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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bruce Reed and Gene Sperling to the President re: Themes and Proposals for the State of the Union (6 pages)	12/12/1999	P5
002. paper	re: Working Ideas for State of the Union (6 pages)	n.d.	P5

COLLECTION:
Clinton Presidential Records
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FOLDER TITLE:
State of the Union Process Documents [1]

2011-0103-S
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RESTRICTION CODES

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

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

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

b(1) National security classified information [(b)(1) of the FOIA]
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b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Background Papers
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CJ's go to print on 25th + 26th

After-School

Universal After-School

SOTU MESSAGE: EVERY CHILD WHO IS ATTENDING A FAILING SCHOOL WILL HAVE THE OPPORTUNITY TO PARTICIPATE IN QUALITY AFTERSCHOOL OR SUMMER SCHOOL PROGRAMS.

Question I: The Universal After-School initiative pledges to make after-school or summer school available to every child in a failing school. What is the definition of failing schools that we want to use: all schools in school improvement (approximately 8,000 schools) or all schools in corrective action (560-4800 schools)?

Option A:

All children in failing schools, defined as schools identified under Title I as in need of improvement, will have access to after school and/or summer school.

$1 billion in FY 01--$453 million in continuation grants, $547 new money of $547 million would be targeted to schools in Title I school improvement. A requirement of a 50% match would be added to the new money to help extend the program to more students in failing schools.

Competitive priority would be first given to the approximately 8,000 schools in Title I school improvement. A competitive priority would not guarantee that all 8,000 schools received after-school funding, but it would help to drive quality whereas an absolute priority would be an assurance for funding with no guarantee that there would be a quality standard.

If every school came in with a quality application and 80% of students from each school were to participate, then the $547 million would allow us to fund quality programs in every Title I school in school improvement. If not, which is more likely, there would be additional money available. In any event, funding would also be available to non-Title I failing schools, they just would not have the benefit of a competitive priority. This would allow us to continue to make the claim that the program is not targeted only to failing schools.

The issue of CBOs would be addressed in the context of ESEA reauthorization – a proposal of 10% of the funds for CBOs as fiscal agents. If the authorization language were opened up in appropriations, we would relitigate the CBO issue by seeking to increase the percentage set-aside with a focus on quality and accountability to help best serve the children in the worst schools.

Option B: To be provided by the ED (focus on schools in corrective action)

Question II: Should the 21st Century CLC program be run as a competitive or formula program?

Option A: *Competitive*

The program could continue to be run as a competitive grant program from the

After-School

feds to the LEAs. This makes some sense from a quality control and targeting perspective in the first year of sending money to failing schools. It also leaves us with a bargaining chip for negotiations—i.e., Republicans would like to make this a formula program anyway and it would constitute a "concession" with which we could live.

Option B: *Formula*

Make the 21st Century program a formula grant program to the states with the states running a competitive grants process to the districts. States could then create a priority for targeting failing schools (either school improvement or corrective action schools). The Department believes that given that we know Congress wants to turn this into a formula program, we would be in a better bargaining position to go to the Hill with this as part of the plan.

Question III: What should our "out-years" policy be on the continuation grant money ($453 in FY2000)?

Option A: *Focused on failing schools*

This option would roll over current continuation money into the "failing schools pot" as that money became available. The 21st Century program would have a competitive priority for schools in school improvement or corrective action. The total amount available would be straightlined at $1 billion. Under a formula grant to states, the program would require states to create a competitive priority for schools in school improvement or corrective action.

Option B: *Continue dual focus on failing schools and all schools*

This option would continue to focus the existing FY2000 money on "all schools" and the new money for FY2001 on "failing schools." The failing schools pot would have a competitive priority for school improvement or corrective action schools. Under a formula program, states would receive two pots of money—failing schools and all schools.

After-School

Option For Competitive Priority For Low-Performing Schools
(Department of Education proposal)

This proposal would promote high-quality extended learning programs and provide a competitive priority to low-performing schools, such as schools identified for corrective action or as in need of improvement under Title I.

Under this proposal:

- The Department would reserve funds for the continuation awards and would continue to administer those grants.

- Any funds not needed for continuation awards or national activities would be allocated to States by formula. Each State would receive the same share of 21st Century Community Learning Centers funds as they received under Part A of Title I in the previous fiscal year.

- States would award funds competitively to LEAs, giving a priority to schools identified for corrective action. States would provide a smaller priority for schools identified as in need of improvement. In making awards, States would use a rigorous peer review process.

- Each State would have to provide the Department with a plan for its awards process. States would have to describe: (1) its process for making awards, including which schools would receive a priority and how the priority would be provided; and (2) the steps it would take to ensure that programs supported with program funds provide students with high-quality extended learning opportunities. To help ensure quality, the Department would subject State plans to a peer-review process.

- LEAs would apply on behalf of schools. Applications would have to demonstrate that the LEA and school had developed a plan for providing high-quality extended learning programs. Applications on behalf of schools receiving a priority would have to identify an entity with expertise in extended learning programs to serve as a partner in providing services. This entity would be responsible for operating the extended learning program at the center. Possible partners would include community-based organizations, IHEs, or high-performing districts.

- The Department's proposal would allow States to use up to 10 percent of their allocations for subgrants to CBOs. To receive an award, a CBO would have to show that the affected LEAs concurred with the project and agree to conduct the program in public elementary or secondary school buildings.

Title I
Accountability

DRAFT
JANUARY 14, 2000
8:10 AM

Department of Education Appropriations Act, FY 2001
ESEA, Title I accountability
(with 10% limit on transportation)

[#1-A] Provided, That $250,000,000 of such funds [i.e., the Title I-A account] shall be allocated among the States in the same proportion as funds are allocated among them under section 1122, to carry out sections 1116(c), 1116(d), and 1117 of that Act; [ED would allocate these funds to the States]

OR

[1-B] Provided, That the Secretary of Education shall ensure that, in the aggregate, States use at least $250,000,000 of such funds [i.e., the Title I-A account] to carry out sections 1116(c), 1116(d), and 1117 of that Act; [ED would let each State know what its pro-rata minimum would be so that the national total would be $250 million, similar to what we do under Eisenhower to ensure that the national minimum is spent on professional development in math and science]

[#2] Provided further, That each State shall allocate at least 70 percent of those funds to local educational agencies to carry out section 1116(c);

[#3] Provided further, That in allocating those funds [i.e., the 70%], each State shall give priority first to local educational agencies with schools identified for corrective action under section 1116(c)(5) and second to local educational agencies with schools identified for program improvement under section 1116(c)(1) that are farthest from meeting State standards, which those agencies shall use for the benefit of students in those schools;

[#4] Provided further, That a State educational agency shall require any local educational agency receiving those funds [the 70%], except where prohibited by State or local law or a policy adopted by a local school board, to permit as many students as possible (selected, if that is necessary, on an equitable basis) attending any school identified for corrective action under section 1116(c)(5) to transfer, at no cost to the student, to another public school, if any, of the agency that has not been so identified, in addition to taking at least one other action described in section 1116(c)(5)(B), except that no agency may use more than 10 percent of those funds for the costs of transportation; and

[#5] Provided further, That each State shall use the remainder of those funds [i.e. the other 30% or less], first to take corrective action, under section 1116(c)(6)(B), with respect to schools and local educational agencies described in that section; second to take corrective action with respect to local educational agencies in accordance with section 1116(d)(6); and third, to provide technical assistance, on request, to remaining schools that are farthest from meeting State standards." * *

Title I
Accountability

Comparison of School Choice provisions in School Improvement and Accountability Sections

	Administration ESEA	H.R. 2 (House-passed Title I)	2000 Appropriations Language
General Description	If a school is in **corrective action**, an LEA must intervene in or close the school, and, in conjunction with those actions, **may allow** students in those schools to transfer to another public school. Title I funds may be used for transportation costs.	Not later than 18 months after a school is identified for **school improvement**, the LEA must provide all students in those schools with the option to transfer to another public school in the LEA, or in another LEA if an agreement is made between the two LEAs, unless this is prohibited by State or local law. Title I funds may be used for transportation costs. Choice remains an option for these students for at least two years after a school is no longer in need of improvement.	Schools in **school improvement that receive funds under the Accountability earmark** (according to ED's draft guidance) must provide all their students with the option to transfer to another public school, unless the LEA shows the State that it does not have the capacity to provide all affected students with the transfer option. In that case, the LEA must allow as many students as possible to transfer on an equitable basis.
<u>Comparison</u>			
How is it funded?	through the State Accountability or administrative set-aside or through LEA Title I funds	through State administrative set-aside or through LEA Title I funds	through the $134 million Accountability earmark
Which schools must offer a choice option?	schools in corrective action, if the LEA chooses to allow such transfers	schools in school improvement	schools in school improvement that receive Accountability Funds (this is ED's interpretation of the appropriations statute)

Title I Accountability

Which students can transfer?	all students in the identified schools, if the LEA chooses to allow such transfers	all students in all schools in school improvement	all students in all schools that receive Accountability funds to the extent that the LEA has the capacity to place them
Timeframe for implementing choice option	immediately, if the LEA exercises this option	within 18 months of a school being identified as being in school improvement	immediately in schools that receive Accountability funds (since this language is in an appropriations act, having a longer implementation timeline was not an option).
How long can students exercise choice option?	undefined	for at least two years after a school is no longer in school improvement	undefined
Can transportation be funded?	Yes	Yes	Yes

Recognition & Rewards

Rewarding High Performance and Closing the Achievement Gap

Summary

This initiative creates a $50 million rewards fund for states that make exemplary progress in student performance and close the achievement gap on the National Assessment of Educational Progress exams in 4th and 8th grade reading and mathematics. In FY2001, rewards would be given to states based on achievement gains on the 4th and 8th grade math exams between the 1996 and 2000 administrations. Fifteen states would not be eligible for rewards based on non-participation in either 1996 or 2000. Based on state eligibility of 7-15 states for rewards, awards could range from $3.5 - $7 million.

Background

The current statutory language that authorizes rewards to states for demonstrating significant statewide achievement gains is predicated on an annual administration of NAEP exams in math and reading. However, NAEP is not given every year in the same subject areas. In fact, NAEP exams are administered every two years and individual NAEP subjects like math and reading are administered only every four years.

In order to develop a rewards package based on performance for FY2001, awards could only be made for state performance in 4th and 8th grade math and 4th grade science (8th grade science was not tested in 1996. While 4th and 8th grade reading exams were given in 1998, they will not be given again until 2002.

A FY2001 Rewards Program

For the purposes of the budget, a Rewards Program for FY2001 would have the following components.

State Eligibility

State would have to have participated in the 1996 and 2000 administrations of the 4th and 8th grade math NAEP exams.

Under this criteria, 15 states would be ineligible for rewards: Idaho, Illinois, Kansas, Ohio, Oklahoma, Pennsylvania, South Dakota, Arkansas, Colorado, Delaware, Florida, New Hampshire, New Jersey, Washington and Michigan. Included at the end the memo is a table provided by ED on state participation since 1994.

Options:

- The program could include the 4th grade science exam. This would provide another achievement indicator. At the same time, the focus on math is cleaner and it is likely that the rewards program will be based on reading and math performance only.

Recognition & Rewards

Also, although OMB has talked about allowing states to use exams that have standards on par with NAEP to get more states into the process, the fact is, according to the NRC, there are no states that meet that standard.

Reward Criteria

States would have to achieve the following on the 2000 NAEP exam in 4th and 8th grade math as compared with their performance on the 1996 exams:

1. Increased student achievement overall (mean score).

2. Progress in closing the achievement gap between high-performing and low-performing students in the state. The gap could only be closed by increases at the bottom and increases or flat scores at the top (and not by decreases at the top).

For example, progress could be benchmarked at increases in the state mean of 3 points and decreases in the gap of 3 points, without decreases in the mean for the 75th percentile.

In addition, the state would have to show that it was including students with limited English proficiency and/or disabilities to the greatest extent possible.

Options:

- Include a requirement that states must put in place a high school exit exam.
  Pros: Given that the rewards are based on 4th and 8th grade performance, this would include an accountability mechanism at the graduation level. It would place an incentive on having an accountability system in place that includes graduation.
  Cons: It is a departure for the "reward for performance" construct and it would reward states for having exams in place for graduation that include 8th grade standards. At present, there are reported to be only 8 states that have graduation exams that use a 10th grade standard. The emphasis would be on inputs rather than outcomes, which would be contradictory to the rewards message and incentives.

- Provide two sets of rewards: high achievers and exemplary growth: 1) those that make significant progress and close the achievement gap and 2) those that make significant progress, close the gap and that surpass some absolute standard (such as "having more students at the proficient level than the national average" or "50% or more of the state's students at a basic level).
  Pros: Provides for rewards for high flyers that might not have as much room to grow (although they would also have to make progress and close the achievement gap). Would avoid a situation where all the rewards could go to states that are making progress but have low overall scores.
  Cons: Opposing arguments is that we should be rewarding progress and focus on those who are making the greatest strides, irrespective of scores.

Recognition & Rewards

- Provide rewards for those 1) making exemplary progress and 2) making satisfactory progress. Again, these states would also have to close the achievement gap.
  Pros: This would allow anyone moving forward to receive an award, but would reward more highly those making great strides.
  Cons: Finite funds should only be used to reward top performers so that rewards can be as large as possible.

Size of Rewards

Contingent upon how you structure the rewards program and assuming 7-15 awards each year, awards could range from \$3.5 - \$7 million per state.

The Department applied the above reward eligibility and achievement criteria to 4th grade reading exams in 1994 and 1998. They found that 11 states would be eligible (CA, CO, CT, DE, FL, KY, MD, NY, TX, VA, and WA). An evenly divided \$50 million (with no money for dissemination or evaluation) would yield roughly \$4.5 million per state.

Use of Funds

Consistent with the President's ESEA reauthorization proposal, reward funds could be used to provide supplementary grants or administrative funds to States to carry out the purposes of the ESEA. Alternatively, states could be required to use funds to further close the achievement gap and/or to allocate the funds to low-performing LEAs within the State.

Plan for the Out-Years

In the out-years, the Rewards Program would offer awards for performance, as described above on 4th and 8th grade reading and math NAEP exams. At present the exams are each given every four years—at two-year intervals. Thus, reading exams will be given in 2002 and awards could be given based on progress since 1998 in FY2003. Math exams will be administered again in 2004 and rewards could be given based on progress since 2000.

Alternatively, the NAEP administrations could be changed from every four years to every two years, allowing rewards to be given each year alternately for math and reading performance. In addition, rewards could also be given for performance on science and writing exams. Including them would provide a more well rounded rewards program and create incentives for states to continue their focus on each of these subject areas. At the same time, not including them would focus rewards on acknowledged core subject matters: math and reading and would be consistent with the Administration's focus on these areas (including the President's call for national tests).

According to NCES, administering state NAEP on annual, rather than biennial basis would cost NCES an estimated \$12 million for state and \$9 million for National NAEP per subject for 2 grades.

Recognition & Rewards

NAEP Year	Reward Year	Subject and Grade	States not participating or did not meet guidelines for reporting
1994		Reading, 4	10 states: AK, DoDEA, ID, IL, KS, NV, OH, OK, OR, SD, VT, VI
1996		Math, 4 & 8; Science 4	7 states: ID, IL, KS, OH, OK, PA (participated in 4th grade math only), SD, VI
1998		Reading & Writing, 4 & 8	13 states: AK, GM, ID, IN, KS (no grade 8 writing), MA (4th grade reading only), NV, NH (4th grade reading only), NJ, ND, OH, PA, SD, VT,
2000	FY01	Math & Science, 4 & 8	9 states: AK, CO, DE, FL, NH, NJ, PA, SD, WA, MI?
2002	FY03	Reading & Writing, 4 & 8	
2004	FY05	Math & Science, 4 & 8	
2006	FY07	Reading & Writing, 4 & 8	

School Renovation

For grants and loans to carry out school renovation under Title XII of the Elementary and Secondary Education Act of 1965, $1,300,000,000, which shall become available on July 1, 2001 and shall remain available until expended, of which (1) $50,000,000 shall be for grants to local educational agencies (as defined in section 8013(9) of such Act) in which the number of children determined under section 8003(a)(1)(C) of such Act constituted at least 50 percent of the number of children who were in average daily attendance in the schools of such agency during the preceding school year; (2) $125,000,000 shall be for grants to high-poverty local educational agencies (other than those under (1)); and (3) $1,125,000,000 shall be for the costs of loans to high-poverty local educational agencies; *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974; *Provided further,* That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $7,000,000,000; *Provided further,* That notwithstanding any provision of Titles XII and XIV, the Secretary shall make these grants and loans subject to such terms and conditions as the Secretary shall establish.

pretty much nullifies all of Title 12.

Harkin feels strongly about having existing Title XII to be shell for appropriations.

School Renovation Appropriation language **not** using Title XII Authorization

For grants and loans to carry out school construction, $1,300,000,000 for grants and loans to carry out a school renovation program, which shall become available on July 1, 2001 and remain available until expended, of which (1) $50,000,000 shall be for grants to local educational agencies (as defined in section 8013(a) of such Act) in which the number of children determined under section 8003(a)(1)(C) of such Act constituted at least 50 percent of the number of children who were in average daily attendance in the schools of such agency during the preceding school year; (2) $125,000,000 shall be for grants to Local Education Agencies (other than those under (1)) and (3)$1,125,000,000 shall be for the costs of direct loans, Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $7,000,000,000: Provided further, That grants and loans under this heading shall be made to high-poverty local educational agencies and shall be subject to such terms and conditions as the Secretary shall establish.

Independent School Leadership Centers: Training Leaders for 21st Century Schools

Summary

Without quality school leaders, school reform is destined to fail. To address this, our initiative would fund independent School Leadership Centers at the state and regional level. The Centers would focus on leadership development opportunities for existing schools leaders (principals, superintendents, etc) in areas such as effective management, school design, technology, and district governance. In addition, recruiting and training nontraditional candidates for school and district leadership would also be part of the Center's mission.

Independent nonprofits or public-private partnerships would run centers on a state or regional basis and they would be required to partner with leadership from the public and private sector. Just as Presidential leadership has increased the national focus on improving teacher quality, federal leadership is needed to push states to make greater investments in developing quality school leaders prepared for accountability, the devolution of decision making, and the focus on school-based reform. At present, there is no federal program focused solely on school leadership and only a handful of programs allow funds to be used for it. There is broad political support for a focus on improving school leadership, as evidenced by the inclusion of a smaller provision in the House-passed ESEA bill.

We recommend $40 million in competitive grants to fund approximately 20 state-level or regional centers.

Background and Rationale

The one area central to all school reform strategies is school leadership. The devolution of decision making—from budgets to curriculum to instruction—has brought much greater responsibility for superintendents, principals and other school leaders. It has also meant greater accountability for results. In these new systems, school leaders are being asked to play much bigger roles in crafting instructional approaches, restructuring their organizations, working with the local community, and using resources strategically than they have previously.

To support the development of school leadership, the DPC recommends a program that would seed regional and state-level partnerships that focus on the needs of school leaders and provide ongoing development opportunities for the current ranks. The federal government would serve as a catalyst for bringing nontraditional partners into the effort, such as the business community, to disseminate its lessons in leadership to those in charge of improving the public schools.

DPC Proposal

The Department of Education would run a competitive grant program that would provide seed/capacity-building funds to state or regional independent School Leadership Centers under the "national activities" section of the reauthorized Title II of ESEA. Multi-year grants would be made to nonprofit public-private partnerships composed of alliances of business groups, education stakeholders, and other relevant partners such as existing nonprofits or the armed services.

The centers would be focused on providing training and networking school leaders (ie, principals, superintendents, assistant principals, assistant superintendents, and select teachers), and attracting nontraditional candidates into the profession and constructing alternate pathways. Centers could not be run by state departments of education, university or college schools of education, or the federal government's regional education labs, although these organizations could be partners in the effort.

Funds would be awarded on a 3-5 year basis. Centers would be expected to offer training and services to support school leaders in areas such as instructional leadership, management practices, school organization, use of technology, school design, community engagement, and school board relationships. Centers would also be expected to involve leaders and best practices from fields other than education. An Advisory Board to the Secretary, made up of national leaders in the areas of education, business, nonprofits and the armed services, will be assembled to advise the Secretary on choosing grants.

The grant program would provide $40 million for funding leadership centers around the country. Grants would range from $250,000 to $1 million per year for three to five years. At an average grant of $500,000 for three years, funding could support 25 state-level or regional centers. In addition, the program would provide $2.5 million for rigorous evaluation of the centers and their impact. Grant recipients would be required to provide a 50% match, 30% of which could be in-kind.

Hometown Teachers Proposal

This new initiative would help high-poverty school districts to address teacher shortages by developing long-term, pipeline-style programs to recruit teachers. In addition, these grants will complement existing and proposed programs that offer short-term solutions to teacher shortages such as Title II State Grants, Transition to Teaching, and Teacher Quality Enhancement Grants, and programs that aid in the retention of teachers such as Title I and Title II State Grants.

The cornerstone of this program is a competitive grant to high-poverty school districts to develop "grow your own" programs to address long-term shortages of qualified teachers. Programs supported by this grant would begin to cultivate students as early as middle school and would intensify the recruitment efforts as participants move through high school. Upon high school graduation, participants would attend colleges to gain expertise and teacher certification. After college, the students would become teachers in high-poverty districts. Throughout the program, students would receive exposure and training experiences through programs such as summer camps and tutoring experience. Hometown teachers could also receive salaries for work during high school and college, scholarships for tuition, recruitment signing bonuses, and high quality professional development. A district should shape its Hometown program to suite its needs, possibly using some of the ideas suggested here and adding additional activities as needed. In addition to helping districts to address long-term teacher shortages and helping districts to further address short-term need and recruitment concerns, this program would help high-poverty school districts steer students from high-poverty districts toward college and a career.

Program Structure: Competitive grants for the Hometown teacher program, averaging $1 million would be made to high-poverty school districts with shortages of qualified teachers. In order to be competitive, a district must demonstrate that it has developed a pipeline-style method of teacher recruitment, is addressing short-term teacher recruitment needs and has developed a means to retain its current teachers. Districts should also show how other district, state and federal programs would complement the Hometown teachers program.

In addition, because the pipeline activities within the Hometown teachers program will be most effective if they are complemented by both short-term teacher recruitment programs and teacher retention programs, a portion of each district's grants may be used to enhance programs with these aims.

While an application should demonstrate four stages of the teacher pipeline, a district can implement all of these stages concurrently during the first year of the program.

Middle School: This stage entails exposing middle school students to the teaching profession and building a spirit of community and teamwork amongst participants. In middle school, Hometown teachers could serve as aides to master teachers or help tutor elementary school students. Middle school students might also participate in activities such as a special student advisory board to the principal, or a school improvement committee. Participants could be offered special opportunities such as field trips to elementary schools to offer them more opportunities to learn the skills needed for teaching. During this stage, Master teachers would provide excellent role models in teaching to Hometown teachers.

In order to retain student's interest over the summer and build students' connection to their community, districts could sponsor summer camps during which middle school students, under the guidance of older students and teachers, could participate in activities that identify and solve a particular challenge to their community. These camps would not only help build skills needed to be a successful teacher, such as teamwork and problem solving, but also help build a bond between the Hometown teachers and their community.

High School: As students progress to high school, the program will provide increased incentives and opportunities as well as an intensification of the cultivation and selection process of Hometown teachers. High school students could serve as tutors, earning them course credit or pay. Students could also be offered summer employment at the same Hometown teacher summer camps that they attended as middle school students.

In addition to cultivating an interest in teaching, districts should help students and their families to select, apply to and prepare for college. This might involve school districts partnering with colleges and universities. At the end of high school, the most promising students could receive college scholarships, contingent upon service commitments either to the home district or another high-poverty district participating in the Hometown program. At this point, districts could also make arrangements with students to offer summer employment while the student is in college and to recruit the student for a position on the faculty once the student completes college.

College: During this stage, Hometown teachers, with the assistance of their school district, could be accountable for maintaining a minimum grade point average and completing needed courses in college. Districts could offer participants extra support during the first two years of college; guaranteed summer employment, and if possible, part-time jobs helping after school programs during the school year. During the summers, students could earn entry-level salaries as teaching assistants to summer school teachers or as counselors for the districts' summer camps.

Post-College: Participants successfully completing college could be guaranteed a job in their own or another school district that participates in the Hometown program. Districts could develop employment packages that would be used to encourage Hometown teachers to accept teaching positions. These packages could include signing bonuses in exchange for a service commitment, stipends for classroom materials, and professional development to become master teachers. Other increased responsibilities might include gaining national certification or serving as the school's professional development coordinator or lead teacher.

In addition, Hometown teachers would serve as role models for their students in high-poverty districts by coordinating activities such as the summer camp for the next generation of Hometown teachers.

District-Level Teacher Quality Rewards Program

Summary

Under the President's Title II proposal, this initiative creates a $50 million Rewards Program for high-poverty LEAs (as defined by Title I-A concentration grants) that make demonstrated progress in improving teacher quality. Rewards would be given to districts in three categories (based on student population) in rank order of progress.

Rewards Program for FY2001

Rewards Criteria

Rewards would be given to high-poverty districts based on their progress on two criteria. A composite score of the percentage increases on certification and in-field indicators would be developed. Districts would have to

1. Increase the percentage of certified teachers
2. Decrease the percent of secondary teachers teaching out-of-field.

To be eligible for a reward, LEAs would have to provide the following:

- State assurance that it has not made any policy changes that have lowered the standard for initial teacher certification or licensure.

- Baseline data on indicators of teacher quality. This data would include information on:
  - Percent of teachers who are either fully certified, working towards full certification, or fully certified in another state and meeting state requirements
  - In-field/Out-of-field teaching for secondary teachers. Consistent with proposed ESEA language, teachers would have full certification, "have had academic training or can demonstrate competence in the field they teach." The program would use an NCES-defined or other standard definition for out-of-field teaching.

- Status data demonstrating progress on teacher quality indicators reported in baseline.

In addition, districts would be asked to provide the strategies they employed to improve teaching quality. These would not be used as review criteria, but to expand understanding and disseminate promising practices.

Award Categories

The Rewards program would include three categories of districts:

- **Fewer than 1,500 students**, representing 11% of all students and 8,921 LEAs
- **1,500 to 24,999 students**, representing 59% of students and 5,552 LEAs

- **25,000 students and above,** representing 30% of students and 216 LEAs.

Size and Range of Awards

The Rewards Fund would make $50 million available to districts. Awards would be given to the top scoring districts by category. Awards could be provided as follows:

LEA size	Share of overall allocation	Range of award	Number of awards
25,000+ (30% of students)	$15 million	$2-3 million	5-7
1,500-24,999 (60%)	$30 million	$500,000-2 million	15-60
<1,499	$5 million	$25,000-$500,000	10-200

Use of Funds

LEAs receiving reward money would be allowed to use it as supplementary, not supplanting funds for carrying out the purposes of further teacher quality efforts, including expenditures on ESEA, Title II (and HEA, Title II programs?).

Outstanding Issues for Teacher Rewards

The following are issues that are not critical for resolution prior to the budget roll-out, but which will need attention at a later stage.

