The Business Roundtable

1615 L STREET, N.W. WASHINGTON, DC 20036

FAX

Date: August 24

Number of pages including cover sheet: 23

To: Mike Cohen

Phone:

Fax phone: 401-0596

CC:

From: Susan Traiman

Phone: (202) 872-1260

Fax phone: (202) 466-3509

REMARKS: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

The Business Roundtable

FACSIMILE

The Business Roundtable
Education Task Force Working Group

August 11, 1995

TO: The Education Task Force Working Group

FROM: Michael Jackson

RE: 1995 Working Group Retreat

In preparation for our upcoming Working Group Retreat, I am enclosing a registration sheet for you to fill out and return as indicated. Please respond by August 21 as that is the date the Doral will release our room block. I also have enclosed for your review a copy of the speech that Lou Gerstner gave recently at the National Governors' Association Meeting in Burlington, VT.

I hope that you will come to Miami prepared to discuss the work we have undertaken this past year on behalf of our CEOs, and develop a complete set of goals that the Task Force will address in 1996. Meeting logistics and materials will be sent to you in an attendee's packet as your registration is received.

As indicated in the attached registration form, we will begin our work on Tuesday morning and conclude in late afternoon on Wednesday. We will hold a pre-meeting reception on Monday evening from 7:00 - 9:00 PM for those of you who are interested.

Ross Roadman of Ryder System has provided an excellent venue for us at the Doral Golf Resort and Spa. I am sure it will provide an environment for us to have a very productive and enjoyable meeting. I look forward to seeing you there.

Mr. Donald C. Ames	CNA Insurance Companies	312-822-1186
Ms. Joni E. Baird	Manville Corporation	303-978-3547
Mr. James Breedlove	BellSouth Corporation	404-249-5696
Ms. Marcene Broadwater	Amoco Corporation	312-616-0826
Mr. George H. Buchanan	Union Carbide Corporation	203-794-7031
Mr. Michael Cohen	U.S. Department of Education	202-401-0598
Ms. Jann M. Coles	Colgate-Palmolive Company	212-310-3301
Mr. Christopher Cross	The Council for Basic Education	202-347-5047
Ms. Julie Davis-Bell	National Conference of State Legislatures	303-363-8003
Ms. Betty De Vinney	Eastman Chemical Company	615-224-0847
Dr. Timothy J. Dyer	National Association of Secondary School	703-476-5432
Mr. James W. Ehrenstrom	The Northwestern Mutual Life Insurance Co.	414-299-2596
Ms. Patricia H. Engman	The Business Roundtable	202-466-3509
Mr. James Fowler	ITT Corporation	202-296-3055
Mrs. Charlotte K. Frank	McGraw-Hill, Inc.	212-512-4769
Mr. Milton Goldberg	National Alliance of Business	202-289-1303
Mr. Paul Goren	National Governors' Association	202-624-5313
Mrs. Julianne A. Grace	The Perkin-Elmer Corporation	203-761-5000
Mr. Gary Habegger	The BFGoodrich Company	216-374-2082

22 Pages including cover sheet. Please call Sue Henn at 703-276-6048 if there are problems with the transmittal. Please distribute to the person in your organization whose name appears on the list above.

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Mr. Kevin Healey	UNUM Corporation	207-770-4510
Ms. Donna Irvin	ARAMARK Corporation	215-238-8166
Mr. Jere A. Jacobs	Pacific Telesis Group	415-398-0343
Mr. Michael R. Kelly	CPC International, Inc.	201-894-2186
Mr. Steven Kussmann	American Gas Association	703-841-8687
Ms. Deborah Lawrence	The Williams Companies, Inc.	202-835-0707
Mr. Gary Lee	United Parcel Service of America (UPS)	404-828-7435
Dr. John T. MacDonald	Council of Chief State School Officers	202-408-8072
Mr. Samuel L. Maury	The Business Roundtable	202-466-3509
Ms. Maryanne McCormick	Corning Incorporated	202-347-2316
Mr. Daniel Merenda	National Association of Partners in Education	703-836-6941
Mr. Harry R. Miller	NYNEX	802-863-0858
Mr. Phillip W. Morton	Aluminum Company of America (ALCOA)	412-337-2394
Mr. David Mott	Bell Atlantic Corporation	202-392-0933
Dr. Carlo Parravano	The Merck Institute for Science Education	908-594-3977
Mr. Jack W. Partridge	The Kroger Company	513-762-1295
Dr. Chris Pipho	Education Commission of the States	303-296-8332
Ms. Paula Prahl	Honeywell, Inc.	612-951-0128
Mr. Ross Roadman	Ryder Systems Inc.	305-470-7971

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Mr. Ronn Robinson	The Boeing Company	206-655-2000
Ms. Cassandra O. Stoddart	Circuit City Stores Inc.	804-527-4173
Ms. Laura P. Sullivan	State Farm Insurance Companies	309-766-1919
Mr. Robert Thompson	Springs Industries, Inc.	803-547-3740
Ms. Susan Traiman	The Business Roundtable	202-466-3509
Mr. Jay Van Den Berg	Whirlpool Corporation	616-923-3442
Mr. Robert L. Wehling	The Procter & Gamble Company	513-983-8250
Mr. Harry T. Wiley	Ashland Inc.	606-329-3922
Ms. Rosemary Younts	GenCorp Inc.	216-869-4288
Mr. John H. Zimmerman	MCI Communications Corporation	202-887-2559

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The Business Roundtable Education Task Force
1995 Working Group Retreat

September 19-20, 1995

Doral Golf Resort & Spa
Miami, Florida

This year's Retreat will be held at the beautiful Doral Golf Resort and Spa located at 4400 N. W. 87th Avenue in Miami, Florida. Your cost for the two-day meeting is $250.00 per day. This includes all meals, rooms, meeting facilities, taxes and gratuities, as well as our traditional "evening out." Again this year, spouses are welcome to join us, at your expense, for the "evening out" event. Because our meetings begin early Tuesday morning, we are anticipating that most of you will opt to arrive Monday evening. With that in mind, we have made arrangements with the hotel for a pool-side reception at The Spa from 7 - 9 PM Monday evening. Spouses are welcome to join us for this event as well.

Please plan to arrive at the Doral in time for the beginning of our meetings at 8:30 AM on August 19 and depart September 20 after 6 PM. Travel time from the airport to the hotel is approximately 15 minutes. Airport shuttle service is available at a minimal cost.

Please make your room reservations directly with the Doral. The hotel will bill your room at our special rate for the meeting dates only, plus any personal charges. Payment at checkout time can be made by any major credit card. For the weekend prior to our meetings and for two days following, the Doral has extended to us our special conference rate of $125 single/double plus tax (in the event you would like to arrive earlier in the week and/or depart after our meetings end).

Additional information will be forwarded to you in your Attendee Packet upon receipt of your registration form. If you have questions, please contact Sue Henn (703-276-5048) or Carole Kelley (202-872-1260).

Name__________ Title__________

Company__________

Address__________

City__________ State__________ Zip__________

Phone__________ fax__________

My spouse __________ will be accompanying me to ☐ reception ☐ night out
(name)

Please reserve me a room at the Doral Golf Resort and Spa

☐ Single ☐ Double ☐ Smoking ☐ Non-Smoking

Arrival __________ Departure __________

To guarantee your room for late arrival, please provide a credit card number

Card type__________ Account #__________

Expiration Date__________ Signature__________

Please list any menu or personal requirements:__________

Please fill out and return this registration form to this form to Blanca Reisfield, Group Reservations manager *no later than* Monday, August 21, 1995.

FAX: 305-594-4682

MAIL: Doral Golf Resort & Spa; 4400 N.W. 87th Avenue; Miami, Florida 33178-2192.

