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Education - ESEA Reauthorization

Good morning Mr. Chairman and Members of the Committee.

I appreciate this opportunity to present the Administration's views on the upcoming reauthorization of the Elementary and Secondary Education Act (ESEA) of 1965. The Administration is working on a detailed reauthorization proposal that we plan to submit for your consideration next month. The Department will also soon submit to Congress several reports evaluating the implementation and impact of Title I, other ESEA programs, and Goals 2000. Today I will provide an overview of our reauthorization efforts, as well as some of our specific recommendations. If there is one overriding principle that defines what we hope to accomplish, it is to end the tyranny of low expectations and raise achievement levels for all of our young people.

Let me begin by urging the Committee to develop a single, comprehensive bill reauthorizing the Elementary and Secondary Education Act. Some have suggested a title-by-title approach that could lead to several separate bills. This concerns me, because we have worked very hard with the Congress in recent years to develop a comprehensive approach to Federal support for education reform. If our efforts are to be successful, it is very important for all the pieces to fit together, complementing and reinforcing each other to help States, school districts, and schools to make the changes needed to raise achievement for all students. This is why the Administration is developing a single, integrated reauthorization proposal, and I hope you will do the same.

I also want to point out that with the nearly simultaneous reauthorization of the Department's Office of Educational Research and Improvement, we have a unique opportunity to develop a comprehensive agenda for independent research to support improved practices and instruction in elementary and secondary education. We should make every effort to develop research-based solutions to the many challenges we face in elementary and secondary education, and to get the best information on what works into the hands of parents, teachers, principals, and superintendents across the Nation.

BACKGROUND AND ACCOMPLISHMENTS

This is, of course, this Administration's second opportunity to work with Congress on improving the ESEA. The 1994 reauthorization—the Improving America's Schools Act—took direct aim at transforming a Federal role that for too long had condoned low expectations and low standards for poor children. Along with the Goals 2000: Educate America Act, the 1994 reauthorization reflected a bipartisan effort to raise expectations for all children by helping States and school districts to set high standards and establish goals for improving student achievement. The 1994 Act included provisions to improve teaching and learning, increase flexibility and accountability for States and local school districts, strengthen parent and community involvement, and target resources to the highest poverty schools and communities.

There is strong evidence that these changes, particularly the emphasis on high standards, have helped States and school districts carry out the hard work of real education reform. States that led the way in adopting standards-based reforms—like Kentucky, Maryland, North Carolina, and Oregon—found new support from Federal programs that helped them to raise reading and math achievement. In

other States, the new ESEA and Goals 2000 encouraged and supported improvements in teaching and learning tied to high standards. For example, in a very positive report on Goals 2000 by the General Accounting Office (GAO), we were most pleased that State officials described Goals 2000 as “a significant factor in promoting their education reform efforts” and a “catalyst” for change.

Signs of Progress

Partly as a result of changes at the Federal level and our new partnerships with the States, 48 States, the District of Columbia, and Puerto Rico have developed state-level standards and two States have pushed for standards at the local level. More importantly, there are promising signs of real progress toward meeting these higher standards in the classroom. The National Assessment of Educational Progress (NAEP), for example, has shown significant increases in math scores at the 4th, 8th, and 12th grades (See Chart 1). The National Education Goals Panel reported that between 1990 and 1996, 27 States significantly increased the percentage of 8th graders scoring at either the proficient or the advanced level on the NAEP math test (See Chart 2).

Tomorrow the National Center for Education Statistics will release its national report card on reading, and I understand we will see some improvement. Making sure that every child can read well and independently by the end of the 3rd grade is a key benchmark of whether or not American education is improving. This has been a very high priority for the Administration and over the past few years a strong, bipartisan consensus has emerged on the importance of helping all children master this key prerequisite for all further learning. Title I provides substantial resources to improve reading instruction, and last year, Congress on a bipartisan basis passed the Reading Excellence Act to strengthen State and local efforts to improve reading in the early grades. We also now have some 20,000 College Work-Study students serving as reading tutors.

“Leading-Edge” States

Turning from the national to the State level, individual States have made notable progress in a very short period of time (See Chart 3). North Carolina, for example, more than doubled the percentage of its 8th graders scoring at the proficient or advanced levels on the NAEP math test, from 9 percent in 1990 to 20 percent in 1996. In Texas, the percentage of 4th grade students reaching the NAEP proficient or advanced levels rose from 15 percent in 1992 to 25 percent in 1996.

The National Education Goals Panel issued a report authored by the RAND Corporation that examined experience of these two States. This report found that the “most plausible explanation” for the test-score gains was an “organizational environment and incentive structure” based on standards-based reform, defined as “an aligned system of standards, curriculum, and assessments; holding schools accountable for improvement by all students; and critical support from business.” The report also tells us that the willingness of political leaders to stay the course and continue the reform agenda, despite “changes of Governors and among legislators,” is another key element that has defined the success of these two leading States.

Many states are not yet implementing proven practices that are working in some of this Nation's "leading-edge" States. According to recent special report on accountability in Education Week, 36 states issue school report cards, 14 do not, and fewer than half of the parents in States that do issue report cards are aware of their existence. The report also tells us that only 19 States provide assistance to low performing schools, and only 16 States have the authority to reconstitute or close down failing schools. Only about half the States require students to demonstrate that they have met standards in order to graduate, and too many still promote students who are unprepared from grade to grade. So we have work to do.

New Flexibility at the Federal Level

The 1994 reauthorization also brought real change to the way we do business at the Department of Education. We made a very determined effort to give States and school districts greater flexibility to make innovations that help all students reach high standards. Our regulatory reform effort, for example, systematically examined every Department regulation and set very specific criteria for regulating only when absolutely necessary. The Office of Management and Budget has supported this approach, and other Federal agencies have since adopted it as a model. Under our new regulatory criteria, we found that we needed to issue regulations for only five of the programs included in the 1994 ESEA reauthorization; thus we eliminated a full two-thirds of the regulations previously covering the Elementary and Secondary Education Act.

Another major improvement was to give States the option of submitting a single, consolidated State application, instead of separate applications, for the majority of ESEA programs. Not surprisingly, every State but one has adopted this approach, which both reduces paperwork and encourages a comprehensive approach to planning for the use of Federal funds. Moreover, States now submit their single plan just once during the life of the authorization cycle, with brief yearly updates to ensure accountability. States reported in fiscal year 1996 that the consolidated application slashed paperwork requirements by 85 percent.

In addition, the Department has vigorously implemented the waiver provisions included in the 1994 reauthorization, which permit States, school districts, and schools to request waivers of statutory and regulatory requirements that present an obstacle to innovative reform efforts if there are adequate accountability safeguards in place. Our efforts included a Waiver Hot Line as well as comprehensive waiver guidance at our site on the World Wide Web.

Since the reauthorization of ESEA in 1994, the Department has received 648 requests for waivers from States and local districts and granted a total of 357 waivers. Overall, the Department has approved 55 percent and disapproved 8 percent of all waivers requested. Of the remainder, 28 percent were withdrawn largely because districts learned that they had sufficient latitude or flexibility under existing law to proceed without a waiver, demonstrating that the ESEA is more flexible than many people thought even without the waiver authority.

ED-Flex

Another approach to flexibility is the ED-Flex demonstration program, which allows the Department to give States with strong accountability mechanisms the authority to approve waivers of certain Federal statutory and regulatory requirements that stand in the way of effective reform at the local level. Congress has authorized up to 12 States to participate in ED-Flex.

We are proposing to expand ED-Flex to allow all eligible States to participate. I believe such an expansion should be considered in the context of reauthorization, our emphasis on accountability for results, and other programmatic issues. ED-Flex can be an important tool for accelerating the pace of real reform in our schools, but it must be done thoughtfully. ED-Flex cannot be used to get around established civil rights protections.

Federal Education Dollars to the Local Level

One final issue I want to touch on is the Department's performance in getting Federal education dollars to the local level, where they can do the most good. There have been a number of "dollars to the classroom" proposals over the past two years based on the assumption that the Department of Education retains a significant portion of Federal elementary and secondary appropriations to pay for administrative costs.

The truth is that over 95 percent of all the dollars appropriated by Congress for ESEA programs already go to local school districts. Almost all of the rest goes to States to provide technical assistance, to support the use of standards and assessments, and to provide oversight. If the "95 percent" figure sounds familiar, it is because some of those proposals I mentioned promise to send 95 percent of Federal dollars to the classroom.

I recognize that some may argue about whether the "local level" is the same as "the classroom." My view is that once the funds reach the local level, it is up to local elected school boards to decide how best to spend them to achieve the purposes of the programs enacted by the Congress. We in Washington should not attempt to bypass local school boards and deny them their lawful responsibility to determine how to meet the educational needs of their students.

I believe that these accomplishments—widespread adoption of challenging standards, promising achievement gains nationally and even more improvement in "leading-edge" States, and new flexibility for States and school districts—show that we were on the right track in 1994. The evidence demonstrates a clear connection between raising standards and raising student achievement. The record also shows, however, that many States and districts are still phasing in the 1994 reforms. Taken as a whole, this experience provides a compelling argument for the Administration and Congress to keep working together to help States and school districts get high standards into the classroom, and to push for improved incentives and strengthened accountability mechanisms to ensure that these reforms take hold.

THE NEXT STAGE: RAISING ACHIEVEMENT IN OUR SCHOOLS AND CLASSROOMS

Let me lay out for you the broader context for our ESEA reauthorization proposals. In 1994, we broke sharply with the past and made a significant policy shift in putting an end to the practice of giving students a watered-down curriculum. I strongly believe that the tyranny of low expectations—and it is tyranny—has been one of the great flaws of American education. We vigorously oppose the idea of “dumbing down” American education. Instead of “dumbing down,” we want to “achieve up.”

To support this effort we have developed a comprehensive, three-part strategy of (1) targeting investments to disadvantaged children, with particular attention to the early years of schooling; (2) improving teacher quality, and (3) real accountability. All these pieces need to fit together if we want to raise achievement levels.

First, our investments in the Title I, the Class-Size Reduction program, the Reading Excellence Act, education technology, and after-school programs—to name just a few—are all part of our effort to get communities and their teachers and principals the resources they need to raise achievement for all students. We have put a real emphasis on the early years of schooling because research and common sense tells you that if a young person can “master the basics” early, they get off to a much better start in their education.

We want to improve academic achievement for all students, with a special emphasis on closing the gap upward between poor and minority students and other students. This is why, for example, we are such strong supporters of reducing class size in the early grades. Research from the Tennessee STAR study demonstrated that reducing class sizes in the early grades led to higher achievement for all students, with poor and minority students showing the greatest gains.

Second, we think it is absolutely essential to put a highly qualified, dedicated teacher in every classroom in America. John Stanford, the inspiring former superintendent from Seattle who recently passed away, had this marvelous slogan that summed up his philosophy: “the victory is in the classroom.” If we are going to achieve many more victories in the classroom, we simply have to raise teacher quality and get many more certified teachers into our Title I schools. This is why we asked the Congress to create a strong teacher quality initiative in the Higher Education Act reauthorization last year. Our intent here is to make high standards part of every teacher’s daily lesson plans. I will discuss this part of our proposal in greater detail later on in my testimony.

Strengthening Accountability

Stronger accountability is the third part of our broad strategy of improvement. We believe that effective accountability measures—what business leaders call quality control measures—can make sure that our investments are used wisely and actually produce the desired results.

Much of our thinking about accountability has been informed by successful accountability initiatives at the local and State levels. The most thoughtful education leaders at the State and local level are doing what we are proposing: they are ending social promotion, requiring school report cards,

identifying low-performing schools, improving discipline in schools and classrooms, and putting in place measurable ways to make change happen, such as basic skills exams at different grade levels. They are striking a careful balance between giving schools the increased support and flexibility they need to raise achievement levels and, at the same time, holding schools accountable when they do not measure up to clearly established goals. We are trying to strike that same balance in our reauthorization proposals.

Our emphasis on accountability in ESEA, and in particular in Title I, seeks to build on, support, and encourage these growing State and local efforts to pick up the pace of standards-based reform. Here it is important to recognize that we are not talking about more regulations. We want better results. There is both a moral and a fiscal dimension to being more accountable. We cannot afford to lose the talents of one child, and we cannot waste the substantial resources entrusted to us by American taxpayers.

The “either/or” thinking that has dominated the public debate about our accountability proposals—more Federal control versus less local control—really misses the point entirely about what we seek to achieve. If a State is putting its own accountability measures into place, we are not demanding that they replace their measures with our measures. But if a State does not have such requirements in place, then it makes a good deal of sense for them to adopt our proposals. We expect States to do this because it is good education policy and the right thing to do for the children.

Our approach to increased accountability is one of graduated response, a range of options—some positive and others more prescriptive—that can help break the mold and get low-performing schools moving in a more positive direction. On the positive side of the continuum, we give school districts greater flexibility if we see that they are making progress. But if a school or a school district simply isn’t making things happen, we want to work with State and local officials to find out why and shake things up. The local school district, for example, may not be giving teachers the real professional development time they need.

If a school district is refusing to change, we are prepared to be much more specific about how it uses ESEA funding. We do not intend to be passive in the face of failure. We will help, nudge, prod, and demand action. And, if we have to, we are prepared to restrict or withhold ESEA funding.

We recognize that a complete accountability system should be multi-dimensional and include high expectations and accountability for everyone in the system. All of us are responsible for ensuring that all students reach high standards. The accountability measures in our reauthorization proposal will be designed to (1) help school districts and states provide students with a high-quality education, (2) focus on continuous improvement, and (3) hold students, teachers, principals, schools, and districts to high standards.

It is important to note that our proposed accountability measures reinforce and build on similar provisions enacted in 1994. For example, the underlying structure of the Title I accountability provisions is sound, and a minority of States are hard at work emphasizing continuous improvement

and holding schools and principals accountable for results. Many States, however, have not fully implemented the Title I provisions and have moved only tentatively to make other changes based on high standards and accountability.

We seek to speed up and strengthen the process by requiring States to take immediate action to turn around low-performing schools, to give parents annual report cards, to end social promotion, to improve teacher quality, and to have well-thought-out discipline policies in place that make a difference.

Meeting State Standards

First, we would retain the current Title I requirement that States establish assessments aligned with State content and performance standards by the 2000-2001 school year. States must also define adequate yearly progress for Title I schools and local school districts in a manner that would result in continuous progress toward meeting State standards within a reasonable time frame.

Turning Around the Lowest Performing Schools

Second, States should take immediate corrective action to turn around the lowest performing schools. Currently, there are over 6,500 schools and 1,300 school districts designated under Title I as needing improvement. These schools and districts were placed in school-improvement status after making little or no improvement over a period of two years. Many of these schools are still showing no improvement despite receiving additional support. We are saying our children have spent enough time in low-performing schools—it is time to take action now.

States should quickly identify the lowest performing schools that are failing to show improvement and provide additional support and assistance. If any school continues to show no improvement, States should take bold action such as reconstituting the school or closing the school down entirely and reopening it as a fresh new school. The Department's 2000 budget request includes a \$200 million set-aside in Title I to help jumpstart this process of State and district intervention in the lowest performing schools.

Annual Report Cards

Third, annual report cards at the State, district, and school levels should be a requirement for receiving ESEA funds. The report cards should provide invaluable information on improvement over time or the lack thereof. They should include information on student achievement, teacher quality, class size, school safety, attendance, and graduation requirements. Where appropriate, the student achievement data should be disaggregated by demographic subgroups to allow a greater focus on the gaps between disadvantaged students and other students.

For report cards to make sense they need to be easily understood by and widely distributed to parents and the public. As I indicated earlier, while 36 States already require report cards, many parents and

teachers from these States say that they have never seen them. Our proposal is intended to give parents a tool they can use to join the debate over bringing high standards into the classroom, to advocate on behalf of their children and their children's schools, and to work with teachers and principals to make improvements.

I assure you, if parents find out that their children are going to an unruly or unsafe school, there will be standing-room only at the next school board meeting and that can be a very good thing. If parents discover that test scores are down at their school but up at a nearby school, they will start asking questions and spark reform. In short, a good, honest report card gives parents a real accountability tool that allows them to make a difference in the education of their children.

Separately, we have proposed an additional test that can help parents determine if their children are measuring up: the voluntary national tests in 4th grade reading and 8th grade math. The independent, bipartisan National Assessment Governing Board (NAGB) is developing a plan for this test, in accordance with language in the Fiscal Year 1999 Appropriations Act. I ask the Committee to join me in looking carefully at this plan when NAGB announces it later in the spring.

Ending Social Promotion

Fourth, all States receiving ESEA funds should end the practice of social promotion. I want to be clear that in calling for an end to social promotion we are not encouraging school districts to retain students in grade; instead, we are asking school districts to prepare children to high standards. That is why we have pushed so hard for programs like Class Size Reduction, the Reading Excellence Act, and the 21st Century Community Learning Centers after-school initiative, which invest in the early years and help to minimize the number of children at risk of retention in grade.

