

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. schedule	Trip Book of the President to Northbrook and Chicago, Illinois, January 22, 1997 (22 pages)	01/22-97	P6/b(6), b(7)(C), b(7)(E), b(7)(F)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Michael Cohen (Subject Files)
OA/Box Number: 13363

FOLDER TITLE:

Chicago Information

2012-0160-S

ry1209

RESTRICTION CODES

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

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

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

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

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

RR. Document will be reviewed upon request.

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

Withdrawal/Redaction Marker

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**THE TRIP OF
THE PRESIDENT
TO
NORTHBROOK AND
CHICAGO, ILLINOIS**

January 22, 1997

Staff Copy

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Wednesday, January 22, 1997

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To be forwarded

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- Background

~~To be forwarded~~

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- Political Background
- Accomplishments
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- Local Issues - Northbrook / Chicago
- Cabinet Affairs Issues
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- Glenview Naval Air Station Update

Distributed
Separately

THE WHITE HOUSE

WASHINGTON

January 21, 1997

VISIT TO STANLEY FIELD MIDDLE SCHOOL REMARKS AT GLENBROOK NORTH HIGH SCHOOL

DATE: January 22, 1997

LOCATION: Northbrook, IL

TIMES: 10:40am-11:00am

11:15am-12:15pm

FROM: Marcia Hale and Michael Cohen

I. PURPOSE

You will observe a science experiment at Stanley Field Middle School to illustrate the importance of a sound science background in elementary and middle school.

At Glenbrook North High School, you will announce the 8th grade math and science results on the Third International Math and Science Study (TIMSS) test for the 20 school districts in the "First in the World Consortium," and announce a "Presidential First in the World Challenge," challenging additional school districts and states to also administer the TIMSS test so they can compare their own academic standards and academic performance against international benchmarks.

II. BACKGROUND

TIMSS Results for the Consortium: The results you will release today, for 8th grade math and science (4th and 12th grade results for the Consortium and for the 41 participating nations will not be available for 6-12 months) show the **consortium students performing among the first in the world in science** (Consortium average = 584; 1st ranked Singapore = 607, which is not a statistically different score). U.S. students overall ranked slightly above the international average with an average score of 534. The international average is 516. **Consortium students also scored among 2nd in the world in math** (Consortium average = 587; 1st-ranked Singapore = 643, which is significantly higher). Consortium students were ranked together with Korea, Japan, Hong Kong, and Belgium, above the international average of 513 and the U.S. average of 500.

One reason for the Consortium's excellent performance in math is that 50% of the Consortium 8th graders take algebra compared to only 20% nationwide.

III. PARTICIPANTS

The President
Secretary Richard Riley
Dr. Paul Kimmelman
Mary Hamblet (teacher)

IV. PRESS PLAN

Stanley Field Middle School -- Pool Press
Glenbrook North High School -- Open Press

V. SEQUENCE OF EVENTS

- Visit to a math/science classroom at Stanley Field Middle School
- Arrival at Glenbrook North High School
- Dr. Kimmelman makes remarks and introduces Secretary Riley -
- Secretary Riley makes remarks and introduces Mary Hamblet
- Mary Hamblet makes remarks and introduces the President
- The President makes remarks
- The President works a ropeline and departs

VI. REMARKS

To be provided by speech writers

THE WHITE HOUSE
WASHINGTON

January 21, 1997

MEMORANDUM FOR THE PRESIDENT

Fr: Michael Cohen, Domestic Policy Council 
Re: Background for Glenbrook North Event

The First in the World Consortium: This is a group of 20 suburban local school districts from the North Shore of Chicago. Already successful by most American education standards, in 1995 they joined together to help their students aim for and reach world class standards, especially in math and science. The consortium school districts are the only local school districts in the nation to respond to an invitation from the U.S. Department of Education to administer the TIMSS test to their students.

The Consortium members have developed a very close working relationship with Secretary Riley and his staff at the Education Department. The Education Department has provided ongoing technical assistance to the Consortium, met with the Consortium leaders on a regular basis in Washington and Illinois, connected them to a variety of partners including the North Central Regional Education Laboratory and the National Alliance of Business. The Education Department awarded the Consortium a \$150,000 grant to support their efforts in September 1996. The Illinois Department of Education awarded the Consortium a \$300,000 Goals 2000 grant in December 1996.

The Consortium leaders have also worked closely with their Congressman, John Porter (R), who chairs the House Appropriations Subcommittee on Labor, HHS and Education. They have worked particularly hard to help Mr. Porter understand the importance of Goals 2000 to their effort.

Your First in the World Challenge: Today you will challenge other communities and states to follow the lead of this Consortium: to administer the TIMSS tests and to compare their academic standards, curriculum and performance in math and science to the international benchmarks. The U.S. Department of Education has resources to support 6-12 state or local participants this spring, and an additional 45-55 in the next academic year. The Education Department, the National Science Foundation and other federal agencies will provide a range of technical assistance and support to states and districts that volunteer for this initiative.

This challenge should spark interest in world-class standards for math and science nationally, and fits perfectly your vision of national standards and grass roots reform.

THE WHITE HOUSE

WASHINGTON

January 21, 1997

MEETING WITH MAYOR RICHARD DALEY AND CHICAGO SCHOOL BOARD

DATE: January 22, 1997

LOCATION: Chicago, IL

TIME: 2:45pm-3:45pm

FROM: Marcia Hale and Michael Cohen

I. PURPOSE

You will meet with Mayor Daley and other school officials to update you on the initial successes of their program in reforming the Chicago public school system. This meeting will give you a perspective on the critical issues which confront not only the Chicago public school system but public school systems all over the nation.

II. BACKGROUND

In October, the superintendent and board placed 109 schools (71 elementary and 38 high schools) --nearly one-fifth of the city's public schools -- on academic probation because of their low performance on standardized tests. In these schools, at least 85% of the students tested below grade level. In some cases, fewer than 5% of the students were at grade level. Schools on probation will receive external management and instructional reviews, and will be required to develop and implement an improvement plan. **This is one of the most significant and controversial steps taken under the new law, and one that the mayor and school system leadership are very proud of.**

III. PARTICIPANTS

The President
Secretary Richard Riley
Mayor Richard Daley
Members of Chicago School Board

IV. PRESS PLAN

Pool Spray (at the top)

V. SEQUENCE OF EVENTS

- Mayor Daley makes remarks and introduces Secretary Riley
- Secretary Riley makes remarks and introduces the President
- The President makes remarks

VI. REMARKS

Talking Points

THE WHITE HOUSE
WASHINGTON

January 21, 1997

MEMORANDUM FOR THE PRESIDENT

Fr: Michael Cohen, Domestic Policy Council *me*
Re: Background for Meeting with Mayor Daley and School Board

In 1995, the Illinois legislature passed a Chicago school reform law that gave Mayor Daley sweeping managerial control over the city schools, which former Education Secretary William Bennet once described as the "worst in the nation." Key features of the law and the new education leadership's approach include:

- Management has been reorganized along corporate lines, replacing the former superintendent with a new Chief Executive Officer (Paul Vallas). Most of the senior staff of the school system has been replaced.
- The former elected school board has been replaced by a Chicago School Reform Board of Trustees appointed by the Mayor. The Board President is Gery Chico.
- A \$1.3 billion budget deficit has been closed, a new financial plan has been developed and a new contract with the teachers' union (including annual 3% raises) has been signed.
- On the evening you meet with the city's education leaders, the board of school reform will announce the 4-6 applicants that will be selected as the city's first charter schools. These schools will open in September 1997, and will be able to apply to the state of Illinois for federal charter school funds in the next several weeks.

THE WHITE HOUSE

WASHINGTON

ONE-ON-ONE INTERVIEW WITH AL HUNT FOR WBIS-TV, NY

DATE: WEDNESDAY, JANUARY 22, 1997
LOCATION: CHICAGO CULTURAL CENTER
TIME: BRIEFING: 3:50-4:00 CST
INTERVIEW: 4:05-4:15 CST
FROM: MIKE MCCURRY, LAURA SCHWARTZ

I. PURPOSE

The purpose of this television interview is to reiterate the Administration's economic accomplishments and discuss your plan to balance the budget.