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

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

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

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

I wonder what the national reaction would have been if in the 1984 Olympic games we had finished dead last. A national outrage, in all likelihood, that would have brought about sweeping changes in amateur athletics in this country. Believe me, by now, 11 years later, we would have seen massive improvements. But in public education? None – and no national outrage or frustration 12 years after A Nation at Risk.

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

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

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

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

Now, that's not the whole story. The test consisted of complex, open-ended problems, which — for these kids — was a new approach to math. Exactly the right approach, of course. Exactly the direction we want to head in, and they'll have a full year to master it. But what happens then? What happens next year if a large percentage of the senior class fails to demonstrate the required proficiency? Will Milwaukee refuse to graduate those who fail? If they don't, so much for standards.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Financing change, and;
- Exploiting technology.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Which brings me to my third priority -- financing change. It is my experience in business, and especially in turnaround situations, that if you want to bring about real change, budget allocations must support the new direction. Reforms perish from lack of support. And that means resources. A true change agent puts their money where their mouth is. The educational aparatchiks fight hard to starve the reformers.

So how do we finance the revolution? How do we use our education resources to reward success and encourage performance? Let's start with the $150 billion or so that you, as the CEOs of our states, invest directly in the public school system. I've done some homework, so I know that a state's education budget is typically constructed by adding a percentage increase to the prior year's outlays. The basic formula — which many describe as arcane -- is largely driven by the number of pupils in the system, supports priorities set decades before, and rarely, if ever, is linked to performance, success or change.

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

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

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

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

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

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

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

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

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

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

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

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

Thank you very much.

Procter & Gamble

One Procter & Gamble Plaza
Cincinnati, OH 45202-3315

To: Mike Cohen
Company: U.S. Dept. of Education
Fax: (202) 401-0596

From: Robert L. Wehling
Phone: (513) 983-8800
Fax: (513) 983-8250

Date: 8/14/95
Pages including this cover page: 2

Comments:

If you experience any problems with this transmission, please contact:
Eileen Jennings (513) 983-8820 or FAX number (513) 983-8250

Procter&Gamble

R. L. WEHLING
Senior Vice President

1 Procter & Gamble Plaza
Cincinnati, Ohio 45202-3315

August 14, 1995

Mr. Mike Cohen
U. S. Department of Education
Office of the Secretary
600 Independence Avenue, S.W.
Washington, D.C. 20202

(Via FAX)

Dear Mike:

Thanks for the note on dropout statistics.

While it's hard to argue with the view that event/cohort/status rates all provide appropriate data to answer different questions, my concern is that the absence of one universally accepted way to look at the data will always be a source of confusion for the average person.

Nevertheless, I understand the situation and I appreciate your help.

As discussed separately, John Pepper and I continue to be ready to work with Joe Gorman and other business executives on efforts to help preserve the Goals 2000 program.

Best regards,

RLW

R. L. Wehling

RLWsf66:emj

Mike — FYI —

This is what

Kate Carr sent out

to over 500 CEOs

and key Business staff.

Notice the "partisan" attachment which I think was a real mistake.
I spoke w/ Leslie about it — & Terry
Leslie spoke to Gene Sperling. —

We need to figure out how to coordinate with W.H. w/out hurting our efforts.

J.

I have a message from Michael J. — do you want to call him or do you want me to? Bob Jones?

J.

THE WHITE HOUSE

WASHINGTON

August 7, 1995

Prefix *First Name* *middle* *Last name*
Title
Company
Address-1
Address-2
City, *State* *ZIP*

Dear *Salutation*:

The current debate between the President and the Congressional leadership on the budget for FY1996 is coming to a head over a few extremely important issues, including the issue of education. As a business leader who has been personally active in supporting education, we would like to provide you with a breakdown of the differences between the President's actions and budget proposals on one hand, and those of the Congressional leadership on the other.

The President and Congressional leadership both share a strong commitment to creating a balanced budget. This goal involves cutting spending while still working to reduce the deficit. However, the bipartisan consensus on overall reduced spending is being frustrated by disparate priorities in funding cuts. The differences between the President's plan and the plans of the Congressional leadership are most clearly highlighted in their vastly dissimilar approaches to education.

President Clinton has placed a high priority on investment in quality education at all levels. He believes that education is not only fundamental to individual and family prosperity, but is also the key to maintaining the competitiveness of industries and the nation as a whole in the expanding global economy. The President therefore has called for an increase in investment in education and training at all levels -- from pre-school through post-secondary and vocational -- in the amount of $40 billion over a seven year period. The Congressional leadership, on the other hand, proposes to cut education spending by $36 billion in the next seven years.

Enclosed is a synopsis of President Clinton's recent efforts and current proposals for investment in education. Your comments on the materials enclosed would be greatly appreciated. I can be reached directly at (202)456-5175.

Sincerely,

Kate Smith Carr
Special Assistant to the
President
Office of Public Liaison

PRESIDENT CLINTON'S COMMITMENT TO EDUCATION AND TRAINING

President Clinton is fighting for better education and training--from Head Start and school lunches to safe schools, higher standards, and student loans--in order to allow young people to make the most of their lives, and to provide to every American the chance to realize the American Dream. While supporting deficit reduction, open trade, and job creation, and while fighting violence that threatens our society, the President has recognized that nothing is more critical to our nation's future than ensuring that all Americans have the education and skills they need to navigate these changing times. The President has made an unprecedented commitment to strengthening teaching and learning--expanding and improving early childhood education, assisting local communities in improving their schools, instituting bold new reforms of adult education and training programs, and expanding financial aid for deserving college students.

EDUCATION IS THE KEY TO REALIZING THE AMERICAN DREAM

Improving education is important for families, the revival of civic institutions, and economic growth. In an economy where technology is constantly changing, trade is expanding, and capital is mobile, education has become the fundamental fault-line in our standard of living. Most Americans have seen their incomes stagnate over the last 15 years; the real income of the typical family has actually declined. Yet those with the most education and training have bucked the trend. In 1979, a male college graduate earned 39% more than a man with only a high school degree. By 1993, this gap had doubled, and a male college graduate out-earned his high school graduate counterpart by 80 percent. In addition, the availability of health coverage, pension plans, and other work-related benefits has become closely correlated with education levels.

A BIPARTISAN EDUCATION RECORD

While bringing the deficit down by historic amounts--over $600 billion so far--President Clinton has also made investing in education a top priority. During the last Congress, Republicans and Democrats together enacted a historic series of initiatives to assist families, communities, schools, and colleges to have expanded educational opportunity in America. Landmark legislation includes:

- **Head Start Amendments of 1994** (signed 5/18/94; passed House 393-20; Senate 98-1).
- **Goals 2000: Educate America Act** (signed 3/31/94; passed House 306-121; Senate 63-22).
- **Improving America's Schools Act** (signed 10/20/94; passed House 362-132; Senate 77-20).
- **School-to-Work Opportunities Act** (signed 5/4/94; passed House 339-79; Senate Voice Vote)
- **National and Community Service Trust Act** (signed 9/21/93; passed House 275-152; Senate 57-40)
- **Direct Lending and Pay-as-You-Can Loans** (signed on 8/10/93 as part of the Omnibus Budget Reconciliation Act)

This year, President Clinton went a step further by proposing incentives--through expansion of IRAs of up to $10,000--for families to save for their children's college education. In addition, the President has sought to consolidate 70 programs and put Skill Grants directly in the hands of workers seeking to upgrade their education and skills.