1. **Baseline data.** What can serve as baseline data on teacher quality for rewards based on a composite percentage in FY2001? LEAs can't start now to gather the baseline data needed for a comparison to FY 2001.
2. **Definition of "In-Field."** The NCES data collection definition defines "in-field" as full-time teachers in grades 7-12, with an undergraduate or graduate major or minor in their main teaching assignment field. This option will not capture teachers who spend less than the majority of their day teaching in an area for which they are not trained. Is there a better definition?

DRAFT

Higher Standards, Higher Pay

Background:

Despite considerable attention to the issue of teacher quality, teacher pay still remains far below other professions, with the national average starting salary only approximately $25,000, average teacher salary overall only approximately $38,000, and the average maximum teacher salary in any state only about $51,000. After adjusting for inflation, the 1997-98 average teacher salary of $39,347 is just $1,924 more than the average salary recorded in 1972—a real increase of only about $75 per year.

During the DPC's discussions with local school officials this fall, the issue of teacher salary structure was raised on two fronts. First, local officials complained that because teacher pay was not competitive, particularly in high need areas such as math and science, they were having trouble attracting qualified candidates. Second, local officials pointed out that because teacher compensation systems are so rigid and based on input measures rather than output measures, they are likely to hurt motivation and incentive to perform in the long run. They also highlighted the problems that they have dismissing poor performing teachers and acknowledged that often they simply assign these teachers where they can do the least damage rather than attempting to get them out of the school district.

In addition, the Vice President and others have called for developing more equitable and expeditious ways to improve teacher quality, reward good teachers and get low-performing teachers out of the classroom. Specifically, in his May 16th speech at Graceland College, the Vice President called for rewards for good teaching, testing for new teachers, and teacher evaluations by experienced peers and administrators every 5 years, along with faster but fair ways to identify, improve, and when necessary remove low performing teachers.

California Governor Gray Davis and New York Governor George Pataki recently unveiled agendas heavy on education and focused on teacher recruitment in their State of the State addresses. Pataki proposed attracting teachers by covering the tuition costs for students in New York public colleges who agree to teach for four years in public schools with teacher shortages; to provide tuition assistance to help uncertified teachers achieve certification; and to make it easier to let professionals from other fields teach. In California, Davis proposed providing cash bonuses, scholarships and down payments for houses for teachers who agree to teach in weaker schools. He also proposed granting $30,000 bonuses to teachers who achieve National Board certification.

This spring, California passed a statewide peer review program that could result in dismissals for low-performing teachers. Boston, Cincinnati, Columbus, Minneapolis, Rochester, and Toledo also have peer review programs in place; however, often these programs focus on professional development rather than tenure issues. Cincinnati is a noteworthy exception and reviews teachers every 5 years and is probably the best example of a successful program.

While teachers' unions remain opposed to merit pay, they are open to the idea of peer evaluations and rewards for effective teaching. One of the main complaints about merit pay schemes is that they are too subjective and based more on relationships with supervisors than performance. The institution of rigorous peer evaluations of multiple measures (including student performance) would be a more acceptable option for many unions, assuming teachers have a voice in the development of the performance indicators. Teacher buy-in is essential for program success.

A second complaint about performance rewards for teaching is that the resources for compensation rarely exist. For example, several New York school districts that experimented with merit pay had to suspend the program after it became fiscally impossible to reward all eligible teachers. A common complaint from teachers about reform efforts is a lack of sustainability. Federal resources for sustained salary increases would mitigate this concern.

DPC proposal:

This initiative would award competitive grants to high-poverty school districts to help them ensure that all teachers meet high standards, and attract and retain high-quality teachers and principals through better pay. In order to receive funding, partnerships involving school districts, local businesses, and teacher's unions, would take aggressive steps to raise teacher standards including: regular, rigorous peer evaluations of every teacher; professional development and intensive support to help all teachers and principals succeed; and streamlined but just systems to improve or remove teachers identified as low-performing by their peer evaluation or otherwise. Participating partnerships would agree on steps to test new teachers (including in the subject they will teach), reward good teaching, provide mentors for new teachers and principals, recruit talented new teachers, and adopt faster, but fair ways to identify, improve, and when necessary remove low performing teachers. School districts would require regular, rigorous peer evaluations of every teacher to provide advice and extra help to all teachers, and identify those few who should be placed into a program to improve, or when necessary remove low-performing teachers. All teachers in participating school districts would receive up to a $5,000 salary increase when their district implemented the program, and could be eligible for an additional salary increase when they successfully completed a rigorous peer review (up to $5,000). Master teachers, reaching an advanced professional standard or who get advanced certification through the National Board for Professional Teaching Standards Certification, could receive an additional bonus of up to $5,000. Teachers should be treated and paid like professionals, and held to high professional standards. No teaching contract or license should provide a lifetime job guarantee, but we must provide all our teachers the intensive support and training needed to succeed.

To ensure both sound policy and political viability, any program funded under this initiative should have the following characteristics:

- No teacher should receive less compensation as a result of participating in the program;
- Teachers should be involved in the development of performance indicators, evaluation criteria and systems;
- Evaluations should be based on more than a single indicator;
- Student performance must be an indicator.

Cost:

Including a substantial independent evaluation component, ten to fifteen Higher Standards, Higher Pay sites (depending on the size of the districts that apply) could be funded adequately for $50 million in the first year, assuming a 25 percent local match. The match would be "open", meaning it could be provided with LEA dollars, state dollars or dollars raised from the private sector. This estimate also assumes $1 million per site to invest in developing a good peer review system, guaranteed salary increases of $5,000 for each participating teacher and an average of 800 teachers per site. An additional $2 million is set aside for national activities to attract potential grantees and to conduct rigorous evaluation of programs.

ED and OMB Concerns Regarding the Higher Standards, Higher Pay Proposal

1. On what basis would ED be making the grants? The paper states that $1 million per site will be used to develop the peer review system. Does this mean that we need to award grants before systems are developed? What will we require of districts before they get any funding?

2. As a superintendent, I would be very tempted to develop a system that almost all of my teachers would pass. This would allow me to essentially give all of my teachers raises. How will we prevent this from happening?

3. Does your formula provide for districts to hire subs or staff as needed to enact the peer review?

4. Does this program facilitate the dismissal of low quality teachers? If it is not a real possibility that low quality teachers will lose their jobs, why do we give all teachers so much money before they even pass the peer review?

5. We are spending a lot of money on teachers before any peer reviews takes place. What is the rationale behind this decision? It seems to run counter to the premise of this proposal to provided raises to teachers who have only passed a minimum standard.

6. There is not enough money in this proposal to do what it proposes. When we start supplementing teacher salaries at the tune of $5000 per teacher, that's a huge amount of money in large school districts. If we want to reach the high-poverty urban areas, this won't go too far. What happens when our program ends? Who makes up the difference in salary?

7. Would districts that have already done this be eligible? For example, Cincinnati and Columbus, Ohio, Rochester, NY, and Seattle already have this kind of system in place.

8. I don't think we want to be suggesting that districts start testing new teachers. States are the ones who administer tests for state licensing. Districts should not be adding to this. We might want to encourage districts to develop rigorous performance-based assessments for their new teachers that includes peer review, but we should not use the word "test" new teachers.

9. This proposal should make reference to the proposal that the Secretary put on the table in his State of American Education speech last February. He called on States to rethink their licensing and certification system to make them more rigorous, but also more flexible. To start a national dialogue, the Secretary outlined a three-tiered licensing system for initial, professional, and advanced certification, with appropriate jumps in salary for each stage. The professional license required a rigorous assessment of performance in the classroom judged by a panel of peers. To ignore the Secretary's proposal would be a serious mistake. We got lots of press attention to this when he made his speech. (The proposal is spelled out in our latest Information Kit on the Teaching Initiative and it's on our web site.)

10. I'd also like to see us continue to push the concept of knowledge and skills-based pay. The Secretary has been pushing this concept since his Back to School Address in 1998. It does a similar thing to this proposal, but does not just give across the board raises to everyone. Again, we elaborated on this concept in the State of American Ed last year.

11. If we wanted to be really bold, we should be looking at the proposal that the Milliken Foundation put forward this fall on differentiated teaching salaries based on knowledge, skills, and responsibilities of teachers on a faculty. Their proposal includes a description of a typical elementary and high school and how this might work without having to pour a tremendous amount of new money into the system. It's based on the medical field model. I don't know how the unions have reacted to this proposal, but I thought it was quite interesting.

12. Competitive grants to high-poverty districts (suggesting that urban and rural are competing against each other, no priority for districts in teaching staff crisis) How long are these grants for, particularly if they include salaries?

13. Application that includes plan (as described before) for testing of new teachers (Is this just the test for initial certification/licensure? What benefit does it have besides ensuring compliance with state teaching standards?) professional development and mentoring, streamlined system for teacher evaluation and removal

14. Salary increases--there seem to be three intervals at which teachers can earn up to $5,000 in salary increases. Are these to be added together, meaning up to $15,000 in salary increases per teacher? Is there any way of ensuring that our dollars do not supplant local dollars for salaries and salary increases? One increase is based on successful completion of "a rigorous peer review." Does this mean when the district has put in place such reviews, or when the teacher has undergone some peer implemented performance assessment?

15. Size and Number of Awards. Considering the estimated costs of peer review ($1 million per site) and salary costs ($5-15,000 per teacher), these awards would be for $4 million-$12 million for each LEA, and not serve Leas with more than 800 teachers. (5 awards to medium size districts?) I would guess that the top 100 largest districts have easily a couple of thousand teachers each. For which districts is this intended (Does it exclude big districts?) How many awards could be made? At what size?

16. Matching Requirement of 25%. Most of our matches are in-kind, is that the case here as well? Otherwise, which districts will contribute the $1-4 million? Do we have evidence to suggest that districts will do this?

Document No. ______________

WHITE HOUSE STAFFING MEMORANDUM

Date: 1·11·00 ACTION / CONCURRENCE / COMMENT DUE BY: 1·13·00 / NOON

Subject: FY2001 budget chapters: Supporting Working Families + Educ

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	LOCKHART	☐	☐
PODESTA	☑	☐	MARSHALL	☐	☐
ECHAVESTE	☑	☐	MOORE	☐	☐
RICCHETTI	☑	☐	NASH	☐	☐
LEW	☐	☐	NOLAN	☐	☐
BAILY	☐	☐	REED	☑	☐
BERGER	☐	☐	SOSNIK	☑	☐
BLUMENTHAL	☐	☐	SPERLING	☑	☐
BURSON	☐	☐	STEIN	☑	☐
CAHILL	☐	☐	STREETT	☐	☐
EDMONDS	☐	☐	TRAMONTANO	☑	☐
FRAMPTON	☐	☐	UCELLI	☐	☐
IBARRA	☐	☐	VERVEER	☐	☐
JOHNSON, B.	☐	☐	______	☐	☐
JOHNSON, J.	☑	☐	______	☐	☐
LANE	☐	☐	______	☐	☐
LEWIS	☐	☐	______	☐	☐

REMARKS:

COMMENTS TO LINDA RICCI

RESPONSE:

Office of the Staff Secretary

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January 11, 2000 (3:13PM)

4. SUPPORTING WORKING FAMILIES

"In this era of unprecedented prosperity, we still have some work ... to do to make sure that we embrace all Americans in this prosperity and to give every American the chance to succeed at work and at home. . . . America is a better place because our families are stronger, our children are growing up in more stable homes, and every adult American who is willing to work has a chance to do so."

President Clinton
August 3, 1999

While the surge of economic growth in the past seven years has presented a wealth of opportunities, this new economy also means that parents work harder than ever. Many face a constant struggle to fulfill their obligations as workers and the even greater responsibility of doing a good job in raising their children.

From the start, President Clinton has advanced policies to strengthen the family, in large part by helping Americans balance the twin demands of work and parenthood. The first bill he signed into law, two weeks after taking office was the Family and Medical Leave Act granting workers the right to12 weeks unpaid leave to care for a newborn child or a sick child or parent. The President has expanded after-school programs and funding for child centers, and early childhood learning, including in the past seven years increasing funding for Head Start by 90 per cent, to reach the goal of serving one million children by 2002.

In the course of this Administration, the President has sought to encourage and support work and responsibility, pillars of the family structure. A central goal of his 1993 economic package was to make work pay. The President's economic plan expanded the Earned Income Tax Credit, helping 15 million low-income working families. By 1997, the Earned Income Tax Credit lifted 4.3 million people out of poverty, more than twice as many as in 1993. In 1996, he proposed and signed into law an increase in the minimum wage, followed by, in 1997, the child tax credit of $500 per child and the State Children's Health Insurance Program (SCHIP), which provides health insurance to the children of low-income working parents who otherwise would not be able to afford it.

[This language below should be reviewed by Joe Minarik]

The President believes that parents who are able to work to support their children should do so rather than relying on welfare. In 1996, he signed legislation to reform the nation's welfare system into one that requires and rewards work and responsibility. There is now increased flexibility for States to administer work-focused welfare programs. In order to provide support for those entering the workforce, this legislation has expanded funds for child care. It has ensured that eligible working families retain access to Food Stamps and Medicaid, and significantly increased participation in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Welfare reform has also placed additional responsibility on non-custodial parents for financial responsibility in child rearing, by strengthening child support provisions. In order to support at-risk families and individuals, this Administration has advanced policies to provide support for those at-risk, which can prevent a slide into dependency.

In his 2001 Budget, the President builds upon these policies that are central to his agenda of work, responsibility and family. This budget promotes early learning and improves child care quality, while making child care more affordable by expanding subsidies and the child care tax credit for low- and middle-income families. **[Note: LR to check]** The budget also expands 21st Century Learning Centers, strengthens early intervention by the educational system for disabled children, and expands Head Start. It continues efforts to move people from welfare to work.* It includes a major initiative to help low-income families succeed on the job and move up the career ladder. **[Refer to how]** It also expands resources for WIC and proposes to restore food stamps for certain legal immigrants. And it promotes responsible fatherhood, by making sure that unemployed fathers who owe child support go to work and provide that support. By proposing a new initiative to increase the employment, earnings, child support payments of low-income fathers, this initiative furthers the Administration's goal of responsible fatherhood.

Expanding Child Care

The President's 2001 proposal builds on the successes of last year's budget in which the Administration obtained $173 million to help States improve the quality of child care, $10 million for child care research, and an increase of $254 million for the Education Department's after-school/summer school program.

The 2001 budget proposes a range of further increases and new policies to expand the accessibility, affordability, and quality of federally funded child care. The President's FY 2001 child care initiative would increase spending and tax incentives by ____ over 2000.

[Table - Resources for Child Care. Please submit table directly to Nancy Ridenour -- per past practice. Contact Nancy, if questions.]

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January 11, 2000 (3:13PM)

The Child Care Initiative

More Affordable Child Care: The 2001 Budget proposes an expansion of resources for the Child and Dependent Care Tax Credit, tax credits for private employers, the Child Care and Development Fund, and College Campus Based Child Care. In addition, it continues the existing child tax credit and exclusion of employer contributions for child care expenses.

Child and Dependent Care Tax Credit (DCTC): The DCTC helps around 5.5 million families cover their child care costs each year. This proposed expansion [PLS VET] will provide greater tax relief to ? million low- and middle-income families who are struggling to afford child care. The budget also proposes further expansion of this tax credit to help parents who choose to stay home to raise a young child. These two proposals would provide tax credits worth $____ billion over five years.

Tax credits for private employers: To encourage businesses to make child care services more widely available, the budget proposes $500 million in tax credits over five years for private employers that expand or operate child care facilities, train child care workers, contract with a child care facility to provide child care services to employees, or provide child care resource and referral services to employees.

Child Care and Development Fund: Federal funding for child care has more than doubled under this Administration, providing child care services for 1.53 million children from low-income working families or families moving from welfare to work. The budget would further increase funds for the Child Care and Development Fund by $ 817 million, to a total of $ 4.6 billion in 2001, enabling the program to provide child care subsidies for 148,000 more poor and near-poor children in 2001. These new funds, combined with the child care funds provided in welfare reform beginning in 1997, will enable the program to serve 2.3 million children by 2005, an increase of over 1 million since 1997.

College campus-based child care: To encourage low-income parents' to pursue higher education, the budget includes $15 million for the Child Care Access Means Parents in School program to establish and support child care services on college campuses. States may also use a share of the Child Care and Development Fund for this purpose.

Exclusion of employer contributions for child care expenses: The 2001 budget continues this measure, consistent with current law, permitting parents to exclude up to $5,000 of employer-provided child care expenses from their taxable income and Social Security earnings. The exclusion will provide nearly $____ billion in benefits over five years.

Helping meet the cost of raising a child: The Child Credit, which the President proposed and Congress enacted as part of the 1997 Taxpayer Relief Act, helps working parents raise their children by providing $500 per child for all children under age 17. The credit, which will provide nearly $____ billion in tax benefits over the next five years, will help ____ million families with over ____ million children.

Strengthening Early Childhood Learning

The budget provides new funds to improve the safety and well-being of young children, including the new Early Learning Fund, developed after the White House Conference on Early Childhood Development and Learning, and continued expansion of the highly successful Head Start program.

***Early Learning Fund*: Scientific research shows that experiences in early childhood profoundly affect brain development. High quality early childhood programs can significantly improve educational achievement and behavior in early grades as well as grade retention and likelihood of high school graduation in later years, particularly for low-income children. The White House Conference on Early Child Development and Learning in 1997 highlighted some of this evidence. In response, the Administration proposed the Early Learning Fund to help improve early childhood education for children under five years old. The 2001 budget proposes to establish the Early Learning Fund at a level of $3 billion over five years to provide community grants for activities that foster cognitive development, with a focus on language acquisition, emergent literacy, reading development, and other early childhood education activities aimed at improving readiness for school. Resources could be used to help providers obtain certification, facilitate licensing or accreditation of child care centers, enhance provider training and retention, and reduce child-to-staff ratios--factors associated with positive developmental outcomes for young children. Grants to states would be contingent on reporting children's progress toward educational goals, such as vocabulary building and language use, and a federal evaluation would assess improvements in educational outcomes that result from the Fund. [not yet edited]**

Head Start: Head Start, one of the President's highest priorities, is America's premier early childhood development program. It supports working families by helping parents get involved in their children's educational lives and providing services to the entire family. Since 1993, the President has worked with Congress to increase annual Head Start funding by 90 percent. In 2000, Head Start will serve 880,000 low-income children, including up to 44,000 children under age three in the Early Head Start component that the President launched in 1995.

The budget proposes to expand Head Start funding by $1 billion in 2001 and add 61,000

Head Start pre-school slots and 9,000 Early Head Start slots. The Administration intends to increase participation by underrepresented groups in specifically targeted areas with recent influxes of immigrants and limited English proficient children, including seasonal farmworkers. The proposed increase invests in program quality improvement measures and makes further progress toward the President's goal of enrolling a million children in Head Start by 2002, including doubling the number of infants and toddlers in Early Head Start.

After-School Programs and Improved Educational Achievement: **The President proposed, and Congress passed in 1999, additional resources for the expansion of 21st Century Community Learning Centers so that 1,700 schools can open their doors before and after the traditional school day and in the summer. Instead of returning to empty houses, or playing on unsafe streets, a half of a million children will participate in safe, drug-free programs that combine learning, enrichment, and recreational activities.**

This year the budget proposes to double funding for this program to $900 million, in order to reach over 10,000 schools, as part of a comprehensive approach to help fix failing schools and help end social promotion the way successful schools do it--without harming the children. Under the President's proposal, school districts with comprehensive policies in place to end social promotion and turn around failing schools will receive priority in the grant-making process. After-school and summer school programs are a critical tool in ending social promotion because they give students who are not on track an opportunity to get extra help so they can meet promotion standards. [proposed edits, need review]

Continuing Support for other Key Programs

Increasing investments in child care quality: In response to the President's request, in FY 2000 Congress appropriated an additional $173 million for child care quality activities, which supplements the nearly $135 million that would already have been available for these activities in 2000. **Congress has already advance appropriated another $173 million for quality activities for FY 2001.** States invest these dollars in improving child care quality through activities such as resource and referral for parents, scholarships and training for child care providers, monitoring and inspection of providers, networks for family day care providers, and linkages with Head Start, to name a few.

Research on Childhood Development and Child Care: Research on child care, and dissemination of its findings, is critical to support State and local policy makers in their decision-making about child care and to help parents learn how to evaluate and where to find quality child care. At the President's request Congress provided $10 million for new research activities in FY 2000 to expand our knowledge of good policies and practices, including the types of child care settings, parent activities, and provider training that most benefit the early development of children, and to demonstrate effective consumer education programs and hotlines. This budget requests $10 million in continued research funding for FY 2001.

National crime prevention and privacy compact: Last year, the President and Congress worked together to pass legislation, based on a proposal from the White House Conference on Child Care, to help build a new electronic information sharing partnership among Federal and State law enforcement. This legislation makes background checks on child care providers (and other non-criminal justice checks) more efficient and accurate by eliminating some of the barriers that have made it difficult for States to share information about the criminal backgrounds of job seekers.

Services for Families of Children with Disabilities: Children with disabilities and their families face a broad range of obstacles to achieving educational success. Ensuring that the educational needs of the youngest children with disabilities are fully met is critical to the Administration. (For a discussion of the Administration's work incentives initiative for disabled individuals, see Chapter 1, "Investing in Education and Training."

Special Education: The budget proposes $6.4 billion for special education programs, a $333 million increase over last year's budget, including a $10 million increase for the Infants and Families program, to provide early intervention services to children aged birth through two, and $15 million to help schools implement research-based practices to serve children with disabilities in the early grades.

Families of Children with Disabilities: The budget continues a $4 million program proposed last year by the President and funded by Congress to help the families of children with disabilities. This program provides grants to States to expand and modify their State-wide support systems to help these families address such problems as inadequate child care options, missed job training and job opportunities, the loss of medical assistance, and teen pregnancy.

Promoting Self-Sufficiency

Food Stamps. For certain families, those who work full time and fall just below the poverty level, access to food stamps can make the difference between their being poor or not. For these families, where an adult works full-time at the minimum wage and receives the Earned Income Tax Credit, access to food stamps is critical.

However, between 1995 and 1997, food stamp participation fell five times faster than the poverty rate, suggesting that some working families have left the program though they remain poor. Last year, the President took a series of actions to ensure working families who need food stamps know how to get access to them. These steps included launching a nationwide public education campaign and toll-free hotline to help working families know they are eligible for food stamps, allowing states to make it easier for working families to own a car and still be eligible for food stamps, and simplifying food stamp reporting rules to reduce bureaucracy and encourage work.

This year's budget will build upon such efforts by providing funds to improve outreach and nutrition education to individuals who are eligible for food stamps. The budget also proposes to help the many working poor families for whom owning a vehicle is the one item that makes them ineligible for food stamps. For many of these families, a car is necessary in order to get to jobs as well as to access essential services, such as child care, that allow them to work. The budget proposes to make it easier for 280,000 individuals in working families to own vehicles (**non-luxury only**) and receive food stamps by allowing states to conform their food stamps vehicle policy with a more generous TANF or Medicaid vehicle policy. **[open issue]**

In addition, the budget provides $560 million in Food Stamp benefits for legal immigrants. (See below).

Increasing Parental Responsibility Through Child Support Enforcement: **The President's campaign to ensure that parents support their children is working. In 1998, the number of paternities established rose to nearly 1.5 million, and child support collections have gone up 74 percent since the President took office, to an estimated $15.5 billion in 1999. In 1999, net Federal costs for child support enforcement were $1.7 billion.**

The budget builds on this success by taking important, additional steps to increase child support collections and to direct more of these payments to low-income families. The budget expands the Clinton Administration's Family First policy enacted under welfare reform by providing States the option to adopt simplified child support rules under which all collections made on behalf of former welfare families would be paid to the family. This proposal provides direct financial benefit to these predominately low-income families and improves their chances of staying off the welfare rolls.

The budget also proposes to provide Federal matching funds for child support that States pass-through (and disregard in the calculation of the welfare benefit) to families on welfare, above States' current policy, up to $100 per month. This proposal increases the amount of child support paid directly to families on welfare, and encourages non-custodial parents to support their children. These proposals would result in an additional $XX million in child support paid to families over five years.

The budget proposes to intercept gambling winnings of parents who owe past-due child support as a new enforcement tool to collect past-due support. This proposal provides for maximum privacy and security safeguards. In addition, the budget proposes to increase child support collections by requiring States to review child support orders for families on welfare, at least every three years. These two proposals would result in $XX million more child support paid to families, save the Federal government $XX million, and save States $XX million.

The budget also includes two measures that stabilize State and Federal funding of the child support program, and provide incentives to States to improve program performance and cost effectiveness. The budget proposes several changes to child support incentive payments that would make these payments a more reliable funding stream for States and would raise the performance standard for the award of these payments. The budget also conforms the match rate for paternity testing with the lower administrative match rate. Net Federal savings of these two proposals total $XXX million over five years.

Supporting Children Leaving Foster Care: An estimated 20,000 children leave foster care each year having reached the age of 18 without being adopted or finding another permanent relationship. These youth are troubled. Studies that examined former foster youth two to four years after leaving care found that only half had completed high school, less than half were employed and only about 40 percent had held a job for one year or more. One-fourth had been homeless at least one night, 60 percent of the females had given birth, and fewer than one-in-five were completely self-supporting. In November 1999, working together with Congress, the President secured a 50 percent increase in funds to help former foster youth transition to adulthood, and new authority giving states the option of providing Medicaid coverage to these youth up to age 21. The budget proposes to increase FY 2000 funding for this program to $140 million, the full amount authorized and double the amount provided in FY 1999, and to maintain this higher level in FY 2001.

Curtailing Violence Against Women: Since 1993, funding for services to victims of domestic and sexual violence has grown by over $400 million and the passage of the Violence Against Women Act of 1995 expanded the Government's role in supporting services and providing scientific knowledge to prevent and treat violence against women. The budget proposes an increase of $20 million to further strengthen and increase the availability of battered women's shelters and counseling services, increase culturally appropriate services in under-served populations, and expand resources for research and prevention activities aimed at changing the social norms that allow this violence to occur. These new funds will allow programs addressing violence against women to serve an additional 30,000 women, children, and perpetrators.

***Assisting Impoverished Border Communities*: The budget provides $5 million in assistance**

for rural, impoverished communities along the United States/Mexico border. Almost all of the residents in these communities are poor, and one-third of them, who are eligible for food assistance, do not receive it. These funds will help to build partnerships that will improve the delivery of nutrition assistance programs to these impoverished areas.

Restoring Equity in Benefits for Legal Immigrants

The President believes that legal immigrants should have the same economic opportunity, and bear the same responsibility, as other members of society. Upon signing the 1996 welfare law, he pledged to work toward reversing the harsh, unnecessary cuts in benefits to legal immigrants that were unrelated to the goal of moving people from welfare to work. As part of the 1997 Balanced Budget Act (BBA), the President worked with Congress to restore Medicaid and Supplemental Security Income (SSI) to hundreds of thousands of disabled and elderly legal immigrants. The next year, the Noncitizens' Benefit Clarification and Other Technical Amendments Act restored eligibility to additional legal immigrants. In response to the Administration's request, the 1998 Agricultural Research Act restored food stamp benefits to 225,000 elderly, disabled, and other needy immigrants, including 70,000 children who lawfully resided in the United States as of August 22, 1996.