II. BACKGROUND

On January 22, in partnership with ITT, the Wall Street Journal Company launched the first new television station in New York in over thirty years. It is a business/sports channel which in the fairly near future will go national. Their mission is to tackle important business issues during the day and broadcast sporting events at night.

The interview will be conducted by Al Hunt, the Executive Washington Edit or of the Wall Street Journal. The interview will be broadcast either Wednesday night or Thursday morning and night throughout the New York Islanders game against the Edmonton Oilers Thursday night. It will also be used by the Wall Street Journal and their Asian and European newspaper and TV networks. It is possible that excerpts from the interview may be used on CBS.

Hunt will likely ask you about:

- Balanced Budget Amendment
- Medicare
- Greenspan comments on inflation - good news on inflation may be ending as low unemployment leads to rising wage demands
- Women's NBA - holding a press conference to announce player assignments might ask about future of women in the NBA
- What is your favorite sport besides golf?
- Who is your favorite basketball team?
- Did you ever see Scottie Pippen play while you were Governor?

II. SCHEDULE

3:50-4:00pm	Briefing
4:05-4:15pm	Make-up/Interview
4:15pm	Depart

III. PARTICIPANTS

THE PRESIDENT

Al Hunt
Mike McCurry
WBIS TV crew (5)

IV. PRESS PLAN

The 5 minute segment will be played Thursday during daytime programming and either Wednesday or Thursday night during the Islanders game. It is possible that some excerpts will be used on CBS.

V. REMARKS

Talking points attached:
* Economic
* Balanced Budget
* Medicare
* Islanders v. Oilers Hockey Stats

Revised: January 16, 1997

THE ECONOMY UNDER PRESIDENT CLINTON

DEFICIT REDUCTION -- DEFICIT CUT 60% WITHIN FOUR YEARS:

- The deficit has been cut by more than 60% -- \$290 billion in 1992 vs \$107.3 billion now. President Clinton is the first President to cut the deficit four years in a row since Truman.
- President Clinton's 1993 Economic Plan will reduce the deficit by more than \$1 trillion over seven years. And building off this original deficit reduction, the President has now proposed balancing the budget by 2002, while protecting Medicare, Medicaid, Education, and the Environment, and targeting a tax cut at the middle class.
- The United States currently has the lowest deficit as a share of GDP of any major economy in the world. [OECD, 6/96]

UNEMPLOYMENT -- DOWN TO 5.3%:

- The unemployment rate is now 5.3 percent. In 1992, the unemployment rate averaged 7.5 percent.
- The unemployment rate has been below 6 percent for 28 straight months.

JOBS -- 11.2 MILLION ADDED:

- Nearly 11.2 million new jobs have been created during the Clinton Administration -- a faster annual rate of growth than any Republican Administration since the Roaring 1920s.
- Since the President was inaugurated, the private sector has created 221,000 jobs per month, nearly 8 times more jobs per month than were created under the previous administration (29,000).
- 93% of all new jobs during the Clinton Administration have been created by the private sector -- that's higher than the average during any Administration since Harry S Truman.

JOB QUALITY -- HIGH QUALITY JOBS BEING CREATED:

- After losing 2.1 million manufacturing jobs over the 12 years prior to the Clinton Administration, the economy has added 164,000 manufacturing jobs since President Clinton took office.
- Auto jobs have increased by 105,000 during the Clinton Administration -- after declining by 35,000 during the previous 4 years -- and auto employment under President Clinton is the highest since the Carter Administration.
- After declining by 667,000 during the previous 4 years, construction jobs are up by almost 1 million since January 1993 -- that's a faster rate of growth than any President since the Truman Administration.
- Recent evidence suggests two-thirds of the new jobs have been in high-wage job categories.

MISERY INDEX -- AT LOWEST LEVEL SINCE 1968:

- The Misery Index is at its lowest level since 1968. (The Misery Index is the sum of unemployment and inflation -- lower numbers indicate better performing economies.)

INFLATION -- LOWEST SINCE KENNEDY ADMINISTRATION:

- Inflation -- as measured by the CPI -- during the Clinton Administration has averaged just 2.8 percent per year; that's the lowest it has been for any Administration since John F. Kennedy was President.

STRONG ECONOMIC GROWTH:

- The private sector of the economy has grown 3.1 percent annually since the President was inaugurated -- that's a faster annual rate of growth than either of the previous two Administrations.

EXPORTS -- AT RECORD HIGHS

- Exports are at an all-time high and up more than one-third -- \$212 billion -- since President Clinton took office; that's a faster rate of growth than during either of the previous two Administrations. This export growth has helped to create hundreds of thousands of high-paying jobs -- jobs, on average, that pay 13 percent more than other jobs.

NEW BUSINESS INCORPORATIONS -- AT A POST-WAR HIGH

- We have a record number of new incorporations in each of the last three years. Business incorporations have increased by nearly 740,000 per year since President Clinton took office, the highest rate of increase since the Second World War.

MOTOR VEHICLE PRODUCTION -- U.S. MAINTAINS WORLD LEAD:

- In 1994, the United States surpassed Japan as the world leader in motor vehicle production -- the last time the United States was number one was back in 1979. And in 1995, America retained its status as the world's largest auto producer. And, in 1996, America is on pace to maintain its lead.

CONSUMER SENTIMENT -- STRONGEST SINCE JOHNSON ADMINISTRATION

- Consumers have been more optimistic about their future economic prospects under President Clinton than during any other Administration since Lyndon B. Johnson was President. (Source: Survey Research Center of the University of Michigan).

COMPETITIVENESS -- U.S. DECLARED WORLD LEADER AGAIN:

- For the first time in ten years, the World Economic Forum declared the U.S. the world's most competitive economy in 1994. In 1995 America was not only selected again for this honor, but beat countries like Japan and Germany by an even larger margin than the year before.
- And in 1996 -- on a comparable basis as previous reports -- America was ranked the world's most competitive economy yet again. [Source: IMD.]

Revised: January 16, 1997

BUSINESS INVESTMENT — UP 11 PERCENT PER YEAR:

- Investment in producer's durable equipment, shown to be closely associated with productivity gains, has soared at an 11.2 percent annual growth rate since the Administration took office — that's a better record than any other post-war Administration.
- After President Clinton took office, business investment grew at double-digit rates for three years in a row — for the first time in three decades. So far in 1996, business investment has grown 8.4 percent, still higher than in any year during the previous two Administrations.

BUSINESS FAILURES — DECREASING 7% PER YEAR:

- Since President Clinton took office, business failures have dropped 7.4 percent per year -- after increasing 14 percent per year during the previous 4 years.

HOME OWNERSHIP — HIGHEST SINCE 1981

- Homeownership rate is at its highest level since 1981. And in 1995, 1.4 million citizens became homeowners -- that's the largest one-year increase in three decades.
- Since President Clinton took office, 4.5 million Americans became homeowners.
- Homes have been more affordable during the Clinton Administration than during any other Administration since Richard Nixon was President. [Based on data from the National Association of Realtors.]
- Mortgage rates are low, averaging 7.9 percent during the Clinton Administration -- compared to 9.5 percent during the Bush Administration and 12.8 percent during the Reagan Administration.

STOCK MARKET — SETTING NEW HIGHS

- A family that invested \$10,000 in the stock market at the start of the Clinton Administration is almost \$11,000 wealthier today.
- In real terms, the stock market has grown faster under President Clinton than under any other President in at least 40 years.

INCOMES HAVE FINALLY INCREASED ACROSS-THE-BOARD

- In 1995, median household income increased 2.7 percent -- or \$898 -- in 1995 after adjusting for inflation, from \$33,178 to \$34,076 -- that's the largest one-year increase since 1986.
- Median family income has increased from \$38,980 in 1993 to \$40,611 in 1995 -- that's a \$1,631 increase in income, adjusted for inflation, since President Clinton's Economic Plan passed in 1993.
- Since President Clinton took office, every income group -- from the most well-off to the poorest -- has experienced a real increase in their income. Income inequality dropped more in 1995 than in any year since 1968.
- The number of people in poverty dropped 1.6 million, from 38.06 million in 1994 to 36.43 million in 1995 -- that's the largest one-year decline since 1968.