DRAWING THE LINE ON EDUCATION

Despite the bipartisan efforts last year to expand the quality and effectiveness of education, the current budget debate points to a divide between the President and the Republican Congress over education--the foundation of our democracy and free enterprise system. Both the President and Republicans believe we must reduce the budget deficit and balance the budget, and both propose deep cuts in discretionary spending to reach this goal. But the President also believes that in order to create more opportunity, we must reduce the education deficit by expanding investment in quality education. Most Republicans disagree. Thus, **while the President's balanced budget proposal launches an all-out effort to expand educational opportunities, the GOP budgets drastically decrease educational opportunity.**

THE EDUCATION GAP BETWEEN THE BUDGETS

The Republican budget resolution slashes education and training by $36 billion for 1995 to 2002 (including $10 billion in loan benefits to students). On July 24, the House Appropriations Committee took the first step towards making this budget resolution a reality, by cutting key education and training initiatives. By contrast, the President's budget increases investment in these same areas by $40 billion over seven years. As a result, there is a major education gap between the President's proposal and the Republicans'.

President Clinton will fight to expand investments in quality education, and he will fight against efforts to reduce, gut, or eliminate key investments in education and job training. Following is a brief outline of the fundamental differences between the President's approach to education and the Republican approaches to education -- from pre-school through post-secondary education.

I. EXPANDING HEAD START

President Clinton has made expanding and improving pre-schooling the starting point for helping families give their children a good start on the right course. Republicans would slash these investments.

- **HEAD START.** ***President Clinton Adds 50,000 Children; Republicans Cut Up To 180,000 Children.***

  President Clinton already expanded investment in Head Start by $760 million from 1993 to 1995. Now, he proposes to increase annual funding by $1.5 billion by 2002 to reach another 50,000 children. At the same time as he has expanded Head Start, he has also reformed the way the program works to improve teaching and facilities for all the children who participate.

  Republicans: The House Appropriations Committee has approved reducing FY 1996 funding for Head Start to over $100 million below the FY 1995 level and over $500 million below the President's request. Up to 45,000 children would be cut off Head Start in 1996 if HHS is to maintain program quality. Freezing funding at the reduced level would cut off up to 180,000 children in 2002 compared to 1995.

II. IMPROVING ELEMENTARY AND SECONDARY EDUCATION

President Clinton has lent national support to local schools and communities working to improve the quality of their education by rigorously teaching the basics, making schools safe and drug-free, promoting increased parental involvement, raising student achievement and discipline, getting technology into the classroom, and providing opportunities to go from school to college or work. Republicans would eliminate national support for local educational improvement, leaving students without crucial resources and assistance they need to succeed.

- **THE GOALS 2000: EDUCATE AMERICA ACT: ASSISTING LOCAL SCHOOLS.** ***President Clinton Helped To Create This Initiative And Would Provide $896 Million by 2002 To Upgrade 85,000 Schools for 44 Million Children; Republicans Would Eliminate It.***

  President Clinton helped create Goals 2000, which supports state, community, and school efforts to raise standards of achievement and discipline and encourage students to work hard meet them. Forty-eight states are already participating in this program. In his 1996 budget, the President calls for nearly doubling the program, to almost $700 million, with the total level rising to $896 million by 2002. That's enough to support improvements for all 44 million children in the over 85,000 public schools.

  Republicans: The House Appropriations Committee has approved **eliminating** Goals 2000 entirely--undermining what was once a bipartisan effort to spur bottom-up school improvement in schools across the nation.

- **TITLE I: HELPING CHILDREN LEARN THE BASICS.** ***President Clinton Would Expand It Each Year; Republicans Would Freeze Funding, Depriving Over One Million Children of Aid.***

  President Clinton supports Title I Grants to Local Education Agencies, designed to provide needed resources to help students learn the basic subjects in school. The program has been reoriented to give schools more flexibility to support effective innovations that help all students read and write well and meet challenging standards. The President has already increased Title I funding by $573 million over two years, and he proposes an increase of $302 million this year, enough to serve 300,000 additional children, with further increases every year in the future.

  Republicans: The House Appropriations Committee approved a reducing funding by $1.1 billion in 1996, cutting as many as 1.1 million children from the program. These children from our poorest communities would be denied the opportunity they need to reach their full potential.

- **SAFE AND DRUG-FREE SCHOOLS.** ***President Clinton Has Consistently Supported It; Republicans Would Gut It.***

  President Clinton supports this initiative to make our schools safe from drugs and violence. The program funds everything from innovative anti-violence education and after-school programs to metal detectors and security personnel. The President would maintain funding at $500 million per year.

Republicans: The House Appropriations Committee cut this program by 60 percent to $200 million, depriving over 23 million students of services in 1996 alone.

- **TECHNOLOGY FOR EDUCATION: GETTING COMPUTERS IN THE CLASSROOM.** ***Republicans Would Gut This Clinton Initiative Which Leverages Private Money for Technology in Public Schools.***

  President Clinton has helped initiate this challenge to the private sector to join with schools and colleges to raise student achievement through the use of computers and new learning technology in the classroom. A $50 million federal investment in 1996 will leverage hundreds of millions of dollars in private support.

  Republicans: The House Appropriations Committee cut this program in half to $25 million in FY 1996, denying school districts across the country the ability to participate in this initiative, and drastically slowing the effort to leverage millions more from the private sector.

- **SCHOOL-TO-WORK OPPORTUNITIES.** ***President Clinton Has Supported A New 50-State Movement; Republicans Would Stop It In Its Tracks.***

  President Clinton, with bipartisan support, signed into law the most important national program ever to help states and localities set up systems to link Federal, state, and local resources in new effective ways that ensure that all young people--including the 70% of young Americans who don't get four-year degrees--get the education they need to obtain good jobs with a future. All states have received planning funds, and eight "leading edge" states are using implementation grants to create systems that are getting positive reviews from companies nationwide. Twenty more states will begin implementation this year. President Clinton has proposed increasing support by 60% for FY 1996 to $400 million, bringing to 43 the number of states implementing school to work systems. Remaining states would start up the following year.

  Republicans: The House Appropriations Committee approved slashing the President's request by over 50 percent to $190 million. This would seriously hamper efforts of 28 states to complete the reforms they started in 1994 and 1995; twenty-two additional states would be denied the chance to implement their reform plans to raise student skills.

- **SUMMER JOBS.** ***President Clinton Supports Work Experiences for Youth; Republicans Would Eliminate These Jobs.***

  President Clinton recognizes that the summer jobs program is an important first opportunity to get work experience for many low-income youths, especially those in inner cities where jobs are scarce. Without these opportunities, these young people might not otherwise have any chance to learn skills and workplace behavior during their formative years. The President has proposed financing over 550,000 jobs in the summer of 1996 alone.

Republicans: The House Appropriations Committee has approved eliminating this program, with an $872 million cut from the President's request. In the summer of 1996 alone this would eliminate this valuable work experience for over 550,000 urban and rural at-risk youth.

III. INCREASING ACCESS TO POST-SECONDARY EDUCATION

Assistance with financial aid to deserving college students is an investment in America's future and helps families give their children a chance to make the most of their lives. Now more than ever, post-secondary education and job training are the gateway to America's middle class. Studies show that for every year of training a person gets after high school, his or her earnings rise by 6 to 12 percent. After 15 years in which college costs increased far faster than inflation but family incomes stagnated, President Clinton has initiated historic efforts to expand college access. Republican proposals would devastate access to post-secondary grants and loans, and to job training, setting back college access by years if not decades.

