same effect today as it had in 1977, the limit would need to be nearly \$13,000.

When the food stamp vehicle limit was established in 1977, it was higher than the vehicle limits that most states used in their AFDC programs, reflecting the importance of food stamps to working poor families, many of which own modest cars that they must use to commute to their jobs. Today, by contrast, nearly every state has a more liberal vehicle limit in its TANF program than the federal food stamp limit.

Moreover, because the federal food stamp vehicle limit is *not* indexed to inflation, a larger share of working poor families become ineligible for food stamps each year. The 1993 reconciliation act contained a Clinton proposal to address this problem, but the welfare law repealed that provision.

This problem is taking on increasing importance. Recent research by Sandra and Sheldon Danziger in which they examined barriers to employment among welfare mothers in Flint,

Michigan found the two top barriers to employment to be lack of a high school diploma and lack of access to a car. With a greater share of low-skilled jobs now in outlying suburbs and exurbs, lack of a car makes it more difficult for many low-skilled inner-city residents to hold jobs.

Over the past 12-18 months, states with governors of both parties have been increasingly vocal in attacking the food stamp vehicle limit as being anti-work and counter to welfare reform. Some Republican state officials use the food stamp vehicle limit as an example of why we should block-grant food stamps when the welfare law comes up for reauthorization in 2002. Fixing this problem would help make work pay, strengthen and reinforce welfare reform, and show we can address such problems without replacing the food stamp program with a block grant.

Furthermore, some bipartisan support for this proposal is developing on the Hill. The proposal is a central feature of a hunger relief bill that Senators Specter, Kennedy, Jeffords and Leahy introduced a few weeks ago in the Senate and Rep. James Walsh and some bipartisan co-sponsors introduced in the House. In addition, I believe Senator Lugar would be favorable to this proposal. CBO cost estimates show this proposal costing \$1.3 billion over five years; the cost would be lower if a related regulatory change is made.

The second proposal to improve food stamp use among working poor families is a modest proposal to allow states to conform the treatment of several forms of income in the food stamp program to the treatment used in Medicaid. This would enable states to use a single definition of income in Medicaid and food stamps, which in turn should facilitate the development of simplified, joint Medicaid/food stamp applications for working poor families with children. This should help states boost participation by working poor families in both programs. I believe OMB attempted to secure inclusion of this proposal in the ticket-to-work bill. It costs only \$18 million over five years, which makes it a bargain.

A final food stamp proposal that deserves consideration, a version of which is in the Specter-Kennedy/Walsh hunger bill, is a provision to adjust the cap on the food stamp shelter deduction for low-income households that do not contain an elderly or disabled member. The vast array of these households are families with children.

Eliminating that cap was the top food stamp priority of Leon Panetta and the Clinton Administration in 1993 and was part of the 1993 reconciliation law. The 1996 welfare law, however, repealed the 1993 provision. This was one of the features of the welfare law that President Clinton criticized most strongly in signing it, and in 1997, the Administration sought unsuccessfully to reverse this provision. The new bipartisan hunger bill on the Hill seeks *not* to eliminate the cap on the shelter deduction but takes a more moderate approach, raising the deduction cap a modest amount and indexing it.

Indexing the cap is particularly important. If the cap is frozen in perpetuity without any indexing mechanism, a growing number of poor families with children will hit the cap each year and have a more difficult time paying the rent and feeding their children adequately at the same time. I'd recommend restoring indexation. This will be increasingly significant over time.

Those who would be helped by such a provision such are primarily working poor families.¹ This provision would cost \$150 million over five years.

3. Health Insurance

I hope the budget proposes some significant new steps to expand health insurance coverage. There is a renewed focus in the country on the issue of the uninsured. Moreover, Republicans are proposing unwise tax cuts for the purchase of health insurance, and the Administration and Democrats need an alternative. This may be an opportunity to make important progress here.

One of the biggest problems in this area is the large number of children in working poor families who are eligible for Medicaid but unenrolled. We'd recommend the following:

- The CHIP program provides an enhanced matching rate to states to cover children primarily between about 133 percent and 200 percent of the poverty line. We'd urge you to propose an enhanced matching rate to states to enroll more of the eligible children who are *below* these income levels. This could be done by taking the CHIP matching rate for each state and applying it to increases in the state's child Medicaid enrollment above the state's enrollment level in a base year. (Adjustments would be made so the enhanced match did not apply to older children aging in to Medicaid eligibility under the final stages of the 1990 mandate to cover children below the poverty line who were born after September 30, 1983.) This would give states more incentive to reach and enroll more working poor children.

This might be accomplished simply by allowing states to use CHIP funds for this purpose. I'm not sure whether it would be best to augment CHIP funding or this simply should be made an allowable use of CHIP funds. (Note: Since children on welfare already are on Medicaid, and welfare rolls are continuing to fall, providing enhanced matching funds for increases in Medicaid child enrollment would result in providing these funds primarily to increase Medicaid coverage among children in working poor families.)

We even more strongly recommend that the Administration propose an initiative for states to extend coverage to more low-income adults. The best approach would be a new Medicaid option to cover all individuals up to the poverty line. That would be a terrific advance.

Another important advance would be an initiative to cover more low-income working parents. Census data show that nearly half of all working poor parents are uninsured throughout the year. Covering these parents would encourage work and help ensure that work is more

¹ Those aided would largely be families with children that do not live in public or subsidized housing and have cash incomes between 50 percent and 100 percent of the poverty line. These are principally working families; in most states, families on welfare have cash incomes below 50 percent of the poverty line.

remunerative than welfare. It also should improve *child* health insurance coverage; research indicates that children are more likely to be insured where the whole family can secure coverage.

Under this approach, the Administration would propose a CHIP-like block grant for parents with incomes up to a certain level. The block grant would have an enhanced federal matching rate like that which CHIP provides. States would have broad flexibility over use of these funds, but there would be two basic rules the states would have to follow:

- In using block grant funds to cover low-income working parents, states would have to cover parents through the same program as their children. In other words, if a family's income was such that its children were Medicaid-eligible, and the state used block grant funds to extend coverage to the parents, it would make the parents eligible for Medicaid. Similarly, if a family's income made its children eligible for a separate state insurance program rather than Medicaid and the state elected to use its block grant funds to provide coverage to parents at that income level, the state would make these parents eligible for the same state insurance program as their children.
- States would have to cover poorer parents before less-poor parents. A state couldn't use block grant funds to extend coverage to parents above the poverty line until it had used block grant funds to cover the parents below the poverty line.

Other Health Insurance Issues

We also recommend that the Administration again include in the budget its proposal to expand the scope of the Medicaid "presumptive eligibility" option for children. Under the Administration's proposal, a state could use schools and other entities the state deems appropriate as presumptive eligibility providers. This fits very well with the Administration's increased emphasis on using schools to reach and enroll children in health insurance. This proposal was in the FY 1999 budget; it also was in the 1999 McCain tobacco bill. I'm told it fell through the cracks when the FY 2000 budget was put together.