Balanced Budget Amendment

Q. Are you really committed to opposing the Balanced Budget Amendment?

- First and foremost, I am deeply committed to achieving a balanced budget. The way to do it is for everyone to sit down at the table and to negotiate in good faith. We don't need a reason to put off hard decisions.
- I have consistently believed that it is unnecessary to tinker with the Constitution and enact bad policy that will restrict our ability to respond to economic downturns and place important policy decisions in the hands of court justices who will arbitrarily decide how to cut the budget.
- The Balanced Budget Amendment could give some people the excuse not to make the tough votes for a real balanced budget.

Q. After the election, you seemed to concede the idea that the BBA could be defeated.

- That's not true. An earlier assessment did look more negative -- but now it appears a vote would be very close. And I believe that this is bad policy, it can still be defeated, and the right way to get a balanced budget is without amending the Constitution -- and I will assert that view.

Q. What type of changes will the President seek?

- I will continue to argue against its passage. I will be asking those supporting the amendment to at least look very closely at the economic harm it will have on our economy. And I do have strong reservations about whether you can create an escape clause that is sufficiently flexible to take into account whatever may happen down the road with the economy.

Q. Are you going to put up a real strong fight?

- We expect a full and vigorous debate in the Senate. My position on the BBA has remained consistent and he will certainly assert that view.

MEDICARE

Q. Didn't you demagogue last year on Medicare, and will you have to fess up this year?

- We have always followed reasonable and sound plans. We have had a proposal on the table for almost two years that extends the life of the Fund well into the next decade. In 1993, we extended the Trust Fund three years without any Republican support.
- The Republican budget included flawed policies as well as \$270 billion in cuts -- more than was needed which would have increased premiums \$1700 over the seven years of the budget. That did not represent sound policy.
- The Republicans have moved back towards our direction, but as I stressed during the campaign their tax cut would have imposed even larger cuts in Medicare than the budget I vetoed. But I am encouraged by Chairman Archer's and Chairman Kasich's comments on our Medicare reform plan and I look forward to working in good faith and extending the Trust Fund well into the next decade.
- So now we must work together to create a productive bipartisan process to protect Medicare.

Q. Republicans reduced the size of their savings to \$158 billion -- which is close to your proposal. Why did you continue to criticize them?

- My criticism was directed at the \$270 billion in unnecessary cuts which Senator Dole continued to defend. I was also concerned about the implication of further cuts from their \$500 billion tax cut. Hopefully, when we sit down to the table this time, we won't face the same circumstances.

Q. Medicare Commission?

- We need to develop an effective bipartisan process that will require serious negotiation to deal with long term issues.
- For now, we need to concentrate on taking the first step toward balancing the budget and protecting Medicare well into the next decade.

- There are four principles we are going to meet.
 - 1.) We have a clear amount of Medicare savings and the number is reasonable and serious.
 - 2.) We extend the life of the Trust Fund well into the next decade
 - 3.) Our reforms will be based on sound policy that will strengthen the program as well as contributing to a balanced budget in 2002.
 - 4.) They are consistent with our overall policies of not placing any new additional burdens on beneficiaries or hospitals that will result in bad health policy.

Q. You have included a home health care transfer gimmick in the budget? How can you possibly defend it?

- First of all, this proposal is not included in the \$138 billion worth of savings. The reallocation of some of the Home Health Care expenditures into the Part B program is consistent with the treatment of Home Health Care prior to 1992. It simply reinstates the traditional division of Part A and Part B between acute care services and more chronic non-hospital based services in the Part B part of the program. In addition, as part of our overall cost containment strategy, we are including a new perspective reimbursement system as well provisions to crack down on fraud and abuse in Home Health Care that will achieve \$15 billion in scorable Home Health Care savings.
- Our home care proposal includes a brand new prospective payment system for home health services, as well as fraud and abuse component, which would reduce excess utilization and achieve scorable savings for the program.

[House Republicans voted for a similar reallocation last year.]

Q. Why don't you include the home health expenditures reallocated to the Part B side of the program in the calculation of the premium?

- Neither the Republicans last year nor the Administration included the reallocated portion in the premium calculation. We were and always will be concerned about program changes that increase costs for beneficiaries. Our budget proposal makes clear our concern discretionary costs for beneficiaries.
- The typical older American already spends one-fifth of their income on health care.

Q. Are there deeper cuts in your new budget than last year?

- Yes, we increased savings this year (\$124 billion to \$138 billion over 6 years), but we looked at the best health care policy for Medicare and Medicaid -- not arbitrary numbers.
- Our budget includes sound and prudent savings to strengthen the Trust Fund, increase choices and competition, and extends the life of the Trust Fund to at least 2006.

Q. Press reports say you declined including a high-income premium, but are still open to it in negotiations.

- We believe that we have the proposed the best plan to balance the budget. If you look at our savings, you can see that we have proposed a serious budget. I am not philosophically opposed to considering higher premiums for the most well-off beneficiaries, but we are going to try and pursue the plan we have presented.

Q. HMO Payment Cuts.

- Clearly all providers and insurers who contract with Medicare are going to contribute savings to strengthen the Trust Fund.
- Most respected studies have found that Medicare is overpaying HMOs.
- While per person payments to Medicare managed plans have grown by 16% over the past two years, private-sector payments to these plans have been virtually flat.
- Our plan addressed the flaws in Medicare's current payment methodology for managed care plans in a variety of ways: The phased in reduction of HMO payments rates from 95% to 90% which as attracted a great deal of speculation, is just one of those ways.

MEDICAID

Q. Are you going to cap the Medicaid program even though program spending has declined?

- While I will not give out exact details of my proposal at this time, it will meet four principles:

1.) Protect the fundamental guarantee of Medicaid, recognizing its importance to our core values -- protecting health care for children in poor families, the disabled, and safeguarding health care for millions of middle class families with family members in nursing homes.

2.) Must have a real long term budget safeguard that ensures that outyear spending does not rise too quickly, and overall entitlements do not grow out of control.

3). Provide more coverage for uninsured children.

4.) Provide states with the flexibility to meet their unique needs, while covering more people and ensuring the integrity of the individual guarantee of solid Medicaid health benefits.

Q. Are you concerned about reports that Democrats, your base support groups and some governors are opposed to a Medicaid policy similar to your past proposals.

- No. I believe that many of the people you referred to will be less concerned when they see the proposal as a whole. I believe I share common ground with these individuals -- we all have a strong commitment to the Medicaid program and the people it serves.

NY Islanders v. Edmonton Oilers

Oilers are favored by a goal and a half

Islanders

- Atlantic division of the Eastern Conference
- 13 wins, 23 losses and 9 ties
- Last team in the NHL
- Coach Mike Milbury, facing forced resignation due to team record
- All Star Defenseman - Scott Lachance

Oilers

- Pacific division of the Western Conference
- 21 wins, 21 losses and 4 ties
- 2nd place in Pacific Conference
- Tied for 4th in overall Western Conference

PRESIDENT CLINTON'S ACCOMPLISHMENTS:

Illinois

EXPANDING ECONOMIC OPPORTUNITY FOR ALL:

- **Unemployment Down to 5.1%:** After the first 47 months of the Clinton Administration, the unemployment rate in Illinois has declined from 7.1% to 5.1%.
- **446,300 New Jobs:** 446,300 new jobs have been created in Illinois since 1993 -- nearly four times as many as in the previous four years combined.
- **48,500 New Manufacturing Jobs:** 48,500 new manufacturing jobs have been created since 1993, compared to the 52,600 jobs lost during the previous four years.
- **599,271 Receive Tax Cut:** Last year, 599,271 Illinois residents received a tax break through the Earned Income Tax Credit, which helps working families make ends meet.
- **158,000 Have Received a Raise:** 158,000 Illinois workers have benefited from the increase in the minimum wage by \$.90 over two years, which went into effect on October 1, 1996. 230,000 more will receive a raise on September 1, 1997.
- **Over 2 Million Protected By Family & Medical Leave:** Approximately 2,185,000 Illinois workers are now covered by the Family & Medical Leave Law, which allows workers to take up to 12 weeks unpaid leave to care for a new baby or ailing relative.
- **Boom in Manufacturing:** According to Site Selection Magazine, Chicago registered the highest number of new or expanded corporate facilities of any metropolitan area, with 265 expansions. In 1995, Chicago attracted 101 new manufacturing plants, led by the Chicago Recycling Corporation's \$250 million facility. Blue Cross & Blue Shield of Illinois also opened a new \$200 million facility in 1995.