- ***AMERICORPS: HELPING STUDENTS WHO HELP THEIR COMMUNITIES. President Clinton Offers Opportunities to Nearly 50,000 Young People in AmeriCorps Next Year Alone plus over 1 Million Other Service Opportunities Each Year for People of All Ages; Republicans Would Eliminate All of AmeriCorps and More Than 750,000 of the Service Opportunities for People of All Ages.***

  President Clinton created AmeriCorps to enable young people to earn money for education by serving their communities--teaching, caring for the sick, making the streets safer. Already 20,000 Americans are serving in AmeriCorps, and nearly 50,000 are expected next year. He also fully supports an additional 1 million service opportunities in Learn and Serve, VISTA, Foster Grandparents, and other programs.

  Republicans: The House Appropriations Committee approved eliminating AmeriCorps and the Corporation for National Service and cut opportunities in other service programs. Over 4.3 million service opportunities for youth in their communities would be abolished over the next seven years. In FY 1996 alone nearly 50, 000 young Americans from hard-working, middle class families will lose the opportunity to serve their communities through AmeriCorps in locally-identified areas of crucial need such as health care, social service, and crime prevention, and to earn an educational award to help pay for college or other training.

- **PELL GRANTS: PROVIDING THE LIFELINE TO COLLEGE FOR WORKING FAMILIES.** ***President Clinton Raised the Maximum Grant to a Record High and Would Increase Annual Funding by $3.4 Billion by 2002; Republicans Would Eliminate Up To 300,000 Students From The Program.***

  President Clinton has supported the Pell Grant program, and increased the maximum Pell Grant in his 1996 budget by 12%, to its highest level ever, $2,620. In his new budget, he would increase annual funding by $3.4 billion by 2002--enough to reach 960,000 more recipients and increase the maximum award to $3,128.

Republicans: The House Appropriations Committee approved an increase in the maximum Pell Grant by only $100, to $2440. Furthermore, the committee approved eliminating about 300,000 students from the program who would receive awards between $400 and $600 under the President's proposal. For millions of students, grants make the difference between going to college and not going, between staying in school and dropping out. For example, $250 equals approximately 25% of tuition and fees of community colleges.

- **IN-SCHOOL INTEREST EXEMPTION: HELPING STUDENTS AND FAMILIES PAY FOR COLLEGE.** ***Republicans Would Raise College Costs for Up to 4 Million Students.***

President Clinton supports the in-school interest exemption, under which **four million** need-tested students with Stafford loans do not have to pay interest while enrolled in school and during the grace period (six months) between leaving school and entering repayment.

Republicans in their budget resolution propose $10 billion in cuts in student loans. In order to achieve that level of savings and preserve unnecessary payments to banks, secondary markets, and guaranty agencies, they will not only have to eliminate any subsidy for graduate or professional students, but also hit college students with higher fees--for example, eliminating the six month grace period for interest after college or raising the origination fees that every student must pay to get their loans.

- **DIRECT LENDING AND INDIVIDUAL EDUCATION ACCOUNTS: MAKING COLLEGE MORE AFFORDABLE.** ***President Clinton Supports Expanding These Initiatives; Republicans Want To Raise the Cost to Students and Reduce Access.***

President Clinton supports expanding the new direct lending program and individual education accounts. Direct lending eliminates billions of dollars in unnecessary payments to lenders and others and makes student loans cheaper and more efficient for students, schools, and taxpayers. With the passage of the Student Loan Reform Act, 104 schools and over 252,000 students initiated the program in 1995. On July 1, 1995, more than 1,400 schools--representing about 40% of all loans and the maximum allowed under this year's authorization--began the second year on schedule. The President would expand the program to all schools and students. This program is already saving $6.8 billion for taxpayers, lowering interest rates for students, and allowing borrowers to choose flexible repayment arrangements, including pay-as-you-earn plans through Individual Education Accounts. In time, 20 million current borrowers and six million new borrowers per year will benefit.

Republicans have proposed legislation to reduce funds available for direct lending, prevent more schools from choosing to participate in the initiative, and cap participation at 40 percent of all loans. The committee mark also approved a reduction in direct loan administration funds by over 40 percent in order to cripple implementation and to deny the benefits of direct lending to low and middle income students. These actions will stop the growth of cost-effective, efficient direct lending in order to keep unnecessary payments flowing to wealthy banks and unnecessary middlemen.

- **EDUCATION AND TRAINING TAX DEDUCTION: REWARDING PARENTS WHO INVEST IN THEIR CHILDREN'S EDUCATION.** ***President Clinton Supports A Deduction; With All the Tax Breaks for the Wealthy, Republicans Don't.***

  President Clinton supports a tax deduction for middle-class families with education and job training expenses up to $10,000. This deduction would provide tax-favored treatment to education similar to the benefits for other investments like housing and equipment. It invests in those who invest in themselves and in America.

  Republicans do not support the education and training tax deduction. With its $20,000 tax cut for the wealthiest 1%, the Contract with America includes tax breaks for capital gains, gifts and inheritances in excess of $600,000, and the depreciation of business purchases--but not for education.

IV. LIFELONG LEARNING

In order to maintain good job prospects throughout their lives in a fast-changing economy, Americans need the opportunity to upgrade their education and skills regularly. President Clinton wants to support lifelong learning by reforming job training programs and putting resources and information directly into workers' hands. Republicans just want to slash job training.

- **G.I. BILL OF RIGHTS FOR WORKERS (SKILL GRANTS).** ***President Clinton Supports Skill Grants for America's Workers; Republicans Want a 25% Cut in Job Training Funds.***

  President Clinton: Under the adult reform proposal, low-income or dislocated workers (and others) could go to a One-Stop Center for help to get jobs, and learn about the services and track records of job training programs. Then, they could use Skill Grants at their own choice among those institutions. The President would provide 800,000 Skill Grants in 1996 alone. For youth training programs, the President proposes to build on and intensify the national reform embodied in the School-to-Work system to serve in-school and out-of-school youth. Youth programs would be streamlined and funding would be consolidated in a $2.9 billion State grant, replacing current fragmented efforts under the Perkins Vocational Educational and Job Training Partnership Act. In total, the President proposes to increase funding (excluding Pell Grants) by over $2 billion by 2002.

  Republicans: The House Appropriations Committee cut funding by 50 percent below the President's request, and 25 percent below the FY 1995 level. These cuts would deny reemployment services to 506,100 dislocated workers and deny training opportunities to 84,000 disadvantaged adults compared with the President's request. Republicans also eliminate over 550,000 job opportunities for disadvantaged youth by not funding the Summer Youth Employment Program. Millions of young people will lose the opportunity to develop adequate work preparation skills and obtain good first jobs.

10:48 - Mike Schmidt DPC | 456 5567
- CEO Letter Jay / Gen → | ~~att~~
full out

rm 472 OEOB

early August - match

10:55 - Art Jackson
703 276-5016

Jan.

Randall - Leonard Adam Budget Camp

① Balanced Budget Campaign
- details to follow

Non CEO Gen Cd

- member companies asked to add $ to
national campaign

② Talk about at Wkg Grp mtgs

Larry Brady - Nafta Campaign
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Return

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Susan Frost

Glenda - Clark, Iowa, Wisc.

Michael Jackson

Bob Jones

CEO David Whitwam - Jay Vander Berg

CEO's

- Cur terror - Steve Litow

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- Schwartz

- Jack Welch? (GE)

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David Rockefeller

Bob Rubin

Dave Barram

Bob Wehling John Ru

Ed Donnely

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Ed Willard - Report

(Pat Forgione)

John Clendenin

Paul Allaire - Middle Ich

Walter Elisha - Springs

Jim ~~Moor~~ Orr Unum - may chair of NAB

Jack Renner - Pacer

Start Coal | Start Bus Coalition

Bob Kennedy - Alum Coalition

What Foundation Board

- Ford

- Carnegie

Joe Dionne

McGraw Hill

JD - 401 6222

Dennis Leiden Lieberman 401 3819

- Letters → [illegible]

Nat. employer leadership council

Michael Jackson

Campaign [illegible]

Rob Jones

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Bart Gorman

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Joe
Gorman
Bert Roberts (Graduate) — will work with Spkr a Ch

- DC Stuff
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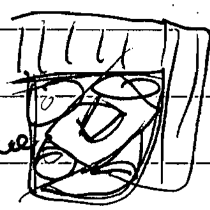
White House 3 weeks Pres. - Public Cd Ch

Axel Kolling



Pres. has an issue
↳

Can we find common theme to bring people together on.