In addition, I assume you will include in the budget a provision lifting the sunset on Transitional Medicaid Assistance for families that have just worked their way off welfare. TMA, which has been in federal law since 1988, sunsets on September 30, 2001. The Administration should propose to make it permanent. This can be coupled with two small but important proposals to make TMA more effective that were included in your FY 2000 budget.

I'd urge that another Medicaid-related proposal that OMB sought to attach to the "ticket-to-work" legislation also be included in the budget. The proposal in question is a Lugar bill to enable state and local Medicaid and CHIP agencies to make greater use, for Medicaid and CHIP outreach and enrollment purposes, of the lists that schools compile of children who are certified for free and reduced-price school lunches. This costs only about \$50 million over five years.

Last, but not least, is the issue of expanding health care coverage for low-income legal immigrants. I assume the Administration will re-propose giving states the option to make legal

immigrant children who have entered the country after August 22, 1996 eligible for Medicaid and state child insurance programs funded under CHIP.

We, and the principal groups that work on immigrant issues, have suggested one additional expansion related to health care coverage for legal immigrants. This year's Clinton budget proposed to make legal immigrants who enter the country after August 22, 1996 — and who become disabled after entry — eligible for SSI after they have been in the United States for five years; under that proposal, most such immigrants would become eligible for Medicaid at the same time. We assume this proposal will be in the FY 2001 budget. Our suggestion is to accompany this with a proposal giving states the option of extending Medicaid coverage during their first five years in the country to legal immigrants who have entered after August 22, 1996 and have become disabled after coming here.

4. A refundable tax credit for child care or higher-education costs

Consideration could be given to making either the Dependent Care Tax Credit or the Hope credit into a refundable credit. When the Administration considered such steps a few years ago in formulating the 1998 budget, I thought a proposal to make these credits refundable would be a political mistake. But I think the political climate has eased now and the Administration could consider making one, but not both, of these credits refundable.

- When the 1998 budget was being developed, the White House, Treasury, and we were all concerned that Republicans would strongly oppose creation of another refundable tax credit and fight such a credit by waiving the banner of EITC fraud and abuse. We believed the likely result would be that the Administration would not get the refundable credit and that the EITC would be further weakened politically.
- But the atmosphere seems to have changed. The EITC appears stronger now politically for at least two reasons. First, in the last two years, new research has demonstrated that the EITC has induced large increases in employment among single female parents. As a result, a number of Congressional Republicans now see the EITC as integral to the success of welfare reform. Second, in 1995-1996, Republicans believed their own rhetoric that the EITC was the most out-of-control entitlement in the budget, because its cost had risen exponentially over the previous decade. When we all responded that this growth was the result of the 1986, 1990, and 1993 EITC expansions and that the explosive cost growth would end when the 1993 expansion finished phasing in, many Republicans refused to believe it. Of course, the rapid cost growth did end when the expansions phased in, and EITC costs are now "well behaved." This has removed a significant source of EITC criticism.
- In addition, while only a few years ago Republicans vehemently opposed any more refundable credits and argued that such credits are inherently fraud-ridden, today key Republicans such as Dick Armey and a cadre of influential conservatives are

promoting the creation of a refundable tax credit for the purchase of health insurance. This approach presents an array of problems as a way to expand health care coverage, but its emergence makes it harder for Republicans to argue that refundable credits are inherently fraud-ridden and that a refundable credit for child care or higher education costs is a terrible idea on those grounds.

We have not done work on the relative merits of making the HOPE credit refundable versus making the DCTC refundable, so I hesitate to rank them. But I'd suggest consideration of making one of these credits refundable.

5. Promoting Mobility Through Housing Vouchers

A growing body of research is finding positive outcomes from housing vouchers that enable poor families to move to areas with better job opportunities and/or schools and less crime. You did a fabulous job in securing 60,000 new vouchers in this year's HUD-VA bill. I hope the new budget includes either 100,000 more incremental vouchers (the same incremental level as was proposed in this year's budget), or 140,000 vouchers, the full level authorized under the 1998 housing bill.

6. Unemployment Insurance

Unemployment insurance reforms are badly needed. And there is a possibility for UI changes next year. The states want changes in UI administrative costs, and the Ways and Means Committee Republicans have told us they plan to push this next year. Employers want elimination of the 0.2 percent federal FUTA surtax. If such changes are made, reforms in the UI benefit structure ought to be secured in return. To do so, the Administration should have a UI reform package in the budget.

As Janet Norwood, the former BLS commissioner and former chair of the Congressionally-chartered UI advisory commission in the mid-1990s, has stated, the current UI system essentially discriminates against low-income workers. Only about one in three unemployed workers receive unemployment insurance benefits. Among low-income workers, the percentage is much lower.

The problem is most severe among low-income women with children. The UI system does not reflect current labor-market realities and is not very family friendly. It does not account for the part-time and intermittent employment patterns common among many low-skilled workers in today's employment market, particularly those who must juggle work and child-rearing responsibilities. In the mid-1990s, only one in six single mothers who worked in jobs paying \$5.15 an hour or less (in 1997 dollars) and then became unemployed received unemployment insurance.

Last fall, the Labor Department advanced a package of relatively modest but solid UI reforms. My understanding is that there was significant White House interest in these proposals,

but that most of the proposals did not make it into the FY 2000 budget due to lack of an offset of about \$1 billion over five years.

This budget is the last chance for the Clinton Administration to propose needed UI changes. If such changes do not become law, the Clinton legacy may look harsher when the next recession hits; at that time, a sizeable fraction of mothers who have been working at low-paid jobs but are then laid off will not be able to get either UI (because of the deficiencies in the UI program) or cash welfare assistance (for such reasons as having exhausted their time on welfare under the welfare time limits). Welfare reform has made UI reform more urgent.

There also is another reason why this is a good time to pursue UI reform. Since the economic outlook is so sunny, 5-year and 10-year cost estimates for UI improvements will be very low. If we wait to seek these reforms until the economy weakens, the price tag will be much larger.

There is substantial agreement among people working in the field about some of the types of changes that are needed. Many of these changes were recommended by the UI advisory commission a few years ago.

- Financial incentives are needed for states to adopt an "alternative" base period for determining UI eligibility. Unemployed workers are eligible for UI benefits only if they earned sufficient wages during the "base year;" in most states, the base year is defined as the first four of the five *completed* quarters preceding the time a worker has become unemployed. This definition of base period ignores up to six months of the worker's most recent work history. Research indicates that use of this base period is a major barrier to UI receipt among low-wage workers, who tend to enter and leave the labor force more frequently than higher-wage workers. Low-wage workers are much better served if states adopt an alternative base period that bases eligibility for benefits on work during the four completed quarters preceding the time the worker became unemployed. A number of states (I think about eight or ten) have successfully adopted this more up-to-date base period.

Most of the states established their UI systems at a time when the data and technology needed to process claims quickly were not available and it was necessary to use a base period that did not account for the most recent quarter of work. The technology has improved since then. More timely reporting is now available.