Despite these gains, many legal immigrants, including disabled individuals and families with children, remain ineligible for health and disability benefits. The budget provides $2.3 billion over five years to let States provide health care to legal immigrant children, to restore SSI eligibility to legal immigrants with disabilities, and to restore Food Stamp eligibility to certain aged immigrants and to legal immigrants in families with eligible children. The SSI and related Medicaid benefits in the budget that apply to immigrants who entered the country after August 1996, and became disabled thereafter, would only start after five years of residence.

Health Care: As described in Chapter 3, the budget would let States provide health coverage to legal immigrant children and pregnant women under Medicaid and, in the case of children, SCHIP. Currently, States can provide health coverage to legal immigrants who entered the country before the welfare law was enacted. But, immigrants who entered after the law was enacted cannot get benefits for five years. Under these proposals, States could provide health coverage to those children and pregnant women through Medicaid or through SCHIP.

Supplemental Security Income (SSI): The budget would provide approximately $1.4 billion over five years to restore SSI and related Medicaid to qualified legal immigrants who entered the country after August 22, 1996, lived in the United States for more than five years and became disabled after entry. Currently, only legal immigrants who entered the country before August 22, 1996 can be found eligible for SSI disability benefits.

Food Stamps: As mentioned above, the budget provides $130 million over five years to ensure that legal immigrants in the United States as of August 22, 1996, are eligible for food stamp benefits once they reach age 65. In addition, the budget builds on the progress made in the Agricultural Research Bill by providing $429 million over five years to restore benefits to adult immigrants who were residing in the United States before August 22, 1996 and are currently living with eligible children.

Continuing Support for Working Families

In the course of this Administration, numerous policies in the President's program have built on a strong base of support for at-risk and working families, including many already cited. These include the Child Care Initiative, the restoration of benefits to legal immigrants, expanded activities so that working families who need food stamps can get them, and expanded efforts to assist low-income families, at-risk youth and victims of domestic or sexual violence in attaining self-sufficiency. This support also includes a broad array of tax incentives to encourage and support work as well as legislation to enable workers to care for a newborn and fulfill other family responsibilities; raise the minimum wage; reduce welfare caseloads by nearly four million, enable workers to retain their health insurance; and provide health insurance to up to five million uninsured children. (For the broader discussion of the health care expansions, see Chapter 3, ``Strengthening Health Care.")

Support Through the Tax System: Over the last six years, the Administration has worked with Congress to expand the number and size of tax incentives to encourage work and support working families (see Table 4092).

Earned Income Tax Credit (EITC): The Federal Government is committed to helping those who work to meet the cost of raising their children. The EITC helps to meet this goal by supplementing the earnings of working families. In his 1993 economic program, the President proposed and Congress enacted legislation to substantially expand the credit, helping 15 million low-income working families that year and lifting X million of them from poverty. The Administration remains committed to ensuring that this program is managed fairly and accurately. The Administration is currently implementing a series of EITC error-reduction initiatives, including the provisions enacted in the Taxpayer Relief Act of 1997. The EITC will provide $165 billion of tax benefits over the next five years to low-income working families.

[Tax Table -?/Division to fill in one line description/Provide any table submissions to Nancy Ridenour directly, per past practice.]

Helping Families Move from Welfare to Work: The President has led successful efforts to remove obstacles that have hindered families trying to make a successful transition from welfare to self-sufficiency.

Temporary Assistance for Needy Families (TANF): The President signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, and States have refocused their welfare systems to support work. Welfare caseloads have fallen by over five million since President Clinton signed the welfare reform law, and by over 50 percent since he took office. Recent data from the Census Bureau's Current Population Survey show large increases in the rate of employment both for individuals on welfare and those leaving welfare.

[Barbara – Possible mention Admin efforts toward helping people who are currently at work keep their jobs and stay at work?? Per SMAT.]

Working Families Initiative: The Budget also proposes new funding to improve access to Food Stamps, Medicaid, Child Care and other critical supports for eligible working families. These benefits will help low-income parents, including non-custodial parents, stay in their jobs and off cash assistance.

Welfare-to-Work (WtW) Grants: Because of the President's leadership, the 1997 Balanced Budget Act included $1.5 billion in each of Fiscal Years 1998 and 1999 for a new Welfare-to-Work grants program. WtW provides grants to States and local communities to help long-term, hard-to-employ welfare recipients, and certain non-custodial parents, secure lasting, unsubsidized employment. Grantees may spend their funds for up to three years after receipt.

Funds are used for job creation, job placement, job retention, vocational training, and other post-employment support services. Working closely with Congress, the Administration secured critically needed changes to WtW's eligibility requirements. Included in the FY 2000 Consolidated Appropriations Act, the streamlined eligibility criteria will allow WtW, within existing resources, to serve more effectively long-term welfare recipients and non-custodial parents of low-income children. **To allow grantees to take advantage of these program improvements, the budget proposes a 2 year extension of the period of time in which existing funds can be spent. [open issue]**

Welfare-to-Work Transportation: One of the biggest barriers facing people who move from welfare to work--in cities and in rural areas--is finding transportation to get to jobs, training programs and child care centers. The President's leadership on this issue helped secure funding through 2003 to assist States and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers. The budget proposes to double funding to $150 million for this program in 2001. **[LR- additional venue for total '01 housing vouchers?]**

Welfare-to-Work Housing Vouchers: In his 1999 budget, the President proposed $283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job, and Congress approved full funding for this new initiative. Families will use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. The budget proposes $183 million for an additional 32,000 vouchers, bringing the total number of welfare-to-work vouchers to 82,000 in 2001.

Individual Development Accounts: Since 1992, President Clinton has supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. The President signed into law in 1998 legislation providing $10 million to get the program off the ground. The budget provides $25 million for IDAs.

Social Services Block Grant (SSBG): SSBG supports an array of critical services to thousands of low-income families. The President's Budget proposes to fund the Social Services Block Grant (SSBG) at $1,775 million, an increase of $75 million over the authorized level to maintain funding at the FY 2000 level. SSBG provides funding to States to support a wide range of programs including child protection and child welfare, child care, and services focused on the needs of the elderly and the disabled. The inherent flexibility of this grant permits States to target funds to meet the specific needs in their communities. The Administration will continue to work with the States to improve reporting and accountability for services provided with these funds.

Continued Nutrition Assistance for Infants and Children: The Administration has continued to target resources to low-income infants and children. The Special Supplemental Nutrition Program for Women, Infants and Children (WIC), for example, reached over 7.3 million persons each month in 1999 and the budget proposes $4.1 billion to serve 7.5 million people in 2001, fulfilling the President's goal of full participation in WIC. (See Chapter 3, Strengthening Health Care, for more information on WIC.)

Better Benefits in the Workplace: The President has led successful efforts to ensure a living wage for all American workers while expanding their ability to care for their families and protect their health care benefits. In addition, the President has proposed an innovative way to provide partial wage replacement for parents who need to take leave to care for a newborn or recently adopted child.

Family and Medical Leave (FMLA): In early 1993, the President proposed, and Congress enacted, the Family and Medical Leave Act, which allows workers to take up to 12 weeks of job-protected, unpaid leave to care for a newborn or adopted child, attend to their own serious health needs, or care for a seriously ill parent, child, or spouse--making it less likely that employees will have to choose between work and family. In his 2000 budget, the President proposed expanding FMLA to reach workers in firms with over 25 employees, expanding coverage to 10 million more workers. In addition, in 2000 the President secured resources for the Department of Labor to research: (1) the impact this law has had on the American family; and (2) how to make leave accessible and affordable for more of America's working families.

Ensuring equal pay: The budget continues $4 million for the President's Equal Pay Initiative, which will help employers assess and improve their pay policies and support public education efforts. In addition, the budget proposes a $12 million enhancement for launching a public information campaign on wage issues, supporting research to identify and analyze workplace wage discrimination, implementing industry partnership efforts, and increasing outreach end education efforts. Outreach efforts will be designed to reach at least 20,000 individuals and groups representing the full range of workers. Lastly, the Administration will dedicate in each of fiscal years 2000 and 2001 $10 million of the current revenue from H-1B nonimmigrant visa fees to train women for high-tech jobs and other skill shortage occupations.

Minimum wage: In 1996, the President successfully sought a minimum wage increase that gave a big financial boost to full-time, full-year minimum wage workers, raising the pay of each by approximately $1,800 a year. In November 1999, the President reiterated his support to further raise the minimum wage to $6.15 an hour by the year 2000. Increasing the minimum wage by one dollar in two equal steps simply restores the real value of the minimum wage to what it was in 1981. This increase will help ensure that as costs continue to increase parents who work hard and play by the rules can bring up their children out of poverty. The President remains strongly committed to increasing the minimum wage and will work with Congress to ensure the enactment of this vital increase.

POTENTIAL ADDITION
The budget proposes to expand the EITC so that families with three or more children will receive a higher credit and all families will benefit from a more gradual phased reduction of EITC until their income reaches at least the poverty level. **[More text needed]**

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CLOSING THE OPPORTUNITY GAP
INVESTING IN EDUCATION AND TRAINING

"At the edge of a new century and an increasingly competitive global economy, we know that our children's futures will be determined in large part by the quality of the education they receive.... Our Administration has made education a high priority, focusing on standards, accountability and choice in public schools, and on making a college education available to every American.... Because of these efforts, more young people have the chance to make the most of their God-given abilities, and take their place in the high-tech world of the 21st century."

....President Clinton
....August 1999

President Clinton took office committed to providing the education and job training that Americans need to succeed in the new global economy. Investing in people and improving our Nation's educational system was a central element of his 1993 economic program. In the past seven years, the President has consistently worked to further the goal of a first-rate education from the child's early years through college and beyond, starting with programs to expand learning opportunities for pre-schoolers to those that encourage students to attend and complete college.

To strengthen elementary and secondary education, the Clinton Administration proposed and worked with Congress to enact new laws in 1994 and succeeding years which help schools, especially in high-poverty areas, meet challenging educational standards put in place by States and school districts. Accountability -- holding schools, teachers, and students alike to these high standards --- is essential to turning low-performing schools into institutions of quality. To help these underperforming schools rise to higher standards, the Administration is committed to providing needed support, through programs such as:

- 21st Century Community Learning Centers, first funded in 1997 and expanded dramatically in 1998, the "after-school" program of grants to public schools and community-based organizations to establish and expand extended learning time opportunities;

- the Reading Excellence Act, enacted in 1998, to provide resources to high poverty schools to help ensure that all children can read well and independently by the end of third grade;

- and Class Size Reduction, enacted in 1998, to reduce the number of students in the early grades, which, studies show, leads to improved student achievement..

- the Technology Literacy Challenge Fund, first funded in 1997, offering grants to provide computers, software and Internet access to school and technology-related professional development;

The Administration is committed to making a post secondary education both attainable and affordable for every American, from recent high school graduates and dropouts to adult learners and displaced workers. To help ensure access to college, the President has proposed and supported programs that prepare students for post secondary education and that help make college affordable. For example, the President's High Hopes for College proposal was enacted and funded in 1999 as GEAR-UP, which helps low-income students in middle and high school prepare for college. The Administration has also worked to increase the Pell Grant maximum award by 43 percent from 1993 to 2000, and proposes a $200 increase in 2001; established new tax credits for college costs; created the Direct student loan program to increase benefits to borrowers; and proposed and saw enacted significantly lower interest rates for borrowers on student loans.

In the past seven years, the Clinton Administration has significantly strengthened the Federal government's commitment to education by adding more than $12 billion, an increase of 52 percent, in Federal discretionary funding for the Department of Education. The 2001 budget builds upon these increases, continuing President Clinton's education agenda with new and sustained efforts to close the gap in educational opportunity and offer the tools to help all Americans take part in the Nation's prosperity.

In elementary and secondary education, the President's initiatives include increasing accountability and fixing failing schools, improving teacher quality, helping schools build new classrooms and acquire better technology, stimulating innovation and excellence, **and targeting selected efforts toward those from disadvantaged areas and Hispanic students who comprise a growing portion of school population as part of the Administration's commitment to all students acquire the education and skills critical to their success in the future.** These initiatives are coupled with a significant expansion of Head Start and the creation of an Early Learning Fund (see Chapter 4, Working Families) to ensure pre-school aged children from low-income families have quality early learning experiences to prepare them effectively for school.

In post secondary education, the President's proposals maintain their focus on helping low-income students prepare for and pay for college. And in workforce development, the

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President proposes initiatives to close the opportunity gap by ensuring that all workers can find and hold good jobs with good wages, improve their skills, and work in safe and healthy environments.

(INSERT TABLE 3-1 - BUDGET INCREASES)

Elementary and Secondary Education

Ensuring Accountability and Fixing Failing Schools

The cornerstone principle of the Administration's education initiatives since 1993 has been to give States and districts increased flexibility to coordinate and combine program activities in exchange for greater accountability for school and student performance. Today, all 50 States and many school districts have begun to put in place accountability systems that identify schools in which students are not meeting challenging State academic standards and establish consequences, holding them accountable for improving their performance.

These reforms - integrating established academic standards, tests to reflect these standards, teacher training, and consequences for failing to meet standards - are beginning to show results, as measured by improved student test scores and other factors. But while the achievement of even the most disadvantaged students is improving, the learning gap between the less and the more fortunate is closing at too slow a pace. We cannot afford to leave any child behind. Nation-wide, there are currently about 7,000 schools in dire need of improvement; the majority of their students are not in learning environments that help them achieve to high academic standards. In the FY 2001 Budget, the Administration proposes a package of programs that will help turn around failing schools and ensure that all students succeed academically: **(NOTE TO LR: Possibly work in something about the opportunity gap...)**

Title I Accountability Fund: When schools fail to help children reach rigorous academic standards, they must be held accountable for their performance. The Budget provides $250 million in the Title I account to help States hold districts and schools accountable for raising student achievement. States will use funds to fix their lowest-performing schools through a variety of approaches including bringing in new management or new teachers. Funds will also be used to provide public school choice options to students while the failing schools are being reformed.

Reward and Recognition: $50 million is provided for this initiative to establish a Rewards Fund that would grant funding to States meeting Federal performance criteria. From FY 2001-

2003, States would receive awards for adopting strong Statewide accountability systems, including high school exit exams, and developing and disseminating report cards ahead of the time line called for in the Elementary and Secondary Education Act reauthorization proposal. After FY 2003, the Reward Fund ~~would~~ incorporate student performance measures as well.

High School Reform: High schools ~~have lagged behind elementary~~ and middle schools in ~~implementing high academic~~ standards; almost half of all students who graduate ~~do~~ not have the knowledge or skills to complete college or climb a career ladder from an entry-level job. The Administration requests $120 million for a new high school reform program within the Elementary and Secondary Education Act to support comprehensive, research-based reform in high schools, in particular those serving high-poverty urban and rural areas. The new program will incorporate the Small Schools initiative, for which $45 million was provided in 2000. **(NOTE: Small schools policy in play)**

Class Size Reduction: ~~The budget provides $1.75~~ billion, $450 million over 2000, for the third installment of the President's initiative that began in 1999 to reduce class size in the primary grades. Research suggests that children, particularly those from disadvantaged backgrounds, benefit from the additional attention they receive in small classes. The program's goal is to hire 100,000 qualified teachers by 2005, and reduce class size in grades 1 to 3 to an average of 18 students. The budget increase will support as many as 49,000 teachers, almost half the number required to meet the 100,000 goal. Every State and nearly all school districts participate in the program. In schools that received funds under this program, primary grades have been reduced by an average office students per classroom. **(Is there an average number to which it has been reduced ? We've often talked publicly about need to bring it down to 18; how far have we come?)** 23 → 18

21st Century Community Learning Centers: The budget includes $1 billion, more than double the 2000 level, for ~~the "after-school" program~~ of grants to public schools and community-based organizations to establish or expand after-school and other extended learning time opportunities. These centers are part of a comprehensive approach to fix failing schools by providing low-achieving students the extra help they need to meet challenging academic standards. From a $1 million demonstration program in 1997, this program grew to $453 million in 2000, serving over 850,000 students. The Budget provides sufficient funds for this program to make after- or summer school programs universally available to help turn around all Title I schools identified ~~as low~~ performing.

***Special Education*:** The budget includes $6.4 billion for Special Education, an increase of $333 million, to maintain the President's commitment to improving educational outcomes of disabled children. Included in this total is an additional $290 million for grants to States to help ensure that all students with disabilities receive a free appropriate public education, and a $10 million increase for grants to infants and families to identify disabilities early in life and provide essential early intervention services to these children. The budget also includes $15 million to help schools implement research-based practices to serve children with disabilities in the early grades.

Enhancing Teacher Quality

Because trained and skilled classroom teachers can make all the difference to a child's success in school, high-quality professional development is an essential tool to improve education. In the next decade, 2.2 million new teachers will be needed to fill the shortage created by teacher retirement and population growth, with high poverty schools facing the greatest shortages. In the FY 2001 Budget, the President strengthens his commitment to teacher recruitment and training programs to ensure schools have the highly qualified teachers needed to improve student performance.

Title II: Teacher Quality and Recruitment: The budget requests $1 billion for the new Title II program, a component of the Administration's Elementary and Secondary Education Act reauthorization proposal, that consolidates the Goals 2000, and Eisenhower Professional Development programs. This program will assist States and districts in coordinating/developing sustained, content rich teacher professional development with challenging standards. Within this broad program authority, the budget proposes several new initiatives to address the most pressing teacher quality needs:

- ***Teacher Recruitment and Retention:*** In order to increase the number of skilled teachers serving high-poverty school district, the budget proposes $175 million in competitive grants. These funds would encourage the development and recruitment of teachers for disadvantaged areas by cultivating and recruiting students as early as middle school and provide training experiences throughout high school and college. Upon college graduation, participants would return to guaranteed teaching positions in high-poverty districts. Participants would receive salaries for work during high school and college, scholarships for tuition, recruitment signing bonuses, and high quality professional development.

- ***Early Childhood Education Professional Development:*** Research has demonstrated that effective early childhood education programs can help eliminate reading problems, as well as improving cognitive and social competence. The budget provides $30 million to offer competitive grants to partnerships including school districts, institutions of higher education, Head Start programs and child care programs. Approximately 15,000 early childhood educators would receive training in literacy development, limited English proficiency instruction, and instructional methods for disabled students.

- ***Principal Leadership:*** The budget includes $40 million for competitive grants to non-profit, public- private partnerships to develop Principal Leadership Centers. These training centers will help principals develop critical skills to improve school performance.

- ***Transition to Teaching:Troops to Teachers: (Duplicate title??)*** The budget proposes $25 million to recruit and train retiring military personnel and other mid-career professionals to serve as new teachers in public schools.

- **Teacher Quality Incentive Award - This $50 million initiative would reward states for making exceptional progress toward teacher quality improvement goals set forth in the Administration's Elementary and Secondary Education Act reauthorization bill, such as increasing certification rates and the percentage of teachers working in-field.**

Preparing Tomorrow's Teachers to Use Technology: While many schools have access to technology, some teachers are not prepared to use this technology effectively. The budget includes $150 million, double the 2000 level, to provide pre-service teacher training in technology so that students will be able to make the most of tools that are critical to their education and their future.

Teacher Quality Enhancement: The budget provides $98 million for the Teacher Quality Enhancement Grants program. Created in FY 1999, this program supports: state grants to improve teacher licensing and certification; partnerships of exemplary teaching colleges and universities, urban and rural schools, and subsidiary colleges and universities; and recruitment grants, including scholarships, to help attract teachers to high priority areas.

Teachers Serving Special Populations: To meet professional development needs of teachers serving populations with special needs, the budget proposes $100 million for Bilingual Education Professional Development, $116 million specifically for Special Education professional development, $10 million for the American Indian Teacher Corps, and $5 million to create a new American Indian Administrator Corps.

Acquiring Better Technology and Repairing Schools

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Many of the Nation's schools need to be brought into the 21st Century, both by equipping them with new and modern technology, and by making essential repairs to fix the inevitable problems in aging and neglected buildings.

The Administration's commitment to educational technology has greatly increased the percentage of schools connected to the Internet: since 1993, the number has almost tripled so that nearly 90 percent of the Nation's schools are connected but some high poverty schools still need to be connected to the Internet.

At the same time, about one-third of our nation's schools have critical renovation needs. Approximately $60 billion is required to repair roofs, climate control systems, and plumbing. School districts also face the cost of upgrading schools to accommodate computers and modern technology, and of constructing new classrooms and schools to meet expected record enrollments over the next decade.

The budget proposes a set of new initiatives and program increases to help States and school districts meet the need for better technology and adequate learning facilities. These will complement existing activities put in place under this Administration, including the E-rate established by the Telecommunications Act of 1996 to provide discounts to schools and libraries for high-speed Internet access, internal wiring, and telecommunications services, and Qualified Zone Academy Bonds, which encourage investors to make school modernization capital available to certain communities in need.

School construction and modernization bonds: The President's budget reaffirms his support for a new tax incentive that would support 24.8 billion in new bonds for school modernization. *(Need confirmation from Treasury)*

Urgent School Renovation: To ensure the neediest school districts have access to low-cost financing for essential repairs, the budget requests $1.3 billion for a new urgent school renovation program that would provide loans and grants to school districts with high levels of poverty. Within this total, $50 million in grants will be directed to schools with high concentrations of Native American students.

Community Technology Centers: As part of a broad initiative (see Chapter 7, Strengthening the American Community) to address the "digital divide" between wealthy communities where access to technology is common and poorer communities that lack such access, the budget requests $100 million for Community Technology Centers, an increase of $68 million over 2000. Grants will help low-income communities establish computer centers available to those who cannot afford home computers. Begun in FY 1999, this program supports activities including adult education, after-school activities, literacy training, and ESL instruction in community centers. The budget level would provide support to approximately 400 centers in low-income communities.

Technology Literacy Challenge Fund: Enacted in FY 1997, this program offers grants to States to fund technology-related professional development, provide multimedia computers to schools, and provide software and Internet access to students. The budget requests $450 million, an increase of $25 million over 2000.

Next Generation Technology Innovation: The budget requests $170 million for Next Generation Technology Innovation, which consolidates the Technology Innovation Challenge Grants and Star Schools programs, to support technological innovation for education. Included in this program is $10 million for a new initiative to support development of challenging courses such as AP courses and ESL courses for use on-line.

Other Programs Supporting Innovation and Excellence

Throughout his Administration, President Clinton has aimed to ensure that every child is provided with the highest quality education and challenged to achieve to his or her full potential. The President continues that commitment with these important proposals for 2001:

Public School Choice: The Administration supports expanding public school choice through charter schools and other public school options. These efforts strengthen the public education system by giving it the support it needs to fulfill its mission of providing equal educational opportunities for all while still providing children their choice of schools that best meet their needs.

When the President first took office, there was but one charter school in the Nation, and citizens that wanted to create new charter schools faced considerable financial barriers. First funded in 1995, the Public Charter Schools program addresses this problem by providing startup funding. The budget includes $175 million for Charter Schools, an increase of $30 million, to support the creation of 2,400 charter schools in 2001 and to advance the President's goal of creating 3,000 Charter Schools by 2002. The Budget also includes $20 million for Opportunities to Improve Our Nation's Schools (OPTIONS), a new ESEA initiative that will spur further innovation by supporting new approaches, such as locating public schools at work sites and college campuses and interdistrict choice programs.

Safe and Drug-Free Schools and Communities: In 1999, as part of the government-wide Safe Schools/Healthy Students initiative, 54 communities received over $100 million in competitive grants from the Departments of Education, Health and Human Services, and Justice to implement comprehensive, research-based, drug and violence prevention programs. In FY 2001, these agencies will combine resources with the Department of Labor and expand Safe Schools/Healthy Students to nearly $250 million, vastly increasing funding for community-wide interventions that address education, mental health, juvenile justice, and public safety and expanding services to include out-of-school youth. The Budget also includes $10 million for a new activity, Project SERV (School Emergency Response to Violence), to help schools and communities address violent deaths or other crises.

America Reads/Reading Excellence Act: In response to the President's America Reads Challenge, the Reading Excellence Act was enacted in 1998 to provide resources to high poverty schools to help ensure that all children can read well and independently by the end of third grade. The budget requests $286 million for this program, an increase of $26 million, to support literacy services to an estimated 1.1 million students.

Arts in Education: The budget doubles funding for this program to $23 million, including $11.5 million in new funds to supplement teaching resources, integrate arts into the regular curriculum, and provide intensive professional development to teachers. The Department of Education and the National Endowment for the Arts will continue and expand upon the collaboration formed in 2000 to make competitive grants to local arts education programs and undertake additional activities to address issues of youth at risk.

Advanced Placement Courses On-Line: The budget requests $10 million for this new program to direct funds to schools to improve access to challenging courses such as Advanced Placement courses and ESL instruction online. **(Division notes say to kill this. Has this policy been dropped? If not, we need to incorporate it somewhere in this chapter.)**

Indian Education: The budget includes $115.5 million for Indian Education, an increase of $38.5 million over FY 2000. This total includes $62 million to the Grants to Local Educational Agencies, an increase of $31.8 million, to address significant growth in the Indian student population and ensure that Indian students have the resources to succeed academically. Also included is an increase of $6.7 million, for a total of $20 million, for special programs to fully fund both the American Indian Teacher and Administrator Corps Initiatives. These programs will recruit heavily among Indian professionals who are already working in Indian communities to serve schools typically plagued with high teacher and school administrator turnover. **[Do these numbers reflect Indian School Construction? If not, incorporate pls.]**

Improving Educational Outcomes for Hispanic-Americans (Don't we need consistency in

use of Latino or Hispanic? Or should we use both interchangeably?)

Raising the educational achievement of Hispanic students continues as a high priority. The high school drop out rate for Latinos is very high: in 1996, 29 percent of Latinos aged 16 to 24 were high school dropouts, compared to seven percent of non-Hispanic whites and 13 percent of non-Hispanic blacks. About 32 percent, or 3.6 million, of the students served by Title I are Latino. Latinos are the fastest growing segment of our nation's population.

For the third year in a row, the budget targets new funding to programs that are part of the Administration's Hispanic Education Action Plan. The budget proposes $858 million in funding increases including: $416 million for Title I Grants to Local Educational Agencies; $90.5 million for Adult education, of which $75 million is for the President's ESL/Civics initiative to help recent immigrants learn English, participate in public life, and be involved in their communities, $125 million for GEAR-UP; $80 million for TRIO; $25 million for Title I Migrant Education; $48 million for Bilingual education; $20 million for Hispanic Serving Institutions; $5 million for the Labor Department's Migrant and Seasonal Farm worker Youth Program; $10 million for research on the education of limited English proficient children; and $8 million for the High School Equivalency Program and College Assistance Migrant Program. The budget also continues to provide $5 million for the Labor Department's Migrant Youth Job Training Program. **(To convert to table? To discuss...)**

Post secondary Education

Preparing for College

As our economy depends increasingly on workers with analytical and reasoning skills, access to a quality education beyond high school becomes even more important to maintaining and increasing income, productivity, and the nation's competitiveness. The opportunity to attend college is also crucial in encouraging hardworking families and low-income children to aspire to improve their lives through education. This budget provides significant increases to student financial assistance programs to help low- and middle-income students pay for college; however, not all of the barriers to college are financial. Too many young people reach college age without the skills, knowledge, and preparation they need to apply for, enroll in, and succeed in college. The Administration is committed to making a post secondary education both attainable and affordable for every American, from recent high school graduates and dropouts to adult learners and displaced workers.