Rob Jones
11:00
Michael Jackson

Tues. 11:00

Mon, Tues

Thu, Fri

John Pepper [illegible] Clerk [illegible]

Wed

[illegible]

Dan Lacey

606 329-3148

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The Urban Coalition

Co-NECT Schools

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Bolt Beranek and Newman

John Richards
Bolt Beranek and Newman

Henry Olds
Bolt Beranek and Newman

Expeditionary Learning/ Outward Bound

Meg Campbell
Expeditionary Learning

Greg Farrell
Outward Bound USA

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Los Angeles Learning Centers

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Los Angeles Learning Centers

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Modern Red Schoolhouse

Denis Doyle
Modern Red Schoolhouse

Sally Kilgore
Modern Red Schoolhouse

Leslie Lenkowsky
Hudson Institute

National Alliance For Restructuring Education

Judy Codding
National Alliance for Restructuring Education

Vicki Phillips
National Alliance for Restructuring Education

Marc Tucker
National Center on Education and the Economy

Roots and Wings

Nancy Madden
Center for Research on Effective Schooling for Disadvantaged Students, Johns Hopkins University

Robert Slavin
Center for Research on Effective Schooling for Disadvantaged Students, Johns Hopkins University

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

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TO: Michael Jackson

FROM: MICHAEL COHEN
SENIOR ADVISOR TO THE SECRETARY

ORGANIZATION:

PHONE NUMBER: 401-3070

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MESSAGE:

CONFIDENTIAL NOTICE

4 ***PAGE(S) TO FOLLOW***

DRAFT 6/11/95

KEEP THE U.S. DEPARTMENT OF EDUCATION

Joe Gorman and ???

As business leaders we generally are not in the habit of trying to save federal bureaucracies. We believe that the federal government is too large, must reduce spending, and balance its budget. We and many of our colleagues strongly support efforts in Congress to reach these ends.

But we must be smart about how we do this, so our nation's future is secure. National priorities, not partisanship, should determine what we do. Some proposals in the Congress are simply short-sighted, particularly those that would scale back the federal effort in education or eliminate the U.S. Department of Education. Education must remain a strong national priority, and the federal government must continue to do its share.

Quality education is more important to our future now than ever before. As employers, we know that a well educated workforce is a key to our growth and prosperity. Yet educational achievement in other industrialized countries far outpaces our own. Young people will simply not be competitive in the workplace, or even employable, if they show up at our plants and offices lacking a core of academic knowledge and basic and advanced skills. That is why we and so many of our business colleagues so strongly support higher academic standards and the state and local education reforms necessary for students to reach them.

Now, the federal government doesn't educate students directly, but it does have a vital role nonetheless.

For nearly thirty years it has provided funds to give the most disadvantaged students the extra help they need. This approach has paid dividends; since the inception of the Title 1 program, the gap between low and high income students has closed considerably on national measures of reading and math. But there is much more to be done. This program, newly reauthorized in the last Congress, now must make sure that the most disadvantaged students get the support they need to learn advanced as well as basic skills in the academic subject areas.

For even longer, the federal government has been the primary source of financial aid for students attending college. Approximately half of the students in institutions of higher education rely on loans or grants in order to pay the tuition to stay in school. Increasingly, high wage jobs will be reserved for those who have some postsecondary training, either in a four year college or in a two year program. According to the Census Bureau, workers with a bachelopr's degree earn 74 percent more that high school graduates, and 155 percent more than high school dropouts. With education clearly becoming the "fault line" in our society, we must continue to help students pursue higher education.

More recently, the federal government has been actively supporting state and local education reforms. With the bipartisan enactment of the Goals 2000: Educate America Act and the School-to-Work Opportunities Act in the last session of Congress, the federal government is now supporting education reforms with seed money and with new flexibility that enables federal funds to be used to support state and local reforms. Both of these programs received, and continue to enjoy, the strong support of the business community. They promote high standards for learning, accountability for results, and the tools and freedom schools need to get results. While some in Congress wish to repeal these programs, we think they should become the foundation for everything the federal government does in elementary and secondary education.

We recognize that these and other programs could be managed someplace other than a federal Department of Education. But we don't think it would be smart to dismantle the Education Department and move these programs into other agencies.

Doing that would diminish accountability at the federal level, a move in precisely the wrong direction. The last thing that states, schools or students need is a myriad of federal agencies each making disconnected decisions that affect education, with no one responsible for making sure that the cumulative effect of federal actions advances rather than impedes teaching and learning. No business would dream of making it that difficult for its customers to use its products.

At the same time, merging education programs into a large bureaucracy would also be counter to good business practice. We've learned that smaller operating organizations offer flexibility, innovation and more client-focused services. Over the past several years, the Education Department has reduced regulations, streamlined paperwork requirements, and made its student loan program more client-centerd. These advances would be jeopardized in a larger bureaucracy.

Sound program management is vital. So is a national voice and national leadership in education. As we've learned in our own businesses, leadership and persuasion are important tools for change. Rallying the individuals and institutions necessary to make change around a shared vision is a precondition for lasting, widespread improvements. That is why we supported former Secretary of Education Lamar Alexander when he began the movement for national education standards, and why we now support Secretary Richard Riley's push for more challenging academic standards at the state and local level. School systems around the nation would not be busy raising expectations for their students if these two men had not forced the issue to the top of the agenda. And neither would have been successful in gaining the nation's attention --let alone our own--if they had been assistant secretaries in some larger bureaucracy. That alone is enough reason to keep a cabinet-level Department of Education.

Education is the key to our future. We in the business community are dedicated to doing everying we possibly can to improve our schools and give all of our students a solid foundation upon which to build their futures. This is a long term committment. Like most Americans, we believe we can succeed over the long haul only if education remains outside the realm of partisan politics, even if that seems improbable at the moment.

DRAFT 6/11/95

KEEP THE U.S. DEPARTMENT OF EDUCATION

Joe Gorman and ???

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But we must be smart about how we do this, so our nation's future is secure. National priorities, not partisanship, should determine what we do. Some proposals in the Congress are simply short-sighted, particularly those that would scale back the federal effort in education or eliminate the U.S. Department of Education. Education must remain a strong national priority, and the federal government must continue to do its share.

Quality education is more important to our future now than ever before. As employers, we know that a well educated workforce is a key to our growth and survival. Yet educational achievement in other industrialized countries far outpaces our own. Young people will simply not be competitive in the workplace, or even employable, if they show up at our plants and offices lacking a core of academic knowledge and basic and advanced skills. That is why we and so many of our business colleagues so strongly support higher academic standards and the state and local education reforms necessary for students to reach them.

Now, the federal government doesn't educate students directly, but it does have a vital role nonetheless.

For nearly thirty years it has provided funds to give the most disadvantaged students the extra help they need. This approach has paid dividends; since the inception of the Title 1 program, the gap between low and high income students has closed considerably on national measures of reading and math. But there is much more to be done. This program, newly reauthorized in the last Congress, now must make sure that the most disadvantaged students get the support they need to learn advanced as well as basic skills in the academic subject areas.