A mandate requiring states to use the more recent base period would be the best approach from a policy standpoint but may not be feasible politically. If not, then financial incentives are needed for states to adopt the alternative base period. When past efforts have been undertaken to persuade states to adopt this base period, the administrative costs entailed have been a principal source of state concern and opposition. Federal legislation is needed under which the Labor Department would pay for, or share in, the costs of start-up and ongoing administration of the alternative base period; these costs principally involve

additional staff-time to collect more up-to-date information about claimants. Funds also should be provided for DOL to provide technical assistance to states about the most efficient means to implement the alternative base period; this might include the development and distribution of software that enables employers to comply more readily with more timely reporting rules.

- Improving access to UI benefits for part-time workers also is important. A large number of workers are limited to part-time work due to changes in the labor market or family responsibilities.

One problem faced by individuals who must limit their employment to part-time hours are the UI rules that most states use under which UI benefits are denied to individuals who seek only part-time work. These restrictions have an adverse impact on many women who must balance work and family obligations and attempt to do so by working part time.

There are several possible approaches. One would be a requirement that a claimant who limits work search to part time work may not be disqualified on the grounds that the claimant is unavailable for full-time employment *if* there is good cause for the claimant to restrict her hours of work and there is a demonstrated labor market for part-time work in the area.

- A third area where reform is needed involves the definition of "good cause" for leaving a job. The UI program needs to be more family-friendly in this regard. Many women have to leave a job because of personal circumstances and family responsibilities. Such situations include moving to a new area because a spouse takes a new job there, changes in child care arrangements that alter a parent's potential work schedule or temporarily preclude work outside the home, and dealing with a range of family crises or emergencies such as domestic violence.

Many states have rules that narrowly limit the definition of good cause for leaving a job to circumstances that relate to the job itself; these rules exclude circumstances that involve the types of family situations described above. By contrast, some other states have made it possible for an individual who leaves work for important family reasons such as those noted here to qualify for UI benefits when the individual again is available for work. Federal action is needed to induce or require states to adopt more family-friendly rules here.

Finally, improvements are needed in the extended unemployment insurance benefits program. Only about seven states have adopted the most responsive of the "extended benefits" triggers. As a result, if a major recession occurs, unemployed workers in a substantial number of states with high unemployment rates will not be able to receive extended benefits when their regular UI benefits run out.

Consideration should be given to establishing a higher federal matching rate for extended benefits, such as a 75 percent matching rate rather than the current 50 percent rate. The cost

estimate for such a reform would be tiny now because the economic forecast is so bright. Such a reform could prove extremely important when the next significant recession occurs.

It makes sense for the federal government to pick up more of the unemployment compensation burden in areas experiencing high unemployment. In addition, if more states provide extended benefits, there will not be a need to move as quickly to 100-percent federally funded supplemental unemployment benefits in the next recession or to maintain the 100 percent federally funded benefits for as long a period.

7. Immigrant Benefits

We and several civil rights and religious organizations have discussed in detail with Barbara Chow and DPC our recommendations for immigrant benefit restorations in the FY 2001 budget. I won't repeat the full list of recommendations here but did want to emphasize the importance of this area. With Republican nervousness about Hispanic (and possibly Asian) voters in 2000, especially in California, the year ahead may provide an opportunity to extract further benefit restorations for legal immigrants.

OMB — and you and Barbara in particular — have been magnificent on these issues. Immigrants benefits would look very different today without your efforts. I know this remains an area of keen interest to you. I hope as you craft the FY 2001 budget, you can expand on the immigrant benefits proposals in last year's budget.

8. Child Support

Another area in need of change involves federal and state rules for the distribution of child support payments made on behalf of children in low-income families. Federal rules call for states to send to the federal government a portion of the child support paid for a child who is receiving cash assistance benefits. Most states divide *all* of the child support payments made for such children between the feds and the state, with the child receiving *none* of the payment. This also holds true for arrearage payments that cover months when the family was receiving cash assistance.

This procedure is supposed to result in the reimbursement of federal and state welfare costs incurred on behalf of such children. But this procedure is increasingly recognized as unwise — it effectively results in a 100 percent marginal tax rate on these child support payments. The child has the same income regardless of whether the father pays or not. Little wonder that many of these fathers fail to pay (or pay lesser amounts "under the table"). The result is lower child support payments than would otherwise be made — and greater child poverty. Moreover, this system creates disincentives for these fathers to work "on the books;" if they do so, they will have their paychecks garnished for child support payments that will go entirely to the federal and state governments rather than their children.

Reforms in child support financing are needed. Such reforms should include changes that result in a greater share of child support payments actually going to the custodial families.

9. Elderly Poverty/SSI Improvements

Poverty among elderly widows — and for that matter, among all elderly women living alone — is about as high as poverty among children. The Administration has spoken of improving the Social Security widows' benefit as part of Social Security reform. While excellent, such a step would not reduce poverty among elderly women that much by itself. Accompanying SSI improvements also are needed.

In particular, the SSI disregard that is applied to Social Security income, a disregard that has not been adjusted for inflation since SSI started more than a quarter century ago, needs to be increased. If this isn't done, an increase in Social Security widows' benefits will cause some low-income widows to become ineligible for SSI, and as a result, to lose their Medicaid coverage as well. That could make them worse off. Other poor widows would retain their Medicaid coverage but have their SSI benefits reduced one dollar for each dollar their Social Security benefits are increased. This would leave them no less poor. Also needed are improvements in the SSI assets limits, which have not been adjusted for inflation in over a decade.

I don't know whether you intend to include in the budget a specific proposal related to an improvement in Social Security widows' benefits. If you seek to finance the widows' benefit from the budget surplus, you presumably would include the proposal in the budget. But if you want to finance a widows' benefit improvement within Social Security, you either could include it in the budget or say, as you did last year, that it would be worked out as part of Social Security reform.

SSI improvements, however, are not financed from within Social Security; they must be accommodated within the *non*-Social Security budget. The question this raises is: do SSI improvements need to be part of the budget in order to be part of possible Social Security negotiations next year? Such SSI improvements would be very important, and they probably can be secured only in the context of Social Security reform. They could be phased in so they do not entail large costs over the next five years.



"Palmer, Scott" <Scott_Palmer@ed.gov>
01/24/2000 07:23:44 PM

Record Type: Record

To: "Cantu, Norma V" <Norma_V_Cantu@ed.gov>
cc: See the distribution list at the bottom of this message
Subject: OCR Communications RE: Florida 20% Plan: Background and Next Steps ps

Per our discussions, I am writing to update you on the status of efforts to clearly communicate OCR's preliminary position with regard to Florida's proposed 20% Plan in light of Florida's Partnership Agreement. For your consideration, below is a summary of the present issue, some further background, and our recommended next steps. Please let me know if you have any questions or concerns.