FIGHTING CRIME AND VIOLENCE:

- **2,767 More Police:** The President's 1994 Crime Bill has funded 2,767 new police officers to date in communities across Illinois.
- **Over \$5 Million to Combat Domestic Violence Next Year:** Through the Violence Against Women Act, Illinois will be able to utilize \$5.2 million in federal funds in FY97 to establish more women's shelters and bolster law enforcement, prosecution, and victims' services. Illinois received \$4.6 million under VAWA in FY96.
- **Over \$19 Million to Keep Drugs & Violence Out of Illinois Schools:** Illinois received \$19.2 million in FY96 for the Safe & Drug Free Schools Program, which invests in school security and drug prevention programs.

MOVING ILLINOIS RESIDENTS FROM WELFARE TO WORK:

- **51,818 Fewer People on Welfare:** There are 51,818 fewer people on welfare in Illinois now than there were at the beginning of 1993 -- an 8% decrease.
- **Child Support Collections Up 33%:** Child support collections have been increased by over \$60 million -- or nearly 33% -- in Illinois since FY92.

EXPANDING ACCESS TO EDUCATION:

- **Over \$297 Million in Head Start Funding Since FY95:** Illinois received combined total of \$297 million in Head Start funding in fiscal years 1995 and 1996. Head Start funding for FY97 should total \$165.6 million.
- **Over 1 Million Get Access to More Affordable Student Loans:** Approximately 1.3 million Illinois borrowers -- 880,000 million current borrowers and 380,000 new borrowers in the next few years -- will be able to take advantage of the new direct lending loan program and will benefit from lower interest rates and increased repayment options.

- **Over \$35 Million in Goals 2000 Funding:** Since 1993, Illinois has received \$35.5 million in Goals 2000 funding. This money is being used to raise academic achievement by raising academic standards, increasing parental and community involvement in education, expanding the use of computers and technology in classrooms, and supporting high-quality teacher professional development. Additionally, the Department of Education estimates Illinois will be eligible for over \$20.9 million in Goals 2000 funding for FY97.

PROTECTING THE ENVIRONMENT:

- **5 Toxic Waste Sites Cleaned Up:** Since 1993, the EPA has completed 5 Superfund toxic waste cleanups in Illinois, in Taylorville, Pembroke Township, LaSalle, Marshall, and Wauconda. This is more than the number of sites cleaned up in Illinois during the previous twelve years combined (4).

SPEARHEADING URBAN RENEWAL EFFORTS:

- **\$100 Million to Chicago:** Chicago was designated an Empowerment Zone in December 1994 and was awarded \$100 million to create more jobs, housing, and economic opportunity for city residents. As part of this project, First Chicago has initiated a \$100,000 pilot program to help 75 to 100 qualified families buy their first homes.
- **\$6 Million to Other Illinois Communities:** Additionally, East St. Louis and Springfield were both designated Enterprise Communities, and were awarded \$3 million each for similar job creation efforts.

COMBATTING ILLEGAL IMMIGRATION:

- **123 New Immigration Agents:** Since 1993, INS has added 123 new personnel to control illegal immigration in Illinois. These additions are helping the state enforce worksite laws, crack down on criminal aliens and expeditiously process applications for political asylum and U.S. citizenship. According to INS, Illinois will add 25 new personnel during FY97.
- **\$9.2 Million in FY96 Reimbursements For the Cost of Incarcerating Illegal Aliens:** Illinois received in FY96 \$9.2 million in federal funds for the costs of incarcerating illegal aliens. This is the first time the federal government has ever assisted states with these costs.

PROTECTING ACCESS TO HEALTH CARE:

- **Access to Health Insurance Protected for 784,000:** As many as 784,000 Illinois workers in families with a worker who changes, loses, or leaves a job with health insurance will be guaranteed continued access to their health insurance under the Kennedy-Kassebaum bill the President signed into law on August 21, 1996.

PROVIDING DISASTER ASSISTANCE:

- **\$397 Million in Disaster Assistance:** Illinois has received approximately \$397 million in federal emergency assistance since 1993. This helped the state recover from the severe flooding in the summer of 1993, other, less catastrophic flooding in 1994 and 1995, and tornadoes in the spring of 1996.

EXPANDING FUNDS FOR TRAVEL IMPROVEMENT:

- **Nearly \$1.3 Billion to Improve Mass Transit:** The FTA has provided approximately \$1.3 billion since 1993 to fund improvements in mass transportation in Illinois. The funds have been used to upgrade and modernize the heavy rail and commuter systems in Chicago and replace and upgrade bus systems throughout the state.

- **Rebuilding the Green Line:** The FTA contributed \$230 million (of the \$300 million cost) to the rehabilitation of Chicago's Green Line, which provides rapid transit service to both the west and south sides. Portions of the Green Line lie within the city's Empowerment Zone, and both the city and the CTA view this project as a major economic stimulus for the community.
- **Over \$1 Billion in Highway Funds to the Chicago Metropolitan Area:** Since 1993, Chicago has received approximately \$1 billion in highway funds. Projects along the Kennedy Expressway and over the Michigan Avenue Viaduct, among others, are being funded with this money.
- **Nearly \$92 Million in Airport Improvement Funds:** Chicago's Midway Airport and O'Hare International have received nearly \$92 million in funding to improve runway and safety and to soundproof neighboring schools, among other projects.

ENCOURAGING INNOVATIVE APPLICATIONS OF TECHNOLOGY:

- **\$152,576 in Technology Grants Awarded:** On September 19, 1996, the Native American Educational Services College in Chicago received a Telecommunications and Information Infrastructure Assistance Program (TIIAP) grant totalling \$152,576. These grants award non-profit organizations that develop innovative applications of new information and communications technologies and will be used at NAES College specifically to link college campuses in two urban Native American communities and two reservation areas to its central facility in Chicago for information access and work training.

ECONOMIC PROGRESS IN ILLINOIS UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for Illinois after the first 47 months of the Clinton Administration:

Improved Economic Conditions in Illinois:

- The unemployment rate has dropped from 7.1% to 5.0%.
- In 46 months, Illinois has added 446,300 total jobs, after adding 105,500 during the previous 4 years combined.
- In 46 months, Illinois has added 409,300 private-sector jobs, after adding 73,200 during the previous 4 years combined.
- 48,500 new manufacturing jobs added in 46 months -- after 52,600 lost during the previous 4 years combined.
- New business incorporations have increased 4% per year.
- Business failures have dropped 8% per year -- after increasing 14% per year during the previous 12 years.
- Bank lending has increased by \$19.4 billion -- after declining by \$14.6 billion during the previous 4 years.
- Consumer confidence has increased 87%.
- Home building has increased 5% per year -- after declining 5% per year during the previous 4 years.

What President Clinton's Accomplishments Have Achieved for the People of Illinois:

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN ILLINOIS: The national debt will be **more than \$1 trillion** lower over 7 years than was projected before the passage of the President's economic plan. That's about \$15,000 of reduced federal debt for each family of four in Illinois.

8 TIMES MORE ILLINOIS FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 599,271 working families in Illinois will receive a tax cut. This compares to an increase in the income tax rate for only the 79,214 wealthiest taxpayers in Illinois.

TAX CUT FOR 53,060 SMALL BUSINESSES IN ILLINOIS: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 53,060 small businesses in Illinois are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

2,185,000 ILLINOIS WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 2,185,099 workers in Illinois, and protects the jobs of 131,268 workers in Illinois who are likely to use unpaid leave this year alone.

1.26 MILLION STUDENTS AND FORMER STUDENTS IN ILLINOIS WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 1.26 million Illinois borrowers -- 880,000 current borrowers and 380,000 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

THE WHITE HOUSE
WASHINGTON

January 21, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Ann Walker

RE: Local Issues Briefing - Village of Northbrook, Illinois

EDUCATION

The area is known for low student-to-teacher ratios, professional staff, modern, state-of-the-art technology, and a wide range of academic and co-curricular activities. In the mid 80's, all four junior highs were ranked in the top 20 in Illinois based on student's reading comprehension and math tests. Glenbrook North was given the "Exemplary School Recognition Award" (only given to 114 schools nationwide) in 1984. Over 90% of Glenbrook North's graduates attend institutions of higher education. Special schools include The Center for Deafness, The Cove School for the learning disabled, and Glenkirk which is for training adults with mental handicaps.