For even longer, the federal government has been the primary source of financial aid for students attending college. Approximately half of the students in institutions of higher education rely on loans or grants in order to pay the tuition to stay in school. Increasingly, high wage jobs will be reserved for those who have some postsecondary training, either in a four year college or in a two year program. With education clearly becoming the "fault line" in our society, this is hardly the time to make it more costly for those pursuing higher education.

More recently, the federal government has been actively supporting state and local education reforms. With the bipartisan enactment of the Goals 2000: Educate America Act and the School-to-Work Opportunities Act in the last session of Congress, the federal government is now supporting education reforms with seed money and with new flexibility that enables federal funds to be used to support state and local reforms. Both of these programs received, and continue to enjoy, the strong support of the business community. They promote high standards for learning, accountability for results, and the tools and freedom schools need to get results. While some in Congress wish to repeal these programs, we think they should become the foundation for everything the federal government does in elementary and secondary education.

We recognize that these and other programs could be managed someplace other than a federal Department of Education. But we don't think it would be smart to dismantle the Education Department and move these programs into other agencies.

Doing that would mean accountability at the federal level would suffer. The last thing that states, schools or students need is a myriad of federal agencies each making disconnected decisions that affect education, with no one responsible for making sure that the cumulative effect of federal actions advances rather than impedes teaching and learning. No business would dream of making it that difficult for its customers to use its products.

Sound program management is vital. So is a national voice and national leadership in education. As we've learned in our own businesses, leadership and persuasion are important tools for change. Rallying the individuals and institutions necessary to make change around a shared vision is a precondition for lasting, widespread improvements. That is why we supported former Secretary of Education Lamar Alexander when he began the movement for national education standards, and why we now support Secretary Richard Riley's push for more challenging academic standards at the state and local level. School systems around the nation would not be busy raising expectations for their students if these two men had not forced the issue to the top of the agenda. And neither would have been successful in gaining the nation's attention --let alone our own--if they had been assistant secretaries in some larger bureaucracy. That alone is enough reason to keep a cabinet-level Department of Education.

Education is the key to our future. We are dedicated to doing everying we possibly can to improve our schools and give all of our students a solid foundation upon which to build their futures. This is a long term committment. Like most Americans, we believe we can succeed over the long haul only if education remains outside the realm of partisan politics, even if that seems improbable at the moment.

May 19
Draft
Mike Cohen

WHY BUSINESS SHOULD OPPOSE EFFORTS TO ELIMINATE THE EDUCATION DEPARTMENT

1. **Education is and must remain a national priority. It requires national leadership and federal support.**

- Eliminating the Education Department--even if its programs are preserved in other agencies--will send the wrong signal to the public about the importance of education.

- Without a separate cabinet-level Department of Education, there would not be a strong federal voice to keep education on the front-burner, raise important issues, and support reforms led by states, local communities, business and others. Could Lamar Alexander and Bill Bennett have had much of an impact if they were Assistant Secretaries in the Department of HEW or Labor?

- If education programs are scattered throughout the federal government (e.g.--student loans to Treasury, elementary and secondary programs to Labor or HHS, research to NSF) <u>coordination and accountability for federal efforts will suffer</u>. The last thing that states, schools, or students need is a myriad of federal agencies making disconnected decisions that affect education--with no one responsible for making sure that the cumulative impact advances rather than impedes teaching and learning.

2. **The Department's programs support business' education reform agenda:**

- Goals 2000, School-to-Work and the IASA support business efforts to raise academic standards and support comprehensive, systemic education reform. This is the first time that the federal government has made a deliberate effort to coordinate its own programs with each other, with state and local education reforms, and with the business community education reform agenda. This coordinated, coherent approach strengthens the efforts of each partner.

- Many of the political groups leading the charge to eliminate the Education Department are also organized in opposition to standards-driven education reform at the local and state level. If they are victorious at the federal level, their opposition at the state and local level will be strengthened.

3. **We are making the Education Department a better-managed, customer-oriented, leaner organization--and will continue to do so.**

- *Downsizing:* We are working hard to streamline the Education Department:
  - There are fewer employees in the Education Department now than there were in 1979 when we were part of HEW--4,8xx compared with 7,2xx. We are continuing to downsize.
  - We have proposed a major consolidation of our vocational education programs...
  - We have proposed eliminating xxx programs overall.

- *Flexibility:* We have dramatically turned around the regulatory process--instead of regulation-writing being on autopilot as in the past:
  - We have issued no regulations for Goals 2000;
  - We are only issuing regulations for IASA where explicitly required by law;
  - We have an official policy that presumes we will <u>not</u> issue regulations after Congress passes a law--regulations will only be issued if a strong case can be made that they are needed;
  - We now can--and do--provide waivers to statutory and regulatory requires

- *Improved Management:* We have continued and substantially expanded the Quality Management Initiatives started by David Kearns:--note--this needs work
  - We have upgraded technology and invested in training for our employees;
  - We have improved management and budgeting of the student financial aid program
  -

DRAFT
May 25, 1995

WE NEED A U.S. DEPARTMENT OF EDUCATION

Joe Gorman, John Clendenin and ???

As business leaders, we are generally not in the habit of trying to save federal bureaucracies. We believe that the federal government is too large, must reduce spending, and balance its budget. We and many of our colleagues are strongly supporting efforts in Congress to reach these ends.

But we also think that we must be smart about how we do this. National priorities, not partisanship, should determine what we do. And we believe strongly that education must remain a national priority, with an appropriate federal role

1. education more important now than ever before--business knows that a well educated workforce is the key to our growth and survival. For young people--they will simply not be competitive in the workplace if they don't show up at our plants and offices with a core of knowledge and basic and advanced skills. That is why we and many of our business colleagues have worked so hard at the state level in support of education reform.

2. important federal role in education--to support state and local ed reforms, provide assistance to the most disadvantaged in gaining basic skills, and helping students and their families pay for college.

3. opposed to efforts to dismantle the U.S. department of education. Having a cabinet level department is as important as the specific programs it houses.

- we need a national voice and national leadership in education--leadership and pursuasion are important tools of change, as we've learned in our own business. We supported Lamar Alexander and President Bush when they began the movement for natioanl academic standards, and we support Pres. Clinton and Dick Riley's efforts to continue to push for more challenging academic standards at the state and local level. But we also know that Alexander--and Bill Bennet and Ted Bell before him, would not have been effective in getting the nation's attention if they had been assistant secretaries in some larger bureaucracies.
- recently enacted programs--specfically Goals 2000 and the School to work Opportunities Act--received and continue to enjoy the strong support of the business community. They reflect well the needs of business and our own efforts, in partnership with governors and other state education leaders, to promote reform in every state in the country. They promote high standards for learning, accountability for results, and giving schools the tools and freedom they need to get results. While some in congress wish to repeal these, we think they should become the foundation for everything the federal government does in el. and sec. education. This has already happened with the overhaul of ESEA, which we also supported, because...

4. we believe education must remain outside the realm of partisan politics--even in though we are in higly charged partisan times. That is

why we and others in the business community have consistenly worked with governors and Administrations of both parties

TALKING POINTS FOR CALLS TO CEOs

- As you know, this is a challenging time in Washington and I am concerned that the recent bipartisan legislative accomplishments we have had in the area of education--such as the School-to-Work Act and the Goals 2000 Act--are in jeopardy.

- The overall federal role in education is being challenged. I welcome the debate and recommendations on how we could serve children and families better, but believe strongly that improving education must remain a national priority.

- I need your help.

- I would like to invite you to meet with me in Washington in early June to discuss this and, if you are willing, to participate in a press event in support of education and the need for a federal role in education.