GEAR-UP: The Budget provides $325 million, an increase of $125 million, for the early intervention program first funded in 1999 that is based on the High Hopes initiative proposed by the President. This program provides funds for States and local partnerships to help low-income students prepare for college, starting in the 7th grade. In 2001, 1.4 million students would receive services, 644,000 more than in 2000.

TRIO: The budget includes $725 million, an increase of $80 million, for TRIO programs that fund post secondary education outreach and support services to encourage and prepare disadvantaged students to enter and complete college and doctoral study. Much of the increase would be dedicated to strengthening the Student Support Services (SSS) program, including a new College Completion Challenge Grant (CCCG) component. Under CCCG, competitive grants to institutions of higher education would support grant aid and summer orientation programs for low-income students in their first years of college, with the goal of increasing college completion rates.

SAT/ACT Preparation: The budget provides $10 million to offer free commercial test preparation services to low-income students preparing for the SAT and ACT college admissions tests.

(Is there a better term for these ~~institutions~~?) ***Minority-Serving Institutions' Dual-Degree Program:*** The budget provides $40 million for a new program to promote dual-degree programs between minority-serving institutions that offer four-year degrees, including Historically Black Colleges and Universities, Hispanic Serving Institutions, Tribal Colleges and Universities, and partner institutions such as major research universities. The program would allow students at minority-serving institutions to earn two degrees in five years: one from their home institution and the other from a partner institution, in a subject area that is not offered by the home institution and in which minorities are traditionally under represented. The program will increase academic opportunities for students at minority-serving institutions, improve their postgraduate access and promote their workforce participation in fields in which minorities are under represented.

Paying for College

The economic returns to a college education have never been higher. But at a time when the dividends of a college education make college essential, the cost of education has been rising dramatically. In addition to helping every child prepare for college, this budget maintains the Administration's commitment to ensuring financial access to higher education by requesting significant increases for core student aid programs.

These programs augment the financial help already available through Hope Scholarships and Lifetime Learning Tax Credits proposed by the President and enacted in 1997. Hope

Scholarships provide tax credits of up to $1,500 for tuition and fees during the first two years of post secondary training. Under the Lifetime Learning Tax Credits, students beyond the first two years of college, or those taking classes part-time to improve or upgrade their job skills, receive a 20 percent tax credit for the first $5,000 of tuition and fees each year through 2002, and for the first $10,000 thereafter.

Pell Grants: The President proposes to increase the maximum Pell Grant by $200 to $3,500. Nearly four million needy undergraduates will receive Pell Grants in FY 2001. When President Clinton took office in 1993, the Pell Grant maximum award was $2,300 – the same as it was when President Bush took office in 1989. Under President Clinton's leadership, the maximum award increased $1,000, or 43 percent, by FY 2000. With the FY 2001 request, the Pell maximum award will have increased by 52 percent during this Administration.

Work-Study: The budget provides $1.011 billion for Work-Study, an increase of $77 million over FY 2000, to maintain the President's promise to give one million students the opportunity to work their way through college. Funding for Work-Study increased 51% from 1993 to 2000; this request would bring the increase since 1993 to 64%.

Supplemental Educational Opportunity Grants: The budget requests a total of $691 million, $60 million over 2000, for Supplemental Educational Opportunity Grants to provide more low-income undergraduate students with need-based grant aid.

Federal Student Loan Program: An estimated 6.2 million people will borrow approximately $42 billion through the Federal student loan programs in FY 2001. In the Higher Education Amendments of 1998, the President's proposal to significantly lower interest rates for borrowers on student loans was adopted, easing the burden of repayment for borrowers. The budget also proposes net savings of $3.8 billion over five years from reforms to the guaranteed loan system.

D.C. College Access: In response to the President's 2000 proposal, Congress approved a $17 million initiative to equalize post secondary education opportunities for D.C. residents by providing tuition benefits to District residents attending public colleges in Maryland, Virginia, and other States under certain circumstances, and private colleges in the D.C. area. The Budget requests $17 million for D.C. College Access in 2001.

Workforce Development

Building on accomplishments made since 1993, the Administration seeks to close the opportunity gap by ensuring that all workers have the opportunity to find and hold secure jobs with good wages, improve their skills, and work in safe and healthful places.

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Closing the Workforce Opportunity Gap

Committed to ensuring that America's workforce has the education and training necessary to compete in the 21st Century, the Administration has been working to reform the Nation's workforce development system and increase education, training and job. Specifically, this Administration has accomplished the following:

- In 1998, the President signed the bipartisan Workforce Investment Act -- reforming America's job training system to empower individuals, streamline services through One Stop Career Centers, enhance accountability and increase flexibility.
- Tripled funding for dislocated workers -- more than tripling program enrollment.
- Established a 5-year funding path for a universal program that will help every displaced worker that wants and needs training or reemployment services.
- Increased the number of Job Corps centers from 109 to 122, increasing year-round training opportunities by over 10 percent.
- Developed and authorized the Youth Opportunity Grants program.

Increasing Opportunities for Youth

The budget provides enhanced support to help low-income, at-risk youth prepare for college and careers.

Youth Opportunity Grants: Youth Opportunity Grants address the special problems of out-of-school youth, especially in inner-cities and other areas with high jobless rates. This program is consistent with the Administration's "New Market" initiative to provide resources to communities with potential. The budget includes $250 million for the third year of competitive grants to 25-30 high-poverty areas and the first year of competitive grants to 12-15 additional communities. Included in this funding is $20 million for Rewarding Achievement in Youth, a program that provides comprehensive employment training, counseling and education services to over 9,000 academically high-achieving, low-income youth. The program encourages school completion by providing students who excel academically extended summer employment opportunities.

Job Corps: The Job Corps provides intensive vocational skills training, integrated with academic and social education, and support services to severely disadvantaged young people in a structured residential setting. The budget proposes $1.4 billion, a $35 million increase over the 2000 level.

Youth Activity Formula Grants: The WIA consolidated the funding streams of DOL's year-round and summer jobs programs – providing increased flexibility to local Youth Councils and enabling them to develop pathways for career opportunities. Funded at $1 billion, $22 million above the 200 level, this program will continue to provide essential job and learning opportunities to roughly 612,000 disadvantaged youth.

Youthful Offenders. The budget includes $75 million for a new DOL initiative to link youthful offenders under age 35 with essential services that can help make the difference to their choices in the future, such as education, training, job placement, drug counseling and mentoring. Through federal to local competitive grants, this program would establish partnerships between the criminal justice system and local workforce investment systems created under the WIA to reintegrate youthful offenders into the mainstream economy, complementing a similar program in the Department of Justice. To maximize the impact of these initiatives, the DOL funds will be targeted to the same communities and populations served by the DOJ initiative, while improving public safety. At the same time, DOJ also will earmark $5 million of its funds to focus on aftercare programs for juvenile offenders to build on existing collaborations between the two departments. **(QUESTION about policy: Do we really want to call a program that serves 34 and 35 year olds as "Youthful Offenders?" Reminds me of Henry Hyde's "Youthful Indiscretion") *[Pls consider: Can and should title be changed at this point?]* [Maybe "Youthful and First-Time Offenders"?]**

Preparing Workers for the 21st Century

The budget provides resources to help workers succeed in a changing economy.

Reemployment Services for All Who Need Them: In 2000, the President proposed a major initiative to help working and laid-off Americans get the information and training they need to succeed in a rapidly changing labor market. The 2001 budget continues progress toward the goals of: providing all dislocated workers the resources to train for or find new jobs; expanding and improving the employment services available to all job seekers and enhancing them for individuals receiving Unemployment Insurance; and ensuring that One-Stop services are universally available. The budget includes increases totaling $xxx million to build on last year's achievements toward the goal of a "universal system."

Dislocated Worker Training: The budget proposes $1.8 billion--an increase of $190 million and over three times the amount available when the President took office--to provide readjustment services, job search assistance, training, and related services to help dislocated workers find new jobs quickly. Among the workers assisted by the program, and the proposed increase, are those displaced by trade, technology, defense downsizing, and other causes.

Reemployment Services: The budget proposes $53 million to expand services to ensure that

Unemployment Insurance beneficiaries receive help finding new jobs. Total funding for grants to the State Employment Service, operating within the One-Stop system recently expanded in the WIA, is $854 million.

One-Stop Career Centers: The budget includes $173 million for new methods of providing employment and related information through America's Labor Market Information System and the One-Stop system. Efforts to improve access to One-Stop information and services include mobile service centers for sparsely populated areas, a toll-free number for easier access to information on services and locations, and enhanced technology for serving individuals with disabilities. Included in the proposal is $10 million for the new America's Agricultural Labor Network, an information system that connects growers seeking workers with workers seeking employment. Also included is $20 million to help individuals with disabilities return to work (discussed later in this chapter).

Incumbent Workers: To boost the skills and productivity of the U.S. workforce, the budget includes $30 million for competitive grants to States to train and upgrade the skills of incumbent workers. Applicants would be required to provide non-Federal matching resources, and employers that received grant assistance would be expected to demonstrate that training increased participants' earnings.

Trade Adjustment Assistance (TAA): The budget proposes to consolidate, reform, and extend the TAA and NAFTA-Transitional Adjustment Assistance (NAFTA-TAA) programs for workers who lose their jobs due to trade policies. The proposal would expand eligibility for TAA benefits to cover workers who lose jobs when plants or production shifts abroad; raise the statutory cap on training expenses; and add a contingency provision to ensure that the Federal Government has sufficient funds to finance any unexpected increase in benefit costs for eligible workers. The budget proposes to increase funding for the TAA programs by $31 million in 2001, for a total of $459 million over five years. **(This policy in play...)**

Unemployment Insurance (UI): These programs are the major source of temporary income support for laid-off workers. An estimated 7.8 million people will draw benefits in 2001. A recent dialogue involving the States, employers, workers, and the Federal Government identified a number of possible system improvements. The Administration is committed to working with stakeholders and the Congress to develop a broader legislative proposal of system reforms, developed with the overarching goal of budget neutrality and based on the following principles: expanding coverage and eligibility for benefits, streamlining filing and reducing tax burden where possible, emphasizing reemployment, combating fraud and abuse, and improving administration.

Removing Barriers to Employment

To advance the ability of all people to reap the benefits of a growing economy, this budget builds on recent successes in providing enhanced work incentives, while proposing innovative ways to tap our Nation's human resources.

Helping Individuals Move from Welfare to Work

Welfare-To-Work: To help reach the Temporary Assistance for Needy Families program's employment goal for severely disadvantaged welfare recipients, the Administration sought, and Congress provided to DOL, a total of $3 billion in 1998 and 1999. The budget provides for a two-year extension of the time period grantees have to spend their funds to continue their efforts and provide long-term recipients and non-custodial parents of children on welfare the work and employment services they need to help support their children.

Promoting the Employment of Individuals with Disabilities

Although unemployment is at a 29-year low, the unemployment rate among working-age adults with disabilities remains unacceptably high. The budget builds on the Administration's commitment to ensuring that individuals with disabilities have full opportunity to participate in, contribute to, and reap the benefits of a growing economy. The budget builds on recent achievements, establishing a new office for disability policy within the Department of Labor; improving individuals with disabilities' access to employment training programs; and building upon current programs for individuals with disabilities.

Ticket to Work and Work Incentives Improvement Act: In 1999, the President signed the Ticket to Work and Work Incentives Improvement Act, landmark legislation that eliminates the institutional barriers that have limited the employment opportunities of individuals with disabilities. The Act provides:

- Health Insurance Protections for Working Disabled. Disabled individuals who want to return to work may face the loss of Medicaid or Medicare coverage or incur prohibitive work-related costs, such as personal assistance and assistive technology. The Act seeks to remove these barriers by creating new options and incentives for States to offer a Medicaid buy-in for disabled workers and extending Medicare coverage for Disability Insurance beneficiaries who return to work.

- Ticket-to-Work: The Act establishes a new program to enhance employment-related services to help DI and Supplemental Security Income (SSI) disabled beneficiaries re-enter the workforce, giving individuals more choice in their selection of vocational rehabilitation service providers.

Bureau of Disability Employment Policy: The Budget would reconstitute the President's Committee on Employment of People with Disabilities as the Bureau of Disability Employment Policy and elevate the head of that office to a Presidentially appointed, Senate-confirmed position. This new Bureau will bring a permanent focus to the significant employment obstacles faced by individuals with disabilities and provide a forum for addressing those obstacles. The Presidential Task Force on Employment of Adults with Disabilities will work with the Bureau to ensure interagency policy coordination.

Work Incentive Grants: The budget continues competitive grants enacted in fiscal year 2000 (totaling $20 million a year) to be awarded to partnerships of organizations in every State, including organizations of people with disabilities, to help One-Stop Career Centers and Workforce Investment Boards provide a range of high-quality services to people with disabilities working or returning to work.

Tax Credit for Workers with Disabilities: The budget proposes a $1,000 tax credit for workers with disabilities or their spouses to defray additional work-related costs such as personal assistance services.

In addition, the Budget continues to invest in other programs which help disabled individuals prepare for the workforce, including $6.4 billion for special education programs, described earlier in this chapter, which serve individuals with disabilities up to age 21; and $2.8 billion for Vocational Rehabilitation. The Budget also supports other important disability programs, including the Committee for Purchase From People Who are Blind or Severely Disabled, the National Technical Institute for the Deaf, and Gallaudet University.

Improving Labor Standards for All Workers

In addition to expanding employment opportunities, the budget affirms the Administration's commitment to improving labor standards for all workers. The Administration's commitment has helped to produce the lowest occupational fatality and injury and illness levels on record. This budget builds on these accomplishments by increasing funding for programs to eliminate abusive child labor, raise international labor standards, promote equal pay, and ensure safe workplace conditions.

Eliminating Exploitative and Abusive Child Labor: The budget continues the Administration's five-year initiative to provide a $150 million investment to help reduce the incidence of exploitative and abusive child labor. The budget provides an additional $15 million over 2000 for the Bureau of International Labor Affairs (ILAB) to enable the International Labor Organization's International Programme to Eliminate Child Labor (IPEC) to expand its work into more countries and industries. This level will expand IPEC's ability to respond to increasing requests for technical assistance and increase the number of child labor elimination projects. In addition, the budget includes a $45 million increase for the School Works Program, for a total of $55 million, to help developing countries with high levels of abusive child labor to enroll and retain these children in basic education, as part of a comprehensive strategy to eliminate child labor.

Domestic Child Labor Activities: The budget includes $13 million for DOL, including $8 million to help eliminate domestic violations of child labor laws, particularly in the agriculture sector, and $5 million for demonstration programs to provide alternatives to field work for migrant youth. In addition, the budget proposes $2 million for DOL to implement targeted enforcement tools, including "strike teams," in the agriculture and garment industries to increase compliance with labor standards, including child labor.

International Labor Standards: The budget sustains $20 million to help the International Labor Organization (ILO) create a multilateral technical assistance program to help developing countries implement core labor standards and build their own social safety nets, and $10 million for DOL to provide technical assistance on these issues in support of important U.S. bilateral relationships. The budget includes $10 million for a new Global HIV/AIDS Workplace Initiative targeted at providing multilateral assistance to the ILO to support health education and HIV prevention in the workplace. The budget provides $4.25 million for a joint DOL, EPA, and State monitoring initialize to address labor- and environment-related concerns about global economic integration through the development of better public information and technical assistance with respect to enforcement of domestic labor laws in developing countries. In addition, the budget provides $1 million for an independent evaluation unit to assure that the array of DOL programs targeted at promoting core labor standards, increasing global AIDS awareness and eliminating the worst forms of child labor achieve their intended results.

Ensuring equal pay: The budget continues $4 million for the President's Equal Pay Initiative, which will help employers assess and improve their pay policies and support public education efforts. In addition, the budget proposes a $12 million enhancement to launch a public information campaign on wage issues, support research to identify and analyze workplace dissemination, implement industry partnerships, and increase outreach and education efforts. Outreach efforts will be designed to reach at least 20,000 individuals and groups representing the full range of workers. Lastly, the Administration will dedicate in each of fiscal years 2000 and 2001 $10 million of the current revenue from H-1B nonimmigrant visa fees to train women for high-tech jobs and other skill shortage occupations.

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Workplace Safety and Health: The budget includes approximately $660 million to promote safe and healthful conditions for over 100 million workers through DOL's Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA). Through a combination of enforcement, compliance assistance, and regulatory approaches, these agencies protect workers from illness, injury, and death caused by occupational exposure to hazardous substances and conditions.

TO: Barbara Chow, Bruce Reed, Frank Holleman, and Mike Cohen

FROM: OMB, DPC, and Education Staff

SUBJECT: Decisions on selected Department of Education programs and initiatives

DATE: January 18, 2000

This memo outlines decisions that need to be made on selected Department of Education programs before policy documents related to the FY 2001 Budget can be completed. In addition, it includes the status of the development of other programs for which decisions are not as crucial over the next few days, but which may require additional discussions over the coming two weeks.

We provide a brief description of the programs for which there are outstanding issues, followed by the issues and options for resolving them. Where possible, we indicate in parentheses who supports which options, although some of these are only marginal preferences. Behind the cover memo is a set of background papers on the programs addressed in this memo.

21st Century Community Learning Centers

Description: The President's FY 2001 Budget will include an initiative to provide high quality, universal after- or summer-school programs for every student in a failing school. The initiative will expand the existing 21st Century Community Learning Centers program to $1 billion, more than doubling the $453 million in the program this year. The requested level is sufficient to provide either after-school or summer-schools programs for 80% (the assumed participation rate) of the students in the 8,000 schools currently identified under Title I as being in need of improvement, and provide continuation awards to current grantees. As in our ESEA proposal, there is a 50% matching requirement on the new funds.

Outstanding Issues:

- **Which schools should be prioritized to receive grants?** Do we consider failing schools to be those in corrective action (the worst schools) or all those in school improvement? The ED and WH positions have come much closer together over the last few days. Both options below provide a competitive priority for targeted schools, meaning eligible schools get extra points in the competition, as opposed to an absolute priority, which requires certain conditions **must** be met to receive funds. This means that failing schools will have a leg up in the competition for funds, but will not be guaranteed money for an after-school program unless they submit a high quality application. This however, can be a strength as some funds will then be available for non-failing schools – which will help preserve the broad support for the program.

Option 1: Provide a strong competitive priority on the new money ($547 million) for any school in school improvement. (DPC, OMB)

Option 2: Provide a strong competitive priority on the new money ($547 million) for any corrective action schools, and a less strong competitive priority for the other schools in school improvement (ED)

- **Should the funds be administered competitively or on a formula basis from the Federal level?** If competitive from the Federal level, ED retains more control over the quality of the awards and we sidestep the issue that some States have only a few schools identified for improvement. Also, moving to a formula is something that could easily be negotiated with Congress and therefore may not be necessary to do now. However, ED has never administered a $1 billion competitive grant program. And, if Congress will likely adopt a formula model at this high of an appropriation, then the Budget proposal should provide the Administration's view of how such a formula should look. If changed to a formula grant, we would need to include appropriations language in the Budget.

Option 1: Retain the program as a competitive grant from the Federal level. (DPC, OMB marginal preference)

Option 2: Any funds not needed for continuation awards or national activities would be allocated to the States by formula. Each State would receive funds based on their share of Title I Grants to LEAs funds. States would structure their competitions to reflect priorities as decided in the question above. (ED)

Title I Accountability

Description: In the FY 2001 Budget, the Administration will pursue an appropriations language strategy, similar to last year's strategy, to ensure there is authorizing language for the Accountability Fund if the ESEA reauthorization does not pass, and to make modifications in the Fund's provisions. There is agreement that in FY 2001 the Fund should equal $250 million, that most of the money should be used to turn around failing schools, and that the language should include the strongest choice provision possible.

Outstanding Issues

- **Should the language include an earmark for "$250 million", or for "$250 million or 3%, whichever is greater"?** The argument for $250 million is that is the exact amount agreed to. The $250 million or 3% approach allows us to retain the idea of our reauthorization proposal.

Option 1: earmark $250 million (OMB)

Option 2: earmark $250 million, or 3%, whichever is greater (ED)

Senate Democrats
looking to go
to 4-4½%.

- **What percentage of funds should go to LEAs?** The ESEA reauthorization proposal allows States to keep up to 30% of the funds to implement accountability systems and to provide technical assistance and requires that at least 70% go to school districts with low-perfomring schools. At $250 million, at least $175 million would go directly to LEAs, $41 million more than last year). The FY 2000 appropriations bill requires all 100% to go to LEAs.

  Option 1: retain ~~30%/70% split between~~ States and LEAs. (OMB, ED)

  Option 2: require that 100% of funds go directly to LEAs

- **Which schools should be required to implement a choice option?** The ESEA proposal allows LEAs to use a choice option for schools in corrective action, in conjunction with other corrective action activities. Option 1 strengthens that approach by requiring choice for all corrective action schools, the worst of the failing schools, but a small enough number of schools so that the requirement should not create a capacity problem. The ~~Republican proposal~~ H/R 2 requires all schools in school improvement to offer choice to all of their students, to be implemented within18 months of being placed in school improvement. The 2000 appropriations language requires all schools in school improvement to offer a choice option, unless the district shows the State that it does not have the capacity to do so, then choice must be offered on an equitable basis. In all cases, the choice requirement would apply only those schools that receive resources from the Accountability Fund.

  House - passed ESEA bill
  bargaining chip

  Option 1: all schools in corrective action (ED; OMB unless the number of schools in corrective action is very small) If they take the $ or not, they have to do it!

  Option 2: all schools in school improvement

  Option 3: all schools in school improvement unless the LEA shows that it does not have the capacity to carry out that policy

- **Should transportation costs be limited to 10% of the Accountability Fund?** A concern with last year's choice provision was the lack of limit on transportation costs, which would possibly draw funds away from school improvement activities. However, a specified limit may have the unintended effect of raising the amount spent on transportation by giving a green light to spend on an activity that ED has tried to discourage.

  Option 1: yes (ED; OMB: include the 10% limitation on transportation if the choice provisions is expanded beyond corrective action schools)

  Option 2: no

- **Which schools should be prioritized for services?** The ESEA proposal places a first priority on schools in corrective action, and a second priority on other schools in school improvement. However, some States have identified few schools for school improvement and even fewer for corrective action. In that case it may make sense to allow funds to be used on other low-performing schools

Option 1: first priority on corrective action schools, second priority on school improvement schools, unless the State has identified very few, then the lowest-performing schools (should we define these?).

Option 2: all school improvement schools on an equal basis, unless the State has identified very few, then the lowest-performing schools (should we define these?).

Recognition and Rewards

Description: This initiative creates a $50 million rewards fund for states that make exemplary progress in student performance and close the achievement gap on the National Assessment of Educational Progress exams in 4^{th} and 8^{th} grade reading and mathematics. In FY2001, rewards would be given to states based on achievement gains on the 4^{th} and 8^{th} grade math exams between the 1996 and 2000 administrations. Fifteen states would not be eligible for rewards based on non-participation in either 1996 or 2000; the number is much smaller if earlier NAEP scores are allowed as the baseline. Based on state eligibility of 7-15 states for rewards, awards could range from $3.5 - $7 million. Currently NAEP subjects like math and reading are administered only every four years. Each administration of NAEP for math or reading in two grades costs $12 million. We may want to consider administer math and reading biennially, on alternating years.

- **Should NAEP scores be the only allowable basis for rewards, given that not all States participate in NAEP?** If any NAEP scores from 1994 on are allowed as the baseline, then six States would not be eligible for reading awards for at least four years, assuming additional administrations of NAEP (AK, ID, NV, OH, SD, VT), and two States would not be eligible for math awards for at least five years (PA, SD). However, NAEP tests are widely believed to be the most rigorous measure available of student achievement and the vast majority of States participate in it.

  Option 1: use NAEP only as the basis for the rewards, administer math and reading NAEP biennially, and encourage all States to participate.

  Option 2: use NAEP as the basis for the rewards, administer math and reading NAEP biennially, and in the first few years of the program, allow non-NAEP States to provide an independent assessment of the quality of their standards and assessments, and if they are determined to be rigorous, allow those States to use state assessments as the basis for the rewards. By 2004, NAEP would be the only basis for the rewards. States that have not participated in NAEP would provide an independent assessment of their standards and assessments that attests to their rigor, and then could qualify for an award if they show substantial improvements in achievement and closing the learning gap as measured by their State assessments

ED doing approps lang. on rewards &

- **Should having a high school exit exam be a requirement for receiving a reward?** Given that the rewards are based on 4th and 8th grade performance, this would include an accountability mechanism at the graduation level. It would place an incentive on having an accountability system in place that includes graduation. However, it is a departure for the "reward for performance" construct and it would reward states for having exams in place for graduation that include 8th grade standards. At present, there are reported to be only 8 states that have graduation exams that use a 10th grade standard. The emphasis would be on inputs rather than outcomes, which would be contradictory to the rewards message and incentives.

rewards for higher exit exams

Option 1: States must have a high school exit exam with at least 10th grade standards in order to receive a reward, even if they show the required gains in student achievement. (DPC)

Option 2: Do not require a high school exit exam as a condition for receiving an award.

- **How much does a State need to improve in order to get a reward?** These issues may not need to be decided now in great detail right now. The current proposal suggests that a State that increases its mean by 3 points on NAEP and decreases the learning gap by 3 points, without a drop in scores for higher performing students would receive a reward. (Ten points is approximately equal to a grade level). Is this a sufficient increase? Also, should the rewards system be designed to reward improvements or high scores, or both?

CRJL on HS exit exams

(Do we need to spell out options for this, or just assume that we will need to discuss it further?)

School Renovation Program

Description: The Administration has proposed a $1.3 billion school repair grant and loan program. This program will support small (under $1 million) urgent need repairs for school districts with little or no capacity to fund renovation.

Outstanding issues:

- **Should our appropriations language amend the existing Title XII, or should it be freestanding?** Amending the existing Title XII of ESEA would be more attractive to some members of Congress, however, Title XII would need to be changed considerably in order to allow for loans and to change the allocation of funds based on school districts. Using appropriations language that does not tie to any existing authorization may allow for more flexibility in creating the program.

Option 1: Use existing Title XII authorization.

Option 2: Do not use existing Title XII authorization, and instead include a freestanding provision in the Budget.

Status of Other Programs with Outstanding Issues

The following programs have either been developed to the point that there are no outstanding controversies, or need further development, but not immediately. Background papers on all of these are attached.