ECONOMICS

The 32,000+ residents of this village have an annual family income of \$82,000. Unemployment has decreased in the past 4 years from 5.3% to 2.7% in 1996. Real Estate firms are very strong in Northbrook along with such firms as Grosvenor International (retail), Underwriter's Laboratories (equipment testing), and Commonwealth Edison (electric utility).

ENVIRONMENT

Northbrook has curbside recycling for glass, cans, paper, and certain plastics. Almost 80% of residents participate. Current priorities of the Environmental Mandates Task Force are the Clean Water Act reauthorization, Superfund Reform and Brownfields, and Clean Air Act compliance. The Stormwater Management for Flood Control is also a high priority for the community. A key concern is that the Federal Government fulfills its commitment as detailed in the Unfunded Mandates Reform Act.

CRIME

There has been one murder in the last 12 years and that was last month.

SERVICE PROGRAMS

The village has a very active United Way Program, a Cancer Wellness Center, YMCA, Jewish Community Center, Senior Apartments, and four private Nursing Homes.

THE WHITE HOUSE

WASHINGTON

January 21, 1997

MEMORANDUM FOR THE PRESIDENT

From: Ann Walker

Subject: Local Issues Briefing - Chicago, Illinois

ECONOMY

Jobless rate increased slightly in December from 5% to 5.1%. Remained below the national rate (5.3%) for the third month in a row.

The number of people working in the state is at 5.87 million (an all-time high). This number is 95,000 people more than the December rate in 1994.

For 1996, non-farm jobs, in all industries (except mining), increased by 86,100. Of those jobs, 37,300 jobs were in the service sector. The manufacturing industry gained 8,400 jobs.

Film and television production grew considerably in 1996, attracting \$99 million in revenue, up from \$22 million in 1995.

CRIME

Homicide in Chicago had a 5% reduction from 1995 and the lowest total since 1989.

Overall Crime in Chicago declined in 1996 for the fourth year in a row. This was marked by a significant falloff in robberies (down 19%), non-fatal shootings (10%), serious assaults and car thefts (both dropping by 5%). Reported crime dropped in 19 of the city's 25 police districts.

Currently there is debate within the city government about police promotions. A city task force recommended to Mayor Daley that up to 30% of promotions should be merit based. The hope of the task force is to prevent more lawsuits over how the police department promotes its seargants and lieutenants and will diversify management ranks that are predominantly white and male.

The police unions and several police associations didn't condemn the recommendations, but they didn't embrace them either. It seems unlikely that all sides will ever be completely satisfied.

ENVIRONMENT

Mayor Daley criticized recently released air quality standards from the Environmental Protection Agency. The new rules tighten pollution limits that many cities are already failing to meet. The new plan regulates tiny particles emitted by smokestacks. Daley, speaking at the U.S. Conference of Mayors, said the E.P.A. should have spoken to the mayors before passing such legislation.

The American Petroleum Institute trade group estimates the new regulation would cost the Chicago area \$3 billion to \$7 billion to meet the standards. Mayor Daley recommended a federal tax credit for commuters who use mass transit.

IMMIGRATION

New federal laws are forcing the city and state to address the issue of immigration. Chicago police have not turned over a single suspected illegal immigrant to federal immigration authorities since 1989. They have been using a "don't ask, don't tell" policy. Ed Silverman, Manager of refugee and immigrant services for Illinois, maintains that 60% of the undocumented aliens are people who came legally and overstayed their visas.

SOCIAL

Baby Richard's father, Otakar Kirchner, acknowledged that he has left his family including the boy now known as Danny Kirchner. Twenty-one months ago Kirchner won custody of the boy from his adoptive parents, Kimberly and Jay Warburton. Danny's biological mother, Daniela, gave the boy up for adoption after his birth. When Otakar Kirchner learned the truth, he began fighting for custody of his son. The case captured national attention, and Illinois Gov. Jim Edgar stepped in saying that the child's best interests must be considered. The Illinois Supreme Court disagreed, finding that Kirchner's parental rights had been violated. The Warburton's lawyer said the actions by Kirchner are grounds for reopening the case.

Chicago's Steve Fosset did not make it around the world in his hot air balloon, but he did set the record most for distance-traveled. Fosset ran out of fuel in India before he could complete his voyage. He burned up extra fuel waiting for Libya to give him clearance to fly over the country. Fosset plans on returning on Tuesday to begin preparing the balloon for the trip back to the U.S. The Smithsonian Institution wants to display the gondola in the Air and Space Museum.

THE WHITE HOUSE

WASHINGTON

JANUARY 21, 1997

97 JAN 21 AM 10:34

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- CHICAGO

Local Police Officers Indicted: Recently there have been local indictments issued against several police officers on public integrity violations relating to a murder case which resulted in the imposition of the death penalty. According to the U.S. Attorney's office in Chicago, you presented medals to some officers in the same precinct. It is unknown whether any of the officers who received medals have been implicated in the current public integrity case. (DOJ)

OSHA Citation: Savenok Construction: On December 31, 1996 OSHA issued citations for health and safety violations at Savenok Construction of Winfield, IL. The proposed penalties of \$149,100 are the largest penalty ever issued to an IL plastering contractor. In July 1996, DOL conducted inspections in accordance with a local program emphasizing fall protection. The violations discovered included a lack of guardrails on scaffolds along with other improper uses of scaffolding. (DOL)

Roseland Community Hospital: The Health Care Financing Administration has issued a notice of termination to this accredited hospital in response to an investigation of a fatal fire at the facility on January 2. Two patients, one of whom was locked in leather restraints, died in the blaze. The state agency's investigation revealed that, contrary to assertions made by the hospital in the media, hospital staff failed to follow the hospital's fire plan. The hospital has contacted the Regional office regarding the deficiencies, but has yet to submit an allegation of compliance, which would trigger a revisit to the facility. HHS has not received any congressional inquiries as of January 17. (HHS)

Empowerment Zone: Mayor Daley has been dissatisfied with the slow pace of granting waivers and the lack of federal attention to the EZ progress in Chicago. Although this is a mayoral concern, this is not Daley's top issue. (HUD)

Meigs Field Closure: The State of Illinois and the City of Chicago have been in dispute over the possible closing of this downtown airport in Chicago. The state wanted it to remain open, while the city wanted it closed and the field converted to park land. The city had investigated the possibility of transferring the land to the U.S. Fish and Wildlife Service to be used as conservation property. The dispute has now been resolved with an agreement to keep the airport open for the next five years before turning it into a park. (DOI)

Northbrook, Illinois

Relevant Crime Rates:

Because of the size of Northbrook, it does not provide information to the FBI for the Uniform Crime Reports (UCR). However, the number of crime-related cases handled by the Northbrook Police Department has decreased by 22% from 1994 to 1996.

COPS:

Illinois has received a total of \$158,649,782 for the hiring or redeployment of 2767 officers and deputies.

The Northbrook Police Department has received \$150,000 for the hiring of two officers.

Chicago, Illinois

Relevant Crime Rates:

	<u>1994</u>	<u>1995</u>	<u>Percent Change</u>
Murder -	930	827	- 11.0%
Sexual Assault-	3,048	2,896	- 4.9%
Robbery-	33,949	30,086	- 11.3%
Total Crime-	283,236	270,934	- 4.3%

*Source: Chicago PD

COPS:

Illinois has received a total of \$158,649,782 for the hiring or redeployment of 2767 officers and deputies.

The Chicago Police Department has received \$46,110,156 for the hiring or redeployment of 947 officers. This includes a Community Policing to Combat Domestic Violence grant for \$200,000 and an Anti-Gang Initiative grant for \$1,000,000. The Chicago Housing Authority has received \$1,928,443 for the hiring or redeployment of 32 officers. This includes a Community Policing to Combat Domestic Violence grant for \$200,000. The Chicago State University Police has received \$358,912 for the hiring of five officers.