The Issue:

* On January 14, at the request of Chancellor Adam Herbert of the Florida System, OCR provided preliminary feedback regarding the consistency of Florida's proposed Executive Order/Equity in Education Plan (the "20% Plan") with Florida's commitments under the Florida/OCR Partnership Report and Commitments (the "Partnership Agreement"). In a letter from Gary Walker, Director of OCR's Atlanta Office, OCR indicated, in sum:

- * 1. Our "preliminary assessment" is that the 20% Plan "can be reconciled" with the Partnership Agreement's overall goal "of expanding access for minority students to higher education."
- * 2. However, OCR continues to have some questions and concerns as to the implementation of the 20% Plan.
- * 3. OCR will, therefore, continue to monitor and work with Florida to ensure that the 20% Plan is developed and implemented in a way that reinforces the goals of the Partnership Agreement.

* Based on OCR's letter, Governor Bush released a statement on January 18 indicating that the Clinton/Gore Administration had "approved" the proposed 20% Plan.

* To clarify the situation and reinforce OCR's earlier letter, Raymond Pierce, Deputy Assistant Secretary for Civil Rights, sent on January 19 a letter to Reps. Corrine Brown and Carrie Meek, at their request, indicating:

- * 1. OCR's preliminary feedback was not an endorsement of the 20% Plan, but a preliminary assessment of the "important but narrow issue of Florida's obligations under its" Partnership Agreement.
- * 2. The Department "strongly supports appropriately tailored affirmative action measures consistent with the President's policy of 'mend it, don't end it.'"
- * 3. However, because the Partnership Agreement does not require the

use of affirmative action to achieve Florida's desegregation obligations, OCR did not address this issue.

* This conflict in interpretation regarding our position and the Governor's statement has been mentioned briefly in a handful of articles in Florida newspapers, one AP story, and a Chronicle on-line article from today. The most recent articles are generally capturing OCR's position and the fact that our letter was not an "approval" of the Florida Plan. Importantly, the Department has received no press inquiries since last week.

* The issue is what, if any, action is appropriate to clarify OCR's involvement in and position toward Florida's 20% Plan.

Background:

* As Florida Chancellor Herbert explained in a recent presentation to the Florida Board of Regents, "[I]t is very important to recall the historical realities of racial discrimination in Florida. No one can be proud of this long record of discrimination. It was so deeply ingrained in Florida society that as recently as the 1970's, no single court decision or federal legislative act could remove it. This was particularly true in the State's higher education system."

* In 1992, the Supreme Court in *U.S. v. Fordice*, held that states that had operated prior de jure segregated systems of higher education have an affirmative duty to eliminate the vestiges of that prior segregation. In 1994, OCR published a notice in the Federal Register indicating that OCR would apply the Fordice standard to all relevant higher education desegregation cases. That same year, President Clinton committed to resolving these remaining cases. Florida is one of six states with open higher education desegregation cases.

* In 1995, Secretary Riley and OCR initiated a collaborative process with Florida to address its desegregation obligations per Fordice. This collaborative approach involved elements of traditional investigations, but was seen as more appropriate given Florida's shared goals of promoting access in higher education and the cost and difficulty of proving vestiges of segregation. The goals of the effort included examining the access of racial minorities to Florida's state universities and developing solutions to identified challenges. The end result is a Partnership Agreement outlining state actions. Such agreements (including those in Florida, Ohio, and Pennsylvania) have earned the support of civil rights groups and have been touted as one of the major accomplishments of the Department.

* In 1998, OCR and Florida entered into a Partnership Agreement. The Partnership Agreement included a series of broad actions that Florida would take at the K-12 and higher education level to promote minority access to and success in Florida's colleges and universities, and to substantially increase support for the State's largest historically black university. This includes the use of "alternative admissions criteria" to "broaden the opportunities of students, including minorities, to attend" Florida's state universities. The Partnership Agreement did not require the use of affirmative action, but acknowledged that when race-based actions are used pursuant to the agreement, they will operate in conformity with existing

legal standards, including Bakke. In fact, some Florida universities have been using race as one factor in their alternative admissions processes. Finally, each party agreed to notify the other of any substantial modification of its commitments under the Partnership Agreement.

* The Partnership Agreement remains in force until December 31, 2003, at which time it will be determined whether the commitments have been met. Meanwhile, the Partnership Agreement remains under OCR monitoring, and we continue to work as partners with Florida per OCR's commitments under the Partnership Agreement.

* On November 10, 1999, Carol Licko, Counsel to Governor Bush, informed OCR of Florida's proposed Executive Order/Equity in Education Plan. Central to that plan is the elimination of affirmative action in Florida university admissions and the establishment of a Talented 20% Program, which would guarantee (with some important requirements) admission to the Florida system to students graduating in the top 20% of their Florida high school class.

* As stated above, Chancellor Herbert asked OCR to provide comments for consideration by the Florida Board of Regents with regard to whether the 20% Plan was inconsistent with Florida's commitments under its Partnership Agreement. Again, our preliminary assessment is that the 20% Plan is not facially inconsistent with the Partnership Agreement, which does not require the use of affirmative action. However, there are several open issues that could affect Florida's broader commitments, and we will continue to work with Florida on those issues. For example:

- * 1. How under the 20% Plan will students be admitted to individual Florida campuses, specifically the more selective campuses?
- * 2. What about admissions to Florida's graduate and professional schools?
- * 3. What will be done to ensure equal access to the secondary school curricular requirements that exist under the 20% Plan?

At this time, we remain confident that we can work with Florida at the staff level to address these issues.

Next Steps:

The short-term issue on the table is how to make clear OCR's preliminary and narrow position to stakeholders and avoid any future misstatements or misunderstandings. At the same time, we want to continue to address open issues at the staff level without inserting OCR into the broader public debate on the merits of the overall Plan. Given these goals, we are proceeding as follows:

- 1. Contact the relevant offices at the staff level (i.e., by phone) to clarify OCR's position and how it should be represented as appropriate. There are currently good staff relationships here. OCR staff have spoken with the Chancellor's staff about this issue, and the call was well received. We could also reach out to the Governor's Office via the Department's Office of Public Affairs, or the Florida Partnership Team.

*Carol
Flicker
5/8*

2. Use the existing letter from Raymond Pierce to Reps. Meeks and Brown as clarification of OCR's position as needed. This letter has already been written per the request of important and engaged parties and clarifies OCR's position. It has already been used to play this role in the press. It could be sent out as needed (along with a clearly worded cover note) to appropriate stakeholders, such as Wade Henderson, who recently contacted OCR and the White House regarding this issue. Raymond's letter could also be used in response to future press inquiries and could be sent to Florida's Chancellor and Board of Regents (perhaps copying the Governor's office) for clarification if further conflicts in interpretation arise.