Hometown Teachers: In general, there is policy agreement on this issue. OMB, DPC and ED are still addressing a few details of the program including a possible name change. (see page... in attachment)

Teacher Quality Incentive Award: In general, OMB, DPC and ED have reached consensus on policy issues. Details of this program, including the exact targets a district must reach to receive an award and the measuring tools to be used, still must be determined. (see page... in attachment)

Higher Standards, Higher Pay: Significant policy work remains to be done on this program. ED and OMB have expressed many concerns regarding the most recent proposal. Among these concerns are (1) Under the current proposal, all teachers will receive a $5,000 salary increase, regardless of quality, until a peer review is in place (2) Under the current proposal, the federal government would pay for teachers' salary increases indefinitely, and (3) The current proposal does not necessarily insure that districts will use rigorous peer reviews -- a district could provide all teachers an additional $5,000 (above the first $5,000). Additional concerns are listed in the attached document. (see page... in attachment)

DPC — work on rewards + HS exit exams

— paper on peer review

Bethany Little
01/18/2000 12:18:39 PM

Record Type: Record

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

cc:
Subject: Peer Review

Following is the revised peer review proposal. I would love to have your feedback to ensure that it reflects our conversation this morning and addresses any other concerns you may have. Because the research and background for the proposal will not change based on this morning's meeting, I am including only the proposal and cost estimates. Thanks for your help!

P.S. Please let me know if there are any other pieces that need to be edited (i.e. SOTU or budget chapters).

<u>DPC proposal:</u>

This initiative would award competitive grants to high-poverty school districts to help them ensure that all teachers meet high standards, and help them attract and retain high-quality teachers and principals through better pay. In order to receive funding, partnerships involving school districts, local businesses, and teacher's unions, would take aggressive steps to raise teacher standards including: regular, rigorous peer evaluations of every teacher that include student performance as one measure; professional development and intensive support to help all teachers and principals succeed; and streamlined but just systems to improve or remove teachers identified as low-performing by their peer evaluation or otherwise. Participating partnerships would agree on steps to recruit talented new teachers, test new teachers (including in the subject they will teach), reward good teaching, provide mentors for new teachers and principals, and adopt faster but fair ways to identify, and improve or remove low performing teachers. School districts would require regular, rigorous peer evaluations (which must include student achievement as one performance measure) of every teacher to provide advice and extra help to all teachers, and identify those few who should be placed into the district's streamlined program to improve or remove low-performing teachers. All teachers in participating school districts would receive up to a $5,000 salary increase when their district implemented the program, and new teachers recruited to the district would also be eligible for the higher pay level in order to encourage talented teachers to teach in these high-poverty districts. All teachers in the district could then be eligible for an additional salary increase when they successfully completed their regular, rigorous peer review (up to $5,000). Master teachers, reaching an advanced professional standard defined by the state or who get advanced certification through the National Board for Professional Teaching Standards Certification, could receive an additional bonus of up to $5,000. Teachers should be treated and paid like professionals, and held to high professional standards. No teaching contract or license should provide a lifetime job guarantee, but we must provide all our teachers the intensive support and training needed to succeed.

what happens if they don't pass?

It is expectation f...

To ensure both sound policy and political viability, any program funded under this initiative should have the following characteristics:

- No teacher should receive less compensation as a result of participating in the program;
- Teachers should be involved in the development of performance indicators, evaluation criteria and systems to improve or remove low-performing teachers;
- Evaluations should be based on more than a single indicator;
- Student performance must be an indicator.

Cost:

Including a substantial independent evaluation component, ten to fifteen Higher Standards, Higher Pay sites (depending on the size of the districts that apply) could be funded adequately for $50 million in the first year, assuming a 25 percent local match. The match would be " open"; meaning it could be provided with LEA dollars, state dollars or dollars raised from the private sector. This estimate also assumes $1 million per site to invest in developing a good peer review system, guaranteed salary increases of $5,000 for each participating teacher and an average of 800 teachers per site. An additional $2 million is set aside for national activities to attract potential grantees and to conduct rigorous evaluation of programs. The funding would need to be increased in the outyears to accommodate the second round of salary increases, as well as any growing student enrollment.

Laurette Crum
Congressional Justification

Home Grown Teachers Proposal

This program would provide competitive grants to high-poverty school districts to develop programs to "grow their own" teachers as a means of addressing their shortage of qualified teachers. Programs supported by this grant would begin to cultivate and recruit students as early as middle school and would intensify the recruitment and cultivation efforts as participants move through high school. Upon high school graduation, participants would attend universities to gain expertise and teacher certification in a high-need field. After college, the students would return to high-poverty districts to guaranteed teaching positions. Throughout the program, students would receive exposure and training experiences at summer camps and as teaching assistants. "Home grown" teachers would also receive salaries for work during high school and college, scholarships for tuition, recruitment signing bonuses, and high quality professional development. Finally, even before the first cohort of "home grown" teachers enters the classroom, a program will have been established that helps high-poverty school districts address general community needs, offer summer activities for students, and helps steer students from high-poverty districts toward college and a career.

Program Structure: Competitive grants for the "home grown" teacher program would be made to high-poverty school districts with shortages of qualified teachers. During the first year of the program, $100 million would fund summer training camps, community service activities, and participant salaries for prospective teachers in 100 school districts. When the first cohort of teachers reaches college, in year three, $200 million of federal funding plus a 25% local match will fund college scholarships for a select group of 100 participants per school district, and summer salaries, at the entry level, for 500 participants per school district. When the first cohort graduates from college, six years after the start of the program, $400 million of federal money along with a 25% local match will fund signing bonuses and national certification for an average of 250 new teachers per school district.

The program would have four stages.

Middle School: This stage entails exposing middle school students to the teaching profession. In middle school, "home grown" teachers would serve as teachers' aides or help tutor elementary school students. Middle school students might also participate in activities such as a special student advisory board to the principal, or a school improvement committee. Participants would be offered special opportunities such as field trips to elementary schools to offer them more opportunities to learn the skills needed for teaching.

In order to retain student's interest over the summer and build students' connection to their community, districts would sponsor summer camps during which middle school students, under the guidance of older students and teachers, could participate in activities that identify and solve a particular challenge to their community. These camps would not only help build skills needed to be a successful teacher, such as teamwork and problem solving, they would also help to build a bond between the "home grown" teachers and their community.

Throughout this phase, districts would be responsible for creating programs that help them identify promising "home grown" teachers through activities that also serve the current needs of the district. Students would be held accountable for their performance in these activities, with the most promising students progressively receiving additional responsibilities.

High School: As students progress to high school, the program will provide increased incentives and opportunities as well as an intensification of the cultivation and selection process of "home grown" teachers. High school students would compete for positions as teacher assistants and as tutors, earning them course credit and pay. Students would also be offered summer employment to work at the same summer camps that they attended as middle school students.

While students continue to gain experience as teachers, school districts would help them select an appropriate college and study emphasis. This would allow schools to guide students toward high-need subject areas and provide students guidance in selecting a college. At the end of high school, the most promising students would receive college scholarships. At this point, districts will also make arrangements with students to offer summer employment while the student is in college and to offer a position on the faculty once the student completes college.

College: During this stage, "home grown" teachers would be accountable for majoring in a specified subject area, maintaining a minimum grade point average, and earning a teaching certificate. Districts would offer participants guaranteed summer employment, and if possible, part-time jobs in after school programs during the school year. During the summers students would earn entry level salaries as teaching assistants to summer school teachers or as counselors for the district's summer camps. During the summer before graduation participants would work as summer school teachers.

Post-College: After participants successfully complete college they would be guaranteed a job in their own or another high-poverty school district. Districts would be required to develop employment packages that would be used to encourage the "home grown" teachers to accept teaching positions. These packages would include signing bonuses in exchange for a service commitment , pay-for-performance, and increased salaries for increased responsibilities. These increased responsibilities might include gaining national certification or serving as the school's professional development coordinator or lead teacher.

In addition, "home grown" teachers would serve as role models for their students in high-poverty districts. They would coordinate activities such as the summer camp for the next generation of " home grown" teachers.

PREPARER/EXT: Pete Weber/5-4687.

Support of reauthorized ESEA
$1 billion standards-based reform

Andy Rotherham
12/28/99 03:52:05 PM

Record Type: Record

To: Kendra L. Brooks/OPD/EOP@EOP, Bethany Little/OPD/EOP@EOP, John B. Buxton/OPD/EOP@EOP

cc:
Subject: development of ideas

Peer Review 25

I had a quick chat with Mary Cassell and Ann O'Leary on development of the ideas for 2001 budget. Here is the shorthand we came up with for responsibilities. Please let me know what you all think:

Title II
JB, Me, Pete Webber

School Leadership 40
Early childhood 40
Troops 2.5
Home Town 75
Ethics 23.3
EM+SC 15
243.3

state grants $756.7 ($793 is target)

$1 billion

Small Schools

High School Reform $120
Behany, Ann, Kendra (test prep), department of ed

$1 Billion in FY01

Title I Failing Schools
Me, Ann, Mary

After-School
JB, Mary, Ann
Mike C.

universal
academic
CBOs

Rewards- Recognition
$50 million JB, Kendra, Mary, Tom C.

Email to Mary Wayne

These are just the lead folks, everyone should be involved and the department should be engaged on all of them.

AP on-Line — $10 million
JB, Pete, Henry Kelly, Judith Anderson @ ED — tie to LEA

SAT/ACT Test Prep — $10 million
Kendra, JB, Jennifer

South Carolina
North Carolina

Schools

Standards
Teachers
Internet
Math + Reading ↑ across the country

Smaller classes
After-school

Preschool

Basics — Good Schools

N.Y. Gov. Wants Subsidized Tuition For Future Teachers (Cont.)

temporary licenses seeking permanent certification would be eligible for vouchers up to $2,000 a year to cover test preparation and required coursework.

The governor also proposed an alternative certification program for aspiring teachers who have pertinent life experience and education in the fields they plan to teach in, renewing the recent teacher hiring debate (ED, Nov. 16, 1999).

'The Colin Powells and Billy Joels'

The state's largest teacher union was guarded about the proposal: "We have to see the details," United Federation of Teachers president Randi Weingarten told *The New York Times.*

"If what he is talking about is getting the Colin Powells and Billy Joels into the classroom, that is unrealistic," she added. "You need to know your content, but pedagogy is also critical."

The governor also highlighted school safety in his plan, with proposals for a school code of conduct that would govern language, dress and behavior.

Pataki would require New York schools to develop comprehensive safety plans in consultation with law-enforcement agencies; give teachers the authority to remove disruptive students from the classroom for up to 10 days; conduct criminal background checks on all prospective school employees; and establish a uniform statewide incident reporting system for violent crimes on school grounds.

The text of the governor's speech and the entire Schools 2000 plan is available online at www.state.ny.us/governor/.
—Michael Cardman

White House Looks To Fund Preschool Teacher Training

The Clinton administration announced Thursday it will seek $30 million for fiscal 2001 to fund the training of early childhood teachers.

"Although parents are the first and best teachers, it is essential that we provide high-quality teachers to support children's learning at this critical juncture," Vice President Al Gore said.

"This funding will dramatically increase the number of highly-qualified teachers who are preparing our young children for success in school," Gore added.

The "Early Childhood Educator Professional Development" initiative would fund competitive grants for partnerships composed of agencies that train teachers, such as universities, local school districts or Head Start programs.

The partnerships would use the funds to train early childhood educators—especially those working with poor children—in teaching fundamental language and literacy skills.

Currently, 40 percent of preschool teachers have a high school diploma, while 10 percent have a degree from a two-year or community college, according to Gore.

The proposal will be included in the administration's fiscal 2001 budget plan—set for release in early February—along with funds for repairing or expanding the nation's oldest and most crowded schools (ED, Jan. 6).
—Michael Cardman

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Draft by next Thursday
Victory Lap
Continue the work we started

Flesh out the vivid particulars

RESEARCH AND ANECDOTES NEEDED
Including real people, success stories, facts.
Deadline: Saturday, January 8, 5pm

Economy

Domestic

Incomes up – what that means for average families
Birth and rise of new industries – and predictions for the new century
Statistics re: modern American affluence, eg, # of home computers, homes with two TVs, microwaves, vacation homes
Minimum wage – in real terms
20 million jobs: types/ people who have new jobs because of our efforts
Tom K Digital Divide – stats. How many connected/ demographics; race.
Examples of startup businesses that have grown
Homeownership; min wage
Raising min wage -- how many impacted
New markets related facts/ eitc
Equal pay stats
Lifted out of poverty by EITC since 1993
Have bought first home since 1993
Impact of deficit reduction on average family. and lower interest rates, impact on working families.
In past 7 years we have freed up X billion for productive investment -- and lower interest rates have put x dollars in the pockets of working families.
How much money available thanks to EZ, community reinvestment act.

International
Pace of trade around the world
% of US economy on trade
Trade/ globalization: ie: in 1970, trade accounted for 10 percent of America's economy. today, Trade accounts for about 1/4 of America's economy.

Technology/ Medicine/ Biotech
Genome
Diseases conquered
Projections on gains
Children covered thanks to our policies CHIP
Life expectancy, etc.
Tobacco stats
Cigarettes -- how many killed

- Natasha
new markets

Environment
Lands legacy – acres we've protected
Clean air policies – in real terms
How much land we saved over last 6 years (compared to Roosevelt);

Social Security/ Medicare/ elderly
How many people would have lost health care if stayed on path w/ Medicare

Crime
Stats re: guns, Brady
Prison reform
Drugs – impact of our programs
Guns -- how many people accidentally killed
~~Prison:~~ stay clean, stay out. facts -- success stories.
ED ESL
~~Crime~~/ cops, enforcement
School violence – stats, examples, progress
How people victims hate crime
Crime stats: murder rate, guns out hand criminals, drug use, etc. Examples of successful communities.

Community/ Service
Philanthropy – examples of individuals
faith-based organizations
Americorps – numbers and alumni. Specific efforts.
child care tax credit
Deadbeat dads – stats
Welfare to Work – case #s

Education

% of fathers who don't see fathers every night

Education new covered under program
JB After school programs – examples of success; stats. How many kids gone into afterschool
JB Schools wired – how long until we reach our goal
Teachers: teacher quality: accountability. examples, success stories, stats — teachers
Brian Kennedy – School construction facts. ~~Studies~~, examples, successes
How many people: ave cheaper student loans; benefited from hope scholarships;
Low income students w/ college -- how earning potential impacted by college degree

Health
Prescription drugs -- how many affected: how cheap drugs are across the border
Have been helped by FMLA
New treatments, ooh ah

Bethany +
Andy – SC principal

fax

Joshua S. Gottheimer
12/29/98 12:05:04 PM

Record Type: Record

To: Paul D. Glastris/WHO/EOP

cc:
Subject: here you go...

Education
[Tanya Martin and Tom Kalil]

Actual, specific, concrete gains from Chicago's social promotion education reforms

#s re social promotion - i.e., "Hundreds of thousands of children move from grade to grade each year in this country even though their own teachers say they can't do the work. Millions graduate from high school each year without being qualified to do so. ... [hundreds of thousands graduate from high school each year wihtout being able to read their own diploma]."

Economic benefits from going to college -- *future jobs*

Stuff on Massachussetts tests & teachers
Stuff on teacher quality

#s of classrooms connected to internet in past several years -- how many to go -- how many til we reach our goal

wiring state - future goals [Tom]

check from Marannis or other speeches - names of teachers in Clinton's life? Aphorisms?

report on social promotion [*newspaper series from Chicago Tribune - Tanya*]

Joshua S. Gottheimer
12/30/98 05:01:42 PM

Record Type: Record

To: Michael Waldman/WHO/EOP, mawaldman@aol.com @ inet, Paul D. Glastris/WHO/EOP

cc:

Subject: educ stat correction

---------------------- Forwarded by Joshua S. Gottheimer/WHO/EOP on 12/30/98 03:58 PM ---------------------------

Julie_Kaminkow @ ed.gov (Julie Kaminkow)
12/30/98 03:46:27 PM

Record Type: Record

To: Joshua S. Gottheimer/WHO/EOP

cc:

Subject: Re: <no subject>

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these numbers are as of spring 98:

Number of public elementary and secondary school CLASSROOMS nationwide: 2,398,792

Number of public elementary and secondary school CLASSROOMS nationwide with Internet access: 1,391,299 are wired (58%)

Not our goal but we're getting there!

Background on President Clinton's Agenda for the Nation State of the Union Address January 19, 1999

Background on President Clinton's Agenda for the Nation
State of the Union Address
January 19, 1999

21st Century Schools

- Accountability for Results
- Accountability for Results: End Social Promotion
- Accountability for Results: Turn Around Low Performing Schools
- Accountability for Results: Put Qualified Teachers in the Classroom
- Accountability for Results: Issue School Report Cards
- Accountability for Results: Adopt Discipline Policies
- A National Effort to Reduce Class Size in the Early Grades
- Modern School Buildings to Improve Student Learning
- Recruiting Outstanding New Teachers for Our Nation's Public Schools

21st Century Support for American Families

Labor

- Minimum Wage Increase
- Ensuring Equal Pay

Child Care

- Expanding the Child Care Block Grant
- Expanding After-School Opportunities
- Giving Greater Tax Relief for Child Care to Three Million Working Families
- Providing Tax Relief to Parents Who Stay at Home
- FMLA Expansion
- Prohibiting Discrimination Against Parents

Health Care

- Addressing Growing Long-Term Care Needs
- The Potential of New Biomedical Research
- Protecting Patients through a Strong, Enforceable Patients Bill of Rights
- Protecting Privacy of Medical Records
- Encouraging Small Businesses to Purchase Health Insurance
- Providing New Options for Americans Ages 55 to 65 to Obtain Health Insurance
- Improving Economic Opportunities for Americans With Disabilities
- Improving Health Care Access for Uninsured Workers
- Providing Critical Mental Health Prevention and Treatment Services
- Protecting Our Children From Tobacco
- Largest Increase in Family Planning Grants in 15 Years

21st Century Economy

- Re-employment Initiative
- Helping Adults Who Lack Basic Skills
- Welfare Rolls Decline as More Recipients go to Work
- Additional Welfare-to-Work Assistance
- New Markets Investments Initiative
- Empowerment Zones
- Community Development Financial Institutions Fund (CDFI)
- Crop Insurance Program
- Information Technology Research
- Y2K
- Financial Architecture
- A Firm Commitment to Free and Fair Trade
- Traditional Trade Negotiating Authority
- Caribbean Basin Trade Enhancement
- African Growth and Opportunity Act
- New WTO Round of Global Trade Negotiations
- International Labor Rights
- Child Labor
- U. S. Manufacturing Exports

A Strong America in a New World

- Bringing Hope to Northern Ireland
- Securing Peace in the Balkans
- Promoting Peace in the Middle East
- Defending Against New Threats to America's Security
- Cooperative Threat Reduction Initiative
- Containing and Opposing Saddam Hussein
- Comprehensive Test Ban Treaty
- Strengthening America's Military
- Strengthening Alliances and Promoting Freedom
- Payment of United Nations Arrears
- Hurricane Mitch Response
- U.S. - Africa Partnership for Economic Growth and Opportunity

21st Century Communities

Crime/Drugs

- 21st Century Policing Initiative
- Zero Tolerance Drug Supervision
- Making the Brady Waiting Period Permanent
- Preventing Violent Juveniles from Buying Guns
- Child Safety Locks for Handguns
- Helping Make All Schools Safe, Disciplined, and Drug-Free

Environment

- Climate Change
- Livability Agenda: Easing Traffic Congestion and Community Planning and Collaboration
- Livability Agenda: Better America Bonds
- Lands Legacy Initiative
- Clean Air Partnership Fund

Service

- AmeriCorps

Political and Government Reform

- Enact Bipartisan Campaign Finance Reform
- Reinventing Government

One America

- English Literacy/Civics Initiative
- Civil Rights Enforcement
- The Employment Non-Discrimination Act ("ENDA")
- The Hate Crimes Prevention Act

Peroration: the Millennium

- Millennium Communities Program
- Save America's Treasures Program

21ST CENTURY SCHOOLS

Accountability for Results

In his State of the Union Address, President Clinton will announce a package of accountability measures designed to hold students, teachers, and schools to high standards, and to ensure that school districts and states provide students with a high quality education. These proposals will help to lift student achievement in every public school and close the achievement gap by giving special attention to disadvantaged students in low-performing schools.

The President's plan marks a sea change in national education policy -- for the first time holding states and school districts accountable for progress and rewarding them for results. While insisting that states and local governments retain primary responsibility for education, President Clinton will callon Congress to make sure federal dollars support what works and not what doesn't. His proposal emphasizes reforms that a growing number of states, cities, and schools across the nation are implementing and that are producing clear results.

Specifically, the President will announce that he will send Congress legislation to reauthorize the Elementary and Secondary Education Act (ESEA) to ensure that schools end social promotion; teachers are qualified to teach the subjects they are assigned; states turn around their lowest-performing schools; parents get annual report cards on school performance; and schools institute effective discipline policies.

Accountability for Results: End Social Promotion

The President's ESEA proposal will require states and school districts to end social promotion -- the practice of promoting students from grade to grade regardless of whether they have mastered the appropriate material and are academically prepared to do the work at the next level. Students who are promoted without regard to their achievement fall even further behind their classmates, and are more likely to lack basic skills upon graduating from high school.

To ensure that this requirement helps more students succeed, rather than simply increasing the number held back, states and school districts would have to show how they will help students meet promotion standards on time by (1) strengthening learning opportunities in the classroom with clear standards, small classes with well-prepared teachers, high quality professional development, and use of proven instructional practices; (2) identifying students who need help at the earliest possible moment; (3) providing extended learning time, including after-school and summer school for students who need extra help; and (4) developing an effective remedial plan, with intensive intervention, for students who still do not meet the standards, so they can get back on track in their schooling.

In 1996 President Clinton challenged every state and school district to adopt policies to end social promotion and require students to pass high school graduation exams. Twenty six states now have high school exit exams, and last year four states adopted policies to stop promoting unprepared students from grade to grade. A growing number of urban school districts, including Boston, Philadelphia, New YorkCity, and Washington D.C. are adopting similar policies. In Chicago, which three years ago ended the practice of social promotion in a way that gives students who need it substantial extended learning time, citywide math and reading scores have gone up every year, with the largest gains among the most disadvantaged students. President Clinton's FY 2000 budget proposes to triple federal funding for after-school and summer school programs (from $200 million to $600 million) to help schools ending social promotion give students the extra help they need to succeed.

Accountability for Results: Turn Around Low Performing Schools
The President's ESEA proposal will require states to identify the schools with the bwest achievement levels and least improvement and take corrective action to turn them around. These corrective actions, based on a careful assessment of each school's needs, would include steps such as intensive teacher training, support to improve school discipline, and the implementation of proven approaches to school reform. If these actions do not result in improved student achievement within two years, the proposal would require states to take additional corrective actions, such as permitting students to attend other public schools; reconstituting the school, by fairly evaluating the staff and making staff changes as appropriate; or closing the school and reopening it as a charter school or with an entirely new staff. Nineteen states currently take similar actions to help improve low-performing schools, and experience demonstrates that when these interventions are carefully implemented and accompanied by the resources to support change, schools improve and student achievement increases. The President's FY 2000 budget contains $200 million to help states begin taking these steps immediately.

Accountability for Results: Put Qualified Teachers in the Classroom
According to the National Commission on Teaching and America's Future, one of the most important factors in improving student achievement is the knowledge and skills teachers bring to the classroom. Yet every year, approximately 50,000 individuals teach on "emergency" certificates, which means they do not meet the standards the state has set for certification. In addition, numerous teachers teach subjects for which they lack adequate preparation, with fully one quarter of secondary school teachers lacking even a minor in their main teaching field. Students in schools with the highest concentrations of poverty -- those who often need the most help from the best teachers -- are most likely to be in classrooms with teachers who are not fully qualified: for example, in schools with the highest minority enrollment, students have a less than 50 percent chance of having a math or science teacher with a license and degree in the field.

The President's ESEA proposal will require states to adopt performance examinations for all new teachers, requiring them to demonstrate both subject-matter knowledge and teaching expertise. The proposal also will require states and school districts to phase out, over five years, the use of teachers with emergency certificates and the practice of assigning teachers to subjects for which they lack adequate preparation. To support these new teacher quality standards, the proposal will provide resources to help states strengthen teacher certification standards, test new teachers, provide training to current teachers, and give incentives to recruit more highly qualified teachers.

Accountability for Results: Issue School Report Cards
The President's ESEA proposal will require states to distribute to all parents annual report cards for each school and school district, as well as the state as a whole. The report cards will include information on student achievement, teacher professional qualifications, class size, school safety, and other factors that will help parents to judge the performance of the schools. Where appropriate, the report cards also will show the academic achievement of ethnic and racial subgroups, to ensure accountability for helping all students achieve. Thirty-six states currently publish or require local school districts to publishschool report cards, and five additional states will begin the practice in the next two years. A recent report by Public Agenda, however, shows that only 31 percent of parents had seen these report cards. The President's ESEA proposal will help ensure that all parents in all states have access to the information they need to evaluate the quality of their schools and identify the areas in which improvement is needed.

Accountability for Results: Adopt Discipline Policies
Schools must be a place of learning. President Clinton already has challenged states, communities, and

schools to take a number of steps to restore order and safety, such as adopting school uniforms, enforcing truancy laws, and imposing curfews. But in some schools, the breakdown of classroom discipline remains one of the biggest obstacles to learning and one of the greatest concerns for teachers, students, and parents alike. The President's proposal will require states and school districts to adopt discipline policies to make sure students have the chance to learn and teachers have the chance to teach.

A National Effort to Reduce Class Size in the Early Grades
In his 1998 State of the Union address, President Clinton proposed to help local school schools hire 100,000 well-prepared teachers in order to reduce class size in grades 1-3 to a national average of 18, and make sure that every child gets a solid foundation in the basics. Studies show that smaller classes help teachers provide more personal attention to students and spend less time on discipline; this helps students to learn more and get a stronger foundation in the basic skills. In these studies, minority and disadvantaged students showed the largest achievement gains. Last year, Congress provided a down payment on the President's seven year, $12.4 billion proposal by appropriating $1.2 billion to help local communities hire about 30,000 teachers. Now Congress must finish the job by providing the next installment of funds for local schoolsto continue progress toward hiring 100,000 new teachers over seven years.

Modern School Buildings to Improve Student Learning
For students to learn, schools must be well-equipped and be able to accommodate smaller class sizes. In 1998, the American Society of Civil Engineers said that school buildings represent the nation's most pressing infrastructure need. To address this critical need, President Clinton is proposing federal tax credits as incentives to help states and school districts to build and renovate public schools. Half of the bond authority will be allocated to the 100 school districts with the largestnumber of low-income children, and the other half will be allocated to the states.

Recruiting Outstanding New Teachers for Our Nation's Public Schools
With more than 2 million teachers to be hired in the next ten years to accommodate record student enrollments and an aging teaching force, the nation must not only recruit an adequate *number* of teachers, but ensure a *quality* teaching force through effective teacher recruitment and preparation. The President's budget will contain a series of new initiatives and funding increases to help recruit well prepared individuals to teach where they are needed the most, in high poverty urban and rural communities. In particular, the President's FY 2000 budget will increase funding for his teacher recruitment effort enacted in last year's Higher Education Act — to $35 million from $7.5 million — to recruit 7,000outstanding new teachers into high need public schools by giving them scholarships in exchange for a commitment to teach. The President will announce other initiatives to improve teacher quality at an event later in the week.

DRAFT

Peer Review

Background:

Despite considerable attention to the issue of teacher quality, teacher pay still remains far below other professions with the national average starting salary only approximately \$25,000, average teacher salary overall only approximately \$38,000, and the average maximum teacher salary in any state only about \$51,000. After adjusting for inflation, the 1997-98 average teacher salary of \$39,347 is just \$1,924 more than the average salary recorded in 1972—a real increase of only about \$75 per year.