Research indicates that from 10 to 15 percent of young adults who graduate from high school and have not gone further—up to 340,000 students each year—cannot balance a checkbook or write a letter to a credit card company to explain an error on a bill. In addition, about 450,000 to 500,000 young people drop out of high school between the 10th and 12th grades. These are the young people who are hurt by current practices. We need to make sure these students are given the support they need to succeed.

The President's call for an end to social promotion is designed to tell students that "performance counts," and to encourage districts and schools to take aggressive action to help all students meet promotion standards on time. States should target their efforts at key transition points, such as 4th, 8th, and 10th grades, and should use multiple measures, such as valid assessments and teacher evaluations, to determine if students have met the high standards required for promotion to the next grade. States would develop their own specific approaches to match their unique circumstances.

Strategies to end social promotion include early identification and intervention for students who need additional help—including appropriate accommodations and supports for students with disabilities.

After-school and summer-school programs, for example, can provide extended learning time for students who need extra help to keep them from having to repeat an entire grade.

Ensuring Teacher Quality

Fifth, States must do more to ensure teacher quality. States receiving ESEA funds should adopt challenging competency tests for new teachers, phase out the use of uncertified teachers, and reduce the number of teachers who are teaching “out of field.” Less than two weeks ago, we released our first biannual report on Teacher Quality. In developing this report, we are making a statement that we are going to keep coming back to the issue of teacher quality again and again. The report told us that less than half of America’s teachers feel very well-prepared to teach in the modern classroom. Teachers cited four areas of concern: using technology, teaching children from diverse cultures, teaching children with disabilities, and helping limited English proficient (LEP) students (See Chart 4). This study really is a cry for help and we need to respond.

I know the Members of this Committee share our concern about teacher quality, and we want to work with you to address that concern. Research shows that qualified teachers are the most important in-school factor in improving student achievement, yet more than 30 percent of newly hired teachers are entering the teaching profession without full certification, and over 11 percent enter the field with no license at all.

Our ability to raise academic standards also is hindered by teachers teaching “out of field.” Overall, nearly 28 percent of teachers have neither an undergraduate major nor minor in their main assignment fields. Another significant concern is the practice of using teacher aides as substitutes for full-time instructors. All of these individuals are trying to do their best, but where they are being asked to take the place of a teacher we are shortchanging our students.

High-poverty urban schools are most likely to suffer from unqualified teachers. Even when urban districts succeed in hiring qualified teachers, attrition rates during the first five years often reach 50 percent. Partly as a result of difficulties in recruiting and retaining teachers, Title I schools are hiring teacher aides at twice the rate of certified teachers, and an increasing number of aides are providing direct instruction without a teacher’s supervision.

Our ESEA reauthorization proposal would begin to address these problems by ensuring that States adopt challenging competency examinations for all new teachers that would include assessments of subject-matter knowledge and teaching skills. We would also work to phase out the use of teacher aides as instructors in Title I schools, but at the same time encourage paraprofessionals to become certified teachers by supporting State and local efforts to build career ladders leading to certification. Our proposal will ensure that States make significant progress in reducing both the number of teachers with emergency certificates and the number of teachers teaching subjects for which they lack adequate preparation.

The issue of improving teacher quality is also of great importance to all of us who want to improve

the education of children with disabilities. The ESEA is meant to serve all children and there are growing numbers of children with disabilities who have been successfully mainstreamed into regular classrooms. The ESEA and the Individuals with Disabilities Education Act can work together to make a real difference for many more of these children. The Teacher Quality report told us that the majority of our teachers do not feel as well-prepared as they should to teach children with disabilities. We want to work very hard to make sure that all teachers have the skills and the tools they need to teach these children to high standards.

We made a good start in improving teacher quality last year when Congress passed—with strong bipartisan support—the new teacher recruitment and training programs in Title II of the reauthorized Higher Education Act. Our ESEA reauthorization plan would build on this success by providing resources to help States strengthen teacher-certification standards. It also will include—in the new Teacher Quality and High Standards in Every Classroom initiative—increased investment in the high-quality professional development that teachers tell us they need to help all students meet challenging new State standards.

TITLE I

I have described some of the key, crosscutting measures for getting high standards into all classrooms. Now I would like to outline some program-specific issues and recommendations, beginning with Title I, which is the largest Federal investment in elementary and secondary education. This \$7.7 billion program reaches more than 45,000 schools in over 13,000 school districts. With the expansion of schoolwide projects following the last reauthorization, the program now serves over 11 million students. In the 1996-97 school year, 36 percent of the children served were white, 30 percent were Hispanic, and 28 percent were African-American. Seventeen percent of the children served were limited English proficient.

Historically, Title I has been the single largest source of Federal funding targeted to raising the achievement levels of students in high-poverty schools and helping to close the achievement gap between these children and their more advantaged peers. The 1994 reauthorization focused on helping children in high poverty schools reach the same high standards expected of all students. In particular, States were required to develop content and performance standards in reading and math, with aligned assessments to measure student progress toward meeting the standards.

The 1994 Act also improved targeting of resources, expanded the schoolwide approach, and strengthened parental involvement. With regard to targeting, the GAO recently reported that Federal programs are much more targeted than State programs. On average, for every \$1 a State provided in education aid for each student in a district, the State provided an additional \$0.62 per poor student. In contrast, for every \$1 of Federal funding districts received for each student, they received an additional \$4.73 in Federal funding per poor student. We believe targeting works, and we recommend leaving in place the Title I allocation formula adopted by the Congress in 1994.

The 1994 Act expanded schoolwide programs by permitting schools with poor children making up

at least 50 percent of their enrollment to use Title I funds in combination with other Federal, State, and local funds to upgrade the instructional program of the entire school. Since 1995, the number of schools implementing schoolwide programs has more than tripled, from about 5,000 to approximately 16,000. Our reauthorization proposal would maintain the 50-percent threshold for schoolwide programs.

Parents of Title I children are now more fully involved in their children's education through the use of parent compacts called for in the 1994 Act. I want to stress that getting parents involved in the process of school reform is often the spark that makes the difference. I have been a strong advocate of increased parental involvement in education for many years and there is a good reason for it. Parents are children's first teachers and they set the expectations that tell children how hard they should strive to achieve. Teachers tell us again and again that parents are too often the missing part of the education success equation.

If you look at the chart entitled "Making the Grade," you will see why we are placing such a strong emphasis on developing compacts between parents and schools for our Title I children (See Chart 5). Four years ago, we created the Partnership for Family Involvement in Education with 40 organizations. This Partnership has since grown to 4,700 organizations and it continues to grow quite rapidly. To give you one example of its activities, last month the Partnership sent out a detailed guide of best practices on how teachers can work better with parents.

Progress Since the 1994 Reauthorization

Current information on Title I indicates progress on several fronts. Title I has contributed to the rapid development of challenging State standards that apply to all students in Title I schools. Teachers in Title I schools are increasingly reporting that standards are helping to guide instruction. Moreover, preliminary data gathered for this reauthorization from States that have implemented the Title I standards and assessment provisions generally show increased achievement levels in high-poverty schools. For the 1997-98 school year, 7 of the 10 States with standards and aligned assessments in place for two years report increasing percentages of students meeting proficient and advanced performance standards in schools with poverty rates of at least 50 percent. These State-level data are particularly encouraging since final assessments are not required to be in place until school year 2000-2001. This and other information, including data indicating that Title I is driving higher standards to poor distr

icts and schools, will be discussed in greater detail in the Congressionally mandated National Assessment of Title I scheduled for release in late February.

Despite these initial signs of progress, I would be the first to admit that we are not anywhere near where we need to be in turning around the thousands of low-performing high-poverty schools that are served by Title I. This is why the President is so strong for improving teacher quality and increasing accountability. We know that many States, districts, and schools are not making as much progress as we had hoped. However, we did not expect to turn around the long, sorry history of setting low expectations for our Nation's poorest children in just four years. I believe we are now

on the right course in aligning Title I with the best efforts of State and local school systems. We simply need to stay the course in fitting all the pieces together to raise achievement levels.

Finally, in looking at the impact of Title I, we should keep in mind that despite its size and prominence at the Federal level, it represents about three percent of national spending on elementary and secondary education. Title I is effective only when it works in partnership with much larger State and local resources. Nevertheless, Title I can and should do more to assist State and local efforts to raise the educational achievement level of poor and minority children, and this is what we are trying to achieve through our reauthorization proposals.

Proposed Changes to Title I

Building on what we have learned since 1994, our reauthorization proposal would continue to hold at-risk children in high-poverty schools to the same high standards expected of all children and to link Title I to State and local reforms based on high standards. We also would continue targeting resources to areas of greatest need, supporting flexibility at the local level to determine instructional practices, and encouraging more effective implementation of schoolwide programs.

Title I schools would, of course, be subject to the accountability provisions that we would apply to all ESEA programs. Specific improvements to Title I would include targeting additional resources to help the lowest achieving schools and phasing out the use of teacher aides as instructors in Title I schools. We also would strengthen the schoolwide authority by borrowing some of the successful features of the Comprehensive School Reform Demonstration program, such as basing reforms on solid research about what works. And in response to a key recommendation of the reading study conducted by the National Academy of Sciences (NAS), we are proposing the use of diagnostic assessments in the first grade to ensure the early identification of children with reading difficulties. In addition to these proposals, we are giving serious consideration to phasing in a set-aside within Title I for professional development aligned to standards.

Separately, we support the continuation of the Comprehensive School Reform Demonstration program, which we believe is generating some good models for improving the effectiveness of the broader Title I program and for strengthening both Title I and non-Title I schools.

The Department also is considering proposals to promote high quality professional development for early childhood educators and others to help children develop better language and literacy skills in the early years. The NAS's reading study presented strong evidence that children who receive enrichment services focused on language and cognitive development in early childhood show significantly higher reading achievement in the later elementary and middle school years. We believe that professional development based on recent research on child language and literacy development—including strategies that could be shared with parents—could make a significant contribution toward the goal of ensuring that every child can read well by the end of the 3rd grade. Our proposal would target those children most at risk of experiencing difficulty in learning to read by working with early childhood educators in Head Start and Title I pre-K programs.

QUALITY TEACHERS AND HIGH STANDARDS IN EVERY CLASSROOM

While every State has developed high standards, States and districts now need significant support to continue the hard work of turning these high expectations into classroom realities. This is why we are proposing a new initiative called Quality Teachers and High Standards in Every Classroom. This initiative would help States and school districts continue the work of aligning instruction with State standards and assessments, while focusing most resources on improving teacher quality through high-quality professional development. Our proposal would build on and succeed the current Goals 2000, Title II, and Title VI programs.

The National Commission on Teaching and America's Future found that the biggest impediment to improving teaching was the lack of access to the kinds of knowledge and skills teachers need to help students succeed. We know from the Commission's report that most school districts do not direct their professional development funds in a coherent way toward sustained, standards-based, practical, and useful learning opportunities for teachers. We need to provide teachers with opportunities to change instructional practices in order to ensure that all children are taught to high standards.

Just as we have real concerns about improving teacher quality, we need to recognize the growing shortage of qualified principals. I was struck by a recent article in *The Washington Post*, which indicated that about 50 percent of all schools face a shortage of qualified principal candidates. That is a very heavy statistic.

Unfortunately, we have not done enough to support the professional growth of teachers and principals. Currently, most school districts spend less than three percent of their budgets on professional development, while our best private companies spend as much as 10 percent to ensure that their employees have quality training and keep current in their work. If we expect the best from our students, we need to ensure that we are giving our teachers the best support possible. And, we know it works. In New York City's District 2, former Superintendent Tony Alvarado made major investments in professional development—investments that paid off in marked improvement in student achievement.

The 1994 reauthorization included a greater focus on research-based principles of professional development in the Eisenhower Professional Development program. Despite this emphasis, recent evaluations of the Eisenhower professional development program found that most districts did not receive enough funding to support the kind of on-going, intensive professional development that works best to improve teaching skills.

As we move into the next phase of getting high standards into schools and classrooms, we must give States and districts the flexibility they need to strengthen their local efforts to implement standards and to improve teacher quality. States could use these funds to continue the development of standards and assessments and provide leadership to districts working to align instruction with these standards and assessments and to improve professional development for teachers. School districts

would use their funds to implement standards in schools and to invest in professional development in core subject areas, with a priority on science and mathematics.

States and districts would also be able to use these funds to meet new ESEA teacher quality requirements related to the implementation and improvement of competency-based assessments for initial licensure, the reduction of the number of teachers on emergency credentials, and the reduction of the number of teachers teaching out of field.

Funds would be used to advance teacher understanding and use of best instructional practices in one or more of the core academic content areas, with a primary focus on math and science. The initiative also is designed to complement the strong emphasis on professional development throughout our ESEA reauthorization proposal, including Title I, the Reading Excellence Act, and Title VII.

We would support activities to assist new teachers during their first three years in classroom, including additional time for course preparation and lesson planning, mentoring and coaching by trained mentor teachers, observing and consulting with veteran teachers, and team-teaching with veteran teachers.

Veteran teachers would be encouraged to participate in collaborative professional development based on the standards developed by the National Board for Professional Teaching Standards. The initiative also would support district-wide professional development plans designed to help students meet State academic standards, the integration of educational technology into classroom practice, and efforts to develop the next generation of principals.

SAFE, DISCIPLINED, AND DRUG-FREE SCHOOLS

The Administration's plans for reauthorizing the Safe and Drug-Free Schools and Communities Act have actually taken shape over the past few years in our annual budget requests. These proposals have been designed to strengthen the program by improving accountability and by targeting funds to local educational agencies with (1) significant drug and violence prevention problems and (2) high-quality, research-based programs to address those problems.

Our reauthorization proposal would build on these earlier efforts by emphasizing a schoolwide approach to drug and violence prevention. All school districts receiving funds would be required to develop a comprehensive Safe and Drug-Free Schools plan to ensure that they have a drug-free, safe, and disciplined learning environment. These plans would include fair and effective discipline policies, safe passage to and from schools, effective research-based drug and violence prevention policies, and links to after-school programs. These plans would also have to reflect the "principles of effectiveness" that the Department recently established, which include the adoption of research-based strategies, setting measurable goals and objectives for drug and violence prevention, and regular evaluation of progress toward these goals and objectives.

Program funds would be distributed in larger, more effective grants, because our proposal

would require States to award competitive grants to a limited number of high-need districts. Program evaluations have consistently found that the current practice of allocating funds by formula to all districts spreads funds too thinly to have a significant impact in most districts. For example, about three-fifths of districts currently receive grants of less than \$10,000, with the average grant providing only about \$5 per student.

Our reauthorization plan also would continue the Safe Schools/Healthy Students program, an interagency initiative that provides competitive grants to help school districts and communities to develop and implement comprehensive, community-wide strategies for creating safe and drug-free schools and for promoting healthy childhood development. Similarly, the Safe and Drug-Free Schools Coordinator Initiative would be continued under our proposal.

We also will propose to authorize the Department to provide emergency services, especially mental health and counseling services, to schools affected by the kind of violence we saw last year in Arkansas, Kentucky, Mississippi, Oregon, and Pennsylvania. This is the \$12 million Project SERV (School Emergency Response to Violence) initiative included in the President's 2000 budget request. Our reauthorization plan also would set aside a small amount of funding at the State level to support similar emergency response activities.

EDUCATIONAL TECHNOLOGY

Since the creation of Title III in the last ESEA reauthorization, the Federal government has helped States and school districts make significant progress in bringing technology into the classroom and making sure that teachers are prepared to effectively integrate technology throughout the curriculum.

With the support of Congress, the Department has delivered over \$1 billion to States through the Technology Literacy Challenge Fund. This investment is helping to increase the number of classrooms connected to the Internet—just 27 percent in 1997—and has helped decrease the student-computer ratio from 38 students per multimedia computer to 13 students per multimedia computer.

By early March, \$1.9 billion dollars in E-Rate discounts will be provided to the Nation's schools and libraries. This means that over the summer, the number of poor schools that are connected to the Internet will rise dramatically. These discounts will also provide affordable access to advanced telecommunications and ensure that all of our schools are active participants in the technological revolution.

To reduce the "digital divide" that could widen the achievement gap between disadvantaged students and their wealthier peers, we propose to strengthen the targeting provisions of the Technology Literacy Challenge Fund. Just 63 percent of high-poverty schools had connections to the Internet in 1998, compared to 88 percent of low-poverty schools. The disparity is even greater at the classroom level, with only 14 percent of classrooms connected to the Internet in high-poverty schools, compared to 34 percent of classrooms in low-poverty schools.

Federal dollars are helping to narrow this digital divide. High-poverty schools received over two-and-one-half times more new computers than their low-poverty counterparts in recent years. We will make a special effort to address the needs of rural America, where technologies like distance learning can make a real difference, and to coordinate ESEA technology programs with the Individuals with Disabilities Education Act Technology Development Program, which expands access to innovations in technology to students with disabilities.