As we discussed, more aggressive action does not seem appropriate at this time. Attention to OCR's role appears to be dying down and new action is likely to simply call additional attention to a conflict in interpretation that should not exist. However, if misstatements and/or misunderstandings continue to arise, an additional letter could be sent to Florida's Chancellor and Board of Regents (copying the Governor's office). Such a letter, like any additional comments on this issue, should likely reiterate three points:

* OCR's December 17 letter from Gary Walker to Florida's Chancellor provides preliminary feedback regarding the important but narrow question of whether the Florida Plan conflicts with Florida's Partnership Agreement, which was developed to help ensure that Florida meets its affirmative duty to eliminate the vestiges of prior segregation in its higher education system. Our preliminary assessment is that the Florida Plan can be reconciled with the Partnership Agreement. However, there are several open issues that raise concerns and must be worked through.

 * Our preliminary assessment is not an endorsement or approval of the Florida Plan. OCR's review is concerned with Florida's ability to meet its obligations under the Partnership Agreement and, beyond that, is not a review of the merits of the Florida Plan.

* The Partnership Agreement does not require Florida to use any particular means, including affirmative action, to fulfill its duty to ensure minority access to higher education. Our comments, therefore, do not address the affirmative action issue. As the Partnership Agreement states, however, OCR continues to support affirmative action, properly implemented, as one means by which Florida may choose to meet its obligations.

Message Copied To: _____

"Holleman, Frank" <Frank_Holleman@ed.gov>
"Pierce, Raymond" <Raymond_Pierce@ed.gov>
"Bowers, Susan" <Susan_Bowers@ed.gov>
"Walker, Gary" <Gary_Walker@ed.gov>
"Winnick, Steve" <Steve_Winnick@ed.gov>
"Liu, Goodwin" <Goodwin_Liu@ed.gov>
"correia_e@a1.eop.gov" <correia_e@a1.eop.gov>
Peter Rundlet/WHO/EOP
Andy Rotherham/OPD/EOP



Andrew Rotherham <arotherham@netzero.net>

12/07/99 11:21:58 PM

Record Type: Record

To: Andy Rotherham/OPD/EOP

cc:

Subject:

Achievement and Opportunity:
Keys to Quality Education
Governor Jeb Bush

Jeb Bush is the governor of Florida. This is an edited version of remarks he delivered at a Manhattan Institute luncheon in New York City on July 6, 1999.

Our efforts in promoting the Bush/Brogan A+ Plan for Education were not about avenging the teachers unions, or even about ensuring parental choice. Indeed, there are many people who believe it is morally correct for parents to have the right to choose where their children go to school. I do too.

Simply, the A+ Plan is about something everybody in our state agrees is important: student achievement. Our focus is on making certain that children gain a year's worth of knowledge in a year's time. If the children of Florida can gain 12 years' worth of knowledge in 12 years' time, they will be able to close their eyes at night and dream about being anything they want to be. It is really that simple.

For far too long now public education has not focused on student achievement. It has not been about the children at all, but rather about parents and interest groups. People on the outside of the system angrily complained that those on the inside didn't get it. And the people inside the educational establishment worked to fortify and protect the status quo rather than concentrate on student achievement. In Florida, we have decided that we need to remain focused on student achievement and not on politics.

The reason for this focus is simple: more than half of our fourth graders read below basic levels. By the time a student reaches fourth grade, he or she must begin to acquire knowledge. If a child has not gained the needed reading, writing and mathematical skills by then, that student will falter and ultimately fall behind.

In our state 52 percent of the students do not even graduate from high school. This statistic is heart-breaking. Every study shows that you are unlikely to achieve a high income if you do not have a high school degree.

The strains on a society that cannot educate its young people are apparent. During my gubernatorial campaign I had the opportunity to visit many family law courts and prisons. I witnessed societal breakdown firsthand, and I found that lack of education was the common denominator.

In finally moving to a child-centered system in Florida, we started with three basic premises. The first premise was that increased accountability is essential. You cannot build a new system unless it is accountable to everybody. Second, we would not tolerate failure. This entails ending social promotion. We would no longer allow excuses about society's influence on our kids. We put aside apologies about poverty, family structure or race and simply stated that Florida no longer tolerates failure. Third, instead of being system driven, we would focus on our children.

These three guiding principles led to a plan that starts with the idea that student performance must be accurately measured. Most regions in this country use norm-referenced tests. With these tests, parents receive testing results that say Little Johnny is in the 26th percentile. This percentile does not measure anything. It could mean that Little Johnny did not accomplish anything academically; it could also mean that he learned a great deal. All it shows is where Johnny stands relative to the other students who took the test.

In Florida, we believe that every child is capable of learning and that we ought to focus on individual achievement. We test students based on the Sunshine Skills Standards in grades three through 10. Results are assessed on an individual basis.

In order to create results that are not norm-referenced, we begin with students' scores from the previous year, and after one year's time, we test students again to see if they have gained a year's worth of knowledge. We have begun the process of building a child-centered system by comparing a child's progress to rigorous educational standards instead of to the progress of other children.

Our next move was more controversial. After moving from norm-referenced to standardized testing, we decided that each school would be graded on student achievement. We graded schools on how well they were achieving the goal of guaranteeing that each child gains a year's worth of knowledge in a year's time. In Florida today, every school is graded on an A through F scale.

We didn't listen to those who argued that our rating system was insensitive. Many said that it was wrong to use the letter F because it connotes failure. That is exactly the reason we used it.

Seventy-nine schools in our state currently have a grade of F, and more than 300 schools are rated D. The majority of the schools are rated C. Only a very few are rated A or B. This has been a wake-up call for our state. It is important to recognize that in this second step we are grading schools not on the many circumstances that children bring to schools, but rather on what goes on inside of each classroom.

The third step in our plan was to reward schools for educational improvement. Every school in Florida receives \$100 per student when individual grades go up, or when a school is A rated.

This idea also met with controversy, though its purpose is clear. We reward success. If an F-rated school improves its grade to D, it will receive a grant of \$100 per student. For a middle school with a thousand students, that is a lot of money. The principal, and the school advisory committees that primarily include

parents, decide how that money is spent. If schools continue to show progress, they continue to receive additional funding.

Fourth, as we raised expectations for our students, we also eliminated social promotion, the practice of advancing students to the next grade level without regard to their academic achievement.

The argument has been made that ending social promotion will hurt Little Johnny's self esteem. Self esteem is very important in a child's development. But learning a year's worth of knowledge learning to read, write and to calculate math is a whole lot more important for Little Johnny. In the long run, Little Johnny's self image is going to be far stronger if he gains the power of knowledge.

The idea of ending social promotion is not to have 15-year-old kids in the third grade. The idea is to enable third graders to acquire the remedial help that they need in order to gain a year's worth of knowledge in a year's time.

We believe in these changes and are financially committed to making them work. We have set aside a pool of \$527 million for schools to use in any way they see fit. It is time for schools to organize for the benefit of children and not allow them to fall behind.

It broke my heart to go to high schools where ninth graders were reading at fourth grade levels. How could we as a society allow that to happen? Is it not better to simply start in the fourth grade and say, Enough of this nonsense? We are making sure that kids learn a year's worth of knowledge in a year's time before it is too late. Now that we have begun that process in Florida, it has been exciting to watch people in the system begin to change their priorities to make sure that we are successful.