During the DPC's discussions with local school officials this fall, the issue of teacher salary structure was raised on two fronts. First, local officials complained that because teacher pay was not competitive, particularly in high need areas such as math and science, they were having trouble attracting qualified candidates. Second, local officials pointed out that because teacher compensation systems are so rigid and based on input measures rather than output measures, they are likely to hurt motivation and incentive to perform in the long run. They also highlighted the problems that they have dismissing poor performing teachers and acknowledged that often they simply assign these teachers where they can do the least damage rather than attempting to get them out of the school district.

In addition, the Vice President and others have called for developing more equitable and expeditious ways to improve teacher quality, reward good teachers and get low-performing teachers out of the classroom. Specifically, in his May 16th speech at Graceland College, the Vice President called for rewards for good teaching, testing for new teachers, and teacher evaluations by experienced peers and administrators every 5 years, along with faster but fair ways to identify, improve, and when necessary remove low performing teachers. Several large school districts and the state of California have programs similar to what the Vice President proposed.

California Governor Gray Davis and New York Governor George Pataki recently unveiled agendas heavy on education and focused on teacher recruitment in their State of the State addresses. Pataki proposed attracting teachers by covering the tuition costs for students in New York public colleges who agree to teach for four years in public schools with teacher shortages; to provide tuition assistance to help uncertified teachers achieve certification; and to let professionals from other fields teach without having to meet the current. In California, Davis proposed providing cash bonuses, scholarships and down payments for houses for teachers who agree to teach in weaker schools. He also proposed granting \$30,000 bonuses to teachers who achieve National Board certification.

England is now introducing pay for performance for teachers as well. This Spring the first component of the Blair proposal will be put in place. In the "Green Book" published in December of 1998 outlining school improvement strategies, the Blair Administration proposed rewarding teachers for high performance as a way to reward successful teachers.

While teachers' unions remain opposed to merit pay, they are open to the idea of peer evaluations and rewards for effective teaching. One of the main complaints about merit pay schemes is that they are too subjective and based more on relationships with supervisors than performance. The institution of rigorous peer evaluations of multiple measures, including student performance would be a more acceptable option for many unions, assuming teachers were involved in designing the peer review system.

A second complaint about performance rewards for teaching is that the resources for compensation rarely exist. For example, several New York school districts that experimented with merit pay had to suspend the program after it became fiscally impossible to reward all eligible teachers. A common complaint from teachers about reform efforts is a lack of sustainability. Federal resources for sustained salary increases would mitigate this concern.

Critics of performance pay also argue that teaching is a collegial profession and that efforts to reward individual performance detract from this atmosphere. There is little data upon which to judge this argument lending credence to the need to pilot such programs and evaluate them.

One area of agreement about pay for performance plans and higher standards for teachers is that teachers should have a voice in the development of the performance indicators. Teacher buy-in is essential for program success.

This spring, California passed a statewide peer review program that could result in dismissals for low-performing teachers. Boston, Cincinnati, Columbus, Minneapolis, Rochester, and Toledo also have peer review programs in place; however, often these programs focus on professional development rather than tenure issues. Cincinnati is a noteworthy exception and reviews teachers every 5 years and is probably the best example of a successful program.

DPC proposal:

Our initiative is designed to support the commitment laid out in the Action Plan from the 1999 National Education Summit to pilot pay-for performance initiatives in 10 states or school districts and also to encourage districts to develop equitable and expeditious ways to evaluate teachers.

This initiative would award competitive grants to high-poverty urban and rural school districts to help them attract and retain high-quality teachers and principals through better pay and higher standards. In order to receive funding, partnerships involving school districts, local businesses, and teacher's unions, would take aggressive steps to raise teacher standards and provide professional development and intensive support to help all teachers and principals succeed. Participating partnerships would agree on steps to reward good teaching, provide mentors for new teachers and principals, recruit talented new teachers, and adopt faster, but fair ways to identify, improve, and when necessary remove low performing teachers. School districts would require rigorous peer evaluations to identify potential master teachers, provide advice and extra help to all teachers, and identify those few who should be placed into a program to improve, or when necessary remove low-performing teachers. Under this proposal, all teachers in participating school districts would receive up to a $5,000 salary increase. Master teachers, reaching an advanced professional standard, would receive an additional $5,000 salary increase – for example, given to those who get advanced certification through the National Board for Professional Teaching Standards Certification or those who pass a rigorous peer evaluation demonstrating high-quality teaching based on clearly defined and objective standards. Teachers should be treated and paid like professionals, and held to high professional standards. No teaching contract or license should provide a lifetime job guarantee, but we must provide all our teachers the intensive support and training needed to succeed.

Although there will be pressure from constituency groups and within the Administration to explicitly define every aspect of the program for local school districts, it would be a mistake to do so. First, by specifically defining programs we would stifle innovation and limit the value of data from this pilot. For example, the 1999 National Education Summit pledge was deliberately vague as to whether pay for performance plans had to have an individual teacher component or could be school-site-based. Second, entangling the federal government too much in the area of teacher pay raises numerous political problems that can be avoided with a more flexible program design. The proper federal role in supporting this type of initiative is to provide leadership and resources, broad parameters for participation, and to measure, compare, and disseminate results. The ideal initiative would provide resources to 10 sites within a context of broad discretion as to program design.

However, to ensure both sound policy and political viability, any program funded under this initiative should have the following characteristics:

- No teacher should receive less compensation as a result of participating in the program;
- Teachers should be involved in the development of performance indicators, evaluation criteria and systems;
- Evaluations should be based on more than a single indicator;
- Student performance must be an indicator.

Cost:

Including a substantial independent evaluation component, 10 sites for pay for performance could be funded adequately for $60 million annually. With guaranteed salary increases of $5,000 for participation and assuming that all 10 sites enroll the maximum of 500 teachers, the bonus component will cost $2.5 million. For an additional $7.5 million we can support pay increases for performance, strong peer evaluations or additional credentials (such as National Board for Professional Teaching Standards) of up to $5,000 per qualifying teacher for a total program cost of $32.5 million for the actual bonus component. Each local site will need additional resources for development and implementation including legal and administrative expenses. At least an additional $2.5 million should be included for national activities to attract potential grantees and to conduct rigorous evaluation of programs.

The peer review component will cost approximately $25 million. Most districts that have implemented a peer review system have taken experienced classroom teachers out of the classroom to help develop it. Therefore, funding for the participating sites must be sufficient to allow for this reallocation of staff (essentially hiring teachers in their place), design and implementation of the plan and ongoing efforts. The Cincinnati public schools spend approximately $2.5 million annually on their model system and estimate that it took about $2.5 million to develop it initially. With approximately 50,000 students Cincinnati is one of the nation's largest school districts. Smaller districts could develop proposals that are less costly and so $25 million annually could adequately fund 10 sites and evaluation.

Strengthening the Academic Focus of 21st Century CLC After-School Programs

Summary

This memorandum presents five options for strengthening the academic focus of after-school programs supported by the Department of Education's 21st Century Community Learning Centers Program. Options include changes to the statute, changes in the current application, and developing separate RFPs for after-school programs under the current competition and those eligible due to their failing status. DPC recommends moving to a two RFP process in recognition of the distinct nature of eligible schools (failure v. geography). If we choose not to take that route, DPC would recommend amending the Absolute Priority statement and the criteria for "Quality of Project Design" to include "academic progress" language.

Background

The FY2001 budget request includes an appropriation for after-school programs for all Title I schools identified in need of improvement. The request will increase funding from a current level of $453 million to roughly $1 billion and will place a greater focus on after-school's academic benefits for children in "failing" schools.

At present, the RFP for 21st Century Community Learning Centers funding request little in the way of information about the academic design and effectiveness of proposed programs. The DPC recognizes that after-school programs help to achieve goals that are not academic in nature—such as reducing drug use, violence, and teenage pregnancy. However, if the President is going to recommend funding after-school programs at all failing schools and if the funding level is going to nearly triple, then we must ensure that recipients have in place effective plans to support better student performance. In short, we need to take steps to guarantee a better academic return on this investment

Options

OPTION #1: Insert academic language in the program's Absolute Priority statement.

The current "Absolute Priority" statement reads: "We will fund only those applications for 21st Century Community learning Centers grants that include, among the array of services required and authorized by the statute, *activities that offer significant expanded learning opportunities for children and youth in the community and that contribute to reduced drug use and violence."*

A rewritten statement would insert the following phrase after the term "learning opportunities": *which include as a goal helping students to meet state content and performance standards.*

Advantages: Ensures that all programs have an academic focus and that applicants address their academic design and how activities are aligned with standards.

Disadvantages: Senator Jeffords will likely oppose on the grounds that it tilts the program too far in the academic direction.

OPTION #2: Insert academic design language in application criteria #2, "Quality of project design."

Criteria #2 currently calls for a description of (A) how goals and outcomes are clearly specified and measurable, (B) the appropriateness of the project design for the target population, and (C) how proposed project will establish linkages to other organizations.

A rewritten criteria #2 could include either "*(D) the extent to which academic goals and activities are aligned with and support state content and performance standards appropriate for the target population*" or "*(D) The extent to which the project design includes goals and research-backed efforts to improve academic performance and is aligned with state content and performance standards appropriate for the target population.*"

Advantages: Requires participants to address academic design issue in both the project design and, by extension, the evaluation sections. Would ensure that applicants are focused on helping students achieve progress toward state standards as, at least, part of their program goals.

Disadvantages: If programs were strong enough in other areas, they could have weak academic designs and still receive an award. Also, likely opposed by Senator Jeffords.

OPTION #3: Increase the points awarded for Competitive Priority 1.

Competitive Priority 1 gives 5 points to applicants that "assist students to meet or exceed State and local standards in core academic subjects such as reading, mathematics or science, as appropriate to the needs of the participating children."

This option would increase the competitive priority to either 10 or 15 points, which would make it roughly as valuable as the project evaluation, adequacy of resources and management plan criteria.

Advantages: Elevating the competitive priority by 5 to 10 points would provide a large incentive to focus on designing program to help student reach state standards. Also, it would mean very little change in the application.

Disadvantages: This option gives does not ensure a stronger academic focus; it only creates a greater incentive for it.

Option #4. Create a different RFP for grants to be given to failing schools under the proposed Universal After-school initiative.

Rather than strengthening the current focus and introducing changes to a plan that enjoys broad public and Congressional support, the Department of Education could create a separate RFP for eligible "failing" schools that would be focused on the academic content of after-school programs and how programs will lead to progress on state content and performance standards.

Advantages: Doesn't monkey with the current popular formula (remember New Coke). Allows the creation of an RFP for failing schools that is very tightly focused on academics, student performance and new strategies.

Disadvantages: Creates a new RFP development process that would likely be opposed by ED and other groups who don't want after-school to be too tightly focused on academics and state standards.

OPTION #5: Change the statute to require services that lead to educational progress toward state standards for the target population.

As currently written, the statute for the 21st Century Program requires a number of services that grant recipients must offer as part of their funded programs. The statute could be changed to require academically focused activities that lead to progress on state standards for the target population.

Advantages: Accomplishes principal goal: ensuring a greater academic focus of funded programs.

Disadvantages: Could open Pandora's Box in Congress for inclusion of new required services into the statute. Will be strongly opposed by Jeffords. Also, social promotion would likely be an issue which could split the Democratic caucus.

Recommendations

Of these options, opening the statute up for change seems to be the most dangerous and unpredictable in outcome and shouldn't be pursued. If we are to take the "amend the language" route, then we should work to incorporate language in both the absolute priority and "quality of design" sections of the current application. Only in that way can we ensure a greater focus by applicants (and recipients) on academic rigor. Elevating the competitive priority only increases the incentive for making programs for academically-focused, it does not ensure that applicants will do it.

***DPC Recommendation*. Create separate applications for failing schools and schools applying under the current grant program and rules.**

The most sensible route, given the goals for the universal after-school initiative and for the current 21st Century grant program, is to create separate and tailored RFP's for (1) those schools that are eligible because of academic failure and (2) those schools that meet the geographic criteria (rural and inner-city). With split RFP's, we could keep the current RFP and perhaps incorporate some academic language in the criteria as outlines in Option #2, as well as create a more academically-focused RFP that makes clear the need for programs to help students make progress toward state standards. At base, universal after-school for failing schools is a different animal than our current program. Schools "qualify" (albeit by failing) for these funds and must create a program that responds to what they are trying to fix (failure). The current applications doesn't do that, nor do we want it to do it to the extent that it should for failing schools.

This has its problems as well. A dual application is likely to be resisted by the Department and groups who see kids in failing schools as needing something more than just academic rigor in the after-school hours. That said, those issues are probably manageable and this route could be a good compromise position with Jeffords. We would essentially be giving him a $453 million program for after-school that meets his specs. The universal after-school initiative would be a separate piece in design and selection, but not administration.

Independent School Leadership Centers: Training Leaders for 21st Century Schools

Summary

Without quality school leaders, school reform is destined to fail. To address this, our initiative would fund independent School Leadership Centers at the state and regional level. The Centers would focus on leadership development opportunities for existing schools leaders (principals, superintendents, etc) in areas such as effective management, school design, technology, and district governance. In addition, recruiting and training nontraditional candidates for school and district leadership would also be part of the Center's mission.

Independent nonprofits or public-private partnerships would run centers on a state or regional basis and they would be required to partner with leadership from the public and private sector. Just as Presidential leadership has increased the national focus on improving teacher quality, federal leadership is needed to push states to make greater investments in developing quality school leaders prepared for accountability, the devolution of decision making, and the focus on school-based reform. At present, there is no federal program focused solely on school leadership and only a handful of programs allow funds to be used for it. There is broad political support for a focus on improving school leadership, as evidenced by the inclusion of a smaller provision in the House-passed ESEA bill.

We recommend $40 million in competitive grants to fund approximately 20 state-level or regional centers.

Background and Rationale

The one area central to all school reform strategies is school leadership. The devolution of decision making—from budgets to curriculum to instruction—has brought much greater responsibility for superintendents, principals and other school leaders. It has also meant greater accountability for results. In these new systems, school leaders are being asked to play much bigger roles in crafting instructional approaches, restructuring their organizations, working with the local community, and using resources strategically than they have previously.

To support the development of school leadership, the DPC recommends a program that would seed regional and state-level partnerships that focus on the needs of school leaders and provide ongoing development opportunities for the current ranks. The federal government would serve as a catalyst for bringing nontraditional partners into the effort, such as the business community, to disseminate its lessons in leadership to those in charge of improving the public schools.

DPC Proposal

The Department of Education would run a competitive grant program that would provide seed/capacity-building funds to state or regional independent School Leadership Centers under the "national activities" section of the reauthorized Title II of ESEA. Multi-year grants would be made to nonprofit public-private partnerships composed of alliances of business groups, education stakeholders, and other relevant partners such as existing nonprofits or the armed services.

The centers would be focused on providing training and networking school leaders (ie, principals, superintendents, assistant principals, assistant superintendents, and select teachers), and attracting nontraditional candidates into the profession and constructing alternate pathways. Centers could not be run by state departments of education, university or college schools of education, or the federal government's regional education labs, although these organizations could be partners in the effort.

Funds would be awarded on a 3-5 year basis. Centers would be expected to offer training and services to support school leaders in areas such as instructional leadership, management practices, school organization, use of technology, school design, community engagement, and school board relationships. Centers would also be expected to involve leaders and best practices from fields other than education. An Advisory Board to the Secretary, made up of national leaders in the areas of education, business, nonprofits and the armed services, will be assembled to advise the Secretary on choosing grants.

The grant program would provide $40 million for funding leadership centers around the country. Grants would range from $250,000 to $1 million per year for three to five years. At an average grant of $500,000 for three years, funding could support 25 state-level or regional centers. In addition, the program would provide $2.5 million for rigorous evaluation of the centers and their impact. Grant recipients would be required to provide a 50% match, 30% of which could be in-kind.

After School Part I: Making After-School Universal for Students in Failing Schools

Summary

This proposal calls for the President to pledge that all children in failing school will have access to after-school and summer school. This can be accomplished by targeting the 21st Century Community Learning Centers grants to all Title I schools that have been identified as "in need of improvement." This recognizes the critical need of failing schools to provide children with more time to reach challenging academic standards and to do so through innovative and extended curricular activities. This initiative would be part of our Turning Around Failing Schools package and would undermine criticism that we aren't doing enough for students in these schools. While Republicans will likely criticize it as a "Washington knows best" initiative, it fits well in our education budget themes of "accountability and investment" and "strategic investments." Together with current commitments to the 21st century grantees, the estimate for the cost of such a pledge in FY2001 is $1.27 billion ($913 million for only after-school).

Background

At present, 7,000 Title I schools have been identified for "school improvement." These schools and their students need support to reach high academic standards and performance goals. Research shows that over the summer disadvantaged students often lose the gains they have made during the school year in academic skills and knowledge. In addition, numerous studies have found that after-school programs help increase achievement in areas such as math and reading.

The 21st Century Community Learning Centers grant program provides grants to public schools for after school, summer school and other extended learning programs. In FY2001, the program will provide $453 million in grants. Under the ESEA reauthorization proposal, the program intends to provide a competitive priority in the 2000-01 grant cycle for Title I schools identified as in need of corrective action.

DPC Proposal and Cost Estimates

The redesigned 21st Century Community Learning Centers grant program would provide grants to all Title I schools identified as in need of improvement for both after-school and summer school programs. It would also continue to fund its current commitments to after school and other extended learning programs at other schools.

At present, about 7% of all Title I students are served by after-school programs. If we assume those numbers apply to Title I schools in need of improvement, then roughly 1.6 million kids are not served by after-school programs. Assuming that, at most, 80% of those students will participate and that programs receive $700 per student, the additional outlay in FY2001 to cover students in failing schools is $460 million (with a 50% match). Together with current commitments of $453 million, the total outlay for universal after-school in FY2001 would be $913 million.

To extend the investment to "universal summer school" would increase the cost per student by $350 - $700, according to the Department of Education. Assuming that 80% of kids in high-poverty schools participate in summer school at an additional cost to the government (given a 50% match) of $250 per student, the additional outlay for summer school is $352 million. Together with current commitments ($453) and after-school ($460), the total package would run $1.27 billion dollars.

The Challenging Online Coursework for All Initiative
(shorthand: AP On-line)

Summary

This proposal is designed to ensure that students have access to challenging high school coursework regardless of the location of their school. The initiative would fund a competitive bid program to help subsidize the development of high quality Web-based AP, ESL and other challenging courses. The DPC recommends tying this initiative to increases in existing support for three key technology access programs: E-Rate, the Technology Literacy Challenge Fund, and the Technology Teacher Training Program.

Background

Students in many high schools in poor rural and inner city school districts lack access to the challenging coursework that students deserve in a quality education—and need to enter college. Faced with higher proportions of unlicensed and out of field teachers, especially in areas like math and science, little in the way of community financial and professional resources, and smaller numbers of students interested or prepared to take challenging courses, these schools are unable to provide challenging courses in areas such as Advanced Placement and English as a Second Language.

- Fewer than 60% of high schools offer AP courses to their students.
- In 1997, whites were more likely than blacks or Hispanics to take AP examinations in all subject areas, with the exception of foreign languages.
- By participating in the AP program, high school students may acquire college credit for their knowledge of college-level subjects.
- From 1990 to 1997, the number of LEP students increased by 57% to roughly 3.4 million.
- Over the past 10 years, the LEP population more than doubled in 18 states, placing enormous budgetary demands and burdens on these state systems of education.
- In the last school for which data was available, 1993-1994, 27 percent of all schools with bilingual/ESL teaching vacancies found them very difficult or impossible to fill.

One way to bridge this gap is through distance learning technology. Schools and states across the country are beginning to develop the capacity to offer coursework via the Web or other distance learning technologies. For example, Florida, Kentucky and Iowa have created Virtual High Schools; the Massachusetts-based Concord Consortium (federally funded) offers courses nationally and trains teacher to develop and teach courses for the Web; and universities around the country are partnering with states and school districts to offer college level and credit courses to high school students. The University of Nebraska has created a for-profit subsidiary to develop and offer on-line courses.

Not only is the delivery mechanism for this coursework becoming more roundly available to schools, but also the instructional resources being developed are suitable for teaching these courses over the Internet. According to the Office of Science and Technology Policy, computers and communication systems becoming available in even the smallest and most remote school systems in the US are capable of being used much more effectively than they are today.

The problem remains that course content quality is lacking. To remedy that, the DPC proposes a course development project that would subsidize Web-based AP, ESL and other challenging course content. The project would take bids and pick three winners to receive development funding. The program would help companies with existing products in AP and ESL improve their products and help innovative firms develop new products. The most important incentive provided by the program would, of course, be the potential to capture large school markets with a single product.

DPC Proposal

DPC proposes a course development program. Under the program, providers would bid to qualify their courses. OSTP recommends a two-stage process whereby developers for the ESL course, AP courses, and other challenging courses would receive planning grants to prepare proposals. The best three proposals for each course would receive about $500,000 to $1 million in funding to develop full instructional course or improve existing courses. After the year of development, the courses would be evaluated by an independent group (College Board or an organization recommended by the Web-Based Education Commission) to determine if they satisfy set criteria. Companies receiving funding would agree to offer some number of their resulting courses at a steep discount for students in poor school districts. APEX (company founded by Microsoft co-founder, Paul Allen), which creates and sells web-based AP courses, has expressed interest in such a partnership.

Cost

The FY2001 budget provides $10 million for the course development project. At $500,000 per course, the project could develop 18-20 AP, ESL and other challenging courses.

Raising the CBO Limit in 21st Century Community Learning Centers

Summary

This proposal would allow 30% of funds to be granted directly to non-profit community-based organizations (CBOs)—including faith-based organizations—which operate programs in partnership with public schools at the public school building. At present, no funds can be granted to CBOs, although the President's ESEA reauthorization proposal would allow them to receive up to 10% of funds. This change would recognize the central role that CBOs can play in delivering services to school, spurring innovative practices, and creating greater community involvement in the local school throughout the school year. This change to the current program would incur no additional cost.

Background: Why Allow CBOs to run programs?

- **Experience**. CBOs are running after-school programs across the country. In fact, CBOs have more experience running after-school programs than do public schools.
- **Offer New Educational Approaches**. CBOs can provide a new vision for educational enrichment and change in schools that have difficulty looking beyond current practices.
- **Connections to the Community and Capital**. Nonprofits can bring connections to the business, philanthropic and nonprofit sector that many schools often lack.
- **Personnel Issues**. With CBOs as the grantees, the hiring of instructors for after-school will be more flexible and less tied to union bargaining agreements (where applicable).

The DPC also proposes that programs be run at the public school site. Doing so 1) creates a more solid connection between the regular day academic program and the after-school program, 2) ensures student access to the program, 3) uses existing and needed facilities and equipment, and 4) meets licensing requirements for child care and educational activities.

The Track Record with CBOs

Head Start provides a good track record for the capacity of CBOs to run educational programs for children. Head Start grantees may be public or private, for-profit or nonprofit organizations or public school systems. The grantees are accountable for certain administrative, fiscal and program expectations and requirements. In the area of after-school, CBOs are running programs for school-age children across the country. In New York City, CBOs are receiving public and private funding to run programs at schools. For example, The After-School Corporation provides funding for 85 programs that are run by CBOs at public schools and the Virtual Y program offers after-school programs at over 200 New York City schools.

DPC Proposal

A redesigned 21st Century Community Learning Centers grant program would operate as follows:

- The grant competition would be opened up to allow 30% of funds to be granted directly to CBOs, in partnership with public schools, with proven track records in education.
- To be eligible for a grant award, programs must be run at public school sites.
- CBOs awarded a grant would have to demonstrate administrative, financial and program accountability for funds received (much in the same way public school recipients do now).
- Private companies could be partners with CBOs or schools, but would not be eligible to receive direct grants.

- Grants would be required to have a clearer focus on academic achievement than in the current 21st Century program.

<u>Political Considerations</u>

1. The support for this will likely be soft, given that fiscal agent status is a little bit of inside baseball. That said, Republicans and New Democrats should support the proposal as a way to inject flexibility into the process and allow local communities to deploy best resources for the job. The Congressional Hispanic and Black Caucuses might line up behind this as their constituents will be likely to support and have confidence in CBOs and they are more likely to represent districts where schools need community help in developing new approaches to working with kids.
2. The proposal would run into politically rocky ground with the inclusion of private companies as eligible bidders and the contentious issue of firms making private profits from public funds. Private companies would be allowed to partner, however, with CBOs and/or public schools.

FIXING FAILING SCHOOLS

Title I – We recommend increasing funding for the Title I accountability set-aside to $250 million for FY01 and increasing the funding for the basic Title I grants by at least an equal amount.

After-School – We are analyzing options and developing a proposal that will make after-school programs universal for students in schools identified as failing under Title I. We also recommend allowing 30 percent of funds for after-school and other extended learning programs to be granted directly to non-profit community-based organizations (CBOs)—including faith-based organizations. These programs would be run in partnership with public schools at the school site. This change would allow local organizations that have proven track records in after-school and can offer innovative educational strategies and often better connections to parents and the broader community to get involved the program. At present, no funds can be granted to CBOs, although the ESEA reauthorization proposal would allow up to 10% of funds in a given year to be awarded to nonprofit CBOs.

Class Size – We recommend a significant increase to stay on track toward hiring 100,000 teachers. The program is now funded at $1.3 billion and we recommend increasing funding to at least [Eric: check *with Bruce and get his latest thinking here, this has been a moving target*]

Social Promotion - Under discussion, please comment
Technical Assistance - Under discussion, please comment

PROMOTING EXCELLENCE

Charter Schools – With an increase of approximately $120 million the charter schools program will support the President's goal of 3000 charter schools. We recommend funding the program at this level.

Elementary and Secondary Education Act Proposals

The President's ESEA reauthorization proposal contains items that we recommend including in the budget for FY01.

Teaching to High Standards: The President's ESEA reauthorization proposal would consolidate Goals 2000, the Eisenhower Professional Development Program, and Title VI into a standards-based-reform grant program. We recommend that the FY01 budget request reflect this proposal. At their FY00 enacted levels the Eisenhower program and Goals 2000 are a combined $ 830 million. Although the Administration does not recommend funding the Title VI program in its budget request, the Teaching to High Standards initiative should reflect an inclusion of current Title VI funding ($380 million FY00) and be funded at a minimum of $1.21 billion. In order to reach this level while funding our new initiatives, we recommend including five earmarks in the Teaching to High Standards funding: Teacher Academies (OMB proposal for

$100 million), Troops to Teachers – Transition to Teaching ($50 million), Pay for Performance Demonstration Program ($50 million), Dual Accredited Teachers ($30 million), and School Leadership ($40). *These earmarks are described in more detail in this memo.*

Public School Choice OPTIONS Proposal –The OPTIONS initiative would create a grant program that would fund the demonstration, development, implementation, evaluation and dissemination of information of innovative public school choice projects. Funded projects would focus on areas such as new choice options for students within districts, partnering choice schools with other schools to disseminate information and stimulate improvement, and overcome barriers to choice. The $30 million request covers $28 million for approximately 40 new grants $1.3 million for evaluation, and $200,000 for peer review.