Curfews:

Chicago has had a juvenile curfew program in effect for a number of years. Children under 17 are not allowed on the streets between 10:30 - 6:00 during the week and from 11:30 to 6:00 on weekends.

	<u>1993</u>	<u>1994</u>	<u>1995</u>
Curfew Citations -	94,048	83,063	Not yet available

Drug Courts:

-Planning Grant	Winnebago County (Rockford, IL) — \$35,000
-Implementation Grant	Kankakee County Circuit Court (Kankakee, IL) — \$300,000



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

January 21, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: KATHLEEN A. MCGINTY

RE: CHICAGO ENVIRONMENTAL ISSUES

EPA's Project XL includes a community program that joins businesses, communities, and federal, state and local governments to conduct pilot projects that show the merits of community-based strategies for achieving environmental and economic goals. The pilots are undertaken by communities that are seeking innovative alternatives that promise greater efficiency than current approaches, as well as by communities that are grappling with limited ability to meet current regulatory requirements.

The Chicago Public Schools and a community development group have submitted a proposal to the Community XL program. Under the proposal, the public schools will seek assistance from the Department of Energy to achieve maximum energy efficiency while investing \$500 million in facility improvements. This will provide a major payback in the form of avoided energy costs; however, the schools also want EPA to calculate the amount that air emissions will be reduced through the energy efficiency investment. That would allow them to sell some of the resulting "credits" in the marketplace, thereby creating a new revenue stream to fund other school improvements. The proposal is currently under review at EPA.

THE WHITE HOUSE
WASHINGTON

January 21, 1997

'97 JAN 21 PM6:02

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: HOT ISSUE -- CHICAGO (addendum)

Base Closure: Naval Air Station (NAS) Glenview Valuation Controversy: NAS facilities in Glenview, a home rule municipality 20 miles north of Chicago, were closed in September of 1995. Glenview is the Local Redevelopment Authority (LRA) and has requested property transfer through an Economic Development Conveyance (EDC) for the purposes of job generation. The LRA's EDC was submitted in September of 1996 and the Navy's review and comments were provided this month. The community's application, prepared by Deloitte Touche, values the property according to their reuse plan at negative \$30.5 million. This negative valuation is generated using an income based approach. A negative valuation means that the cost of the conversion is higher than the income that the conversion is expected to generate. The Navy conducted two appraisals confirming the negative value of the property. On January 15, based on a subsequent appraisal, the Navy told the community that they valued the property at \$11 million. A second meeting is scheduled for January 27 to discuss the details of the Navy valuation. On January 17, John Goodman, Deputy Under Secretary of Defense has personally called the Mayor, Nancy Firfer, to let her know that he was concerned about the recent developments and would work with the Navy to resolve the issue quickly. (DOD)

THE WHITE HOUSE

WASHINGTON

January 21, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Dorothy Robyn and Jennifer Atkin, NEC

SUBJ: Glenview Naval Air Station Economic Development Conveyance

Progress on the community's application for land at the former Glenview Naval Air Station (BRAC '93 closure) has slowed recently due to a disagreement over appraisal values. The Mayor of the Village of Glenview may raise this issue with you.

Background

In September 1996, the community submitted a request for transfer of the installation through an Economic Development Conveyance (EDC), a new property disposal mechanism designed to promote job creation and economic revitalization. Phase I of the EDC (transfer of the golf course) has been completed and negotiations on the terms of Phase II, for the remainder of the installation property, are ongoing.

The community's appraisal yielded a negative value (\$-60M) because of the investment needed to implement its reuse plan, which calls for moving the city center to the installation. The Navy's original appraisal likewise indicated a negative value (\$-30M) and, accordingly, regional Navy officials recommended approval of the EDC at no cost. Recently, however, the Navy adjusted its original appraisal resulting in a positive value for the property (\$11M). The community believes adjustments were made because senior Navy officials are nervous about the appearance of a no-cost land transaction in an area with historically high property values. But despite the Navy's concerns, the Office of the Secretary of Defense (OSD) is prepared to defend a no-cost transfer if the well-established process for appraising EDC property and evaluating discounts has been followed.

Next Steps

The Deputy Under Secretary of Defense (Industrial Affairs and Installations) called the Village Mayor on Friday and conveyed his sympathy for Glenview's position. Although the Navy is the negotiating agent, OSD is committed to ensuring the negotiating process progresses expeditiously to a mutually agreeable outcome. In addition, the NEC will monitor the Glenview EDC closely.

cc: Erskine Bowles
Sylvia Mathews
Gene Sperling

Talking Points
Meeting With Mayor Daley and Members of Chicago
School Board

1. Acknowledgements:

- Mayor Richard Daley,
- Gary Chico, President of Chicago School Reform Board of Trustees
- Paul Vallas, Chief Executive Officer (Superintendent of Schools)

2. As you know, education is one of my highest priorities, and one of the nation's highest priorities. In this next term, I will work hard to:

- Opening doors to college through HOPE Scholarships \$10,000 Tax Deductions, IRA's for education, expansion of Pell Grants;
- Providing adults who need it with job training opportunities through the G.I. Bill;
- Improving the nation's elementary and secondary schools, by:
 - helping every child learn to read independently by 3rd grade
 - computers in every classroom, wiring all schools to Internet, and helping every 8th grader log onto Internet
 - expanding public school choice and creating 3,000 charter schools

3. I have been following the dramatic education reform steps you have taken here in Chicago. I am particularly impressed with your efforts to:

- dramatically reduce the central office bureaucracy and drive more resources to the schools
- instituting tough accountability measures:
 - requiring students to pass tests in order to be promoted,
 - placing 109 schools on "academic probation" because their students weren't performing up to standards

4. I am also pleased to note that the school board tonight will select the first charter schools, which will open in the Fall. I believe charter schools can be a very effective way of promoting grass roots innovation while maintaining accountability for results.

5. I am interested in learning first hand about your reform efforts, and look forward to hearing from each of you.

BOBBY L. RUSH
1ST DISTRICT
ILLINOIS



COMMERCE COMMITTEE
SUBCOMMITTEES:
TELECOMMUNICATIONS AND FINANCE
ENERGY AND POWER
COMMERCE, TRADE AND
HAZARDOUS MATERIALS

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

January 21, 1997

The Honorable William J. Clinton
President of the United States
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500

Dear Mr. President:

As you prepare to meet tomorrow with Mayor Daley and members of the Chicago School Reform Board of Trustees, I would like to share my concerns about what truly is happening in the Chicago Public Schools. These concerns are based on information that I have gleaned from a series of meetings with principals and Local School Council chairpersons representing 34 schools in the First Congressional District that were recently placed on probation by the Board. As a result of these meetings, principals have formed the First Congressional District Principals' Council.

First, Mr. President, it is important that you understand that there has been continuous improvement in student achievement among Chicago public school students since before school reform was enacted in 1988. Last fall, Paul Vallas, Chief Executive Officer of the Chicago Public Schools announced that 109 schools were on probation solely due to the fact that less than 15 percent of their students were reading at grade level, as measured by two standardized tests, the Iowa Test of Basic Skills (ITBS) and the Test of Academic Proficiency (TAP). However, when we review the data, a significant number of these schools showed an increase in their Illinois Goals Assessment Program (IGAP) scores. In fact, in the First Congressional District, 27 of the 34 schools on probation showed an increase in IGAP scores over last year.

These gains, which raised teacher and student morale, resulted from arduous work on the part of principals, teachers, parents, and students alike. Yet, after making these gains, schools were notified without advance notice that the ITBS and TAP scores would replace the IGAP as the criteria for probation. This sudden change did not allow adequate time for teachers to prepare. The designation of probation, after working so hard to raise the IGAP scores, has had a deleterious impact on the schools and students. High school students are questioning the very value of staying in school and receiving a diploma from a school that carries the stigma of "probation."

Secondly, Mr. President, I have received information and documentation that suggests serious flaws in the process used by Mr. Vallas's office to assess the strengths and weaknesses of the schools on probation and develop corrective action plans. The process has been

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The Honorable William J. Clinton
Page Two

unsystematic. Principals have shown me reports from the Assessment Teams that contain inaccuracies, and vague references to school weaknesses. In fact, at a meeting that I and representatives of the First Congressional District Principals Council requested with Mr. Vallas, top members of his staff conceded that schools could request a validation of questionable comments made on the Assessment Team Reports.