The next step in our plan generated the most attention and controversy. We said that when a school has been rated F for two out of four years, that school would be defined as a failure, and the parents in those schools would be given other options.

First, parents would be given the option of a newly revitalized school on that same campus. Secondly, they could send their children to the public schools of their choice. Finally, they could receive opportunity scholarships. The scholarships would enable them to choose a private school for their child, religious or non-religious, so long as the private school admitted all applicants, accepted the opportunity scholarship amount as full tuition, and used the same standardized tests as used by our public schools. Those were the only requirements included in the final bill.

The contention created by the inclusion of opportunity scholarships in our plan has been just the catalyst necessary for public school reform to work. All across the state of Florida, public school administrators who have neglected their students are now refocusing their efforts in new and innovative ways.

It has been exhilarating to witness. In three weeks, roughly 60 parents of students in two inner-city schools in Pensacola will be afforded opportunity scholarships. Those students will attend one of five schools that have opted into our plan: one Montessori school and four Catholic schools.

What is truly exciting, however, is the veritable revolution taking place at the two failed schools. Those schools came to my cabinet to get approval for their new plans: they are now the only traditional public schools in the entire state of Florida where the principals can hire any teacher they want or transfer any teacher out of their schools. A waiver of the collective bargaining agreement has been created to allow that to happen.

In those two schools the mobility problem which has been such a detriment to inner-city students has also been addressed. When kids must move back and forth because their parents have to find another place to live or a new job, it becomes difficult to provide consistent education. In those two schools, however, transportation will be provided for students to ensure that they remain in these schools for a full year so that they can acquire a year's worth of knowledge in a year's time. In those two schools there is also an extended school year from 180 to 210 days.

These schools now require parents to be able to have parent-teacher conferences every six weeks. Before, conferences were not required at all. The focus is now entirely upon improving

the schools, but the only reason that this is true is because parents were given other choices.

If it were not for the fact that parents were given opportunity scholarships, these schools would not have changed. Instead, we are experiencing a renaissance in public education in Florida because this governor and the Florida Legislature trusted parents to make choices for their children.

The strident opponents of opportunity scholarships also say that we are taking money away from public education. This is simply not the case. In fact, we have recently poured an additional \$1.4 billion into public education, a 7 percent increase. There

are 40,000 new students entering Florida's public school system each year. There will never, however, be 40,000 kids in Florida who need opportunity scholarships in

any given year. Public education will remain, but it has to change to become more viable. We need to ensure that children are not left behind.

Our plan does that. So far, the schools that are failing are 99 percent African-American. Ninety-five percent of the kids who attend these schools are qualified for a full school lunch program. I can assure you, this is not some kind of elitist plot.

The other argument against scholarships is that only the concerned parents will take their children out of the qualifying schools, and the remaining kids will be left in failed schools. Once again we have found the opposite to be the case. Just as in a business that has undergone Chapter 11 bankruptcy and the ensuing reorganization, these schools end up significantly more dynamic and directed. This is what is happening in Pensacola, and this is what will happen across the state as schools have to be reorganized.

The success that we are seeing now has made all of our hard work on these issues worthwhile, though I enjoyed campaigning on this issue. As the campaign progressed, education reform quickly became the number one issue, and exit polls showed that our side won the debate. A Republican candidate with a provocative plan of action to improve public schools won the debate. I believe that this created a strong mandate to implement our plan.

It has been a great experience, but the most exciting part of all of this was when we held the bill signing. I had the chance to be with three parents from Pensacola, one of whom, Domicra Williams, was there with her precious daughter, Jessica. She was a little five-year-old girl, dressed up beautifully. She was very tired; it was a long trip

from Pensacola. They left at four in the morning, and only arrived in Tallahassee just in time for our press conference.

Jessica fell asleep on my shoulder during the event. Afterwards her mom told me, that while they were driving that morning, Jessica had been telling her that when she grew up she wanted to be a pediatrician.

Here was a five-year-old girl who closed her eyes and dreamed about something far better than what many people would give her credit for.

Jessica's mom wanted her child to get the very best possible education. I believe that because of our legislation there will be thousands of Ms. Williamses out there now that will be given that chance. It will be these parents who will affect educational change across the country. It won't be the politicians. It will be the moms and the dads who want the very best for their children, but sense that they are trapped in failing schools.

I'm excited about being a small part of a system that will enable Jessica to pursue her dream to become a pediatrician. We could use a few more in our state, and Jessica will be a fantastic one because she is going to get a world-class education.



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Bethany Little

01/10/2000 11:50:30 AM

Record Type: Record

To: Andy Rotherham/OPD/EOP@EOP, John B. Buxton/OPD/EOP@EOP, Kendra L. Brooks/OPD/EOP@EOP, Eric P. Liu/OPD/EOP@EOP

cc:

Subject: fyi -- WA/class size story

Reducing class size collides with I-695

by Linda Shaw
Seattle Times staff reporter

Last year, teacher Sandy Morris sometimes awoke in the middle of the night worrying about one of her two dozen students and had to wonder: "Did I even talk to that child today?"

This year, that's not a fear. With only 15 students in her first-grade class, it only took an hour one recent morning before Morris had heard from every student. All of them had a chance to talk during sharing time. All of them helped read "Hattie and the Fox" aloud. No one was left with his hand in the air when it was time to turn to something new.

Morris is one of 57 first-grade teachers in Tacoma with smaller class sizes this year, paid for with federal dollars aimed at class-size reduction. But her class is also an example of what Gov. Gary Locke would like to see across the state by 2005.

In the legislative session that begins today, Locke's proposal to spend \$1 billion over the next five years to lower class sizes is the biggest education item on the agenda. It's also the biggest single education program Locke has sought since taking office.

It's a pricey proposal for any year - especially one in which legislators will be coping with the repercussions of Initiative 695, the car-tab measure, which blew a \$750 million hole in the

budget.

Effects of I-695

In many ways, it's a bad time to push for a huge new chunk of education spending. Even some of the legislators who like Locke's proposal say their first priority is to protect education from I-695-related cuts.

"We have the job, to be honest, in making sure that the crisis, if you would, of Initiative 695 is not played out in any attack on education funding," said Rep. Karen Keiser, D-Kent, policy chair for the House Democratic Caucus.

Some critics charge Locke's proposal is merely election-year posturing that has little chance of going anywhere.

'A nonissue for this session'

"People I've talked to just consider it a nonissue for this session," said state Rep. Gigi Talcott, Republican co-chair of the House Education Committee.

Locke acknowledges that the passage of I-695 makes it tougher to pursue a proposal he first floated last August.

"It's tempting to say that this legislative session ought to deal just with the impact of 695," he says. "But we're also starting a new century and a new millennium."

Washington, he said, shouldn't have the third-worst student-teacher ratio in the country.

Washington's ratio, as of the last national count, is 20.2 students per teacher in K-12. Only two states have higher ratios: California and Utah. (The ratio is different from class size because it counts all teachers in a school, including specialists in music or physical education.)