Helping teachers integrate technology into their daily lesson plans will be another special focus. Currently, only 20 percent of our teachers feel qualified to integrate technology throughout the curriculum. The reauthorization proposal for Title III will focus on supporting State and local efforts to improve teacher quality, with a priority for developing partnerships between local school districts, institutes of higher education, and other entities.

We also want to strengthen our evaluation efforts to find proven and promising models of how technology is improving achievement that we can bring to scale.

SUPPORTING STUDENTS WITH LIMITED ENGLISH PROFICIENCY

Students with limited English proficiency (LEP) are the fastest growing population served by the Elementary and Secondary Education Act. According to State educational agency data, the number of LEP students grew 67 percent between the 1990-91 and 1996-97 academic years.

Growing numbers of LEP students are in States and communities that have little prior experience in serving them. For example, between the 1992-93 and 1996-97 school years, the LEP population more than doubled in Alabama, Alaska, Florida, Idaho, Nebraska, Nevada, North Carolina, Oregon, South Carolina, and Tennessee.

The President's goal is to hold schools accountable for ensuring that LEP students can speak and read English after three consecutive years in our schools. We are equally committed to ensuring that LEP students reach challenging academic standards in all content areas. We also want to assure that States and school districts have the flexibility they need to provide the most appropriate instruction for each child.

I told you earlier that we cannot afford to waste the talents of one child. One of America's greatest strengths has always been her diversity of peoples. Today, immigrants and their children are revitalizing our cities, energizing our culture, and building up our economy. We have a responsibility to make them welcome here and to help them enter the mainstream of American life.

Our reauthorization proposal for the Title VII bilingual education provisions seeks to achieve these goals by emphasizing the same two key strategies we are pursuing throughout the ESEA: improving teacher quality and strengthening accountability.

To increase teacher quality, for example, all institutions of higher education applying for Title

VII grants would be required to show that their teacher education programs include preparation for all teachers serving LEP students.

To strengthen accountability, we would require both Title VII grantees and Title I schools to annually assess the progress of LEP students in attaining English proficiency. These assessments will be used to inform parents of their children's progress and to help schools improve instruction.

LEP students who have been in U.S. schools for less than three years would continue to be included in the Title I assessment system, but after three years reading assessments would be conducted in English. Schools and districts would be held responsible, as part of the larger ESEA accountability provisions, for ensuring that LEP students reach the three-year English language proficiency goal.

I also believe that America's children need to become much more fluent in other languages. We are very far behind other nations when it comes to giving our students a mastery of other languages. There are teenagers in Europe who can easily speak three languages. I am certain we can do a much better job at giving our students both a mastery of English and fluency in at least one foreign language. There are currently over 200 two-way bilingual education programs that teach English and a foreign language and allow all students to truly develop proficiency in both languages.

EXCELLENCE AND OPPORTUNITY IN PUBLIC EDUCATION

As I travel around the country visiting schools, I continue to see the spark of innovation and creativity in many public schools. Public education is changing quite rapidly at the ground level and offering parents many more options in the terms of the type of schools their children can attend and the courses they can take.

This Administration is a strong advocate of public school choice as a way to encourage and stimulate the creative efforts of school districts to give parents the opportunity to find a school that best fits the needs of their children. Some discussions about choice suggest that there is choice only outside of public education. Well, that is an assumption that I want to challenge because it really has no basis in fact.

You can go to school district after school district and find schools-within-schools, magnet schools, school-to-work initiatives, high schools collaborating with local colleges, and option and theme schools that focus in on specialized fields like the environment, the visual and performing arts, communications and technology, back-to-basics, classical studies, marine science, accelerated learning, the international baccalaureate, finance, and medical sciences.

There is a great deal of variety in public education at the local level, from alternative schools to community-based learning efforts, to schools-without-walls, to public schools that focus in on the core-knowledge approach to education. There are public school districts like Seattle that have a completely open choice model and many other school districts that offer intra-district choice, inter-district choice, and controlled choice. Critics of public education would do well to recognize that

many public school districts are far more in touch with parents than they think and are giving parents the choices they seek.

I want to stress that one of the most important choices that parents can make about a child's education is the choice of subjects and not schools. We have a growing body of research showing that courses students choose in middle and high school are powerful predictors of success—from mastery of high-level math to gaining entrance to top colleges and universities. The best schools in America—whether they are public, private or parochial—all share something in common: they place a strong emphasis on a rigorous and engaging academic program. This is what makes these schools distinctive, and it is what makes them work.

That is why President Clinton has spent six years advocating the idea that by raising standards, exciting families about their children's education, and putting quality teachers into every classroom, we can raise achievement for many, many more of our students—and indeed, someday soon, hopefully all of our students. That is the best public policy for us to support. Private school voucher programs affect only a small number of students, divert us from our goal of high standards for all children, and take scarce resources from the public schools that serve around 90 percent of America's children.

While the Administration strongly opposes efforts to divert public funds to private schools through vouchers or similar proposals, we want to encourage the development of new choices within the public school system. This is why we worked very closely with Congress to reauthorize the Charter School legislation that fosters creativity with accountability.

This year we are proposing a new choice authority that would help us identify and support new approaches to public school choice, such as inter-district magnet schools and worksite schools, and promote a new, broader version of choice that works within all public schools.

We are interested in promoting public school choice programs in which the schools and programs are public and accountable for results, are genuinely open and accessible to all students, and promote high standards for all students. There are many successful public schools that can provide models for improving low-performing schools, and one of our goals must be to find ways to help States and local school districts to replicate these successful models by leveraging “what works” for our children's education.

MODERNIZING SCHOOLS FOR THE 21ST CENTURY

An additional priority for the Administration is to help communities build and renovate the school buildings they will need to help all students reach challenging standards. The General Accounting Office has reported that States and school districts face over \$112 billion in repairs to existing schools. In addition, many schools face severe overcrowding as a result of the “baby boom echo.”

The Administration is proposing \$25 billion in bonding authority to finance the construction or renovation of up to 6,000 schools. As part of the President's tax legislation, the Federal government will provide bondholders with tax credits in lieu of interest payments. State and local bond issuers will be responsible for repayment of principal. In addition, through the reauthorized ESEA, we would make grants to involve citizens in designing schools that reflect the needs of the entire community. The President's 2000 budget would provide \$10 million for these grants under the Fund for the Improvement of Education.

CONCLUSION

These are just the highlights of a comprehensive reauthorization proposal that will span a dozen or so titles affecting nearly every area of Federal support for the Nation's elementary and secondary schools. I encourage you to give careful consideration to our full proposal when it is completed next month, and I look forward to discussing the specific details of our plan as your work on your legislation.

The framework for all of our thinking is the clear recognition that the days of "dumbing down" American education are over. We want to "achieve up" and raise expectations for all of our young people. As I have said so many times before, our children are smarter than we think. We can and surely will debate the merits of the policy ideas that we are putting forward today and that is healthy. Let us find common ground, however, around the idea that we have both a moral and social obligation to give the poorest of our young people the help they need to get a leg-up in life and be part of the American success story.

As I travel around the country visiting schools, I really do get a sense that things are happening, that a very strong consensus has developed about what needs to be done to improve our schools. All the elements are coming together: a new emphasis on early childhood, better reading skills, high expectations for all of our young people, and accountability for results. We are moving in the right direction and we need to stay the course to get results and always remember that "the victory is in the classroom."

In conclusion, I want assure you that the Administration is prepared to work with the Congress to help and support local and State educators and leaders who are striving to raise achievement levels. I hope that in the process, a new bipartisan spirit can evolve around education issues. The last few years have been somewhat contentious here in Washington, and we need to give a better account of ourselves to the American people.

I will be happy to take any questions you may have.

Constance J. Bowers

02/08/99 06:05:13 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: EOP Comments on ED's Testimony on ESEA

To follow are comments on ED's testimony that were provided to me. In addition, there were some additions on school construction that we faxed over to ED directly.

----- Forwarded by Constance J. Bowers/OMB/EOP on 02/08/99 06:03 PM -----



Daniel I. Werfel

02/08/99 12:43:56 PM

.....

Record Type: Record

To: Constance J. Bowers/OMB/EOP@EOP

cc: Daniel J. Chenok/OMB/EOP@EOP

Subject: ED's Testimony on ESEA

OIRA comments follow:

Comment 1: Suggest editing below para

New Flexibility at the Federal Level

The 1994 reauthorization also brought real change to the way we do business at the Department of Education. We made a very determined effort to give States and school districts greater flexibility to make innovations that help all students reach high standards. Our regulatory reform effort, for example, systematically examined every Department regulation and set very specific criteria for regulating only when absolutely necessary. The Office of Management and Budget **has supported this approach**, and other Federal agencies have since adopted this approach as a model. Under our new regulatory guidelines, only five of the programs included in the 1994 ESEA reauthorization truly required regulations; thus we eliminated a full two-thirds of regulations previously covering elementary and secondary education.

Comment 2: In terms of the language below on ED-FLEX, wasn't there a recent Senate vote which expanded ED-Flex to 50 states. (I may be wrong about this, but please ask ED to verify.) If so, shouldn't that be referenced in the language?

Language in question is - - " We are proposing to expand ED-FLEX to allow all eligible States to participate. I believe such an expansion should be considered in the context of reauthorization, our emphasis on accountability for results, and other programmatic issues. ED-FLEX can be an important tool for accelerating the pace of real reform in our schools, but it must be done

thoughtfully. In particular, we must be sensitive to civil rights concerns and be absolutely sure that all protections currently in law are maintained."

Comment 3: Typo on page 17. Sentence should read: "With regard to targeting, the GAO recently reported that Federal programs are much more targeted than State programs."

Comment 4: Editorial suggestion for page 19. Sentence should read: "This is why the President is so ~~strong for~~ dedicated to improved teacher quality and increased accountability."

----- Forwarded by Daniel I. Werfel/OMB/EOP on 02/08/99 11:14 AM -----

Constance J. Bowers

02/08/99 09:27:03 AM

Record Type: Record

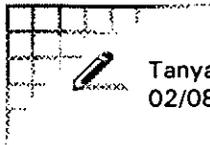
To: See the distribution list at the bottom of this message
cc: Janet R. Forsgren/OMB/EOP@EOP, Elena Kagan/OPD/EOP@EOP, Jonathan H. Schnur/OPD/EOP@EOP
Subject: Reminder: ED's Testimony on ESEA

Below is a file containing the text of Sec. Riley's testimony on ESEA for tomorrow. (A paper copy was provided to you Friday.) Please give me any comments by 1:00 p.m., today. Thanks.

 - eseats~1.doc

- Message Sent To:
-
- Barbara Chow/OMB/EOP@EOP
 - Sandra Yamin/OMB/EOP@EOP
 - Barry White/OMB/EOP@EOP
 - Wayne Upshaw/OMB/EOP@EOP
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----- Forwarded by Constance J. Bowers/OMB/EOP on 02/08/99 06:04 PM -----



Tanya E. Martin
02/08/99 01:05:34 PM

Record Type: Record

To: Constance J. Bowers/OMB/EOP@EOP

cc:

Subject: Re: Reminder: ED's Testimony on ESEA 

Comments in bold:

SAFE, DISCIPLINED, AND DRUG-FREE SCHOOLS

The Administration's plans for reauthorizing the Safe and Drug-Free Schools and Communities Act have actually taken shape over the past few years in our annual budget requests. These proposals have been designed to strengthen the program by improving accountability and by targeting funds to local educational agencies with significant drug and violence prevention problems and high-quality, research-based programs to address those problems.

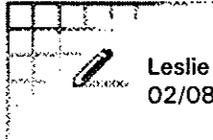
Our reauthorization proposal would build on these earlier efforts by emphasizing a schoolwide approach to drug and violence prevention. All school districts receiving funds would be required to develop a comprehensive Safe and Drug-Free Schools plan to ensure that they have a drug-free, safe, and disciplined learning environment. **These plans would include for fair and effective discipline policies, safe passage to and from schools, effective research-based drug and violence policies and programs, annual school safety and drug use information for school report cards, and links to after-school programs.** These plans would also have to reflect the recently established "principles of effectiveness," including the adoption of research-based strategies and setting measurable goals and objectives for drug and violence prevention.

Program funds would be distributed in larger, more effective grants by requiring States to award competitive grants to a limited number of high-need districts. Program evaluations have consistently found that the current practice of allocating funds by formula to all districts spreads funds too thinly to have a significant impact in most districts.

Finally, we will propose a new provision authorizing the Department to provide emergency services—especially mental health and counseling services—to schools affected by

the kind of violence or severe trauma we saw last year in Arkansas, Kentucky, and Oregon. This is the \$12 million Project SERV (School Emergency Response to Violence) initiative included in the President's 2000 budget request. Our reauthorization plan also would set aside a small amount of funding at the State level to support similar emergency response activities.

----- Forwarded by Constance J. Bowers/OMB/EOP on 02/08/99 06:04 PM -----



Leslie S. Mustain
02/08/99 02:00:30 PM

Record Type: Record

To: Constance J. Bowers/OMB/EOP@EOP
cc: Barry White/OMB/EOP@EOP, Wayne Upshaw/OMB/EOP@EOP, Wei-Min C. Wang/OMB/EOP@EOP
Subject: Comments on ESEA Testimony

The following are the ED Branch comments on the ESEA testimony:

1. Page 3, last paragraph under ED-FLEX. If ED is trying to say that they want to expand Ed-Flex as part of the ESEA reauthorization and not as a free-standing bill, they should be more explicit. For example, the testimony could read, "We are proposing to expand ED-FLEX to allow eligible States to participate. I believe such an expansion should be considered, not as a free-standing bill, but in the context of reauthorization,"
2. Page 4, first paragraph. Civil right should be civil rights.
3. Page 6, third full paragraph. The word "proscriptive" should be changed to "prescriptive."
4. Page 11, second paragraph under "Proposed Changes to Title I." This is the first we've heard of a proposed set-aside for professional development in Title I. How does this relate to the increases envisioned for professional development in "Quality Teachers and High Standards in Every Classroom?"
5. Page 12, Quality Teachers and High Standards in Every Classroom program (the so-called "Responsible Block Grant") is not as flexible in this description as it was in previous descriptions. Specifically, the original proposal contained a 20 percent set-aside for competitive grants to LEAs for local systemic improvement, in the tradition of Goals 2000. This is not mentioned in the testimony.
6. Page 14. The Safe, Disciplined, and Drug-Free Schools should make some mention of the Drug Coordinators initiative.

401-2993

DRAFT TESTIMONY ON ESEA REAUTHORIZATION

Good morning Mr. Chairman and Members of the Committee.

I appreciate this opportunity to present the Administration's views on the upcoming reauthorization of the Elementary and Secondary Education Act (ESEA) of 1965. The Administration is working on a detailed reauthorization proposal that we plan to submit for your consideration next month. The Department will also soon submit to Congress several reports evaluating the implementation and impact of Title I, other ESEA programs, and Goals 2000. Today I will provide an overview of our reauthorization efforts, as well as some of our specific recommendations. If there is one overriding principle that defines what we hope to accomplish, it is to end the tyranny of low expectations and raise achievement levels for all of our young people.

Let me begin by urging the Committee to develop a single, comprehensive bill reauthorizing the Elementary and Secondary Education Act. Some have suggested a title-by-title approach that could lead to several separate bills. This concerns me, because we have worked very hard with the Congress in recent years to develop a comprehensive approach to Federal support for education reform. If our efforts are to be successful, it is very important for all the pieces to fit together, complementing and reinforcing each other to help States, school districts, and schools to make the changes needed to raise achievement for all students. This is why the Administration is developing a single, integrated reauthorization proposal, and I hope you will do the same.

I also want to point out that with the nearly simultaneous reauthorization of the Department's Office of Educational Research and Improvement, we have a unique opportunity to develop a comprehensive agenda for independent research to support improved practices and instruction in elementary and secondary education. We should make every effort to develop research-based solutions to the many challenges we face in elementary and secondary education, and to get the best information on what works into the hands of parents, teachers, principals, and superintendents across the Nation.

BACKGROUND AND ACCOMPLISHMENTS

This is, of course, this Administration's second opportunity to work with Congress on improving the ESEA. The 1994 reauthorization—the Improving America's Schools Act—took direct aim at transforming a Federal role that for too long had condoned low expectations and low standards for poor children. Along with the Goals 2000: Educate America Act, the 1994 reauthorization reflected a bipartisan effort to raise expectations for all children by helping States and school districts to set high standards and establish goals for improving student achievement. The 1994 Act included provisions to improve teaching and learning, increase flexibility and accountability for States and local school districts, strengthen parent and community involvement, and target resources to the highest poverty schools and communities.