- Since I have been in office, and Lamar Alexander and David Kearns before me, we have made great strides in reinventing the U.S. Department of Education. We have:

    * consolidated and cut programs
    * reduced regulations
    * passed laws that allow states and schools to waive federal rules and regulations that get in their way of reform
    * reduced employees by 30%; and
    * implemented customer-oriented programs such as 1-800 information lines

- I believe this a critical time in the history of public education and to abolish the Department will set back the effort to raise academic standards, and upgrade students' occupational skills.

- Who on your staff should we contact to follow-up on this invitation?

Mike —
OK?
J

please hold
off 'til
we can talk
later this afternoon
m

Message

While the business leaders will be informed that the event will focus on the importance of maintaining a U.S. Department of Education, the invitation to them and the press message will need to focus on the following issues:

1. The importance of education to our nation and our economic well-being.

2. The important role the U.S. Department of Education has in improving education:
   - A national voice
   - clearinghouse of good ideas/catalyst for solutions
   - accesss to higher education
   - helping communities and schools meet the needs of their students

3. The Department has "reinvented" itself already and is providing the customer-oriented support states and communities need.
   - reduced regulations (none in Goals 2000)
   - consolidated programs (others have been cut)
   - customer-friendly access to the Department (1-800-USA LEARN; Sattlite Town Meetings, etc.)
   - restructured programs offices (OESE State team structure)

We look forward to discussing this proposal with you.

cc: Frank Holleman
    Mike Cohen

May 10, 1995

MEMORANDUM TO THE SECRETARY

FROM: Mike Cohen
Jennifer Davis

RE: Press Event with Business Leaders

We spoke earlier today about the possibility of holding a press event with business leaders in support of the Department of Education. This memo outlines our proposal.

Participants

We have reviewed the option of involving others in this event (e.g. Governors), but believe that the event would be more focued if the business leaders are the only participants. We would propose the following four CEOs, but would like to discuss with you other business leaders you have worked with over the years who could also be invited to participate.

Frank Shrontz
Chair and CEO
The Boeing Company

John Clendenin
Chairman of the Board, President and CEO
BellSouth Corporation

Joe Gorman
Chairman and CEO
TRW, Inc.

Oz Nelson
Chaiman and CEO
UPS

Timing

It will be difficult to organize an event with CEOs on short notice. We believe it will be important to carefully review the legislative calendar to identify the critical point when an event like this could have a major impact. It is likely that the major votes will not take place for several months. In any case, we need roughly a two week lead time to put the event together.

The Washington Post

AN INDEPENDENT NEWSPAPER

Have you seen? Kirk

Chairman Kasich's Budget . . .

THE SPENDING plan for the next seven years that the House Budget Committee approved early yesterday sounds tougher than its Senate counterpart but, in fact, is only marginally so. Broadly speaking, they're the same. Both seek to balance the budget by the year 2002 mainly by cutting Medicare, Medicaid, welfare and domestic appropriations while protecting Social Security and defense. (The House plan would actually increase the defense budget a little above the levels currently planned).

The House panel also had to accommodate the large tax cut the House improvidently passed last month. It would do so in part by running larger deficits than the Senate for most of the seven-year period, then coming to balance more rapidly at the end. The deficit would be erased in those final years in part through stepped-up Medicare and welfare cuts and in part by virtue of some heroic assumptions as to the likely behavior of interest rates. The notion is that enactment of a balanced budget might produce a dividend in the form of lower interest rates. The Senate would use that for a tax cut if it materialized. The House committee, unable to wait, assumed it would materialize, and in that sense declared its tax cut partly paid for in advance.

Though they differ somewhat in degree, both resolutions would put more pressure on the health care programs, Medicare and Medicaid, than can likely be sustained without harm to health, the health care system or both. The welfare cuts are also too large and would likely do damage. As to the rest of domestic government, it sounded as if the House was proposing to cut the most. House Budget Committee Chairman John Kasich said he was suggesting three departments be abolished—Commerce, Energy and Education—whereas Senate Chairman Pete Domenici had suggested Commerce only, and there was more. But, in fact, aides say the domestic appropriations ceilings in the two resolutions are about the same from year to year. The difference is more a matter of style than of substance. Mr. Kasich relishes suggesting specific cuts, while Mr. Domenici is more reserved.

A lot of the illustrative cuts on Mr. Kasich's lengthy list are good ideas. The country could get along just fine, for example, without an Energy, an Education or a Commerce department, especially as their important functions would be dealt off to other agencies and continue to be performed. It could get along just fine with lower farm price supports and without such perennials as highway demonstration projects too. On the other hand, it's probably not a good idea to cut Head Start nor maintenance funds in the national parks. The virtue of the list is that it shows without flinching how tight the Republican budget would be.

The goal of reducing the deficit is right. The problem with these resolutions is that they're confined to only part of the budget—why exempt Social Security when it is a fifth of all spending?—and perhaps try to do too much in too short a time. Sooner or later the Democrats—for the sake of the threatened programs they profess to care about, and for their own sake- lest they be left at the starting gate, are going to have to propose an alternative. Our own sense is that the longer they wait, the more they risk.

Euthanasia

BY DIANE RAVITCH

Diane Ravitch was Assistant Secretary of Education in the Bush Administration. Her latest book is *National Standards in American Education: A Citizen's Guide* (Brookings).

THE CURRENT ADMINISTRATION is expanding the U.S. Department of Education with new programs like direct student lending *(see p. 122)*. Here's a much better idea. Close it down.

I served in the department for 18 months during the Bush Administration, as Assistant Secretary for Education Research & Improvement. I was responsible for supervising the spending of $450 million each year. I can say without hesitation that most of the money was wasted. It subsidized technical assistance that no one asked for; research that few read or used; multimillion-dollar programs that served only those professionals who received the funding; and activities that were protected by congressmen, or their staff members, who were assiduously courted by education lobbyists.

I did learn one thing on the job: The only way to achieve eternal life was to become a federal program. Seldom was any program in my agency evaluated. When I tried to evaluate them, the recipients went screaming to their congressional protectors.

At appropriations time, the Democratic congressman who quizzed me got his script from the lobbyist for the "regional education laboratories," which receive about $50 million each year. (Conveniently, the lobbyist was a former staff member of the congressman.) If the department tried to withhold funding from some useless project, there was sure to be some threatening letter from a congressman, with hints of an investigation or public hearings.

The Department of Education was established in 1979, in the waning months of the Carter Administration. It is one of the smallest cabinet agencies, with a budget of about $32 billion. But this is a tail that wags a big dog. It manages about 250 federal programs, issues regulations and employs about 5,000 people.

Now, most of the 5,000 are very nice people, and some are extremely competent. But most are clerks and grant administrators who know less about education than the average teacher. They are no better qualified to help or direct the nation's schools than is the staff in any state or city or county department of education.

If the Education Department were abolished, it would not be missed. All the valuable functions performed by the federal government— the Headstart program, extra funds for poor students, college scholarships—existed long before the Department was created in 1979. Headstart is currently administered by the Depatment of Health & Human Services; college loans could be administered efficiently by the Treasury Department; and funds for poor kids could be transferred to the states as a block grant. The Department should be replaced by a small Office of Education, to collect data and report to the nation on the condition of education.

For its $32 billion the Department of Education does not educate a single student. It does not make schools better. Its very existence is a burden to states and localities, because the department's regulations require them to employ bureaucrats to monitor compliance with federal regulations. Every time an administrator is hired to write reports on federal programs, local resources are expended that ought to be used in the classroom. An international study reported recently that 50% of those employed in American schools are not teachers, the highest proportion of noninstructional personnel of all modern industrial nations.