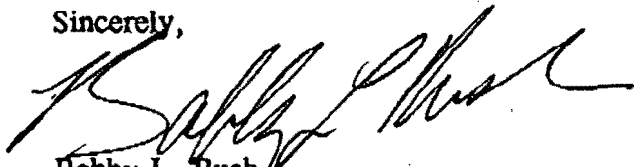
Finally, Mr. President, you should be aware that it was not until my meeting with the principals and Mr. Vallas on January 13, 1997 that the Board provided an explicit statement about how schools could be removed from probation. This information had not been communicated to the principals in prior meetings or correspondence. Furthermore, principals learned for the first time that probation status was actually a four-year designation.

Mr. President, I commend your second term commitment to making education vital part of your agenda. However, I invite you to sit down with representatives of the First Congressional District Principals Council to hear firsthand their concerns related to the methods used by Mr. Vallas and the Mayor in managing school reform.

Mayor Daley has been vested with unprecedented power and authority by the state legislature to implement school reform. But the information I have shared with you in this letter are just a snapshot of a more complex and problematic situation. As Congressman of the First District in Illinois, I intend to continue working on behalf of my constituents to ensure that they are provided with accurate information and involved in a process of school reform that is open, accessible, and fair.

I appreciate your consideration of these issues, and I look forward to hearing from you.

Sincerely,



Bobby L. Rush
Member of Congress

BLR/sr



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE SECRETARY

FAX TRANSMITTAL

TO: Mike Cohen

ORGANIZATION: _____

PHONE NUMBER: _____

FAX NUMBER: _____

FROM: Frank S. Holleman III, Chief of Staff

TELEPHONE: 202-401-6143

FAX NUMBER: 202-401-2098

MESSAGE: _____

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9 PAGE(S) TO FOLLOW

December 5, 1996

BRIEF ON CHICAGO PUBLIC SCHOOLS**Page****Education Reform Efforts in Chicago****1**

Chicago School Reform

Governance Reform

Limits on Collective Bargaining

Budget

Accountability

Quality Review

Eliminating Waste

Annenberg Grant

Test Scores Rise

Increased Math and Science Requirements

Restructuring High Schools

Exemplary Programs Project

Professional Development

Student Promotion Policies

Selected Education Statistics on Chicago Public Schools**8**

Education Reform Issues in the Chicago Public Schools

Chicago School Reform

The Chicago School Reform Act, passed by the Illinois state legislature in December 1988, was designed to shift policy-making and administrative powers from the Board of Education to local school communities. The act called for each school to establish a Local School Council (LSC) consisting of six parents, two community members, two teachers, and the principal. Each LSC was given responsibility for hiring a principal to serve a four-year contract, evaluating his or her performance, and determining whether he or she should be retained. Each LSC was also charged with approving the three-year school improvement plan and the annual budget.

While the School Reform Act abolished lifetime tenure for principals, it gave them the authority to recruit, hire, and fire teachers and other educational personnel, and called for them to provide leadership in developing and implementing the school improvement plan and budget. Also, the act insured that teachers would have a role in advising the principal and the LSC on curriculum, instruction, staff development, and personnel by requiring each school to establish a Professional Personnel Advisory Committee (PPAC). At each school, faculty members are elected to serve on the PPAC by teachers and other certified personnel.

Governance Reform

In June 1995, Governor Jim Edgar signed a Republican-drafted bill that completely overhauled the Chicago school system and gave control of the district to Mayor Richard Daley. The bill dissolved the former 15-member school board and the general superintendent's position, transferring authority to the five-member Chicago School Reform Board of Trustees. The trustees appointed a management team including chief operating, fiscal, purchase, and educational officers. Also, subdistricts and the subdistrict superintendents were eliminated by the law.

The plan streamlines state funding for the district by creating two block grants, one to pay for general education and one for educational services. The district's School Finance Authority has been suspended for four years, giving the trustees and Mr. Daley the job of managing the district's financial affairs.

Limits on Collective Bargaining

The 1995 law targeted the Chicago Teachers Union (CTU) by limiting the items subject to collective bargaining and placing a moratorium on strikes for 18 months. It barred managerial employees from union membership and allowed the new board to adopt a contract that runs four years, one year longer than was allowed prior to its passage. Its

restrictions prevent teachers from bargaining over many issues that were previously negotiable, including class size, staffing and assignments, academic calendars, hours and places of instruction, and pupil-assessment policies. Also, the union has no input on decisions about charter schools and experimental educational programs.

The CTU has filed a lawsuit challenging the restrictions and the loss of job protection for paraprofessionals, however, there has yet to be a ruling. Although union officials are opposed to the issues listed in the lawsuit, they are not opposed to the governance change itself.

Budget

After taking control of the Chicago Public Schools, the School Reform Board of Trustees faced a \$150 million deficit that threatened to delay the opening of the 1995-96 school year. The new board eliminated that deficit and managed to eliminate a \$1.3 billion deficit over four years. To do so, the trustees cut unnecessary positions, streamlined departments, and renegotiated contracts to insure fair prices for the district.

Accountability

Since 1991, the state of Illinois has required that 50 percent or more of the students at each school pass the Illinois Goal Assessment Process (IGAP). Schools failing to meet state standards are placed on the academic watch list and given state and district resources and support to increase student achievement. There is no predetermined amount of time a school must remain on the list, therefore they are removed when student achievement increases at an acceptable rate. A lack of improvement over time can have school governance and staffing implications. In 1996-97, the number of Chicago schools on the state academic watch list decreased from 149 to 108.

The 1995 School Reform Act required that CPS increase student achievement and establish its own mechanism for monitoring individual school progress. The Office of Accountability was created in 1995 to fulfill this requirement and is divided into six outcome areas: intervention; quality review; research and evaluation; teacher accountability; curriculum and instruction; and assessment. In addition to supporting schools on the state academic watch list, the office established its own school probation program based on the results of the Iowa Test of Basic Skills (ITBS). If more than 85 percent of students at a school do not meet national norms, it is placed on district probation. Although there is some overlap between CPS schools on probation and those on the state's academic watch list, probation is considered the more serious of the two, therefore, the relationship between the school and district is more intense.

The 109 schools on probation during the 1996-97 school year are developing a mandated corrective action plan with the assistance of a probation manager who is assigned to each school. Also, business managers assigned to each school are

handling many administrative responsibilities to give the principals the freedom to focus on increasing student achievement. Probation managers visit schools often and lead the development and implementation of the corrective action plan to meet the needs of the students. Faculty members from local colleges and universities have become "partners in success" by working with the staffs of schools to develop more effective teaching strategies.

Like the academic watch list, there is no predetermined time period a school must remain on probation. If no improvement occurs, the district has the option of evaluating the administration, staff, and LSC to determine if specific personnel changes should be made. In 1995-96, at least 12 principals were removed for lack of progress.

Quality Review

The quality review department of the Office of Accountability is working with all CPS schools to help them avoid landing on the academic watch list or probation. External reviews of schools are conducted by a team of educators on a four year cycle with one quarter of CPS schools being evaluated each year. The team visits each school for a week and, in addition to identifying existing areas of concern, makes proactive suggestions about possible future problems. During the three years between external reviews, schools conduct internal evaluations and are given district support as needed to improve student achievement. External reviews will be conducted annually for schools with chronic problems. The first quarter of external reviews began in the 1996-97 school year.

Eliminating Waste

When Kenneth Holt took over as inspector general for Chicago's school system, he charged that the district suffered from a "persistent lack of accountability" that "saps the strength and efficiency of the entire system." Mr. Holt was authorized by the Illinois law to probe waste, fraud, and financial mismanagement in the \$3 billion system.

Complaints he received covered a wide range of practices, including employees obtaining vendor numbers and billing the board for services, administrators filling positions with people who were not certified for them, "ghost" employees who drew paychecks without working, and employees who lived in the suburbs yet failed to pay tuition for enrolling their children in Chicago schools. Mr. Holt identified the thousands of dollars in questionable overtime charges submitted by school engineers as one of the worst practices. In two years, the school board spent almost \$1.5 million for such overtime, a "staggering" number "suggestive of abuse, waste, and possibly criminal fraud."