There is strong evidence that these changes, particularly the emphasis on high standards, have helped States and school districts carry out the hard work of real education reform. States that led the way in adopting standards-based reforms—like Kentucky,

Maryland, North Carolina, Oregon, and Texas—found new support from Federal programs that helped them to raise reading and math achievement. In other States, the new ESEA and Goals 2000 encouraged and supported improvements in teaching and learning tied to high standards. For example, in a very positive report on Goals 2000 by the General Accounting Office (GAO), we were most pleased that State officials described Goals 2000 as “a significant factor in promoting their education reform efforts” and a “catalyst” for change.

Signs of Progress

Partly as a result of changes at the Federal level and our new partnerships with the States, 48 States, the District of Columbia, and Puerto Rico have developed state-level standards and two States have pushed for standards at the local level. More importantly, there are promising signs of real progress toward meeting these higher standards in the classroom. The National Assessment of Educational Progress (NAEP), for example, has shown significant increases in math scores at the 4th, 8th, and 12th grades (See Chart 1). The National Education Goals Panel reported that between 1990 and 1996, 27 States significantly increased the percentage of 8th graders scoring at either the proficient or the advanced level on the NAEP math test (See Chart 2).

Tomorrow the National Center for Education Statistics will release its national report card on reading, and I understand we will see some improvement. Making sure that every child can read well and independently by the end of the third grade is a key benchmark of whether or not American education is improving. This has been a very high priority for the Administration and over the past few years a strong, bipartisan consensus has emerged on the importance of helping all children master this key prerequisite for all further learning. Title I provides substantial resources to improve reading instruction, and last year, Congress on a bipartisan basis passed the Reading Excellence Act to strengthen State and local efforts to improve reading in the early grades. We also now have some 20,000 College Work-Study students serving as reading tutors.

“Leading-Edge” States

Turning from the national to the State level, individual States have made notable progress in a very short period of time (See Chart 3). North Carolina, for example, more than doubled the percentage of its 8th graders scoring at the proficient or advanced levels on the NAEP math test, from 9 percent in 1990 to 20 percent in 1996. In Texas, the percentage of 4th grade students reaching the NAEP proficient or advanced levels rose from 15 percent in 1992 to 25 percent in 1996.

The National Education Goals Panel issued a report authored by the Rand Corporation that examined experience of these two States. This report found that the “most plausible explanation” for the test-score gains was an “organizational environment and incentive structure” based on standards-based reform, defined as “an aligned system of standards, curriculum, and assessments; holding schools accountable for improvement by all students; and critical support from business.” This report also goes on to tell us that the willingness of political leaders to stay the course and continue the reform agenda, despite “changes of Governors and among legislators,” is another key element that has defined the success of these two leading States.

Many states are not yet implementing proven practices that are working in some of this Nation's "leading-edge" States. According to recent special report on accountability in *Education Week*, 36 states issue school report cards, 14 do not, and fewer than half of the parents in States that do issue report cards are aware of their existence. The report also tells us that only 19 States provide assistance to low performing schools, and only 16 States have the authority to reconstitute or close down failing schools. Only about half the States require students to demonstrate that they have met standards in order to graduate, and too many still promote students who are unprepared from grade to grade. So we have work to do.

New Flexibility at the Federal Level

The 1994 reauthorization also brought real change to the way we do business at the Department of Education. We made a very determined effort to give States and school districts greater flexibility to make innovations that help all students reach high standards. Our regulatory reform effort, for example, systematically examined every Department regulation and set very specific criteria for regulating only when absolutely necessary. The Office of Management and Budget and other Federal agencies have since adopted this approach as a model. Under our new regulatory criteria, we found that we needed to issue regulations for only five of the programs included in the 1994 ESEA reauthorization; thus we eliminated a full two-thirds of the regulations previously covering the Elementary and Secondary Education Act.

Another major improvement was to give States the option of submitting a single, consolidated State application, instead of separate applications, for the majority of ESEA programs. Not surprisingly, every State but one has adopted this approach, which both reduces paperwork and encourages a comprehensive approach to planning for the use of Federal funds. Moreover, States now submit their single plan just once during the life of the authorization cycle, with brief yearly updates to ensure accountability. States reported in fiscal year 1996 that the consolidated application slashed paperwork requirements by 85 percent.

In addition, the Department has vigorously implemented the waiver provisions included in the 1994 reauthorization, which permit States, school districts, and schools to request waivers of statutory and regulatory requirements that present an obstacle to innovative reform efforts if there are adequate accountability safeguards in place. Our efforts included a Waiver Hot Line as well as comprehensive waiver guidance at our site on the World Wide Web.

Since the reauthorization of ESEA in 1994, the Department has received 648 requests for waivers from States and local districts and granted a total of 357 waivers. Overall, the Department has approved 55 percent and disapproved 8 percent of all waivers requested. Of the remainder, 28 percent were withdrawn largely because districts learned that they had sufficient latitude or flexibility under existing law to proceed without a waiver, demonstrating that the ESEA is more flexible than many people thought even without the waiver authority.

ED-FLEX

Another approach to flexibility is the ED-FLEX demonstration program, which allows the Department to give States with strong accountability mechanisms the authority to approve waivers of certain Federal statutory and regulatory requirements that stand in the way of effective reform at the local level. Congress has authorized up to 12 States to participate in ED-FLEX.

We are proposing to expand ED-FLEX to allow all eligible States to participate. I believe such an expansion should be considered, not as a free-standing bill, but in the context of reauthorization, our emphasis on accountability for results, and other programmatic issues. ED-FLEX can be an important tool for accelerating the pace of real reform in our schools, but it must be done thoughtfully.

One final issue I want to touch on is the Department's performance in getting Federal education dollars to the local level, where they can do the most good. There have been a number of "dollars to the classroom" proposals over the past two years based on the assumption that the Department of Education retains a significant portion of Federal elementary and secondary appropriations to pay for administrative costs.

The truth is that over 95 percent of all the dollars appropriated by Congress for ESEA programs already go to local school districts. Almost all of the rest goes to States to provide technical assistance, to support the use of standards and assessments, and to provide oversight. If the "95 percent" figure sounds familiar, it is because some of those proposals I mentioned promise to send 95 percent of Federal dollars to the classroom.

I recognize that some may argue about whether the "local level" is the same as "the classroom." My view is that once the funds reach the local level, it is up to local elected school boards to decide how best to spend them to achieve the purposes of the programs enacted by the Congress. We in Washington should not attempt to bypass local school boards and deny them their lawful responsibility to determine how to meet the educational needs of their students.

I believe that these accomplishments—widespread adoption of challenging standards, promising achievement gains nationally and even more improvement in "leading-edge" States, and new flexibility for States and school districts—show that we were on the right track in 1994. The evidence demonstrates a clear connection between raising standards and raising student achievement. The record also shows, however, that many States and districts are still phasing in the 1994 reforms. Taken as a whole, this experience provides a compelling argument for the Administration and Congress to keep working together to help States and school districts get high standards into the classroom, and to push for improved incentives and strengthened accountability mechanisms to ensure that these reforms take hold.

THE NEXT STAGE: RAISING ACHIEVEMENT IN OUR SCHOOLS AND CLASSROOMS

Let me lay out for you the broader context for our ESEA reauthorization proposals. In 1994, we broke sharply with the past and made a significant policy shift in putting an end to the practice of giving students a watered-down curriculum. I strongly believe that the tyranny of low expectations—and it is tyranny—has been one of the great flaws of American education. We vigorously oppose the idea of “dumbing down” American education. Instead of “dumbing down,” we want to “achieve up.”

To support this effort we have developed a comprehensive, three-part strategy of (1) targeting investments to disadvantaged children, with particular attention to the early years of schooling; (2) improving teacher quality, and (3) real accountability. All these pieces need to fit together if we want to raise achievement levels.

First, our investments in the Title I, the Class-Size Reduction program, the Reading Excellence Act, education technology, and after-school programs—to name just a few—are all part of our effort to get communities and their teachers and principals the resources they need to raise achievement for all students. We have put a real emphasis on the early years of schooling because research and common sense tells you that if a young person can “master the basics” early, they get off to a much better start in their education.

We want to improve academic achievement for all students, with a special emphasis on closing the gap upward between poor and minority students and other students. This is why, for example, we are such strong supporters of reducing class size in the early grades. Research from the Tennessee STAR study demonstrated that reducing class sizes in the early grades led to higher achievement for all students, with poor and minority students showing the greatest gains.

Second, we think it is absolutely essential to put a highly qualified, dedicated teacher in every classroom in America. John Stanford, the inspiring former superintendent from Seattle who recently passed away, had this marvelous slogan that summed up his philosophy: “the victory is in the classroom.” If we are going to achieve many more victories in the classroom, we simply have to raise teacher quality and get many more certified teachers into our Title I schools. This is why we asked the Congress to fund a strong teacher quality initiative in reauthorizing the Higher Education Act last year. Our intent here is to make high standards part of every teacher’s daily lesson plans. I will discuss this part of our proposal in greater detail later on in my testimony.

Strengthening Accountability

Stronger accountability is the third part of our broad strategy of improvement. We believe that effective accountability measures—what business leaders call quality control measures—can make sure that our investments are used wisely and actually produce the desired results.

Much of our thinking about accountability has been informed by successful accountability initiatives at the local and State levels. The most thoughtful education leaders

at the State and local level are doing what we are proposing: they are ending social promotion, requiring school report cards, identifying low performing schools, improving discipline in schools and classrooms, and putting in place measurable ways to make change happen, such as basic skills exams at different grade levels. They are striking a careful balance between giving schools the increased support and flexibility they need to raise achievement levels and, at the same time, holding schools accountable when they do not measure up to clearly established goals. We are trying to strike that same balance in our reauthorization proposals.

Our emphasis on accountability in ESEA, and in particular in Title I, seeks to build on, support, and encourage these growing State and local efforts to pick up the pace of standards-based reform. Here it is important to recognize that we are not talking about more regulations. We want better results. There is both a moral and a fiscal dimension to being more accountable. We cannot afford to lose the talents of one child, and we cannot waste the substantial resources entrusted to us by American taxpayers.

The "either or" thinking that has dominated the public debate to date about our accountability proposals—more Federal control versus less local control—really misses the point entirely about what we seek to achieve. If a State is putting its own accountability measures into place, we are not demanding that they replace their measures with our measures. If a State does not have such requirements in place, then it makes a good deal of sense for them to adopt our proposals. We expect States to do this because it is good education policy and the right thing to do for the children.

Our approach to increased accountability is one of graduated response, a range of options—some positive and others more prescriptive—that can help break the mold and get low-performing schools moving in a more positive direction. On the positive side of the continuum, you give school districts the flexibility they need if you see that they are making progress. If a school or a school district simply isn't making things happen, we want to shake things up and work with State and local officials to find out why. The local school district, for example, may not be giving teachers the real professional development time they need.

If a school district is refusing to change despite a continuing failure to raise achievement levels, we are prepared, for example, to be much more specific about how it uses Title I funding. We do not intend to be passive in the face of failure. We will help, nudge, prod, and demand action. And, if we have to, we are prepared to restrict or withhold ESEA funding.

We recognize that a complete accountability system should be multi-dimensional and include high expectations and accountability for everyone in the system. All of us are responsible for ensuring that all students reach high standards. The accountability measures in our reauthorization proposal will be designed to (1) help school districts and states provide students with a high-quality education, (2) focus on continuous improvement, and (3) hold students, teachers, principals, schools, and districts to high standards.

It is important to note that our proposed accountability measures reinforce and build on similar provisions approved in 1994. For example, the underlying structure of the Title I accountability provisions is sound, and a minority of States are hard at work emphasizing

continuous improvement and holding schools and principals accountable for results. Many States, however, have not fully implemented the Title I provisions and have moved only tentatively to make other changes based on high standards and accountability.

We seek to speed up and strengthen the process by requiring States to take immediate action to turn around low-performing schools, to give parents annual report cards, to end social promotion, to improve teacher quality, and to have well-thought-out discipline policies in place that make a difference.

Meeting State Standards

First, we would retain the current Title I requirement that States establish assessments aligned with State content and performance standards by the 2000-2001 school year. States must also define adequate yearly progress for Title I schools and local school districts in a manner that would result in continuous progress toward meeting State standards within a reasonable time frame.

Turning Around the Lowest Performing Schools

Second, ^{all} States ^{receiving ESEA funds} should take immediate corrective action to turn around the lowest performing schools. Currently, there are over 6,500 schools and 1,300 school districts designated under Title I as needing improvement. These schools and districts were placed in school-improvement status after making little or no improvement over a period of two years. Many of these schools are still showing no improvement despite receiving additional support. We are saying our children have spent enough time in low-performing schools—it is time to take action now.

States should quickly identify the lowest performing schools that are failing to show improvement and provide additional support and assistance. If any school continues to show no improvement, States should take bold action such as reconstituting the school or closing the school down entirely and reopening it as a fresh new school. The Department's 2000 budget request includes a \$200 million set-aside in Title I to help jumpstart this process of State and district intervention in the lowest performing schools.

Annual Report Cards

Third, annual report cards at the State, district, and school levels should be a requirement for receiving ESEA funds. The report cards should provide invaluable information on improvement over time or the lack thereof. They should include information on student achievement, teacher quality, class size, school safety, attendance, and graduation requirements. Where appropriate, the student achievement data should be disaggregated by demographic subgroups to allow a greater focus on the gaps between disadvantaged students and other students.

For report cards to make sense they need to be easily understood by and widely distributed to parents and the public. As I indicated earlier, while 36 States already require report cards, many parents and teachers from these States say that they have never seen them. Our proposal is intended to give parents a tool they can use to join the debate over bringing

high standards into the classroom, to advocate on behalf of their children and their children's schools, and to work with teachers and principals to make improvements.

I assure you, if parents find out that their children are going to an unruly or unsafe school, there will be standing-room only at the next school board meeting and that can be a very good thing. If parents discover that test scores are down at their school but up at a nearby school, they will start asking questions and spark reform. In short, a good, honest report card gives parents a real accountability tool that allows them to make a difference in the education of their children.

Separately, we have proposed an additional test that can help parents determine if their children are measuring up: the voluntary national tests in 4th grade reading and 8th grade math. The independent, bipartisan National Assessment Governing Board (NAGB) is developing a plan for this test, in accordance with language in the Fiscal Year 1999 Appropriations Act. I ask the Committee to join me in looking carefully at this plan when NAGB announces it later in the spring.

Ending Social Promotion

Fourth, all States receiving ESEA funds should end the practice of social promotion. I want to be clear that ~~we are against both~~ ^{in opposing} a policy of social promotion ^{we are not supporting a} and a policy of retaining students in grade. We are for a policy of preparing children to achieve to high standards -- so that they can master the material and be promoted. That is why we have pushed so hard for programs like Class Size Reduction, the Reading Excellence Act, and the 21st Century Community Learning Centers after-school initiative, which invest in the early years and help to minimize the number of children at risk of retention in grade.

Research indicates that from 10 to 15 percent of young adults who graduate from high school and have not gone further—up to 340,000 students each year—cannot balance a checkbook or write a letter to a credit card company to explain an error on a bill. In addition, about 450,000 to 500,000 young people drop out of high school between the 10th and 12th grades. These are the young people who are hurt by ~~both social promotion and retention~~. We need to make sure these students are given the support they need to succeed.

The President's call for an end to social promotion is designed to tell students that "performance counts," and to encourage districts and schools to take aggressive action to help all students meet promotion standards on time. States should target their efforts at key transition points, such as 4th, 8th, and 10th grades, and should use multiple measures, such as valid assessments and teacher evaluations, to determine if students have met the high standards required for promotion to the next grade. States would develop their own specific approaches to match their unique circumstances.

Strategies to end social promotion include early identification and intervention for students who need additional help—including appropriate accommodations and supports for students with disabilities. After-school and summer-school programs, for example, can provide extended learning time for students who need extra help to keep them from having to repeat an entire grade.

Ensuring Teacher Quality

receiving ESEA funds
must

Fifth, ~~we would encourage~~ States and school districts ~~to~~ do more to ensure teacher quality. Less than two weeks ago, we released our first biannual report on Teacher Quality. In developing this report, we are making a statement that we are going to keep coming back to the issue of teacher quality again and again. The first report told us that less than half of America's teachers feel very well-prepared to teach in the modern classroom. Teachers cited four areas of concern: using technology, teaching children from diverse cultures, teaching children with disabilities, and helping LEP students (See Chart 4). This study really is a cry for help and we need to respond.

I know the Members of this Committee share our concern about teacher quality, and we want to work with you to address that concern. Research shows that qualified teachers are the most important in-school factor in improving student achievement, yet more than 30 percent of newly hired teachers are entering the teaching profession without full certification, and over 11 percent enter the field with no license at all.

Our ability to raise academic standards also is hindered by teachers teaching "out of field." Overall, nearly 28 percent of teachers have neither an undergraduate major nor minor in their main assignment fields. Another significant concern is the practice of using teacher aides as substitutes for full-time instructors. All of these individuals are trying to do their best, but where they are being asked to take the place of a teacher we are shortchanging our students.