Key to better grades

Locke would like to change Washington's ranking because he thinks smaller classes are one key to raising student achievement.

"If not now, when?" he asks.

There are some good reasons for moving forward: The economy is strong, and school enrollments are expected to stay steady for about the next 10 years, which means schools wouldn't have to cut class sizes while simultaneously trying to absorb more students.

Small classes are popular with parents, teachers and many politicians. Class-size reduction - here and across the nation - is

enjoying a surge in popularity largely because of a respected research study from Tennessee.

Study found gains

That study, which ran from 1985 to 1990, found that elementary-school children enrolled in smaller classes (12-17 students) did significantly better on standardized tests, and minority students gained even more than average. The gains persisted even when those students returned to bigger classes.

Closer to home, a study of 23 Seattle schools that received money to lower class sizes for several years in the '90s found gains in reading scores, as well as improvements in behavior.

Many states now are at least considering some type of class-size reduction program. And in Washington, many districts and schools are going ahead on their own.

Kent reduced class sizes

The Kent School District, for example, spent \$2.65 million this year to lower its average class size to 22 - down from 26 - in kindergarten through third grade. In Seattle, the 23 schools that had smaller classes - often at about 20 students - found creative ways to avoid raising class sizes when that funding disappeared. At Stevens Elementary, for example, parents have an annual "small-class drive" to raise money to pay one teacher's salary.

Even a short visit to a class like Morris' at Tacoma's Roosevelt Elementary shows some of the reasons why smaller classes are attractive. It's calmer than classrooms crowded with normal, me-first first-graders who bounce, fidget and clamor for attention.

There's much more time for individual attention. No one strays from the lesson for long. At one point, when two other staff members are helping with reading, Morris sits down with just two students who want to read her a story.

Critics question gains

But there are also those who question whether reducing class size helps where it counts - student achievement.

Others say local districts should be able to decide how to best educate their students. Still others say class-size reduction is not worth the cost, which not only necessitates hiring teachers but sometimes adding classroom space as well. A recent legislative study concluded that investing money in teacher quality may be more worthwhile than chipping away at class sizes.

It also is widely believed that cutting class size by just one or two students, especially in classes that now hover around 30 in many districts, won't yield much gain.

And although the governor's office says the supply of elementary teachers is sufficient, some question whether there are enough good teachers around to hire - even if we wanted to.

There's no doubt that lowering class size doesn't come cheap. The \$1 billion that Locke proposes spending between now and 2005 is only the beginning. To sustain the lower class sizes, it would cost half a billion dollars each year after that.

Locke's plan finds all that money without raising taxes. He wants to spend \$51 million from the state's general fund to hire 1,000 new teachers for the 2000-2001 school year, and \$64 million a year thereafter to keep them. Locke proposes paying for the rest by allowing local school districts to keep state property-tax dollars that he says would otherwise end up in reserve accounts in Olympia.

In the first year, those tax credits would total \$66 million and grow to \$430 million by 2005. The idea is to provide districts enough money to hire enough teachers to lower class sizes in elementary schools by five students.

Proponents hail the tax-credit idea as creative, out-of-box thinking. Critics, however, blast it as an underhanded end-run around the state-spending limit at the heart of Initiative 601, passed in November 1993.

"If this is a priority, put the money up and pay for it," said Sen. James West, R-Spokane, who has supported class-size reductions in the past. "Don't play games. Don't circumvent the voter-approved spending limits."

Because the tax-credit program would allow school districts to siphon off money otherwise bound for the state's general fund, the money wouldn't be subject to 601 spending limits.

Locke says tax credits are not unprecedented. They've been used, albeit not on the scale Locke has in mind, for convention centers, rural economic development and stadiums. And if they're good enough for those uses, he says, they should be good enough for education.

Locke's plan would give districts some flexibility in how they use the tax-credit dollars. Along with reducing class size, they also can be spent to pay for developmental preschool programs, to build or remodel space needed to reduce class size or to offer "extended learning opportunities" before or after school, during the summer, during school breaks or on weekends.

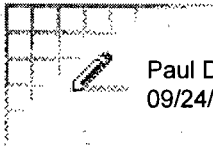
Such flexibility would help Washington avoid some of the problems California encountered when it moved very quickly to cut class sizes and ended up with unqualified teachers and students taking classes in the gym and in the library.

But it also could mean that class size doesn't get down to the levels where many think it must in order to make a difference. There's no agreement on an ideal number of students per class, but in Tennessee, it was clearly well under 20. Some say it must be as low as 15.

The state's educational establishment largely has lined up behind the governor's proposal. It has already been endorsed by the state organizations for school administrators, school-board members and principals. The Washington Education Association - the state's largest teachers union - supports it, too, but it also pushes its top priority - higher teacher pay - as a necessary condition to make it work. The union likely won't be making another big push for higher pay until next year.

If Locke's proposal gets nowhere with the Legislature, it could wind up on the ballot in November. A group of parents who call themselves "K-12 2000" have spent the last nine months building a statewide coalition to sponsor an initiative that would give education spending a boost they say the Legislature has failed to give. Class size certainly would be a big part of their initiative, unless lawmakers surprise them and pass Locke's plan.

"I don't think the 695 world makes it any easier for them to make these bold changes," said Lisa Macfarlane, one of the organizers.



Paul D. Glastris
09/24/99 01:30:57 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP@EOP, Bethany Little/OPD/EOP@EOP, Andy Rotherham/OPD/EOP@EOP,
John B. Buxton/OPD/EOP@EOP

cc:

Subject: fyi

Policy Corner: Bush Ed

By: Jacob Weisberg

Posted Wednesday, Sept. 22, 1999, at 5:46 p.m.

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The reviews of George W. Bush's proposal for education reform, unveiled three weeks ago in California, have been largely favorable. Sober-minded columnists and education reformers have praised the plan, which hinges on taking federal money away from failing schools and giving it to parents to use elsewhere. But the analysis has neglected one salient point about the Bush program: It already exists in Texas. And it's a failure.

Under Bush's proposal, states would be required to test their "disadvantaged" students on academic basics every year. If a school's test scores didn't improve after three consecutive years, the federal government would take away its contribution that comes under an aid program known as Title 1. This federal money would then go to parents, who could use it as a voucher to pay for a private school, tutoring, or another public school--"for whatever offers hope," as Bush put it. In announcing the plan, he estimated that the Title 1 chit would be worth about \$1,500 per student.

You can find the details of how something similar actually works in W. country in a Sept. 3 Houston Chronicle story by Melanie Markley and Kathy Walt. Under a program that Bush has promoted (but did not initiate), Texas tests all its students and schools just as he envisions doing nationally. Students have to take the Texas Assessment of Academic Skills (TAAS). On the basis of that test and a few other factors, schools are rated in one of four categories: "low-performing," "acceptable," "recognized," or "exemplary." Only one school in the entire state--Goodrich Elementary School, 60 miles outside Houston--has been rated "low-performing" for three

consecutive years. What would happen to Goodrich under the Bush plan? This school, which has 150 students, gets only \$47,000 in Title 1 funds each year. This means that parents would receive a voucher worth not \$1,500 per student, but \$313.33. That doesn't buy a lot of hope, even in Goodrich, Texas. In fact, there are no private schools in the vicinity, which means that there wouldn't even be anyone to turn down this sorry-assed excuse for tuition.