In September 1995, the Office of Investigations was established by the new management team to conduct internal audits of schools and the central office and to investigate employee misconduct. The office uncovered new supplies that were not

being distributed to schools, \$250,000 in furniture sitting in warehouses, \$1 million worth of spoiled food, and \$5 million worth of wood and tools that had been stockpiled rather than being used to improve facilities or provide supplies for shop courses. The department distributed the materials to schools and negotiated with the Department of Agriculture to replace the spoiled food. By Fall 1996, the office had received 1,500 complaints and continues to conduct investigations into the issues.

Annenberg Grant

Philanthropist Walter Annenberg awarded Chicago \$50 million to support the development of school reform networks. Under the terms of the grant, Chicago is expected to match the grant with \$100 million in public and private donations. In the 1996-97 school year, there are 220 schools involved in 55 networks throughout the district. The networks have three goals: to foster a closer adult/student relationship in schools; to restructure schools to allow teachers the time and resources necessary to develop professionally; and to break down the barrier of isolation that often exists among schools and educators. Although the networks have only been in place for a short time, there have been promising steps made in developing relationships between educators from different schools including peer mentoring and enhanced professional development.

Test Scores Rise

Test scores for CPS students on the Illinois Goal Assessment Program (IGAP) rose in several areas between 1995 and 1996. The most encouraging news for district officials was in high schools where a clear majority of the students showed an increase in their IGAP scores, and ACT scores rose for the first time in five years. Also, math and science scores outpaced the state average and increased at all grades except 4th grade science. Reading scores rose at 3rd grade but dropped slightly at 6th, 8th, and 10th grades; however, the decreases were less than the state average.

Increased Math and Science Requirements

Chicago Public Schools have entered the first year of a four year plan to increase the math and science requirements for graduation. In the past, students in the city's public high schools were required to pass one year of science and two years of mathematics, the minimum for graduation by the state of Illinois. Beginning with the freshman class of 1996, students will be required to pass at least three years each of science and math to graduate. The policy further states that two of the science courses must have a laboratory component and the math sequence must begin with algebra.

The requirements support the goals of the Chicago Systemic Initiative, a \$15 million effort financed by the National Science Foundation to upgrade math and science

teaching in the city. The initiative also aims to have all students complete a full year of algebra by the time they finish eighth grade.

Offering the additional coursework is expected to cost the school system between \$12 million and \$20 million a year to hire an extra 240 math and science teachers, create 1,200 more classes, and equip more science laboratories. In Fall 1996, CPS had not received the additional funding necessary to continue the phase-in process through 1999; however, district officials say they have experienced success in training teachers from other disciplines to teach math and science courses.

Restructuring High Schools

In 1995, the Office of High School Services and Support was created to help the 74 Chicago high schools increase achievement, reduce the dropout rate, and prepare students for a productive life after graduation. Seven task forces exist within the office: restructuring existing high schools; creating secondary options; curriculum and instruction; student development; schools and communication; college bridge; and vocational and technical education. Each task force consists of educators, parents, community leaders, and members of the business sector and is engaged in drafting a strategic plan for a presentation to the public in December 1996. Public input will be incorporated in the final draft that will be presented to the trustees in the spring. The office expects the entire restructuring plan to take effect during the 1997-98 school year.

Freshman academies, introduced in the fall of 1996, are designed to assist freshmen with their transition to high school. Schools wrote proposals for the academies, and each program is unique to that individual school's population. Schools-within-a-school and extended elementary schools are two models for the new academies. A core curriculum is required, but schools may implement their own reform efforts to make the program successful. Approximately 35 academies exist with more expected during the 1997-98 school year.

Exemplary Programs Project

The Exemplary Programs Project began in 1995-96 to "celebrate the success" of Chicago schools that are producing excellent results in student achievement and dropout reduction. Each school that enters must complete an application and be visited by a team of educators. Financial rewards of \$5,000 and \$10,000 are given to the winners to become professional development centers for other schools. In its first year, 17 schools were awarded exemplary status.

Professional Development

The Teachers' Academy for Mathematics and Science. The impetus for establishing the

Academy came in 1989 from a team that included representatives of the U.S. Department of Energy, the National Science Foundation, the offices of the Mayor of Chicago and the Governor of Illinois, and a broad coalition of the city's education activists. Located on the campus of the Illinois Institute of Technology, the Academy provides intensive programs in math and science to public school teachers in Chicago.

The Academy's core program spans at least 18 months plus summer sessions and is designed to be integrated within a three-year cycle that includes strategic planning. Participating teachers explore the content of instruction in math and science, learn and practice new knowledge and skills, review and analyze their curricula and standards, examine different forms of student assessment, and experiment with new educational technology. The Academy has also created a school improvement unit that helps the schools in the intensive program implement organizational changes that better support teaching and learning.

By the end of the 1994-95 school year, the Academy had served more than 2,400 teachers in 70 schools in intensive programs, presented workshops on innovations in math and science education to 9,000 additional teachers, and created electronic networks that link more than 100 public schools in Chicago. Although the focus has remained consistent, funding for the program has decreased and the number of schools involved has dropped to 54 in the 1996-97 school year.

The Quest Center. In February 1992, CTU received a \$1.1 million grant from the MacArthur Foundation to create the Quest Center (QC) to promote reform in Chicago Public Schools. For the first three years, QC selected 46 Quest schools, each of which received \$3,000 and three years of assistance from QC staff. Many of these schools developed interdisciplinary or thematic curricula, created teams of teachers, integrated academic and vocational work, used portfolios and performance assessments, and incorporated projects and real-life experiences to make learning more meaningful to students.

In the fall of 1993, QC worked with the district and the Council for Basic Education to develop a set of student learning standards. Drafts of the standards for grades 4, 8, and 11 were reviewed by teachers, principals, and LSC members, and were formally adopted by the district in February 1994. To augment the standards, teams of teachers in 10 Quest Schools developed "prototype" teaching units to illustrate how they could be incorporated effectively in classroom teaching. The units were disseminated to schools and teachers throughout the district.

In 1996-97, QC has chosen 17 schools for in-depth work while continuing to support the other schools on an as-needed basis. Facilitators visit the 17 schools a minimum of once per week to assist staff in school improvement and restructuring plans. Also, the center is working with district trustees to develop new academic standards. The standards are being presented to the public for input in Fall 1996 and are expected to be in place in Chicago schools in September 1997.

Student Promotion Policies

In August 1996, the Chicago School Reform Board adopted a rigorous student promotion policy that requires underachieving students in grades three, six, eight, and nine to complete a summer school program before being promoted to the next grade. The policy sets performance standards on the ITBS for third-, sixth-, and eighth-graders, and performance standards on the TAP for ninth-graders. Students who score more than one year below their grade level (one-and-a-half years for sixth-graders) on the standardized test, or who fail reading or math, must successfully complete a six- or seven-week summer remediation program (the duration of the summer program varies by grade level). All ninth-graders who miss more than 20 days of school or fail to earn the required 4.5 core credits are also required to attend the summer-school programs. Students who fail the summer programs are held back. Every five weeks, the district notifies parents of children who are failing reading or math or who have more than 10 unexcused absences.

Selected Public Elementary and Secondary Education Statistics for Illinois and the Chicago Public Schools

	U.S. 1993-94	Illinois 1993-94	Chic. 1993
nt	43,476,268	1,893,078	409,4
	66%	65%	11
	17%	21%	89% mi
ic	13%	11%	
	4%	3%	
an Indian	1%	0%	
of public schools	85,393	4,195	60
s for elementary/secondary	\$248.5 billion ¹	\$10.6 billion ¹	\$2.4 bil
n	7%	7%	15
l	46%	29%	34
	45%	62%	51
	3%	2%	
l expenditures	\$5,5941	\$5,8981	\$5,55
ching staff ratio	17.4	17.1	18.

NOTE:

1. Revenue and per-pupil expenditure amounts are for the 1992-93 school year, the most recent nationally-uniform data available.

All percentages do not add to 100 due to rounding.

SOURCE: U.S. Department of Education, 1995 Digest of Education Statistics.