High-poverty urban schools are most likely to suffer from unqualified teachers. Even when urban districts succeed in hiring qualified teachers, attrition rates during the first five years often reach 50 percent. Partly as a result of difficulties in recruiting and retaining teachers, Title I schools are hiring teacher aides at twice the rate of certified teachers, and an increasing number of aides are providing direct instruction without a teacher's supervision.

Our ESEA reauthorization proposal would begin to address these problems by ~~asking~~ ^{ensuring that} States ~~to~~ adopt challenging competency examinations for all new teachers that would include assessments of subject-matter knowledge and teaching skills. We would also work to phase out the use of teacher aides as instructors in Title I schools, but at the same time encourage paraprofessionals to become certified teachers by supporting State and local efforts to build career ladders leading to certification. Our proposal will ~~urge~~ ^{ensure that} States to make significant progress in reducing both the number of teachers with emergency certificates and the number of teachers teaching subjects for which they lack adequate preparation.

The issue of improving teacher quality is also of great importance to all of us who want to improve the education of children with disabilities. The ESEA is meant to serve all children and there are growing numbers of children with disabilities who have been successfully mainstreamed into regular classrooms. The ESEA and the Individuals with Disabilities Education Act can work together to make a real difference for many more of these children. The Teacher Quality report told us that the majority of our teachers do not feel as well-prepared as they should to teach children with disabilities. We want to work very hard to make sure that all teachers have the skills and the tools they need to teach these children to high standards.

We made a good start in improving teacher quality last year when Congress passed—with strong bipartisan support—the new teacher recruitment and training programs in Title II of the reauthorized Higher Education Act. Our ESEA reauthorization plan would build on this success by providing resources to help States strengthen teacher-certification standards. It also will include—in the new Teacher Quality and High Standards in Every Classroom initiative—increased investment in the high-quality professional development that teachers tell us they need to help all students meet challenging new State standards.

TITLE I

I have described some of the key, crosscutting measures for getting high standards into all classrooms. Now I would like to outline some program-specific issues and recommendations, beginning with Title I, which is the largest Federal investment in elementary and secondary education. This \$7.7 billion program reaches more than 45,000 schools in over 13,000 school districts. With the expansion of schoolwide projects following the last reauthorization, the program now serves over 11 million students. In the 1996-97 school year, 36 percent of the children served were white, 30 percent were Hispanic, and 28 percent were African-American. Seventeen percent of the children served were limited English proficient.

Historically, Title I has been the single largest source of federal funding targeted to raising the achievement levels of students in high-poverty schools and helping to close the achievement gap between these children and their more advantaged peers. The 1994 reauthorization focused on helping children in high poverty schools reach the same high standards expected of all students. In particular, States were required to develop content and performance standards in reading and math, with aligned assessments to measure student progress toward meeting the standards.

The 1994 Act also improved targeting of resources, expanded the schoolwide approach, and strengthened parental involvement. With regard to targeting, the GAO recently reported that Federal programs are much more targeted than State programs. On average, for every \$1 a State provided in education aid for each student in a district, the State provided an additional \$0.62 per poor student. In contrast, for every \$1 of Federal funding districts received for each student, they received an additional \$4.73 in Federal funding per poor student. We believe targeting works, and we recommend leaving in place the Title I allocation formula adopted by the Congress in 1994.

The 1994 Act expanded schoolwide programs by permitting schools with poor children making up at least 50 percent of their enrollment to use Title I funds in combination with other Federal, State, and local funds to upgrade the instructional program of the entire school. Since 1995, the number of schools implementing schoolwide programs has more than tripled, from about 5,000 to approximately 16,000. Our reauthorization proposal would maintain the 50-percent threshold for schoolwide programs.

Parents of Title I children are now more fully involved in their children's education through the use of parent compacts called for in the 1994 Act. I want to stress that getting parents involved in the process of school reform is often the spark that makes the difference.

I have been a strong advocate of increased parental involvement in education for many years and there is a good reason for it. Parents are children's first teachers and they set the expectations that tell children how hard they should strive to achieve. And teachers tell us again and again that parents are too often the missing part of the education success equation.

If you look at the attached chart entitled "Making the Grade," you will see why we are placing such a strong emphasis on developing compacts between parents and schools for our Title I children (See Chart 5). Four years ago, we created the Partnership for Family Involvement in Education with 40 organizations. This Partnership has since grown to 4,700 organizations and it continues to grow quite rapidly. To give you one example of its activities, last month the Partnership sent out a detailed guide of best practices on how teachers can work better with parents.

Progress Since the 1994 Reauthorization

Current information on Title I indicates progress on several fronts. Title I has contributed to the rapid development of challenging State standards that apply to all students in Title I schools. Teachers in Title I schools are increasingly reporting that standards are helping to guide instruction. Moreover, preliminary data gathered for this reauthorization from States that have implemented the Title I standards and assessment provisions generally show increased achievement levels in high-poverty schools. For the 1997-98 school year, seven of the 10 States with standards and aligned assessments in place for two years report increasing percentages of students meeting proficient and advanced performance standards in schools with poverty rates of at least 50 percent. These State-level data are particularly encouraging since final assessments are not required to be in place until school year 2000-2001. This and other information, including data indicating that Title I is driving higher standards to poor districts and schools, will be discussed in greater detail in the Congressionally mandated National Assessment of Title I scheduled for release in late February.

Despite these initial signs of progress, I would be the first to admit that we are not anywhere near where we need to be in turning around the thousands of low-performing high-poverty schools that are served by Title I. This is why the President is so strong for improved teacher quality and increased accountability. We know that many States, districts, and schools are not making as much progress as we had hoped. However, we did not expect to turn around the long, sorry history of setting low expectations for our Nation's poorest children in just four years. I believe we are now on the right course in aligning Title I with the best efforts of State and local school systems. We simply need to stay the course in fitting all the pieces together to raise achievement levels.

Finally, in looking at the impact of Title I, we should keep in mind that despite its size and prominence at the Federal level, it represents about three percent of national spending on elementary and secondary education. Title I is effective only when it works in partnership with much larger State and local resources. Nevertheless, Title I can and should do more to assist State and local efforts to raise the educational achievement level of poor and minority children, and this is what we are trying to achieve through our reauthorization proposals.

Proposed Changes to Title I

Building on what we have learned since 1994, our reauthorization proposal would continue to hold at-risk children in high-poverty schools to the same high standards expected of all children and link Title I to State and local reforms based on high standards. We also would continue targeting resources to areas of greatest need, supporting flexibility at the local level to determine instructional practices, and encouraging more effective implementation of schoolwide programs.

Title I schools would of course be subject to the accountability provisions that we would apply to all ESEA programs. Specific improvements to Title I would include targeting additional resources to help the lowest achieving schools, phasing in a set-aside for professional development aligned to standards, and phasing out the use of teacher aides as instructors in Title I schools. We also would strengthen the schoolwide authority by borrowing some of the successful features of the Comprehensive School Reform Demonstration program, such as basing reforms on solid research about what works. And in response to a key recommendation of the reading study conducted by the National Academy of Sciences (NAS), we are proposing the use of diagnostic assessments in the first grade to ensure the early identification of children with reading difficulties.

Separately, we support the continuation of the Comprehensive School Reform Demonstration program, which we believe is generating some good models for improving the effectiveness of the broader Title I program and for strengthening both Title I and non-Title I schools.

The Department also is considering proposals to promote high quality professional development for early childhood educators and others to help children better develop language and literacy skills in the early years. The NAS's reading study presented strong evidence that children who receive enrichment services focused on language and cognitive development in early childhood show significantly higher reading achievement in the later elementary and middle school years. We believe that professional development based on recent research on child language and literacy development—including strategies that could be shared with parents—could make a significant contribution toward the goal of ensuring that every child can read well by the end of the third grade. Our proposal would target those children most at risk of experiencing difficulty in learning to read by working with early childhood educators in Head Start and Title I pre-K programs.

QUALITY TEACHERS AND HIGH STANDARDS IN EVERY CLASSROOM

While every State has developed high standards, States and districts now need significant support to continue the hard work of turning these high expectations into classroom realities. This is why we are proposing a new initiative called Quality Teachers and High Standards in Every Classroom. This initiative would help States and school districts continue the work of aligning instruction with State standards and assessments, while focusing most resources on improving teacher quality through high-quality professional development. Our proposal would build on and succeed the current Goals 2000, Title II, and Title VI programs.

The National Commission on Teaching and America's Future found that the biggest impediment to improving teaching was the lack of access to the kinds of knowledge and skills teachers need to help students succeed. We know from the Commission's report that most school districts do not direct their professional development funds in a coherent way toward sustained, standards-based, practical, and useful learning opportunities for teachers. We need to provide teachers with opportunities to change instructional practices in order to ensure that all children are taught to high standards.

Just as we have real concerns about improving teacher quality, we need to recognize the growing shortage of qualified principals. I was struck by a statistic in a recent article in *The Washington Post*, which indicated that about 50 percent of all schools face a shortage of qualified principal candidates. That is a very heavy statistic.

Unfortunately, we have not done enough to support the professional growth of teachers and principals. Currently, most school districts spend less than three percent of their budgets on professional development, while our best private companies spend as much as 10 percent to ensure that their employees have quality training and keep current in their work. If we expect the best from our students, we need to ensure that we are giving our teachers the best support possible. And, we know it works. In New York City's District 2, former Superintendent Tony Alvarado made major investments in professional development—investments that paid off in marked improvement in student achievement.

The 1994 reauthorization included a greater focus on research-based principles of professional development in the Eisenhower Professional Development program. Despite this emphasis, recent evaluations of the Eisenhower professional development program found that most districts did not receive enough funding to support the kind of on-going, intensive professional development that works best to improve teaching skills.

As we move into the next phase of getting high standards into schools and classrooms, we must give States and districts the flexibility they need to strengthen their local efforts to implement standards and to improve teacher quality. States could use these funds to continue the development of standards and assessments and provide leadership to districts working to align instruction with these standards and assessments and to improve professional development for teachers. School districts would use their funds to implement standards in schools and to invest in professional development in core subject areas, with a priority on science and mathematics.

States and districts would also be able to use these funds to meet new ESEA teacher quality requirements related to the implementation and improvement of competency-based assessments for initial licensure, the reduction of the number of teachers on emergency credentials, and the reduction of the number of teachers teaching out of field.

Funds would be used to advance teacher understanding and use of best instructional practices in one or more of the core academic content areas, with a primary focus on math and science. The initiative also is designed to complement the strong emphasis on professional development throughout our ESEA reauthorization proposal, including Title I, the Reading Excellence Act, and Title VII.

We would support activities to assist new teachers during their first three years in classroom, including additional time for course preparation and lesson planning, mentoring and coaching by trained mentor teachers, observing and consulting with veteran teachers, and team-teaching with veteran teachers.

Veteran teachers would be encouraged to participate in collaborative professional development based on the standards developed by the National Board for Professional Teaching Standards. The initiative also would support district-wide professional development plans designed to help students meet State academic standards, the integration of educational technology into classroom practice, and efforts to develop the next generation of principals.

SAFE, DISCIPLINED, AND DRUG-FREE SCHOOLS

The Administration's plans for reauthorizing the Safe and Drug-Free Schools and Communities Act have actually taken shape over the past few years in our annual budget requests. These proposals have been designed to strengthen the program by improving accountability and by targeting funds to local educational agencies with (1) significant drug and violence prevention problems and (2) high-quality, research-based programs to address those problems.

Our reauthorization proposal would build on these earlier efforts by emphasizing a schoolwide approach to drug and violence prevention. All school districts receiving funds would be required to develop a comprehensive Safe and Drug-Free Schools plan to ensure that they have a drug-free, safe, and disciplined learning environment. These plans would have to reflect the "principles of effectiveness" that the Department recently established, which include the adoption of research-based strategies, setting measurable goals and objectives for drug and violence prevention, and regular evaluation of progress toward these goals and objectives.

Program funds would be distributed in larger, more effective grants, because our proposal would require States to award competitive grants to a limited number of high-need districts. Program evaluations have consistently found that the current practice of allocating funds by formula to all districts spreads funds too thinly to have a significant impact in most districts. For example, about three-fifths of districts currently receive grants of less than \$10,000, with the average grant providing only about \$5 per student.

Our reauthorization plan also would continue the Safe Schools/Healthy Students program, an interagency initiative that provides competitive grants to help school districts and communities to develop and implement comprehensive, community-wide strategies for creating safe and drug-free schools and for promoting healthy childhood development. Similarly, the Safe and Drug-Free Schools Coordinator Initiative would be continued under our proposal.

We also will propose to authorize the Department to provide emergency services—especially mental health and counseling services—to schools affected by the kind of violence or severe trauma we saw last year in Arkansas, Kentucky, Mississippi, Oregon, and Pennsylvania. This is the \$12 million Project SERV (School Emergency Response to Violence) initiative included in the President's 2000 budget request. Our reauthorization plan also would set aside a small amount of funding at the State level to support similar emergency response activities.

EDUCATIONAL TECHNOLOGY

Since the creation of Title III in the last ESEA reauthorization, the Federal government has helped States and school districts make significant progress in bringing technology into the classroom and making sure that teachers are prepared to effectively integrate technology throughout the curriculum.

With the support of Congress, the Department has delivered over \$1 billion to States through the Technology Literacy Challenge Fund. This investment is helping to increase the number of classrooms connected to the Internet—just 27 percent in 1997—and has helped decrease the student-computer ratio from 38 students per multimedia computer to 13 students per multimedia computer.

By early March, \$1.9 billion dollars in E-Rate discounts will be provided to the Nation's schools and libraries. This means that over the summer, the number of poor schools that are connected to the Internet will rise dramatically. These discounts will also provide affordable access to advanced telecommunications and ensure that all of our schools are active participants in the technological revolution.

To reduce the "digital divide" that could widen the achievement gap between disadvantaged students and their wealthier peers, we propose to strengthen the targeting provisions of the Technology Literacy Challenge Fund. Just 63 percent of high-poverty schools had connections to the Internet in 1998, compared to 88 percent of low-poverty schools. The disparity is even greater at the classroom level, with only 14 percent of classrooms connected to the Internet in high-poverty schools, compared to 34 percent of classrooms in low-poverty schools.

Federal dollars are helping to narrow this digital divide. High-poverty schools received over two-and-one-half times more new computers than their low-poverty counterparts in recent years. We will make a special effort to address the needs of rural America, where technologies like distance learning can make a real difference, and to coordinate ESEA technology programs with the Individuals with Disabilities Education Act

Technology Development Program, which expands access to innovations in technology to students with disabilities.

Helping teachers integrate technology into their daily lesson plans will be another special focus. Currently, only 20 percent of our teachers feel qualified to integrate technology throughout the curriculum. The reauthorization proposal for Title III will focus on supporting State and local efforts to improve teacher quality, with a priority for developing partnerships between local school districts, institutes of higher education, and other entities.

We also want to strengthen our evaluation efforts to find proven and promising models of how technology is improving achievement that we can bring to scale.

SUPPORTING STUDENTS WITH LIMITED ENGLISH PROFICIENCY

Students with limited English proficiency (LEP) are the fastest growing population served by the Elementary and Secondary Education Act. According to State educational agency data, the number of LEP students grew 67 percent between the 1990-91 and 1996-97 academic years.

Growing numbers of LEP students are in States and communities that have little prior experience in serving them. For example, between the 1992-93 and 1996-97 school years, the LEP population more than doubled in Alabama, Alaska, Florida, Idaho, Nebraska, Nevada, North Carolina, Oregon, South Carolina, and Tennessee.

The President's goal is to hold schools accountable for ensuring that LEP students can speak and read English after three consecutive years in our schools. We are equally committed to ensuring that LEP students reach challenging academic standards in all content areas. We also want to assure that States and school districts have the flexibility they need to provide the most appropriate instruction for each child.

I told you earlier that we cannot afford to waste the talents of one child. One of America's greatest strengths has always been her diversity of peoples. Today, immigrants and their children are revitalizing our cities, energizing our culture, and building up our economy. We have a responsibility to make them welcome here and to help them to enter the mainstream of American life.

Our reauthorization proposal for the Title VII bilingual education provisions seeks to achieve these goals by emphasizing the same two key strategies we are pursuing throughout the ESEA: improving teacher quality and strengthening accountability.

To increase teacher quality, for example, all institutions of higher education applying for Title VII grants would be required to show that their teacher education programs include preparation for all teachers serving LEP students.

To strengthen accountability, we would require both Title VII grantees and Title I schools to annually assess the progress of LEP students in attaining English proficiency. These assessments will be used to inform parents of their children's progress and to help schools improve instruction.

LEP students who have been in U.S. schools for less than three years would continue to be included in the Title I assessment system, but after three years reading assessments would be conducted in English. Schools and districts would be held responsible, as part of the larger ESEA accountability provisions, for ensuring that LEP students reach the three-year English language proficiency goal.