What about urban districts? It so happens that Houston has a program that is both more generous and more stringent than Bush's proposal. It says that students who fail the Texas test and who attend schools rated "low-performing" by the state for just one year, can receive a credit of \$3,575 to attend private school. It's not exactly a voucher, since the school district negotiates directly with private schools to place these students. This year, 147 students in the Houston Independent School District qualify to opt out of failing public schools under this program. How many have taken advantage of it? Zero.

The Chronicle story offers a couple of explanations for this. For one thing, the Houston school district didn't identify which students qualified for the program until August, by which time it was too late to enroll elsewhere for this year. But the bigger problem is that even \$3,575 isn't enough to pay tuition at a private school in Houston. Four or five private schools did contact the school district to express interest in the program, but all considered a payment of \$3,600 too low. Tuition at run-of-the-mill private schools in Houston runs more like \$5,500 for the school year. At elite academies, it can be as much as \$12,000 per year. Since the Chronicle story was published, one private school has agreed to accept 25 students. It's a mostly African-American religious school, which intends to create a separate secular facility for the public-school transfer students.

If private schools in Houston won't accept a \$3,600 voucher, it's pretty clear that a \$1,500 voucher won't produce any real choice for parents. And if there's no choice, there's no competitive pressure on failing public schools, which is the chief justification for the program. To find out whether vouchers can actually improve education, Bush would have to offer an additional incentive worth several times the federal government's Title 1 spending (currently around \$8 billion). But even the compassionate one isn't prepared to run afoul of conservative dogma to the extent of proposing spending tens of billions of additional federal dollars on education.

The Texas story points to another fatal flaw in Bush's proposal. How is it that only one school in the whole state of Texas has been rated "low-performing" for three consecutive years? Bush might have you believe that it's because he has done so much to improve education in Texas. In fact, it's because the state standards are riddled with loopholes. Schools can exempt students judged to have learning disabilities, or who have limited

English skills, from taking the state test. Schools do this--and the state permits it--to avoid punishment and embarrassment. It's the bureaucratic equivalent of social promotion. How likely is it that states would set up stringent systems of evaluation and accountability for the sake of having their federal education funding taken away? Not very. Bush is proposing that federal education dollars come with strings attached. But the people receiving the dollars get to pull the strings.

There's a way around this problem: set federal education standards. Reading at a fourth-grade level should mean the same thing in Goodrich, Texas, that it does in Bismarck, N.D. With a single standard, you could measure any school against any other school and truly assess their progress or failure against a common baseline. Checker Finn and Diane Ravich, two of Bush's education advisers, have championed this idea in the past. Yet Bush's plan steers entirely clear of national standards in favor of state ones. The implicit reason is, once again, that anything the federal government does runs afoul of the conservative dogma, which says that education is an exclusively local responsibility.

More money and strict federal standards would make Bush's plan plausible and interesting. Until his work improves, he deserves a D.



Andrew Rotherham <arotherham@netzero.net>

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To: Andy Rotherham/OPD/EOP

cc:

Subject: LA Times article

<http://www.latimes.com/news/comment/20000118/t000005482.html>

Testing Mania Comes at a Cost

Lost in the shuffle is the dumbing down of genuine learning.

By PETER SACKS

We are a nation of testing junkies, starting with our toddlers, some of whom take IQ tests for admission to kindergarten. Many Americans encounter a lifetime of standardized testing in schools, colleges and workplaces.

What good does this testing really do? Following the lead of many states, Gov. Gray Davis is hellbent on creating a test that California high-schoolers must pass in order to graduate. Testing companies initially balked at developing such a test, fearful of the potential liability of tossing together a politically driven test of such major consequences.

California should pause and take a look at Texas. Nowhere is the accountability movement more dominant than there, where each spring schoolchildren take the Texas Assessment of Academic Skills. Sophomores must pass the TAAS "exit test" in order to graduate--regardless of the academic records they compiled over 11 years in the state's school system. Under the leadership of Texas Gov. George W. Bush, the TAAS test has reshaped the state's educational enterprise. It also has deepened class and race divisions in Texas schools.

Crusaders for school accountability and tougher standards often point to Texas as the model for school improvement in the United States. Recently, these crusaders were bolstered by a federal judge's long-awaited ruling that use of the TAAS test does not unconstitutionally harm the state's minority schoolchildren. Whether the Texas model is educationally sound, however, is another question altogether.

In the 20 years prior to the first TAAS exit tests in the early 1990s, some 60% of black and Latino students made it from the 9th grade to graduation three years later. Now that figure is half--roughly 100,000 to 200,000 fewer. A study by Walter Haney, professor of education at Boston College, suggests that the TAAS roadblock can be blamed for this disparity.

These TAAS barriers might well be worth the effort if there were good evidence that a student's performance on the test had a meaningful connection to his or her chances of success in the classroom or beyond in the real world. In Texas, as in most states that have built such formidable testing systems, such evidence is slim to nonexistent.

Indeed, wherever you find a high-stakes school achievement test in which scores are tied to high

school graduation, teacher promotion or accreditation by the state, you will find all manner of "teaching the test" drills that have little to do with real learning.

In fact, some research indicates that just the opposite occurs. Dozens of studies from sources as diverse as the National Research Council, the Rand Corp., the Educational Testing Service and independent researchers have demonstrated that large-scale testing attached to major, life-changing consequences simply serves to dumb down and trivialize student learning.

For their part, Texas officials point to declines in the gaps between minority and white pass-rates in recent years. For example, this year 86% of white students passed the TAAS, compared to 60% of African American students. While it is true that this is less than the 36-point difference in pass-rates between the two groups five years ago, it is not surprising that rates have improved for African Americans, given that TAAS rules Texas classrooms with an iron fist. Teachers report spending inordinate amounts of valuable instruction time prepping for the TAAS exams.

Who really wins in this unrelenting push for more testing at ever-higher stakes? Over the past three years, I've scoured the research and have talked to dozens of students, teachers and parents, and the answer seems depressingly clear: elected representatives who have capitalized on voter outcry for tougher standards and greater accountability.

Americans who fall for this political rhetoric fail to understand that this testing mania comes at the cost of genuine learning and sustained achievement. If California parents and taxpayers were to look below the surface of tough talk by the likes of Gov. Davis, Gov. Bush and others, they would discover that the standardized testing movement is built on smoke and mirrors, helpful only to career politicians and large testing companies.

The sad part is that, at day's end, schoolchildren are the losers.

Peter Sacks is the Author of "Standardized Minds: the High Price of America's Testing Culture and What We Can Do to Change It" (Perseus Books, 2000)



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