Troops to Teachers – The Troops to Teachers program was created in 1994 to help improve public school education by injecting the talent, skills, and experience of military service members and other federal civilian personnel into high-poverty schools. Recent studies have found that a significant number of mid-career professionals who possess strong subject matter skills are interested in beginning a teaching career-this program taps this valuable resource. The new proposal will continue the recruiting, preparing and supporting retired military personnel as teachers in high-need subject areas and school districts. It will also support similar programs for other mid-career professionals by awarding grants to public agencies, institutions of higher education, and nonprofit organizations to recruit, prepare, and support career-changing professionals from diverse fields whose knowledge and experience could help them become successful teachers. $50 million for FY01.

New Initiatives

Fund for Future Schools – During our discussions with educators and education leaders this fall, a common theme was the lack of funding available for large-scale innovation. Our proposal would establish an independent and bipartisan fund to support innovative regional, state, and local ideas that require up-front infusions of funding. As opposed to school-based only reforms these resources would support structural changes at the school district, state, and/or regional level. For example, a recent Education Commission of the States called for changes in school governance, especially in large school districts. The report recommended that school districts either move toward complete site-based management or a portfolio approach where different schools are accountable to the school board for performance but operate independently essentially as charter schools. Hugh Price, President of the Urban League recently called for a similar change in an editorial in Education Week and a few school districts are moving in this direction. For example Seattle has implemented site-based management and Cincinnati is slowly moving toward the portfolio model. However, changes of this nature require both fiscal and political will. By providing funding we would help school districts that are struggling to maintain services with current funding adopt changes that would otherwise be out of their reach and also help generate political will by making funds available for changes of this nature. Of course, this funding could also support school based or other changes that the board deemed worthy of support. A local matching requirement would encourage local support and investment. Prime Minister Blair has started a similar fund in England and British officials report that in its second year their Education Action Zone initiative is showing positive results however they believe that the independence of the fund is a key characteristic. $50 million would be distributed by competitive grants in the first year of this program.

Leadership for 21st Century Schools –Without quality school leaders, school reform is destined to fail. To address this, our initiative would fund independent School Leadership Centers. The Centers would focus on leadership development opportunities for existing schools leaders (principals, superintendents, etc) in areas such as effective management, school design, technology, and district governance. In addition, recruiting and training nontraditional candidates for school and district leadership would also be part of the Center's mission. Centers would be run by independent nonprofits or public-private partnerships on a state or regional basis and they would be required to partner with leadership from the public and private sector. Just as Presidential leadership has increased the national focus on improving teacher quality, federal leadership is needed to push states to make greater investments in developing quality school leaders prepared for accountability, the devolution of decision making, and the focus on school-based reform. At present, there is no federal program focused solely on school leadership and only a handful of programs allow funds to be used for it. There is broad political support for a focus on improving school leadership, as evidenced by the inclusion of a smaller provision in the House-passed ESEA bill. We recommend $40 million in competitive grants to fund approximately 20 state-level or regional centers.

Schools without Walls: Ensuring Access through Distance Technology –This initiative aims to ensure challenging coursework for all students by providing access to high-quality on-line academic courses to students in under-served areas. While this Administration has shaped a federal education role that holds all students to high standards and expects they can achieve, the reality of school finance in America prevents all students from having access to challenging educational opportunities. Small and poor schools often lack the resources and teachers needed to offer challenging courses, including Advanced Placement courses at the high school level. Today, less than 60% of US high schools offer AP courses to their students. A lack of qualified teachers in these areas, also mean that students don't have access to challenging math and science courses or classes in English as Second Language.

This proposal complements existing federal efforts in technology to fund internet connections, equipment acquisition and teacher training, by funding a competitive grant program to districts that will allow schools to purchase on-line curriculum, train teachers to use on-line curriculum, or purchase course materials. Although many states are developing virtual school capacities to offer courses to students throughout their state, the quality of on-line courses has yet to match the capacity of technology. In order to ensure high-quality content, the proposal also calls for a partnership with leading course software developers like APEX (run by Microsoft co-founder, Paul Allen), which would subsidize the cost of high quality Web-based course development in return for cut-rate prices for high poverty school districts. The proposal also calls for increases in the Technology Literacy Challenge Fund, which allows computer equipment purchases, and the Technology Teacher Training Program, and continued commitment to E-Rate. The initiative should win broad support as Republicans and Democrats have supported AP fee assistance and Senate Democrats and Republicans have consistently supported Star Schools, a distance learning initiative. Total funding for the initiative would be $225 million, including $50 million for grants, $25 million for course development, and $125 million in increases in existing programs.

The Backyard Teacher Recruitment Initiative –The problems of teacher recruitment and out-of-field teaching are issues that loom large for public education. For schools and districts in rural areas and inner cities across the country they are especially difficult. Despite federal and state efforts, these areas continue to have great difficulty finding qualified candidates in areas such as math, science and special education. This proposal aims to help high-need poor school districts with large percentages of out-of-field teaching by paying for high-quality teachers in non-shortage field to be trained and certified in shortage areas. This program would focus on teachers who have already made the decision to teach in high-need areas. Recognizing that they already have teaching expertise, the program would provide bonuses and tuition assistance for content training in a high-need subject area for 10,000 teachers across the country. In return, they would commit to teach for at least three years in their district.

While this can certainly not be considered a fix for teacher recruitment, it can provide some immediate relief for districts with chronic teacher shortages in critical subject areas. And by focusing on a population already in schools, it adds a needed dimension to a federal recruitment effort that focuses largely on efforts to bring new people into the profession. Teacher recruitment is a key issue in states across the nation and could attract bipartisan support. The initiative would cost $30 million.

Second-Chance Schools – This proposal would create new second-chance schools through an infusion of additional funds to the Department of Education's Charter Schools program earmarked for this purpose. The initiative would build on the existing charter schools program, maintaining priority for states with well-designed charter school laws that hold schools accountable for results. Second-chance schools would be intended to serve students who have been removed from their previous schools because of discipline problems. This funding would support schools that provide alternative settings for disruptive students while allowing them to continue academic work toward state academic standards. This initiative would cost $50 million in the first year.

Small Schools – This proposal would build on an initiative in the FY00 appropriations bill supported by Congressman Obey to establish smaller learning communities in America's high schools. The program would offer competitive grants to school districts that submit a plan to create smaller learning environments for students by opening smaller schools (including charter schools), or by breaking up larger schools using strategies such as creating schools-within-schools, establishing career academies, or restructuring the school day. Allowable uses of federal funds could include planning and implementation costs, professional development, team building, minor facility renovation, additional planning time, legal and accounting consulting, supplies and other relevant costs. These funds could also be used to seed small charter high schools in the district. The Obey initiative is funded at $45 million in the FY 2000 appropriations bill and we recommend expanding funding to $200 million for FY01.

SAT and ACT Test Preparation – Historically poor and minority students have not scored well on college entrance exams such as the SAT and ACT. At a time when these scores are a very influential factor in college admissions and when backlash against affirmative action is decreasing minority enrollment in some top institutions, it is appropriate and necessary to offer low income students the same college test prep courses that boost the scores of their more privileged classmates. This program would be modeled after California's College Preparation Partnership Program, which the NAACP has recently recommended replicating across the country. The program would support partnerships of high schools, proven providers of college test prep courses (such as Kaplan and Princeton Review), and community based organizations that would offer high-need students college test preparation and other services related to college admissions. Funding for these partnerships would be distributed by competitive grant. $30 million would serve approximately 50,000 students.

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REWARDING SUCCESS

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FY 2001 Initiative Proposals
($ in billions)

	FY 2001 Cost	FY 2001-2005 Cost	FY 2001-2010 Cost
Science and Technology for the 21st Century	**1.500**		
Restoring balance by focusing on university-based research			
Correct dispairities between disciplines			
Breakthrough research for the New Millenium			
Millenium fund for University Research	**	28.000	
Double University-based Research in five years			
Clean Energy for the 21st Century	**0.204**		
Global Clean Energy in the 21st Century	0.183		
Clean Air Bond	0.021		
A Permanent Lands Legacy	**1.350**		
Greening the Globe	**0.150**		
Global Forest Fund	0.100		
Debt-For-Nature	0.050		
Clean Waters Across America	**3.000**		
Wastewater systems improvements	1.500		
Reduce contamination from farming/ranching	0.500		
Restoration of wetlands & Gulf of Mexico Dead Zone	0.500		
Assist States with Great Lakes pollution	0.500		
Building More Livable Communities		1.400	
Better America Bonds ($1.4 B over five years)			
Expanding transportation choices			
Next generation of brownfields redevelopment			
Strengthening and Modernizing Medicare			
Plan to Strengehen and Modernize Medicare			
Medicare Preventive Benefit Authority			
Immunosuppressive Drug Extension Adjustment		0.100	
Cancer Clinical Trials (three years 2002-2004)		0.750	

FY 2001 Initiative Proposals
($ in billions)

	FY 2001 Cost	FY 2001-2005 Cost	FY 2001-2010 Cost
Improving Access to Affordable Health Insurance Coverage			
Family Health Insurance Initiative		5 to 18	
Medicaid Option to Cover Poor Adults			
Tax Credit for Individual Insurance to Address Current Tax Inequity		15.000	35.000
Encouraging Small Businesses to Offer Health Insurance		1.000	2.500
Medicare Buy-In for Cerain 55 to 65 Year Olds		1.800	2.900
Medicaid Coverage for Certain Women with Breast Cancer		0.300	
All Federal Workers have Access to Employer Based Insurance			
Tax Credit for COBRA Continuation Coverage			
Finishing the Job of Targeting and Enrolling Uninsured Children			
Encouraging School-Based Outreach		1.000	3.000
Ensuring Seamless Health Insurance Coverage for Children		0.500	
Long-Term Care Initiative		6.000	
Discretionary Initiatives			
Preventing Medical Errors	0.060		
Internet Drug Sales	0.011		
Preventing Breast and Prostate Cancer	0.020		
Improving Nursing Home Quality	0.031		
Education Funds for Children's Hospitals	0.104		
Addressing Mental Illness	0.100		
HIV and AIDS	0.100		
Access for Uninsured Americans	0.100		
Investment in Biomedical Research	.5 to 1.5		
Safeguards Against Scientific and Biomedical Abuses			
Early Childhood/Universal Preschool	**0.800**		**30 to 40**
Increase Head Start Funding	0.400		
Early Childhood Learning Fund	0.400		
Universal Afterschool	**0.550**		**20 to 30**

FY 2001 Initiative Proposals
($ in billions)

	FY 2001 Cost	FY 2001-2005 Cost	FY 2001-2010 Cost
Turning Around Every Failing School	**0.300**		**3 TO 5**
Closing the Digital Divide	**0.770**		**10.000**
Community Technology Centers	0.070		
Develop Universal Internet Access	0.100		
Teacher Training for the Internet	0.100		
School Internet Modernization Fund	0.500		
Closing the Opportunity Gap for College	**0.420**		**10.000**
Keeping Students On Track to College	0.250		
AP Courses Online and Test Prep for Poor Kids	0.070		
Refundable Hope Scholarship and Pell Grant Increase			
Challenging Students to Complete College	0.100		
Demanding Responsible Fatherhood	**0.250**		**5.000**
Rewarding Work and Family	**1.000**		**10 to 15**
Expanding Housing Vouchers		3 to 6	
Expanding Health Coverage			
Extend CHIP to Parents		5 to 18	10 to 35
Outreach to Enroll Uninsured Children In Medicaid	0.200		3.000
Restore Option to Cover Legal Immigrants			3.000
Progressive Savings Accounts			
Rewarding Work and Family Through the EITC and Child Care			
Making the EITC Even More Pro-Work			11.000
EITC Increases for three children			8.000
Child Care Block Grant in Discretionary Budget	0.800		
Making the Dependent Care Tax Credit Refundable		4.000	8.000
New Markets Initiative and Empowerment Zones			
Expanded New Markets Tax Credit			4.000
Expanded Empowerment Zones Credit			
Expanded Low-Income Housing Tax Credit			3.2+

FY 2001 Initiative Proposals
($ in billions)

	FY 2001 Cost	FY 2001-2005 Cost	FY 2001-2010 Cost
Making Homeownership More Affordable			
Expanding Faith-based Involvement			

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bruce Reed and Gene Sperling to the President re: Themes and Proposals for the State of the Union (6 pages)	12/12/1999	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Andrew Rotherham (Education)
OA/Box Number: 21293

FOLDER TITLE:
State of the Union Process Documents [1]

2011-0103-S
rc644

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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

MEMO ON EDUCATION INITIATIVES:

Elementary and Secondary Education

The ongoing reauthorization of the Elementary and Secondary Education Act coupled with the need to provide increases to several elementary and secondary base programs has led us to develop initiatives that complement these efforts while supporting innovation, high standards, and efforts to fix failing schools.

Significant Existing Programs

FFS

Title I – We recommend increasing funding for the Title I accountability set-aside to $250 million for FY01 and increasing the funding for the basic Title I grants by at least an equal amount.

FFS

After-School – We are analyzing options and developing a proposal that will make after-school programs universal for students in schools identified as failing under Title I. We also recommend allowing 30 percent of funds for after-school and other extended learning programs to be granted directly to non-profit community-based organizations (CBOs)—including faith-based organizations. These programs would be run in partnership with public schools at the school site. This change would allow local organizations that have proven track records in after-school and can offer innovative educational strategies and often better connections to parents and the broader community to get involved the program. At present, no funds can be granted to CBOs, although the ESEA reauthorization proposal would allow up to 10% of funds in a given year to be awarded to nonprofit CBOs.

PE

Class Size – We recommend a significant increase to stay on track toward hiring 100,000 teachers. The program is now funded at $1.3 billion and we recommend increasing funding to at least [Eric: check *with Bruce and get his latest thinking here, this has been a moving target*]

PE

Charter Schools – With an increase of approximately $120 million the charter schools program will support the President's goal of 3000 charter schools. We recommend funding the program at this level.

Elementary and Secondary Education Act Proposals

The President's ESEA reauthorization proposal contains items that we recommend including in the budget for FY01.

TQ / PE

Teaching to High Standards: The President's ESEA reauthorization proposal would consolidate Goals 2000, the Eisenhower Professional Development Program, and Title VI into a standards-based-reform grant program. We recommend that the FY01 budget request reflect this proposal. At their FY00 enacted levels the Eisenhower program and Goals 2000 are a combined $ 830 million. Although the Administration does not recommend funding the Title VI program in its budget request, the Teaching to High Standards initiative should reflect an inclusion of current Title VI funding ($380 million FY00) and be funded at a minimum of $1.21 billion. In order to reach this level while funding our new initiatives, we recommend including five earmarks in the Teaching to High Standards funding: Teacher Academies (OMB proposal for $100 million), Troops to Teachers – Transition to Teaching ($50 million), Pay for Performance Demonstration Program ($50 million), Dual Accredited Teachers ($30 million), and School Leadership ($40). *These earmarks are described in more detail in this memo.*

Public School Choice OPTIONS Proposal –The OPTIONS initiative would create a grant program that would fund the demonstration, development, implementation, evaluation and dissemination of information of innovative public school choice projects. Funded projects would focus on areas such as new choice options for students within districts, partnering choice schools with other schools to disseminate information and stimulate improvement, and overcome barriers to choice. The $30 million request covers $28 million for approximately 40 new grants $1.3 million for evaluation, and $200,000 for peer review.

Troops to Teachers – The Troops to Teachers program was created in 1994 to help improve public school education by injecting the talent, skills, and experience of military service members and other federal civilian personnel into high-poverty schools. Recent studies have found that a significant number of mid-career professionals who possess strong subject matter skills are interested in beginning a teaching career-this program taps this valuable resource. The new proposal will continue the recruiting, preparing and supporting retired military personnel as teachers in high-need subject areas and school districts. It will also support similar programs for other mid-career professionals by awarding grants to public agencies, institutions of higher education, and nonprofit organizations to recruit, prepare, and support career-changing professionals from diverse fields whose knowledge and experience could help them become successful teachers. $50 million for FY01.

<u>New Initiatives</u>

Fund for Future Schools – During our discussions with educators and education leaders this fall, a common theme was the lack of funding available for large-scale innovation. Our proposal would establish an independent and bipartisan fund to support innovative regional, state, and local ideas that require up-front infusions of funding. As opposed to school-based only reforms these resources would support structural changes at the school district, state, and/or regional level. For example, a recent Education Commission of the States called for changes in school governance, especially in large school districts. The report recommended that school districts either move toward complete site-based management or a portfolio approach where different schools are accountable to the school board for performance but operate independently essentially as charter schools. Hugh Price, President of the Urban League recently called for a similar change in an editorial in Education Week and a few school districts are moving in this direction. For example Seattle has implemented site-based management and Cincinnati is slowly moving toward the portfolio model. However, changes of this nature require both fiscal and political will. By providing funding we would help school districts that are struggling to maintain services with current funding adopt changes that would otherwise be out of their reach and also help generate political will by making funds available for changes of this nature. Of course, this funding could also support school based or other changes that the board deemed worthy of support. A local matching requirement would encourage local support and investment. Prime Minister Blair has started a similar fund in England and British officials report that in its second year their Education Action Zone initiative is showing positive results however they believe that the independence of the fund is a key characteristic. $50 million would be distributed by competitive grants in the first year of this program.

R5

Performance-Based Pay and Peer Review – As part of the 1999 National Education Summit in Palisades, New York, the governors and assembled business leaders pledged to sponsor "pay for performance" initiatives for teacher salary in 10 locations as a strategy to make teacher pay more competitive with other professions. Denver Colorado had adopted such a measure just prior to the summit. Despite considerable attention to the issue of teacher quality, teacher pay still remains far below other professions with the national average starting salary only approximately $25,000, average teacher salary overall only approximately $38,000, and the average maximum teacher salary in any state only about $51,000. In addition, the Vice President and others have called for developing more equitable and expeditious ways to reward good teachers and get low-performing teachers out of the classroom. Specifically, in his May 16th speech at Graceland College, the Vice President called for teacher evaluations by experienced peers and administrators every 5 years to ensure, "faster but fair ways to identify, improve, and when necessary remove low performing teachers. California in addition to several large school districts have programs similar to what the Vice President proposed. Our proposal would fund 10 pilot pay for performance plans similar to what Denver has developed. While details would be left up to the local school districts and their teachers, the pilots could support performance awards that are either individual or school based. We would also provide grants for 10 pilots of "peer review" programs where teachers are evaluated by their peers every 5 years and low-performing teachers are given support to improve or ultimately removed from the system in a fair but fast manner. 10 pilots for each strategy could be funded for $50 million in the first year.

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2003, the Reward Fund would move to a system based on actual student performance measures.

Initially, this fund would also provide seed money to states to help them develop school report cards including the guidelines that the President specified in his Education Accountability Act. This would help undermine Republican criticism of our ESEA requirements as unfunded mandates to the stares. Beginning with $125 million in FY01 and including our peer review and pay for performance proposals, we would be on a track to spend $1 billion rewarding performance over five years.

Leadership for 21st Century Schools –Without quality school leaders, school reform is destined to fail. To address this, our initiative would fund independent School Leadership Centers. The Centers would focus on leadership development opportunities for existing schools leaders (principals, superintendents, etc) in areas such as effective management, school design, technology, and district governance. In addition, recruiting and training nontraditional candidates for school and district leadership would also be part of the Center's mission. Centers would be run by independent nonprofits or public-private partnerships on a state or regional basis and they would be required to partner with leadership from the public and private sector. Just as Presidential leadership has increased the national focus on improving teacher quality, federal leadership is needed to push states to make greater investments in developing quality school leaders prepared for accountability, the devolution of decision making, and the focus on school-based reform. At present, there is no federal program focused solely on school leadership and only a handful of programs allow funds to be used for it. There is broad political support for a focus on improving school leadership, as evidenced by the inclusion of a smaller provision in the House-passed ESEA bill. We recommend $40 million in competitive grants to fund approximately 20 state-level or regional centers.

Schools without Walls: Ensuring Access through Distance Technology –This initiative aims to ensure challenging coursework for all students by providing access to high-quality on-line academic courses to students in under-served areas. While this Administration has shaped a federal education role that holds all students to high standards and expects they can achieve, the reality of school finance in America prevents all students from having access to challenging educational opportunities. Small and poor schools often lack the resources and teachers needed to offer challenging courses, including Advanced Placement courses at the high school level. Today, less than 60% of US high schools offer AP courses to their students. A lack of qualified teachers in these areas, also mean that students don't have access to challenging math and science courses or classes in English as Second Language.

This proposal complements existing federal efforts in technology to fund internet connections, equipment acquisition and teacher training, by funding a competitive grant program to districts that will allow schools to purchase on-line curriculum, train teachers to use on-line curriculum, or purchase course materials. Although many states are developing virtual school capacities to offer courses to students throughout their state, the quality of on-line courses has yet to match the capacity of technology. In order to ensure high-quality content, the proposal also calls for a partnership with leading course software developers like APEX (run by Microsoft co-founder, Paul Allen), which would subsidize the cost of high quality Web-based course development in return for cut-rate prices for high poverty school districts. The proposal also calls for increases in the Technology Literacy Challenge Fund, which allows computer equipment purchases, and the Technology Teacher Training Program, and continued commitment to E-Rate. The initiative should win broad support as Republicans and Democrats have supported AP fee assistance and Senate Democrats and Republicans have consistently supported Star Schools, a distance learning initiative. Total funding for the initiative would be $225 million, including $50 million for grants, $25 million for course development, and $125 million in increases in existing programs.

The Backyard Teacher Recruitment Initiative –The problems of teacher recruitment and out-of-field teaching are issues that loom large for public education. For schools and districts in rural areas and inner cities across the country they are especially difficult. Despite federal and state efforts, these areas continue to have great difficulty finding qualified candidates in areas such as math, science and special education. This proposal aims to help high-need poor school districts with large percentages of out-of-field teaching by paying for high-quality teachers in non-shortage field to be trained and certified in shortage areas. This program would focus on teachers who have already made the decision to teach in high-need areas. Recognizing that they already have teaching expertise, the program would provide bonuses and tuition assistance for content training in a high-need subject area for 10,000 teachers across the country. In return, they would commit to teach for at least three years in their district.

While this can certainly not be considered a fix for teacher recruitment, it can provide some immediate relief for districts with chronic teacher shortages in critical subject areas. And by focusing on a population already in schools, it adds a needed dimension to a federal recruitment effort that focuses largely on efforts to bring new people into the profession. Teacher recruitment is a key issue in states across the nation and could attract bipartisan support. The initiative would cost $30 million.

Second-Chance Schools – This proposal would create new second-chance schools through an infusion of additional funds to the Department of Education's Charter Schools program earmarked for this purpose. The initiative would build on the existing charter schools program, maintaining priority for states with well-designed charter school laws that hold schools accountable for results. Second-chance schools would be intended to serve students who have been removed from their previous schools because of discipline problems. This funding would support schools that provide alternative settings for disruptive students while allowing them to continue academic work toward state academic standards. This initiative would cost $50 million in the first year.

Small Schools – This proposal would build on an initiative in the FY00 appropriations bill supported by Congressman Obey to establish smaller learning communities in America's high schools. The program would offer competitive grants to school districts that submit a plan to create smaller learning environments for students by opening smaller schools (including charter schools), or by breaking up larger schools using strategies such as creating schools-within-schools, establishing career academies, or restructuring the school day. Allowable uses of federal funds could include planning and implementation costs, professional development, team building, minor facility renovation, additional planning time, legal and accounting consulting, supplies and other relevant costs. These funds could also be used to seed small charter high schools in the district. The Obey initiative is funded at $45 million in the FY 2000 appropriations bill and we recommend expanding funding to $200 million for FY01.

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Jeffords is interested in demo on social promotion
(Rewards

Fixing Failing Schools

Key programs that relate to fixing failing schools

	2000		2001		
	Proposed	Enacted	Agency Request	Passback	Appeal
Title I	7,996	7,941	8,800	8,194	8,507
Title II	1,206	1,206	1,700	503	1,473
After-School	600	454	1,000	525	700
Class Size	1,400	1,300	1,700	1,500	----
CSRD	150	170	200	170	----
Reading Excell.	286	260	386	286	----
S&E	386	383	427	383	427

Proposal: Work with ED to implement an action strategy to ensure that Federal funds are used effectively by States and districts to turn around failing schools. Programs related to fixing failing schools would receive additional program funds, above the passback level, if ED agrees to implement a feasible but aggressive school improvement plan.

Background: A number of ED programs support the goal of improving achievement of disadvantaged students, specifically Title I, Reading Excellence, Class Size Reduction, after-school programs, special education, bilingual education, and Comprehensive School Reform Demonstrations. ED's "strategy" for turning around failing schools has been to produce an idea book and provide additional funds for accountability efforts, without developing ways of improving program quality and integration. By focusing on a clear goal, in particular one that is the foundation for most other learning, the Administration can leave a legacy that is defined in results, not dollars, while also developing better methods of improving program effectiveness through a more strategic use of ED's resources.

A great deal of groundwork on accountability issues has been laid, but much more needs to be done. All States are required to develop systems for identifying schools in need of improvement, and are supposed to provide assistance to help them turn around. The $134 million accountability set-aside in Title I supports these efforts. However, most schools currently identified for school improvement report that they have not received assistance, and many States will have difficulty meeting the FY 2000 deadline for having final student assessment tied to high standards in place.

Action Components

Any implementation initiative would need to be developed collegially with ED. However possibilities for action might include the following components. Unless otherwise noted, these actions could be taken without amending statutory language.

For All States:

- Negotiate State-by-State **goals for turning around failing schools** so that by a date certain, all schools in school improvement will either improve or be closed. These goals must include achievement goals for population subgroups, and State plans must address how each of the targeted programs will contribute to meeting these goals. By seeking to improve failing schools, the initiative would support the work of the Hispanic Education Action Plan and its goal of improving educational outcomes for Hispanic students. The State goals should be benchmarked against the top performing States on NAEP reading and math tests, based on both State averages and scores of subpopulations. This could be accomplished by either amending the consolidated application provision in ESEA, or by issuing guidance on the program application provisions.

- Work with every State on establishing its **data collection system** and on using data to implement policy. A great deal of groundwork has already been laid in this area and it is an area in which ED has expertise. ED has identified data collection and the use of data to improve schools as a high priority. ED is developing a system to access State data if State systems are compatible. Connecticut, the State with the highest NAEP reading scores and a conscious strategy for improving them, has used data to inform policy decisions as a key strategy in its dramatic reading improvement over the past six years. In addition, 36 States already produce report cards, one of the key forms of using data to monitor performance and improve instruction, and all States would be required to produce them under the Administration's ESEA proposal.

- Set high-visibility, **national goals for turning around failing schools** and issue public statements when key milestones are met. Or, implement a **national report card**, similar to the one required of States in Title XI of the ESEA proposal, but include factors addressing accountability systems.

For Low-Performing States:

If in any year a State does not meet its negotiated targets, ED would play a more intensive role in program improvement. In particular, ED would address how the States uses its proposed 2.5% Title I accountability set-aside, and possibly take away some State discretion in its choice of improvement strategies. The trigger for Federal involvement would be based on objective data and be somewhat automatic to shield ED from accusations of unnecessary intervention at the State level. Currently, there are eight States with a very high portion of Title I schools that are low performing (over 30%); these might be the type of States that require increased attention.