I also believe that America's children need to become much more fluent in other languages. We are very far behind other nations when it comes to giving our students a mastery of other languages. There are teenagers in Europe who can easily speak three languages. I am certain we can do a much better job at giving our students both a mastery of English and fluency in at least one foreign language. There are currently over 200 two-way bilingual education programs that teach English and a foreign language and allow all students to truly develop proficiency in both languages.

EXCELLENCE AND OPPORTUNITY IN PUBLIC EDUCATION

As I travel around the country visiting schools, I continue to see the spark of innovation and creativity in many public schools. Public education is changing quite rapidly at the ground level and offering parents many more options in the terms of the type of schools their children can attend and the courses they can take.

This Administration is a strong advocate of public school choice as a way to encourage and stimulate the creative efforts of school districts to give parents the opportunity to find a school that best fits the needs of their children. Some discussions about choice suggest that there is choice only outside of public education. Well, that is an assumption that I want to challenge because it really has no basis in fact.

You can go to school district after school district and find schools-within-schools, magnet schools, school-to-work initiatives, high schools collaborating with local colleges, and option and theme schools that focus in on specialized fields like the environment, the visual and performing arts, communications and technology, back-to-basics, classical studies, marine science, accelerated learning, the international baccalaureate, and career-related areas like finance and medical sciences.

There is a great deal of variety in public education at the local level, from alternative schools to community-based learning efforts, to schools-without-walls, to public schools that focus in on the core knowledge approach to education. There are public school districts like Seattle that have a completely open choice model and many other school districts that offer intra-district choice, inter-district choice, and controlled choice. Critics of public education would do well to recognize that many public school districts are far more in touch with parents than they think and are giving parents the choices they seek.

I want to stress that one of the most important choices that parents can make about a child's education is the choice of subjects and not schools. We have a growing body of research showing that courses students choose in middle and high school are powerful predictors of success—from mastery of high-level math to gaining entrance to top colleges and universities. The best schools in America—whether they are public, private or

parochial—all share something in common: they place a strong emphasis on a rigorous and engaging academic program. This is what makes these schools distinctive, and it is what makes them work.

That is why President Clinton has spent six years advocating the idea that by raising standards, exciting families about their children's education, and putting quality teachers into every classroom, we can raise achievement for many, many more of our students—and indeed, someday soon, hopefully all of our students. That is the best public policy for us to support. Private school voucher programs affect only a small number of students, divert us from our goal of high standards for all children, and take scarce resources from the public schools that serve around 90 percent of America's children.

While the Clinton Administration strongly opposes efforts to divert public funds to private schools through vouchers or similar proposals, we want to encourage the development of new choices within the public school system. This is why we worked very closely with Congress to reauthorize the Charter School legislation that fosters creativity with accountability. This year we are considering a new choice authority that would help us identify and support new approaches to public school choice and promote a new, broader version of choice that works within all public schools.] ?

We are interested in promoting public school choice programs in which the schools and programs are public and accountable for results, are genuinely open and accessible to all students, and promote high standards for all students. There are many successful public schools that can provide models for improving low-performing schools, and one of our goals must be to find ways to help States and local school districts to replicate these successful models by leveraging "what works" for our children's education.

MODERNIZING SCHOOLS FOR THE 21ST CENTURY

An additional priority for the Administration is to help communities build and renovate the school buildings they will need to help all students reach challenging standards. The General Accounting Office has reported that States and school districts face over \$112 billion in repairs to existing schools. In addition, many schools face severe overcrowding as a result of the "baby boom echo."

The Administration is proposing \$25 billion in authority for interest-free bonds to finance the construction or renovation of up to 6,000 schools. This proposal will be included as part of the President's tax legislation. In addition, through the reauthorized ESEA, we would make grants to involve citizens in designing schools that reflect the needs of the entire community. The President's 2000 budget would provide \$10 million for these grants under the Fund for the Improvement of Education.

CONCLUSION

These are just the highlights of a comprehensive reauthorization proposal that will span a dozen or so titles affecting nearly every area of Federal support for the Nation's elementary and secondary schools. I encourage you to give careful consideration to our full proposal when it is completed next month, and I look forward to discussing the specific details of our plan as your work on your legislation.

The framework for all of our thinking is the clear recognition that the days of "dumbing down" American education are over. We want to "achieve up" and raise expectations for all of our young people. As I have said so many times before, our children are smarter than we think. We can and surely will debate the merits of the policy ideas that we are putting forward today and that is healthy. Let us find common ground, however, around the idea that we have both a moral and social obligation to give the poorest of our young people the help they need to get a leg-up in life and be part of the American success story.

As I travel around the country visiting schools, I really do get a sense that things are happening, that a very strong consensus has developed about what needs to be done to improve our schools. All the elements are coming together: a new emphasis on early childhood, better reading skills, high expectations for all of our young people, and accountability for results. We are moving in the right direction and we need to stay the course to get results and always remember that "the victory is in the classroom."

In conclusion, I want assure you that the Administration is prepared to work with the Congress to help and support local and State educators and leaders who are striving to raise achievement levels. I hope that in the process, a new bipartisan spirit can evolve around education issues. The last few years have been somewhat contentious here in Washington, and we need to give a better account of ourselves to the American people.

I will be happy to take any questions you may have.

DRAFT TESTIMONY ON ESEA REAUTHORIZATION

Good morning Mr. Chairman and Members of the Committee.

I appreciate this opportunity to present the Administration's views on the upcoming reauthorization of the Elementary and Secondary Education Act (ESEA) of 1965. The Administration is working on a detailed reauthorization proposal that we plan to submit for your consideration next month. The Department will also soon submit to Congress several reports evaluating the implementation and impact of Title I, other ESEA programs, and Goals 2000. Today I will provide an overview of our reauthorization efforts, as well as some of our specific recommendations. If there is one overriding principle that defines what we hope to accomplish, it is to end the tyranny of low expectations and raise achievement levels for all of our young people.

Let me begin by urging the Committee to develop a single, comprehensive bill reauthorizing the Elementary and Secondary Education Act. Some have suggested a title-by-title approach that could lead to a dozen or so separate bills. This concerns me, because we have worked very hard with the Congress in recent years to develop a comprehensive approach to Federal support for education reform. If our efforts are to be successful, it is very important for all the pieces to fit together, complementing and reinforcing each other to help States, school districts, and schools to make the changes needed to raise achievement for all students. This is why the Administration is developing a single, integrated reauthorization proposal, and I hope you will do the same.

I also want to point out that with the nearly simultaneous reauthorization of the Department's Office of Educational Research and Improvement, we have a unique opportunity to develop a comprehensive agenda for independent research to support improved practices and instruction in elementary and secondary education. We should make every effort to develop research-based solutions to the many challenges we face in elementary and secondary education, and to get the best information on what works into the hands of parents, teachers, principals, and superintendents across the Nation.

BACKGROUND AND ACCOMPLISHMENTS

This is, of course, this Administration's second opportunity to work with Congress on improving the ESEA. The 1994 reauthorization—the Improving America's Schools Act—took direct aim at transforming a Federal role that for too long had condoned low expectations and low standards for poor children. Along with the Goals 2000: Educate America Act, the 1994 reauthorization reflected a bipartisan effort to raise expectations for all children by helping States and school districts to set high standards and establish goals for improving student achievement. The 1994 Act included provisions to improve teaching and learning, increase flexibility and accountability for States and local school districts, strengthen parent and community involvement, and target resources to the highest poverty schools and communities.

There is strong evidence that these changes, particularly the emphasis on high standards, have helped States and school districts carry out the hard work of real education reform. States that led the way in adopting standards-based reforms—like Kentucky,

Maryland, North Carolina, Oregon, and Texas—found new support from Federal programs that helped them to raise reading and math achievement. In other States, the new ESEA and Goals 2000 encouraged and supported improvements in teaching and learning tied to high standards. For example, in a very positive report on Goals 2000 by the General Accounting Office (GAO), we were most pleased that State officials described Goals 2000 as “a significant factor in promoting their education reform efforts” and a “catalyst” for change.

Signs of Progress

Partly as a result of changes at the Federal level and our new partnerships with the States, 48 States, the District of Columbia, and Puerto Rico have developed state-level standards and two States have pushed for standards at the local level. More importantly, there are promising signs of real progress toward meeting these higher standards in the classroom. The National Assessment of Educational Progress (NAEP), for example, has shown significant increases in the percentages of 4th grade students scoring at both the basic and proficient achievement levels in mathematics, particularly among students in high-poverty schools (See Chart 1). The National Education Goals Panel reported that between 1990 and 1996, 27 States significantly increased the percentage of 8th graders scoring at either the proficient or the advanced level on the NAEP math test (See Chart 2).

Tomorrow the National Center for Education Statistics will release its national report card on reading, and I understand we will see some improvement. Making sure that every child can read well and independently by the end of the third grade is a key benchmark of whether or not American education is improving. This has been a very high priority for the Administration and over the past few years a strong, bipartisan consensus has emerged on the importance of helping all children to master this key prerequisite for all further learning. Title I provides substantial resources to improve reading instruction, and last year, Congress on a bipartisan basis passed the Reading Excellence Act to strengthen State and local efforts to improve reading in the early grades. We also now have some 20,000 College Work-Study students serving as reading tutors.

“Leading Edge” States

Turning from the national to the State level, individual States have made notable progress in a very short period of time (See Chart 3). North Carolina, for example, more than doubled the percentage of its 8th graders scoring at the proficient or advanced levels on the NAEP math test, from 9 percent in 1990 to 20 percent in 1996. In Texas, the percentage of 4th grade students reaching the NAEP proficient or advanced levels rose from 15 percent in 1992 to 25 percent in 1996.

The National Education Goals Panel issued a report authored by the Rand Corporation that examined the North Carolina and Texas experience. This report found that the “most plausible explanation” for the test-score gains was an “organizational environment and incentive structure” based on standards-based reform, defined as “an aligned system of standards, curriculum, and assessments; holding schools accountable for improvement by all students; and critical support from business.” This report also goes on to tell us that the willingness of political leaders to stay the course and continue the reform agenda, despite “changes of Governors and among legislators,” is another key element that has defined the

success of these two leading States. As I will explain shortly, we will be trying in this reauthorization to speed up reform by encouraging other States to follow the examples of North Carolina, Texas, and other leading edge States.

New Flexibility at the Federal Level

✓ The 1994 reauthorization also brought real change to the way we do business at the Department of Education. We made a very determined effort to give States and school districts greater flexibility to make innovations that help all students reach high standards. Our regulatory reform effort, for example, systematically examined every Department regulation and set very specific criteria for regulating only when absolutely necessary. The Office of Management and Budget and other Federal agencies have since adopted this approach as a model. Under our new regulatory criteria, we found that we needed to issue regulations for only five of the programs included in the 1994 ESEA reauthorization; thus we eliminated a full two-thirds of the regulations previously covering the Elementary and Secondary Education Act.

✓ Another major improvement was to give States the option of submitting a single, consolidated State application, instead of separate applications, for the majority of ESEA programs. Not surprisingly, every State but one has adopted this approach, which also encourages a comprehensive approach to planning for the use of Federal funds. Moreover, States now submit their single plan just once during the life of the authorization cycle, with brief yearly updates to ensure accountability. States reported in fiscal year 1996 that the consolidated application slashed paperwork requirements by 85 percent.

✓ In addition, the Department has vigorously implemented the waiver provisions included in the 1994 reauthorization, which permit States, school districts, and schools to request waivers of statutory and regulatory requirements that present an obstacle to innovative reform efforts, if there are adequate accountability safeguards in place. We set up a Waiver Hot Line and provided comprehensive waiver guidance at our site on the World Wide Web.

✓ Since the reauthorization of ESEA in 1994, the Department has received 648 requests for waivers from States and local districts and granted a total of 357 waivers. Overall, the Department has approved 55 percent and disapproved 8 percent of all waivers requested. Of the remainder, 28 percent were withdrawn largely because districts learned that they had sufficient latitude or flexibility under existing law to proceed without a waiver, demonstrating that the ESEA is more flexible than many people thought even without the waiver authority.

ED-FLEX

Shouldn't we take all this out? - do in § + a

Another approach to flexibility is the ED-FLEX demonstration program, which allows the Department to give States with strong accountability mechanisms authority to approve waivers of certain Federal statutory and regulatory requirements that stand in the way of effective reform at the local level. Congress has authorized up to 12 States to participate in ED-FLEX.

We are proposing to expand ED-FLEX to allow all eligible States to participate. I believe such an expansion should be considered in the context of reauthorization, our

emphasis on accountability for results, and other programmatic issues. ED-FLEX can be an important tool for accelerating the pace of real reform in our schools, but it must be done thoughtfully. ED-FLEX must never be used as a way of getting around established civil-right protections, or to undermine the overall purpose of helping disadvantaged children reach the same high standards as other children.

✓ One final issue I want to touch on is the Department's performance in getting Federal education dollars to the local level, where they can do the most good. There have been a number of "dollars to the classroom" proposals over the past two years based on the assumption that the Department of Education retains a significant portion of Federal elementary and secondary appropriations to pay for administrative costs.

✓ The truth is that over 95 percent of all the dollars appropriated by Congress for ESEA programs already go to local school districts. Almost all of the rest goes to States to provide technical assistance, to support the use of standards and assessments, and to provide oversight. If the "95 percent" figure sounds familiar, it is because some of those proposals I mentioned promise to send 95 percent of Federal dollars to the classroom.

✓ I recognize that some may argue about whether the "local level" is the same as "the classroom." My view is that once the funds reach the local level, it is up to local elected school boards to decide how best to spend them to achieve the purposes of the programs enacted by the Congress. We in Washington should not attempt to bypass local school boards and deny them their lawful responsibility to determine how to meet the educational needs of their students.

I believe that these accomplishments—widespread adoption of challenging standards, promising achievement gains nationally and even more improvement in "leading edge" States, and new flexibility for States and school districts—show that we were on the right track in 1994. The evidence demonstrates a clear connection between raising standards and raising student achievement. The record also shows, however, that many States and districts are still phasing in the 1994 reforms. Taken as a whole, this experience provides a compelling argument for the Administration and Congress to keep working together to help States and school districts get high standards into the classroom, and to push for improved incentives and strengthened accountability mechanisms to ensure that these reforms take hold.

more on this?

THE NEXT STAGE: RAISING ACHIEVEMENT IN OUR SCHOOLS AND CLASSROOMS

✓ Let me lay out for you the broader context for our ESEA reauthorization proposals. In 1994, we broke sharply with the past and made a significant policy shift in putting an end to the practice of giving students a watered-down curriculum. I strongly believe that the tyranny of low expectations—and it is tyranny—has been one of the great flaws of American education. We vigorously oppose the idea of "dumbing down" American education. Instead of "dumbing down," we want to "achieve up."

✓ To support this effort we have developed a comprehensive, three-part strategy of (1) targeting investments to disadvantaged children, with particular attention to the early years

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of schooling; (2) improving teacher quality, and (3) real accountability. All these pieces need to fit together if we want to raise achievement levels.

✓ First, our investments in the Title I, the Class-Size Reduction program, the Reading Excellence Act, education technology, and after-school programs—to name just a few—are all part of our effort to get communities and their teachers and principals the resources they need to raise achievement for all students. We have put a real emphasis on the early years of schooling because research and common sense tells you that if a young person can “master the basics” early, they get off to a much better start in their education.

✓ We want to improve academic achievement for all students, with a special emphasis on closing the gap upward between poor and minority students and other students. This is why, for example, we are such strong supporters of reducing class size in the early grades. Research from the Tennessee STAR study demonstrated that reducing class sizes in the early grades led to higher achievement for all students, with poor and minority students showing the greatest gains.

✓ Second, we think it is absolutely essential to put a highly qualified, dedicated teacher in every classroom in America. John Stanford, the inspiring former superintendent from Seattle who recently passed away, had this marvelous slogan that summed up his philosophy: “the victory is in the classroom.” If we are going to achieve many more victories in the classroom we simply have to raise teacher quality and get many more certified teachers into our Title I schools. This is why we asked the Congress to fund a strong teacher quality initiative in reauthorizing the Higher Education Act last year. Our intent here is to make high standards part of every teacher’s daily lesson plans. I will discuss this part of our proposal in greater detail later on in my testimony.

*Too much
simple?
(depends)*

Strengthening Accountability

✓ Stronger accountability is the third part of our broad strategy of improvement. We believe that effective accountability measures—what business leaders call quality control measures—can make sure that our investments are used wisely and actually produce the desired results.

✓ Much of our thinking about accountability has been informed by successful accountability initiatives at the local and State levels. The most thoughtful education leaders at the State and local level are doing what we are proposing: they are ending social promotion, requiring school report cards, identifying low performing schools, improving discipline in schools and classrooms, and putting in place measurable ways to make change happen, such as basic skills exams at different grade levels. They are striking a careful balance between giving schools the increased support and flexibility they need to raise achievement levels and, at the same time, holding schools accountable when they do not measure up to clearly established goals. We are trying to strike that same balance in our reauthorization proposals.