If the department were abolished, all funds for education reform, teacher training, bilingual education, aid for the disadvantaged, special education for disabled students and technical assistance could be returned to the states. The states are freer to initiate experiments, likelier to close down failed experiments and more sensitive to local needs than is the federal government. By contrast, federal programs add unnecessary administrative costs. They mean uniform regulations that reduce flexibility and ignore local variations; failed federal programs, protected by their sponsors, are seldom evaluated and almost never terminated.

The Department of Education does no educating, but it does provide a lot of pork. Why not kill the darned thing?

I came away from my Washington job with this firm conviction: The people who are solving problems and achieving educational breakthroughs are not in Washington, D.C. They are out in the schools, in the state capitals, in the cities and towns. The federal government should not be micromanaging these people. By abolishing the Department of Education, Congress can make sure that more money goes to the nation's classrooms and can return control of education to the states and localities where it belongs. ■

5/23/95
DRAFT
Mike Cohen

RESPONSE TO DIANE RAVITCH

It has become fashionable for former Reagan/Bush education officials, such as Lamar Alexander and William Bennett, to call for the abolition of the U.S. Department of Education. Now former Assistant Secretary Diane Ravitch has joined the chorus of those who would eliminate the agency they once headed (Forbes, May 22, 1995). Ms. Ravitch, like her colleagues, argues that the Department of Education has done nothing to improve education and has, indeed, wasted hundreds of millions of dollars, <u>while they were running the place.</u>

This is an astonishing admission of poor stewardship and management failure on their part. They overstate the case, but I won't argue with them. However, just because Reagan and Bush education officials couldn't figure out how to make a positive difference with the resources they were entrusted with, doesn't mean it can't be done. There is a huge leap in logic between their failed leadership and the argument that the Education Department should be abolished.

Education is more important to America's future than ever before in our history. In 1992, the average earnings of those with a college degree were almost twice those of people with a high school diploma, and more than two and a half times of those who had not earned a high school diploma. In this decade, nearly 90% of the new jobs being created will go to people with some postsecondary education, and virtually none to those without a high school degree. Increasingly, the American Dream will come true only for those who reach for it based on a solid foundation of learning.

Now, learning is ultimately an individual and a family responsibility--there will never be good substitutes for individual initiative and parental support. And local communities and state governments bear the responsibility for providing good schools. But there is also a vital role to be played by the federal government, helping families pay for college, helping schools strive for excellence, and helping to ensure educational opportunities for all. ....

Because education is so important, President Clinton is committed to investing more, and more wisely, in education. Rather than eliminating the U. S. Department of Education, Secretary of Education Richard W. Riley has been quietly leading the effort to make sure the Education Department manages those investments properly. Here are some of the things this Administration has done to improve education for Americans and to improve on the performance of our predecessors :

• *Helping students pay for college:* The U.S. Department of Education provides financial aid to approximately one out of two students attending a postsecondary education. The Pell grant program makes grants averaging $1,500 to nearly four million students, mostly from families earning less than $20,000 per year. When Secretary Riley took office on Jan. 21, 1993, this program suffered from a <u>$2 billion shortfall</u>, because Reagan/Bush officials couldn't figure out how to accurately predict the annual costs of the program. Instead of continuing to pile up this debt and borrow from funds intended for future beneficiaries, Secretary Riley eliminated the deficit, improved forecasting and budgeting, and is now operating the program on a slight surplus.

The Clinton Administration has also instituted a new Direct Loan program, through which students borrow directly from the federal government, and have a wide variety of repayment options. This approach reduces bureaucracy, and provides more options to better serve both students and postsecondary institutions. Students at participating institutions report less paperwork, shorter lines, and 24-hour turn-around in processing loans. *(Note--sometime in the past few weeks there was a good story in the clips that illustrates this point--maybe we can plug in a real example).*

Along with changes in the older guaranteed loan program, these reforms will save taxpayers $6.8 billion by the year 2000, and save students nearly $2 billion in interest payments in the same period. *(Please check--are these the same time periods?)*

• *Raising academic expectations:* One of the major weaknesses of the U.S. education system is that our schools expect too little of our students, especially compared with other countries. When he was Secretary of Education, Lamar Alexander proposed to help remedy this problem by setting national standards for what students should learn, and national examinations to measure their progress. While he was promoting this idea--and funding the widely criticized U.S. History standards--the Chapter 1 compensatory education program he was responsible for administering--a $6 *(check figure)* billion program of aid to elementary and secondary schools serving disadvantaged students--was in fact keeping academic expectations low. This is because the federal testing and accountability requirements built into the program focused only on low-level reading and math skills. These of course are important skills, but not enough. They don't reflect whether students know history or science, or can write well. And, because of their pervasive effect on testing practices in virtually every school district in the country, these federal testing requirements have been a major cause of low level, frankly boring, instruction that is so prevalent in many schools.

Now, Lamar Alexander wasn't responsible for these requirements--Congress passed them before he came into office. But he did nothing to change them. We have. Through the Administration's Goals 2000 program, 47 states are receiving financial support to raise academic expectations for their students--their own way. Goals 2000 helps local communities and states set <u>their own</u> expectations, and then implement locally determined approaches to improving teaching, increasing parental involvement, using new technologies and other steps to improve student learning.

Further, we've overhauled the old Chapter 1 program, so that it too is aimed at helping students reach the challenging academic standards each state sets. Now, as a result of the Clinton Administration's efforts, what is taught in schools is based more on the independent decisions of local and state authorities, not on federal accountability requirements.

• *Getting rid of regulations and red tape:* At the 1989 Education Summit with President Bush, governors of both parties complained about federal regulations in education. They cited numerous examples of federal requirements that led to Many of these simply made no sense. Others resulted in wasted dollars and interfered with their ability to lead needed education reforms. For the most part, the regulations they complained about had been promulgated by Republican Administrations, based on laws signed by Republican Presidents.

The governors and President Bush agreed that the Secretary of

Education needed the authority to waive federal requirements that got in the way, and that state education systems needed to be held accountable for performance, not compliance.

As Secretary of Education, Lamar Alexander talked a lot about flexibility, but he didn't make a dent in the problem. In fact, he issued his own regulations on how the logo of his America 2000 program could be used by local communities and states. Congress didn't make him do this, and neither did any special interest groups. He did this one all on his own.

In contrast, President Clinton and Secretary Riley have delivered. When Congress passed the Administration's Goals 2000 proposal, the Secretary received the authority to waive federal education requirements if they got in the way of improving teaching and learning. In fact, Goals 2000 enables the Secretary to delegate his new waiver authority to six states, so that state education agencies will be able to waive federal rules, without checking with Washington first. Goals 2000 itself is being administered without issuing any regulations at all, and other programs are being run with a minimum of regulations and a maximum of flexibility for schools.

Taken together, these initiatives and others in how the Education Department operates will make the federal government a supportive partner in education, rather than a bureaucratic obstacle to it. None of these could have been accomplished if these programs were scattered around the federal government, as Ms. Ravitch proposes. Only a Secretary of Education , with a singular focus on improving teaching and learning at all levels of education, could bring the vision, management and political skills necessary to make these changes. Dismantling the Education Department now would mean turning the clock back on real progress, and diminishing our ability to make vitally needed investments pay off.

When Bill Bennett and Lamar Alexander and their colleagues were in office, they didn't talk much about dismantling the Department of Education. And every 4 years, just before Presidential elections, the Reagan/Bush Administrations proposed substantial increased in education funding. *(Check this)* Now, out of office, they are playing to a different, more extreme part of the electorate now. But they are still playing politics with education. Its time to stop.

Michael Cohen
Senior Advisor to the Secretary of Education