If identified as needing improvement, States could receive assistance or interventions in several ways:

- States making little progress in turning around failing schools could be partnered with high-performing States, which would receive a small grant to provide on-going technical assistance on policies and strategies for school improvement.

- ED could provide a peer review team to re-evaluate State accountability plans, goals and timelines, and help low-performing States work with districts to develop a strategy for implementing programs that research shows work.

- If after one to two years satisfactory improvement is not made, ED could make a portion of State administrative funds contingent upon the State adopting strategies for improving low-performing schools from one of the high-performing States, or other research-based strategies.

ED's Internal Systems

ED could take a number of actions internally to improve implementation:

- Link ED's data systems to State data systems. ED is currently working on a data collection system to improve GRPA reporting. ED should work with States to ensure that it can be linked to State systems.

- Develop an analysis of where each State stands on its establishment of the components of an accountability system including standards, tests, and support for research-based programs, in order to tailor technical assistance to the needs of each State.

- Increase integrated monitoring for low-performing States. ED has instituted a monitoring system in which teams comprised of representatives from each major program office work with regional groupings of 6-8 States and complete site visits to each of those States every three years. The site visits could be redesigned so that low-performing States are visited every year; with ED and the partner States alternating in conducting the reviews.

- Identify specialists within each regional team to work on a more consistent basis with low-performing States and their partner States. Train those specialists in utilizing data to improve performance.

- Develop a strategy for training and enhancing State Title I school support teams. Each State has established a team of distinguished educators that provides technical assistance to low-performing schools. These teams provide a crucial network of practitioners whose work will be supported by the State accountability set-aside. ED should play a role in training these teams, and possibly expanding their membership, to ensure the teams are capable of helping low-achieving schools use data for program improvement and implement proven reading strategies.

Dissemination

- Produce practical, analytical profiles of the most effective State strategies for turning around low-performing schools. The National Education Goals Panel recently released such a report on the impressive reading gains in Connecticut, including the State and district policies and approaches that led to improvements, which could easily be used by other States to replicate effective practices.

- The technical assistance provisions in the ESEA reauthorization proposal provide States and districts with the most students in poverty the ability to purchase technical assistance from providers of their choosing. ED should play an aggressive role in identifying high quality technical assistance services and providers for turning around low-achieving schools, possibly providing States and districts an accepted menu of providers who meet a high standard of effectiveness.

Enforcement

- ED would include the details of its strategy in its GPRA plan to be made public in March and, in general, be held accountable for implementing the components of its fixing failing schools plan through reports to Congress, the White House, and the public.

Budget Implications

Option 1: Tie increases in base programs to an aggressive ED implementation plan

At the settlement level, provide additional funds to key base programs if ED agrees to an aggressive and comprehensive accountability implementation strategy that is at least as strong as the components described in this paper. If ED devises and commits to such a plan, then the Budget would provide the following above the guidance level:

Base Program Increases:

- **+$XXX increase for Title I**

- **+$XXX increase for Title II**

- **$XXX increase for 21st Century Community Learning Centers,** and set competitive priorities in this program so that funds help turn around failing schools.

- **$XXX small increase in S&E** for 1) grants to high performance States for partnering efforts; 2) implementation of ED's integrated performance and benchmarking data bank and its work with States on their data systems; and 3) a slight increase for other staffing needs to implement this plan.

Option 2: Create an incentive program for the States

The implementation proposal could be strengthened further if there were a financial incentive for States to set and achieve accountability and school improvement goals. One type of incentive would be to make some portion of new funds in Title I (and possibly Title II) above the prior appropriations year, or all of the State's portion of the Title I accountability set-aside (30% of the total), contingent upon a State implementing its accountability system and meeting its goals for turning around failing schools.

12/14/99

U.S. DEPARTMENT OF EDUCATION—FY2001 EDUCATION BUDGET PASSBACK AND APPEAL

Selected Education Programs	Current Budget	OMB Passback For FY2001	FY 2001 Appeal Difference From Passback	FY2001 Appeal
	(Amounts in Thousands of Dollars)			
IMPROVING TEACHING AND RECRUITING QUALITY TEACHERS				
Teacher Recruitment and Preparation *Presidential initiative passed in 1998*	$98,000	$98,000	+$102,000	$200,000
Teaching to High Standards: *Combines Goals 2000, Eisenhower Professional Development, Title VI into President's new ESEA initiative.*	$1,173,000	$503,000	+$970,000	$1,473,000
ACCOUNTABILITY AND HELPING STUDENTS MEET HIGH STANDARDS				
Extra Help in the Basics (Title I LEA Grants) *Includes President's accountability initiative passed in 1999 to turn around failing schools.*	$7,941,397	$8,141,397	+$366,003	$8,507,400
Special Education *Includes funds for accountability and state improvement efforts.*	$6,036,646	$6,035,146	+$603,265	$6,638,411
21st Century Community Learning Centers *Extremely popular after-school and summer program*	$453,710	$525,000	+$175,000	$700,000
COLLEGE OPPORTUNITY AND ACCESS				
Pell Grants *With this increase, the value of Pell grants will have risen by 50% under the President's watch.*	Budget Authority $7,700,000 [Max Grant: $3,300]	Budget Authority $8,180,000 [Max Grant $3,350]	Budget Authority +$286,000 [Max Grant +$150]	Budget Authority $8,466,000 [Max Grant $3,500]
SEOG Supplemental grants for low-income students *A high priority among college leaders*	$631,000	$631,000	+$100,000	$731,000
TRIO Programs *Includes new Presidential initiative for college completion grants.*	$645,000	$645,000	+$100,000	$745,000
GEAR UP *Third year of new presidential initiative*	$200,000	$240,000	+$60,000	$300,000
Sub-total:	$24, 878,753	$24,998,543	+$2,762,268	$27,760,811
OTHER CRITICAL INITIATIVES (ie: *expanding President's safe schools/healthy students initiative, increasing advanced placement courses, expanding comprehensive school reform models, providing teacher training in bilingual education, expanding President's literacy and civics initiative, providing loan cancellations for teachers.)*	$10,824,482	10,737,692	+$996,215	$11,733,907
Total:	**$35,700,000**	**$35,700,000**	**+$3,800,000**	**$39,500,000**
School Construction Package: New Discretionary Initiative	--	--	+$500,000	$500,000

12/13/99

U.S. Department of Education—FY2001 Education Budget Passback And Appeal

(Amounts in Thousands of Dollars)

Selected Education Programs	Current Budget	OMB Passback For FY2001	FY 2001 Appeal Difference From Passback	FY2001 Appeal Over FY2000
Improving Teaching and Recruiting Quality Teachers				
Teacher Recruitment and Preparation *Presidential initiative passed in 1998*	$98,000	$98,000	+$102,000	+$102,000
Teaching to High Standards: *Combines Goals 2000, Eisenhower Professional Development, Title VI into President's new ESEA initiative.*	$1,173,000	$503,000	+$970,000	+$300,000
Accountability and Helping Students Meet High Standards				
Extra Help in the Basics (Title I LEA Grants) *Includes President's accountability initiative passed in 1999 to turn around failing schools.*	$7,941,397	$8,141,397	+$366,003	+$566,003
Special Education *Includes funds for accountability and state improvement efforts.*	$6,036,646	$6,035,146	+$603,265	+$601,765
21st Century Community Learning Centers *Extremely popular after-school and summer program*	$453,710	$525,000	+$175,000	+$246,290
College Opportunity and Access				
Pell Grants *With this increase, the value of Pell grants will have risen by 50% under the President's watch.*	Budget Authority $7,700,000 [Max Grant: $3,300]	Budget Authority $8,180,000 [Max Grant +50]	Budget Authority +$286,000 [Max Grant +$150]	Budget Authority +$766,000 [Max Grant +$200]
SEOG Supplemental grants for low-income students *A high priority among college leaders*	$631,00	$631,000	+$100,000	+$100,000
TRIO Programs *Includes new Presidential initiative for college completion grants.*	$645,000	$645,000	+$100,000	+$100,000
GEAR UP *Third year of new presidential initiative*	$200,000	$240,000	+$60,000	+$100,000
		Sub-total:	+$2,762,268	+$2,882,058
Other Critical Initiatives (ie: *expanding President's safe schools/healthy students initiative, increasing advanced placement courses, expanding comprehensive school reform models, providing teacher training in bilingual education, expanding President's literacy and civics initiative, providing loan cancellations for teachers.)*			+$1,029,215	+$909,425
		Total:	**+$3,791,483**	**+$3,791,483**

12 06 99

FY 2001 OMB Passback
Department of Education
(BA in millions)

	FY 2000 Base	Add to FY 2000 Base	Passback ~~FY 2001 OMB Staff Rec.~~
FY 2000 ~~Likely~~ Enacted ~~(Current Conference Level)~~		**35,703.235**	**35,703.235**
Recommended Cuts to FY 2000 Likely Enacted:			
Teaching to High Standards	1,206.000	(703.000)	503.000
School to Work	55.000	(55.000)	0.000
Star Schools	51.000	(51.000)	0.000
Ready to Learn television	16.000	(9.000)	7.000
Telecommunications demonstration for math	8.500	(6.500)	2.000
Capital expenses for private school children	12.000	(12.000)	0.000
Title I Evaluation	8.900	(8.900)	0.000
Ellender fellowships	1.500	(1.500)	0.000
Impact Aid	910.500	(180.500)	730.000
Public Telcom. Info/Training Dissemination	1.500	(1.500)	0.000
Vocational Education Basic State Grants	1,055.650	(172.967)	882.683
Occupational and Employment Information	9.000	(9.000)	0.000
State Grants for Incarcerated Youth Offenders	19.000	(7.000)	12.000
Fund for the Improvement of Postsecondary Education	77.658	(46.458)	31.200
Learning Anytime Anywhere Partnerships	23.940	(8.940)	15.000
Interest Subsidy Grants	12.000	(2.000)	10.000
Community scholarship mobilization	1.000	(1.000)	0.000
Fund for the Improvement of Education	249.525	(121.525)	128.000
Total, Cuts to FY 2000 ~~Likely~~ Enacted	**3,718.673**	**(1,397.790)**	**2,320.883**
Increases to Base Programs:			
Technology Literacy Challenge Fund	425.000	100.000	525.000
After School	453.710	71.290	525.000
Title I Grants to LEAs	7,941.397	200.000	8,141.397
Class Size	1,300.000	200.000	1,500.000
Troops to Teachers	0.000	10.000	10.000
America Reads	260.000	26.000	286.000
Bilingual Education Professional Development (HEAP)	71.500	3.500	75.000
Adult Education Nat'l Activities incl. ESL/Civics (HEAP)	14.000	25.000	39.000
Pell Grants	7,700.000	480.000	8,180.000
Work Study	934.000	77.000	1,011.000
GEAR UP	200.000	40.000	240.000
Subtotal, Base Programs	**19,299.607**	**1,232.790**	**20,532.397**
New ESEA Initiatives			
High School Reform	0.000	125.000	125.000
Early Childhood Professional Development	0.000	20.000	20.000
OPTIONS	0.000	20.000	20.000
Subtotal, New ESEA Initiatives	**0.000**	**165.000**	**165.000**
Other ED Programs	16,403.628	0.000	16,403.628
Total	**35,703.235**	**0.000**	**35,703.235**

OMB

Home Grown Recritment

High School Reform Initiative

School Construction

700 schools that could be in corrective action.

Bethany Little
12/10/99 02:34:05 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP@EOP, Barbara Chow/OMB/EOP@EOP, Andy Rotherham/OPD/EOP@EOP

cc: John B. Buxton/OPD/EOP@EOP, Kendra L. Brooks/OPD/EOP@EOP, Jennifer E. McGee/OMB/EOP@EOP

Subject: Small Schools Proposal

I just spoke with Cheryl Smith about Obey's small schools initiative. I explained that we thought it was great they got the $45 million, and that she seemed to be the only person in town who had a real picture of what the program would look like so I would love to have the benefit of her insight. At no point did I indicate that we were considering expanding the initiative, however it seems that what we want to do would probably work for them. We seem to agree on most of the major points.

- They do not want the money to be used for elementary or middle schools, but to remain targeted to high schools.
- She seemed amenable to the idea of expanding the program beyond breaking down large high schools into the arena of creating new small high schools, such as charter schools.
- We can probably work out some arrangement that would allow the money to be used for minimal facility renovation.
- They would like the money to also be available to districts for smaller one-year planning grants.
- They would like the initiative to be as flexible as possible, with a goal of creating schools with less than 600 kids, not a requirement.
- They are not interested in targeting the program to high-poverty communities, but many of the largest high schools are in poorer urban and rural areas anyhow.
- According to their estimations, a $200 million program would serve up to 500 districts.

Please let me know if we need more information. Thanks!

TO: Mickey Ibarra

FROM: Jackie Lain

DATE: December 9, 1999

RE: Summary of the FY 2001 federal education funding priorities submitted by CCSSO, NASBE, and NSBA during the meeting on 12/8/99 with representatives from IGA, OMB, DPC, and NEC

Council of Chief State School Officers (CCSSO)

(1) Increase federal funding for education by 15 percent overall

(2) Increase Title I funding by at least $1 billion

(3) Increased Goals 2000 funding (unspecified amount)

(4) Increase IDEA funding by at least $1 billion

(5) CCSSO also submitted the "21st Century Education Investment" which requests unspecified increases in programs aimed at: "overcoming barriers to academic achievement and productive employment," meeting rising enrollments generally and more specifically, rising enrollments of students with special needs, reducing teacher shortages, construction and repair of school facilities, technology advancements, and increasing financial aid to post-secondary education for low income families.

National Association of State Boards of Education (NASBE)

(1) Increase Title I funding (unspecified amount, but they signed onto the letter requesting increase of $1.9 billion)

(2) Increase Goals 2000 funding (unspecified amount)

(3) Increased IDEA funding (unspecified amount)

National Association of School Boards (NSBA)

(1) Increase IDEA local grants by $2.1 billion (per year for the next 10 years)

(2) Increase Title I (local grants) by $1.9 billion

(3) Increase Early Childhood Development funding by $1 billion
(E.g., increased federal funding for Even Start and other programs that provide academic training for children)

(4) Support Class-size Reduction initiative and expand opportunities for use of waivers tied to teacher quality and professional development

Summary

Title I

- CCSSO and NSBA listed increased federal funding for Title I as their top priority.
- NSBA listed it as their second priority.
- CCSSO requested an increase of at least $1 billion.
- NASBE (by implication) and NSBA both requested an increase of $1.9 billion.

IDEA

- NSBA listed increased federal funding for IDEA as their top priority.
- CCSSO and NASBE listed it as their third priority.
- NSBA requested an additional $2.1 billion per year (for the next 10 years) increase in IDEA local grants.
- CCSSO requested an increase of at least $1 billion next year.
- NASBE did not specify an amount.

GOALS 2000

- CCSSO and NASBE listed increased Goals 2000 in their top three priorities.
- Neither organization specified an amount of increase.

Early Childhood Development

NSBA requested an increase of $1 billion for early childhood development programs, specifically those that provide academic training for young children.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. paper	re: Working Ideas for State of the Union (6 pages)	n.d.	P5

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Andrew Rotherham (Education)
OA/Box Number: 21293

FOLDER TITLE:

State of the Union Process Documents [1]

2011-0103-S
rc644

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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

Summary of the Department of Education's FY 2001 Budget Request

As shown in the table below, the Department of Education requests a total of **$41.5** billion in discretionary program level in FY 2001, an increase of **$6.8 billion** or 19.5 percent from the FY 2000 President's Budget level of $34.7 billion.

The Department of Education's FY 2001 Request All Numbers in Comparable Program Level					
($'s in Billions)	**FY 1999 Enacted**	**FY00 Budget**	**FY 2001 ED Request**	**(+/-) FY 1999 Enacted (%)**	**(+/-) FY00 Budget (%)**
BA	$33.3	$34.7	$41.5	$8.2 (25%)	$6.8 (20%)
OL	$28.7	$31.8	$36.4	$7.7 (27%)	$4.6 (14%)

ED's request increases funding for programs across the board. About $4.2 billion or about 60 percent of ED's requested budget authority increases are for the following six programs (all increases from the FY 2000 Budget): (1) Pell Grants (+$1,252 million in BA, +$803 million in program level); and (2) Teaching to High Standards (+$904 million); (3) Title I Grants to LEAs (+804 million); (4) Special Education Part B State Grants (+$500 million); (5) After School (+$400 million); and (6) Class Size (+$300 million).

Below are highlights of ED's budget submission.

Mandatory Programs: The Department is not proposing any new policy initiatives in the FY 2001 request for **FFEL/FDSL** owing to the recentness of the Higher Education Amendments. Mandatory **Section 458** funding for ED's loan administration (including amounts paid to guaranty agencies) will increase nearly 5 percent between FY 2000 and FY 2001 to accommodate increasing direct loan volume, from $735 million to $770 million. The payments to guaranty agencies are scheduled to decrease in FY 2001 by $10 million, to $170 million. These levels are consistent with the HEA.

Discretionary Programs -- New Programs:

ÿ **Over $1.7 billion for Teacher Professional Development.** ED's request includes $1.7 billion for a new Teaching to High Standards program, a professional development program that consolidates Goals 2000, Eisenhower, and Title VI as proposed in the Administration's ESEA reauthorization bill. This amount is $904 million (114%) more than last year's request for the three consolidated programs and $529 million (45%) more than the FY 1999 level for these programs. The request also includes two other professional development initiatives: (1) $40 million for a Principal Leadership Initiative; and (2) $20 million for professional development for pre-school teachers.

ÿ **$125 million for High School Reform;** a new program in the ESEA reauthorization proposal. This initiative, which would serve 1,000 high schools in FY 2001, supports research-based, comprehensive reform for high schools such as schools-within-schools.

ÿ **$50 million for Higher Education for Individuals with Disabilities,** a new initiative to help State Vocational Rehabilitation agencies to increase the number of individuals with disabilities who attend college, and help them succeed in college.

ÿ **Other noteworthy initiatives include:** $60 million for Strengthening Technical Assistance Capacity Grants, new formula grants to States and high-poverty LEAs to procure technical assistance. $30 million for Opportunities to Improve our Nation's Schools (OPTIONS), a new initiative supporting innovative public school choice models, such as worksite schools.

Discretionary Programs -- Increases to Base Programs:

ÿ **$8.8 billion for Title I Grants to LEAs**; nearly $804 million (10%) more than last year's request and over $1 billion (13.8%) more than the FY 1999 appropriation. Approximately $215 million (2.5%) of this request would be available to States and school districts for accountability and school improvement activities.

ÿ **$225 million for the Comprehensive School Reform Demonstration program** (Title I and FIE funds); $75 million (50%) more than last year's request and $105 million (87.5%) more than the FY 1999 appropriation.

ÿ **$1.7 billion for Class Size**; $300 million (21.4%) more than last year's request and $500 million (41.6%) more than the FY 1999 appropriation. The request, and the matching requirement included in the ESEA proposal, would support a total of 49,000 teachers, 18,000 more than in FY 1999.

ÿ **$691 million for Safe and Drug-Free Schools and Communities**, $100 million (16.9%) more than last year's request and $125 million (22%) more than the FY 1999 level. This includes $109 million for Safe Schools/Healthy Students, an increase of $49 million (82%)over last year's request, and $50 million for drug and violence prevention coordinators, the same as last year's request and $15 million (43%) more than the FY 1999 level.

ÿ **$8.72 billion for Pell Grants to raise the maximum award to $3,525,** an increase from $7.5 billion in BA and a $3,250 maximum grant in the FY 2000 Budget request and from $7.7 billion in BA and a $3,125 maximum grant in FY 1999. The maximum award would be 8.5% higher than in the FY 2000 Budget and 12.8% higher than in FY 1999.

ÿ **$6.7 billion for Special Education**, an increase of $1.2 billion over the FY 2000 Budget level of $5.5 billion. Most notably, ED requests a $500 million increase for Grants to States, +$90 million for State Improvement Activities (a 200%

increase), and +$50 million to double funding for last year's Primary Education Intervention initiative.

ÿ **$1 billion for 21st Century community learning centers**; $400 million (66.7%) more than last year's request and $800 million (400%) more than in FY 1999.

ÿ **$360 million for GEAR UP (HEAP Component),** up from $120 million in FY 1999 enacted and $240 million in the FY 2000 Budget. Funding would increase 50% over the FY 2000 Budget, which was a 100% increase over FY 1999 enacted.

ÿ **$52 million for Research:** ED requests $250 million for the National Institute for Education Research, $52 million more than last year's request among the programs consolidated under this new authority.

ÿ **Hispanic Education Action Plan (HEAP):** See Attachment

ÿ **Other Noteworthy Base Program Increases:**

  ÿ $150 million for **Charter Schools**; $20 million (15.4%) more than last year's request and $50 million (50%) more than the FY 1999 appropriation.

  ÿ $40 million for **Advanced Placement** Incentives program; $20 million (100%) more than last year's request and $36 million (400%) more than the FY 1999 appropriation.

  ÿ $386 million for **America Reads**; $100 million (35%) more than last year's request and $126 (48.5%) more than the FY 1999 appropriation. This request would permit an additional 12 States to create programs that use scientifically based reading research to improve the reading skills of elementary school students.

ÿ **$601 million in discretionary funds for Salaries and Expenses,** $50 million or 9% over the FY 2000 request. Compared with the FY 2000 request level, this represents an increase of $41 million or more than 10% for Program Administration; $5.3 million or 7% for OCR; and $3 million or 9% for the Inspector General. It would support an additional 109 FTE, of which 66 are for Program Administration, 36 are for OCR, 5 are for the Inspector General and 2 are for VocEd.

MEMORANDUM FOR BRUCE REED

From: Andrew Rotherham

Date: December 13, 1999

Subject: TITLE I SURPLUS PROPOSAL

This memo describes four options to substantially increase investment in Title I while increasing the focus on accountability and fixing failing schools within the program. In addition, these options would allow the President to make a challenge to the nation that by 2005 all failing schools would either be becoming high performance schools or being shut down.

Politically, a Presidential challenge of this nature would shift the emphasis from "Florida style" voucher plans and Governor George Bush's Title I proposal which focus on choice rather than improvement, to a Democratic agenda of fixing failing schools by investing more and demanding more. A focus on Title I and accountability would ensure that more schools get the help they need to turn around or are closed down—currently only 47 percent of schools identified for school improvement receive assistance. The most modest option of the four would result in an average of $197,000 for each of the approximately 7,000 schools identified for school improvement and the most aggressive would result in an average of $250,000 per school over the next five years. Unfortunately, there is not data on the exact costs associated with turning around failing schools because it is a relatively new process. However, considering that schools receiving this funding would also already be receiving other Title I money it is reasonable to assume that investments of this magnitude would enable these schools to undertake more effective reform.

From a policy perspective, a focus on failing schools and accountability would allow us to give more structure to the accountability fund by highlighting activities in addition to technical assistance that school districts and states can undertake with the accountability funding. Mary Cassell at OMB has been developing a draft implementation plan for the Department of Education to help focus different resources there on the task of assisting failing schools. Ann O'Leary and I plan to work with Mary and Mike Cohen to broaden this implementation plan to ensure that the funding provided under the guise of "accountability" actually leverages effective practices at the school district level (for example curtailing the use of unqualified aides by promoting career ladders and high quality professional development). The plan we develop would serve as the policy supporting the President's goal and would link the different investments in the budget that are aimed at failing schools into a comprehensive strategy.

In addition, by substantially increasing the focus on failing schools and revenue targeted at that issue we would have more leverage to ensure that the dollars being provided for accountability are being used for effective strategies rather than simply reinforcing practices we know to be ineffective.

Senator Lieberman's ESEA bill sets the Title I authorization at $12 billion. This is currently the high water mark for ESEA proposals. The four options below are differentiated by two key questions:

- How aggressively to increase investment in Title I during the next 5 years;
- How closely to track the proposed 2.5 – 3.5 percent growth curve for the accountability set-aside.

Option 1: Moving beyond the 2.5 percent set-aside:

Fiscal Year	Total LEA Grants (Basic and Concentration)	Set-Aside
2000 Enacted	$7.94 Billion	$134 million*
2001	$8.64 Billion (+700)	$250*
2002	$9.34 Billion (+700)	$300*
2003	$10.04 Billion (+700)	$350*
2004	$10.74 Billion (+700)	$400*
2005	$12 Billion (+1.26)	$500*

*Not on a percentage basis.

Under this model, Title I would be increased $4.06 billion over 5 years and the set-aside for accountability would be increased from a current level of $134 million to $500 million over five years. Total investment in accountability from FY01-FY05 would be $1.8 billion and in FY05 the set-aside would equal 4.1 percent of the total appropriation.

Option 2: Growing into the 2.5 – 3.5 percent set-aside:

Fiscal Year	Total LEA Grants (Basic and Concentration)	Set-Aside
2000 Enacted	$7.94 Billion	$134 million*
2001	$8.64 Billion (+700)	$250*
2002	$9.34 Billion (+700)	$292*
2003	$10.04 Billion (+700)	$334*
2004	$10.74 Billion (+700)	$376 (3.5 percent)
2005	$12 Billion (+1.26)	$420 (3.5 percent)

*Not on a percentage basis.

In the appropriations end game for FY00, the final deal included $134 million for accountability. This funding was not based on any percentage of the underlying Title I appropriation. Under this model the set-aside would continue to be set on this basis until the Title I funding "grew into" the set-aside. Again, total investment in Title I would be $4.06 billion but the set-aside would account for $1.67 billion. In FY04 the set-aside of

$376 million would be 3.5 percent of the total appropriation and would continue to grow on this basis.

Option 3: Stay the course on 2.5 – 3.5 percent with aggressive investment:

Fiscal Year	Total LEA Grants (Basic and Concentration)	Set-Aside
2000 Enacted	$7.94 Billion	$134 million*
2001	$8.64 Billion (+700)	$216 (2.5 percent)
2002	$9.34 Billion (+700)	$234 (2.5 percent)
2003	$10.04 Billion (+700)	$251 (2.5 percent)
2004	$10.74 Billion (+700)	$376 (3.5 percent)
2005	$12 Billion (+1.26)	$420 (3.5 percent)

*Not on a percentage basis.

Under this model, total Title I investment increases $4.06 billion and accountability grows from $216 million to $420 million over 5 years. Total investment in accountability over the 5-year period would be $1.5 billion.

Option 4: Stay the course on 2.5- 3.5 percent and more modest investment.

Fiscal Year	Total LEA Grants (Basic and Concentration)	Set-Aside
2000 Enacted	$7.94 Billion	$134 million*
2001	$8.44 Billion (+500)	$211 (2.5 percent)
2002	$8.94 Billion (+500)	$224 (2.5 percent)
2003	$9.44 Billion (+500)	$236 (2.5 percent)
2004	$9.94 Billion (+500)	$347 (3.5 percent)
2005	$10.44 Billion (+500)	$365 (3.5 percent)

*Not on a percentage basis

Under this model total investment in Title I would increase $2.5 billion over the next five years with the set-aside growing from $211 million to $365 million. Total investment in accountability over 5 years would be $1.38 billion.