*but some
not
doing*

✓ Our emphasis on accountability in ESEA, and in particular in Title I, seeks to build on, support, and encourage these growing State and local efforts to pick up the pace of standards-based reform. Here it is important to recognize that we are not talking about more

regulations. We want better results. There is both a moral and a fiscal dimension to being more accountable. We cannot afford to lose the talents of one child, and we cannot waste the substantial resources entrusted to us by American taxpayers.

✓ The "either or" thinking that has dominated the public debate to date about our accountability proposals—more Federal control versus less local control—really misses the point entirely about what we seek to achieve. If a State is putting its own accountability measures into place, we are not demanding that they replace their measures with our measures. If a State does not have such requirements in place, then it makes a good deal of sense to adopt our proposals. We expect States to do this because it is good education policy and the right thing to do for the children as well.

Our approach to increased accountability is one of graduated response, a range of options—some positive and others more proscriptive—that can help break the mold and get low-performing schools moving in a more positive direction. On the positive side of the continuum, you give school districts the flexibility they need if you see that they are making progress. If a school or a school district simply isn't making things happen, we want to shake things up and work with State and local officials to find out why. The local school district, for example, may not be giving teachers the real professional development time they need.

7
too defensive

If a school district is refusing to change despite a continuing failure to raise achievement levels, we are prepared, for example, to be much more proscriptive about how it uses Title I funding. We do not intend to be passive in the face of failure. We will help, nudge, prod, demand action, and, as a last resort, (take a very hard look) at restricting the use of or even withholding certain ESEA funds in order to stimulate positive change.

✓ We recognize that a complete accountability system should be multi-dimensional and include high expectations and accountability for everyone in the system. All of us are responsible for ensuring that all students reach high standards. The accountability measures in our reauthorization proposal will be designed to (1) help school districts and states provide students with a high-quality education, (2) focus on continuous improvement; and (3) hold students, teachers, principals, schools, and districts to high standards.

but not just if they're failing to raise levels - also if they're not putting into place our reforms

It is important to note that our proposed accountability measures reinforce and build on similar provisions approved in 1994. For example, the underlying structure of the Title I accountability provisions is sound, and States like North Carolina and Texas are emphasizing continuous improvement and holding schools and principals accountable for results. Many States, however, have not fully implemented the Title I provisions and have moved only tentatively to make other changes based on high standards and accountability. We want to speed up and strengthen the process.

Delete - needs to sound bigger (generally)

Meeting State Standards

✓ First, we would retain the current Title I requirement that States establish assessments aligned with State content and performance standards by the 2000-2001 school year. States must also define adequate yearly progress for Title I schools and local school districts in a manner that would result in continuous and substantial progress toward meeting State standards within a reasonable time frame.

receiving ESEA funds

Turning Around the Lowest Performing Schools

Second, States should take immediate corrective action to turn around the lowest performing schools. Currently, there are over 6,800 schools and 1,300 school districts designated under Title I as needing improvement. These schools and districts were placed in school-improvement status after making little or no improvement over a period of two years. Many of these schools are still showing no improvement despite receiving additional support. We are saying our children have spent enough time in low-performing schools—it is time to take action now.

States should quickly identify the lowest performing schools that are failing to show improvement and provide additional support and assistance. If any school continues to show no improvement, States should take bold action such as reconstituting the school or closing the school down entirely and reopening it as a fresh new school. The Department's 2000 budget request includes a \$200 million set-aside in Title I to help jumpstart this process of State and district intervention in the lowest performing schools.

Annual Report Cards

Third, we would require annual report cards at the State, district, and school levels as a condition of receiving ESEA funds. The report cards should provide information on improvement over time or the lack thereof. They should include information on student achievement, teacher quality, class size, school safety, attendance, and graduation requirements. Where appropriate, the student achievement data should be disaggregated by demographic subgroups to allow a greater focus on the gaps between disadvantaged students and other students. The report cards should be easily understood by and widely distributed to parents and the public. While 36 States already require report cards, many parents and teachers from these States say that they have never seen the report cards. Our proposal is intended to give parents a tool they can use to join the debate over bringing high standards into the classroom, to advocate on behalf of their children and their children's schools, and to work with teachers and principals to make improvements.

lang needs to be everywhere (w numbers)

I assure you, if parents find out that their children are going to an unruly or unsafe school there will be standing-room only at the next school board meeting and that can be a very good thing. If parents discover that test scores are down at their school but up at a nearby school they will start asking questions and spark reform. In short, a good, honest report card gives parents a real accountability tool that allows them to make a difference in the education of their children.

Similarly, our reauthorization proposal would permit the National Assessment Governing Board to develop, test, distribute, administer, and evaluate the voluntary national tests in reading and mathematics. These tests would be another powerful tool for parents to judge the schools their children attend and to push for reforms.

Ending Social Promotion

Fourth, all States receiving ESEA funds should end the practice of social promotion. I want to be clear that we are against both a policy of ~~social promotion and a policy~~ of retaining students in grade. We are for a policy of preparing children to achieve to high standards. That is why we have pushed so hard for programs like Class Size Reduction, the Reading Excellence Act, and the 21st Century Community Learning Centers after-school initiative, which invest in the early years and help to minimize the number of children at risk of retention in grade.

what??

Research indicates that from 10 to 15 percent of young adults who graduate from high school and have not gone further—up to 340,000 students each year—cannot balance a checkbook, or write a letter to a credit card company to explain an error on a bill. In addition, about 450,000 to 500,000 young people drop out of high school between the 10th and 12th grades. These are the young people who are hurt by both social promotion and retention. We need to make sure these students are given the support they need to succeed.

The President's call for an end to social promotion is designed to tell students that "performance counts," and to encourage districts and schools to take aggressive action to help all students meet promotion standards on time. States should target their efforts at key transition points, such as 4th, 8th, and 10th grades, and should use multiple measures, such as valid assessments and teacher evaluations, to determine if students have met the high standards required for promotion to the next grade. The States would develop their own specific approaches to match their unique circumstances.

Strategies to end social promotion include early identification and intervention for students who need additional help—including appropriate accommodations and supports for students with disabilities.

all states with individual states ... are more long.

Ensuring Teacher Quality

Fifth, we would encourage States and school districts to do more to ensure teacher quality. Less than two weeks ago, we released our first biannual report on Teacher Quality. In developing this report, we are making a statement that we are going to keep coming back to the issue of teacher quality again and again. The first report told us that less than half of America's teachers feel very well-prepared to teach in the modern classroom. Teachers cited four areas of concern: using technology, teaching children from diverse cultures, teaching children with disabilities, and helping LEP students. This study really is a cry for help and we need to respond.

I know the Members of this Committee share our concern about teacher quality, and we want to work with you to address that concern. Research shows that qualified teachers are the most important in-school factor in improving student achievement. Far too many classrooms are led by teachers teaching "out of field," individuals granted "emergency" certificates who do not meet State certification standards, and even teacher aides with no more than a high school diploma. All of these individuals are trying to do their best, but where they are being asked to take the place of a teacher without the necessary knowledge and skills we are shortchanging our students.

High-poverty urban schools are most likely to suffer from unqualified teachers. Even when urban districts succeed in hiring qualified teachers, attrition rates during the first five years often reach 50 percent. Partly as a result of difficulties in recruiting and retaining teachers, Title I schools are hiring teacher aides at twice the rate of certified teachers, and an increasing number of aides are providing direct instruction without a teacher's supervision.

Our ESEA reauthorization proposal would begin to address these problems by asking States to adopt challenging competency examinations for all new teachers that would include assessments of subject-matter knowledge and teaching skills. We would also work to phase out the use of teacher aides as instructors in Title I schools, but at the same time encourage paraprofessionals to become certified teachers by supporting State and local efforts to build career ladders leading to certification. Our proposal will urge States to make significant progress in reducing both the number of teachers with emergency certificates and the number of teachers teaching subjects for which they lack adequate preparation.

The issue of improving teacher quality is also of great importance to all of us who want to improve the education of children with disabilities. ESEA is meant to serve all children and there are growing numbers of children with disabilities who have been successfully mainstreamed into regular classrooms. ESEA and the Individuals with Disabilities Education Act can work together to make a real difference for many more of these children. The Teacher Quality report told us that the majority of our teachers do not feel as well-prepared as they should to teach children with disabilities. We want to work very hard to make sure that all teachers have the skills and the tools they need to teach these children to high standards.

We made a good start in improving teacher quality last year when Congress passed—with strong bipartisan support—the new teacher recruitment and training programs in Title II of the reauthorized Higher Education Act. Our ESEA reauthorization plan would build on this success by providing resources to help States strengthen teacher-certification standards. It also will include—in the new Teacher Quality and High Standards in Every Classroom initiative—increased investment in the high-quality professional development that teachers tell us they need to help all students meet challenging new State standards.

What is this?

TITLE I

This all seems a bit much.

I have described some of the key, crosscutting measures for getting high standards into all classrooms. Now I would like to outline some program-specific issues and recommendations, beginning with Title I, which is the largest Federal investment in elementary and secondary education. This \$7.7 billion program reaches more than 45,000 schools in over 13,000 school districts. With the expansion of schoolwide projects following the last reauthorization, the program now serves over 11 million students. In the 1996-97 school year, 36 percent of the children served were white, 30 percent were Hispanic, and 28 percent were African-American. Seventeen percent of the children served were limited English proficient.

Historically, Title I has been the single largest source of federal funding targeted to raising the achievement levels of students in high-poverty schools and helping to close the

achievement gap between these children and their more advantaged peers. The 1994 reauthorization focused on helping children in high poverty schools reach the same high standards expected of all students. In particular, States were required to develop content and performance standards in reading and math, with aligned assessments to measure student progress toward meeting the standards.

The 1994 Act also improved targeting of resources, expanded the schoolwide approach, and strengthened parental involvement. With regard to targeting, the GAO recently reported that Federal programs are much more targeted than State programs. On average, for every \$1 a State provided in education aid for each student in a district, the State provided an additional \$0.62 per poor student. For every \$1 of Federal funding districts received for each student, they received an additional \$4.73 in Federal funding per poor student. We believe targeting works, and we recommend leaving in place the Title I allocation formula adopted by the Congress in 1994.

The 1994 Act expanded schoolwide programs by permitting schools with poor children making up at least 50 percent of their enrollment to use Title I funds in combination with other Federal, State, and local funds to upgrade the instructional program of the entire school. Since 1995, the number of schools implementing schoolwide programs has more than tripled, from 4,600 to approximately 16,000. And a growing number of parents are more fully involved in their children's education through the use of parent compacts called for in the 1994 Act.

I also want to stress that getting parents involved in the process of school reform is often the spark that makes the difference. I have been a strong advocate of increased parental involvement in education for many years and there is a good reason for it. Parents are children's first teachers and they set the expectations that tell children how hard they should strive to achieve. And teachers tell us again and again that parents are too often the missing part of the education success equation.

If you look at the attached chart entitled "Making the Grade," you will see why we are placing such a strong emphasis on developing compacts between parents and schools for our Title I children (See Chart 4). Four years ago, we created the Partnership for Family Involvement in Education with 40 organizations. This Partnership has since grown to 4,700 organizations and it continues to grow quite rapidly. To give you one example about its activities, last month the Partnership sent out a detailed guide of best practices on how teachers can work better with parents.

Progress Since the 1994 Reauthorization

Current information on Title I indicates progress on several fronts. Title I has contributed to the rapid development of challenging State standards that apply to all students in Title I schools. Teachers in Title I schools are increasingly reporting that standards are helping to guide instruction. Moreover, preliminary data gathered for this reauthorization from States that have implemented the Title I standards and assessment provisions generally show increased achievement levels in high-poverty schools. For the 1997-98 school year, seven of the 10 States with standards and aligned assessments in place for two years report increasing percentages of students meeting proficient and advanced performance standards in

schools with poverty rates of at least 50 percent. These State-level data are particularly encouraging since final assessments are not required to be in place until school year 2000-2001. This and other information, including data indicating that Title I is driving higher standards to poor districts and schools, will be discussed in greater detail in the Congressionally mandated National Assessment of Title I scheduled for release in late February.

Despite these initial signs of progress, I would be the first to admit that we are not anywhere near where we need to be in turning around the thousands of low-performing high poverty schools that are served by Title I. This is why the President is so strong for improved teacher quality and increased accountability. We know that many States, districts, and schools are not making as much progress as we had hoped. However, we did not expect to turn around the long, sorry history of setting low expectations for our Nation's poorest children in just four years. I believe we are now on the right course in aligning Title I with the best efforts of State and local school systems. We simply need to stay the course in fitting all the pieces together to raise achievement levels.

Finally, in looking at the impact of Title I, we should keep in mind that despite its size and prominence at the Federal level, it represents about 3 percent of national spending on elementary and secondary education. Title I is effective only when it works in partnership with much larger State and local resources. Nevertheless, Title I can and should do more to assist State and local efforts to raise the educational achievement level of poor and minority children, and this is what we are trying to achieve through our reauthorization proposals.

Proposed Changes to Title I

Building on what we have learned since 1994, our reauthorization proposal would continue to hold at-risk children in high-poverty schools to the same high standards expected of all children and link Title I to State and local reforms based on high standards. We also would continue targeting resources to areas of greatest need, supporting flexibility at the local level to determine instructional practice, and encouraging more effective implementation of schoolwide programs.

Title I schools would of course be subject to the accountability provisions that we would apply to all ESEA programs. Specific improvements to Title I would include targeting additional resources to help the lowest achieving schools, phasing in a set-aside for professional development aligned to standards, and phasing out the use of teacher aides as instructors in Title I schools. We also would strengthen the schoolwide authority by borrowing some of the successful features of the Comprehensive School Reform Demonstration program, such as basing reforms on solid research about what works. And in response to a key recommendation of the reading study conducted by the National Academy of Sciences (NAS), we are proposing the use of diagnostic assessments in the first grade to ensure the early identification of children with reading difficulties.

have we
agreed to
this?

Separately, we support the continuation of the Comprehensive School Reform Demonstration program, which we believe is generating some good models for improving the effectiveness of the broader Title I program and for strengthening both Title I and non-Title I schools.

The Department also is considering proposals to promote high quality professional development for early childhood educators and others to help children better develop language and literacy skills in the early years. The NAS's reading study presented strong evidence that children who receive enrichment services focused on language and cognitive development in early childhood show significantly higher reading achievement in the later elementary and middle school years. We believe that professional development based on recent research on child language and literacy development—including strategies that could be shared with parents—could make a significant contribution toward the goal of ensuring that every child can read well by the end of the third grade. Our proposal would target those children most at risk of experiencing difficulty in learning to read by working with early childhood educators in Head Start and Title I pre-K programs.

QUALITY TEACHERS AND HIGH STANDARDS IN EVERY CLASSROOM

While every State has developed high standards, States and districts now need significant support to continue the hard work of making these high expectations into classroom realities. This is why we are proposing a new initiative called Quality Teachers and High Standards in Every Classroom. This initiative would help States and school districts continue the work of aligning instruction with State standards and assessments, while focusing most resources on improving teacher quality through high-quality professional development. Our proposal would build on and succeed the current Goals 2000, Title II, and Title VI programs.

The National Commission on Teaching and America's Future found that the biggest impediment to improving teaching was the lack of access to the kinds of knowledge and skills teachers need to help students succeed. We know from the Commission's report that most school districts do not direct their professional development funds in a coherent way toward sustained, standards-based, practical, and useful learning opportunities for teachers. We need to provide teachers with opportunities to change instructional practices in order to ensure that all children are taught to high standards.

Just as we have real concerns about improving teacher quality, we need to recognize the growing shortage of qualified principals. I was struck by a statistic in a recent article in *The Washington Post*, which indicated that about 50 percent of all schools face a shortage of qualified principal candidates. That is a very heavy statistic.

Unfortunately, we have not done enough to support the professional growth of teachers and principals. Currently, most school districts spend less than 3 percent of their budgets on professional development, while our best private companies spend as much as 10 percent to ensure that their employees have quality training and keep current in their work. If we expect the best from our students, we need to ensure that we are giving our teachers the best support possible. And, we know it works. In New York City's District 2, former Superintendent Tony Alvarado made major investments in professional development—investments that paid off in marked improvement in student achievement.

The 1994 reauthorization included a greater focus on research-based principles of professional development in the Eisenhower Professional Development program. Despite this emphasis, recent evaluations of the Eisenhower professional development program found that most districts did not receive enough funding to support the kind of on-going, intensive professional development what we know works best to improve teaching skills.

As we move into the next phase of getting high standards into schools and classrooms, we must give States and districts the flexibility they need to strengthen their local efforts to implement standards and to improve teacher quality. Funding for this initiative would be allocated by formula to the States, with States retaining 10 percent of their allocations to continue the development of standards and assessments and provide leadership to districts working to align instruction with these standards and assessments and to improve professional development for teachers.

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States would also be able to use these funds to meet new ESEA teacher quality requirements related to the implementation and improvement of competency-based assessments for initial licensure, the reduction of the number of teachers on emergency credentials, and the reduction of the number of teachers teaching out of field.

The remaining funds would be awarded to school districts through a State-run competitive process based on district plans to implement standards in schools and to invest in professional development in core subject areas, with a priority on science and mathematics. Distributing the funding through a competitive process would promote innovation and encourage careful planning, while ensuring that a significant number of districts have sufficient funding to implement the kind of comprehensive professional development programs that we know work. Through the success of Goals 2000, we know that competitive grants have already proved to be an effective vehicle for advancing the implementation of standards at the local level.

States would be required to design their grant competitions to target funds to high-poverty districts. Similarly, districts would be required to give priority to high-poverty and low-performing schools in distributing funds at the local level.

Funds would be used to advance teacher understanding and use of best instructional practices in one or more of the core academic content areas—with a primary focus on math and science. The initiative also is designed to complement the strong emphasis on professional development throughout our ESEA reauthorization proposal, including Title I, the Reading Excellence Act, and Title VII.

We would support activities to assist new teachers during their first three years in classroom, including additional time for course preparation and lesson planning, mentoring and coaching by trained mentor teachers, observing and consulting with veteran teachers, and team-teaching with veteran teachers.

Veteran teachers would be encouraged to participate in collaborative professional development based on the standards developed by the National Board for Professional Teaching Standards. The initiative also would support district-wide professional development

plans designed to help students meet State academic standards, the integration of educational technology into classroom practice, and efforts to develop the next generation of principals.

SAFE, DISCIPLINED, AND DRUG-FREE SCHOOLS

The Administration's plans for reauthorizing the Safe and Drug-Free Schools and Communities Act have actually taken shape over the past few years in our annual budget requests. These proposals have been designed to strengthen the program by improving accountability and by targeting funds to local educational agencies with (1) significant drug and violence prevention problems and (2) high-quality, research-based programs to address those problems.

Our reauthorization proposal would build on these earlier efforts by emphasizing a schoolwide approach to drug and violence prevention. All school districts receiving funds would be required to develop a comprehensive Safe and Drug-Free Schools plan to ensure that they have a drug-free, safe, and disciplined learning environment. These plans would have to reflect the "principles of effectiveness" that the Department recently established, which include the adoption of research-based strategies, setting measurable goals and objectives for drug and violence prevention, and regular evaluation of progress toward these goals and objectives.

Program funds would be distributed in larger, more effective grants, because our proposal would require States to award competitive grants to a limited number of high-need districts. Program evaluations have consistently found that the current practice of allocating funds by formula to all districts spreads funds too thinly to have a significant impact in most districts. For example, about three-fifths of districts currently receive grants of less than \$10,000, with the average grant providing only about \$5 per student.

Our reauthorization plan also would continue the Safe Schools/Healthy Students program, an interagency initiative that provides competitive grants to help school districts and communities to develop and implement comprehensive, community-wide strategies for creating safe and drug-free schools and for promoting healthy childhood development.

Finally, our proposal would authorize the Department to provide emergency services—especially mental health and counseling services—to schools affected by the kind of violence or severe trauma we saw last year in Arkansas, Kentucky, Mississippi, Oregon, and Pennsylvania. This is the \$12 million Project SERV (School Emergency Response to Violence) initiative included in the President's 2000 budget request. Our reauthorization plan also would set aside a small amount of funding at the State level to support similar emergency response activities.

EDUCATIONAL TECHNOLOGY

Since the creation of Title III in the last ESEA reauthorization, the Federal government has helped States and school districts make significant progress in bringing technology into the classroom and making sure that teachers are prepared to effectively integrate technology throughout the curriculum.

With the support of Congress, the Department has delivered over \$1 billion to States through the Technology Literacy Challenge Fund. This investment is helping to increase the number of classrooms connected to the Internet—just 27 percent in 1997—and has helped decrease the student-computer ratio from 38 students per multimedia computer to 13 students per multimedia computer.

By early March, \$1.9 billion dollars in E-Rate discounts will be provided to the Nation's schools and libraries. This means that over the summer, the number of poor schools that are connected to the Internet will rise dramatically. These discounts will also provide affordable access to advanced telecommunications and ensure that all of our schools are active participants in the technological revolution.

To reduce the "digital divide" that could widen the achievement gap between disadvantaged students and their wealthier peers, we propose to strengthen the targeting provisions of the Technology Literacy Challenge Fund. Just 63 percent of high-poverty schools had connections to the Internet in 1998, compared to 88 percent of low-poverty schools. The disparity is even greater at the classroom level, with only 14 percent of classrooms connected to the Internet in high-poverty schools, compared to 34 percent of classrooms in low-poverty schools.

Federal dollars are helping to narrow this digital divide. High-poverty schools received over two-and-one-half times more new computers than their low-poverty counterparts in recent years. We will make a special effort to address the needs of rural America, where technologies like distance learning can make a real difference, and to coordinate ESEA technology programs with the Individuals with Disabilities Education Act Technology Development Program, which expands access to innovations in technology to students with disabilities.

Helping teachers integrate technology into their daily lesson plans will be another special focus. Currently, only 20 percent of our teachers feel qualified to integrate technology throughout the curriculum. The reauthorization proposal for Title III will focus on supporting State and local efforts to improve teacher quality, with a priority for developing partnerships between local school districts, institutes of higher education, and other entities.

We also want to strengthen our evaluation efforts to find proven and promising models of how technology is improving achievement that we can bring to scale.

SUPPORTING STUDENTS WITH LIMITED ENGLISH PROFICIENCY

Students with limited English proficiency (LEP) are the fastest growing population served by the Elementary and Secondary Education Act. According to State educational agency data, the number of LEP students grew 67 percent between the 1990-91 and 1996-97 academic years.

Growing numbers of LEP students are in States and communities that have little prior experience in serving them. For example, in 10 States (Alabama, Alaska, Florida, Idaho, Nebraska, Nevada, North Carolina, Oregon, South Carolina, and Tennessee) the LEP population more than doubled between the 1992-93 and 1996-97 school years.

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The President's goal is to hold schools accountable for ensuring that LEP students can speak and read English after three consecutive years in our schools. We are equally committed to ensuring that LEP students reach challenging academic standards in all content areas.

Our reauthorization proposal for the Title VII bilingual education provisions seeks to achieve these goals by emphasizing the same two key strategies we are pursuing throughout the ESEA: improving teacher quality and strengthening accountability.

To increase teacher quality, for example, all institutions of higher education applying for Title VII grants would be required to show that their teacher education programs include preparation for all teachers serving LEP students.

To strengthen accountability, we would require both Title VII grantees and Title I schools to annually assess the progress of LEP students in attaining English proficiency. These assessments will be used to inform parents of their children's progress and to help schools improve instruction.

LEP students who have been in U.S. schools for less than three years would continue to be included in the Title I assessment system, but after three years reading assessments would be conducted in English. Schools and districts would be held responsible, as part of the larger ESEA accountability provisions, for ensuring that LEP students reach the three-year English language proficiency goal.

I also believe that America's children need to become much more fluent in other languages. We are very far behind other nations when it comes to giving our students a mastery of other languages. There are teenagers in Europe who can easily speak three languages. I am certain we can do a much better job at giving our students both a mastery of English and fluency in at least one foreign language. There are currently over 200 two-way bilingual education programs that teach English and a foreign language and allow all students to truly develop proficiency in both languages.

EXCELLENCE AND OPPORTUNITY IN PUBLIC EDUCATION

As I travel around the country visiting schools I continue to see the spark of innovation and creativity in many public schools. Public education is changing quite rapidly at the ground level and offering parents many more options in the terms of the type of schools their children can attend and the courses they can take.

This Administration is a strong advocate of public school choice as a way to encourage and stimulate the creative efforts of school districts to give parents the opportunity to find a school that best fits the needs of their children. Some discussions about choice suggest that there is choice only outside of public education. Well, that is an assumption that I want to challenge because it really has no basis in fact.

You can go to school district after school district and find schools-within-schools, magnet schools, school-to-work initiatives, high schools collaborating with local colleges,

option and theme schools that focus in on specialized fields like the environment, the visual and performing arts, communications and technology, back-to-basics, classical studies, marine science, accelerated learning, the international baccalaureate, and career-related areas like finance and medical sciences.

There is a great deal of variety in public education at the local level, from alternative schools to community-based learning efforts, to schools-without-walls, to public schools that focus in on the core knowledge approach to education. There are public school districts like Seattle that have a completely open choice model and many other school districts that offer intra-district choice, inter-district choice, and controlled choice. Critics of public education would do well to recognize that many public school districts are far more in touch with parents than they think and are giving parents the choices they seek.

I want to stress that one of the most important choices that parents can make about a child's education is the choice of subjects and not schools. The best schools in America—whether they are public, private or parochial—all share something in common: they place a strong emphasis on a rigorous and engaging academic program. This is what makes these schools distinctive, and it is what makes them work.

That is why President Clinton has spent six years advocating the idea that by raising standards, exciting families about their children's education, and putting quality teachers into every classroom, we can raise achievement for many, many more of our students—and indeed, someday soon hopefully all of our students. That is the best public policy for us to support. Private school voucher programs affect only a small number of students, divert us from our goal of high standards for all children, and take scarce resources from the public schools that serve around 90 percent of America's children.

While the Clinton Administration strongly opposes efforts to divert public funds to private schools through vouchers or similar proposals, we want to encourage the development of new choices within the public school system. This is why we worked very closely with Congress to reauthorize the Charter School legislation that fosters creativity with accountability. This year we are considering a new choice authority that would help us identify and support new approaches to public school choice and promote a new, broader version of choice that works within all public schools.

We are interested in promoting choice programs in which the schools and programs are public and accountable for results, are genuinely open and accessible to all students, and promote high standards for all students. There are many successful public schools that can provide models for improving low-performing schools, and one of our goals must be to find ways to help States and local school districts to replicate these successful models by leveraging "what works" for our children's education.

CONCLUSION

These are just the highlights of a comprehensive reauthorization proposal that will span a dozen or so titles affecting nearly every area of Federal support for the Nation's elementary and secondary schools. I encourage you to give careful consideration to our full

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proposal when it is completed next month, and I look forward to discussing the specific details of our plan as your work on your legislation.

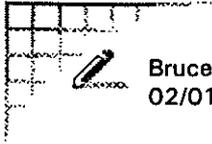
The framework for all of our thinking is the clear recognition that the days of "dumbing down" American education are over. We want to "achieve up" and raise expectations for all of our young people. As I have said so many times before, our children are smarter than we think. We can and surely will debate the merits of the policy ideas that we are putting forward today and that is healthy. Let us find common ground, however, around the idea that we have both a moral and social obligation to give the poorest of our young people the help they need to get a leg-up in life and be part of the American success story.

As I travel around the country visiting schools, I really do get a sense that things are happening, that a very strong consensus has developed about what needs to be done to improve our schools. All the elements are coming together: a new emphasis on early childhood, better reading skills, high expectations for all of our young people, and accountability for results. We are moving in the right direction and we need to stay the course and always remember that "the victory is in the classroom."

In conclusion, I want assure you that the Administration is prepared to work with the Congress to help and support local and State educators and leaders who are striving to raise achievement levels. I hope that in the process, a new bipartisan spirit can evolve around education issues. The last few years have been somewhat contentious here in Washington, and we need to give a better account of ourselves to the American people.

I will be happy to take any questions you may have.

2/8/99 DRAFT 11:00 AM



Bruce N. Reed
02/01/99 05:56:29 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Great Debate, Take II

Let me know what changes you'd like:

This year we will have a great debate in Congress about the next steps to improve education in America. There are some in Congress who believe the national government has no business investing more in public education. I believe they're wrong -- we should finish the job of hiring 100,000 teachers to reduce class size, and pass our tax credit to build or modernize 5,000 schools. But this debate is not just about money. Some of those same people argue that even though we spend \$15 billion a year on public education, the national government has no business holding the system accountable for results. That's wrong, too. I believe that as a nation, we should say once and for all that no child in America should be taught by an unprepared teacher. No child in America should be passed from grade to grade without having mastered the material. No child in America should be trapped in a failing school. The education of our children must be a national priority, and holding our schools accountable for results must be a national commitment.

From now on, we must say to states and school districts: Identify your worst-performing, least improving schools, and turn them around, or shut them down. Today I am pleased to announce that the balanced budget I submitted yesterday contains a new \$200 million pool of flexible Title I funds that states and schools districts can use to turn failing schools around. We must make sure all schools are on the right track. If we fail to do this, and do it quickly, we are going to lose another generation of children to low expectations, low educational achievement, and low prospects of moving ahead in life.



Bruce N. Reed
02/02/99 09:15:15 AM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Cathy R. Mays/OPD/EOP
Subject: Draft Excerpts for Boston speech

Here's a draft of the excerpts to release from today's speech. This reflects Joe's suggestion. It has Podesta's sign-off, but we still have to run it by the President before release.

**ADVANCE EXCERPTS
REMARKS OF WILLIAM JEFFERSON CLINTON
JACKSON MANN ELEMENTARY SCHOOL, BOSTON
FEBRUARY 2, 1999**

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But this debate is not just about money. Some of those same people argue that even though we spend \$15 billion a year on public education, the national government has no business holding the system accountable for results. I disagree with that, too. Can you imagine any company spending money without looking at results? I believe that as a nation, we should say once and for all that no child in America should be taught by an unprepared teacher. No child in America should be passed from grade to grade without having mastered the material. No child in America should be trapped in a failing school. The education of our children must be a national priority, and holding our schools accountable for results must be a national commitment.

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**THE WHITE HOUSE
WASHINGTON**

February 1, 1999

EDUCATION EVENT IN BOSTON, MA

DATE: February 2, 1999
LOCATION: Jackson/Mann Elementary School
Boston, MA
TIME: 2:20pm - 3:25pm (remarks)
3:30pm - 3:40pm (overflow room)
FROM: Bruce Reed

I. PURPOSE

To announce a \$200 million initiative in your FY 2000 budget to ensure that states and school districts take corrective actions to turn around low-performing schools.

II. BACKGROUND

You will address an audience of approximately 200 parents, teachers, students, community leaders, and educators from the Jackson/Mann Elementary School and Boston, MA community. The Jackson/Mann Elementary School serves students from K-5, and is attached to the Horace Mann School for the Deaf and Hard of Hearing, the oldest public day school for the deaf in the United States, and to an Early Learning Center serving children from age 3 through 5. The school has a very diverse student and teacher population.

Boston has just begun implementing a school accountability policy that holds schools accountable for improvement and requires each school to implement an improvement plan. Next year, Boston will begin taking corrective action in low-performing schools in a manner consistent with the policy you are announcing today. The Jackson/Mann Elementary School was identified by Superintendent Tom Payzant as a typical Boston school that is beginning to make atypical gains. The school has shown improvement in its Stanford-9 test scores over the last four years, and has implemented a comprehensive school plan focusing on literacy. The literacy program includes individual tutoring for 1st graders by volunteers involved in the Boston Partners in Education program, and intensive help from trained reading teachers, an after-school program for 4th and 5th grade students assisted by America Reads tutors. Later this month, Jackson/Mann will launch a second after-school program, in conjunction with the Bell Foundation at Harvard University, to serve all grade levels. All teachers at the school are certified, and 75 percent have more

than five years of experience.

III. POLICY ANNOUNCEMENT

In your State of the Union Address, you called on all states and school districts to identify and turn around their worst-performing schools -- or shut them down. Today, in a visit to the Jackson/Mann Elementary School in Boston, you will announce a \$200 million initiative in the FY 2000 budget to ensure that states and school districts take the necessary corrective actions to improve low-performing schools.

\$200 Million to Turn Around Low Performing Schools. Your FY 2000 budget includes \$200 million in new funds for the Title 1 program, to be set aside for intervening in low-performing schools. Your proposal would require states and school districts to identify the schools with the lowest achievement levels and least improvement, assess each of their needs, and implement individual corrective action plans to turn these schools around. The corrective action plans could include such steps as intensive teacher training, disciplinary assistance, and implementation of proven school reforms. If these actions fail to improve student achievement within two years, your proposal would require states and school districts to take additional corrective actions, such as permitting all students to attend other public schools; reconstituting the school, by evaluating the staff (faculty and administration) and making appropriate changes; or closing the school and reopening it as a charter school or with an entirely new staff. The funds provided in your budget would support these interventions.

An approach that works. Experience demonstrates such interventions raise student achievement and improve schools when coupled with adequate resources to support change. After North Carolina sent assistance teams into its 15 worst-performing elementary and middle schools in 1997, 14 turned around within the year and met state standards in reading and math. Similar results have occurred in individual school districts across the country. The Miami-Dade School District identified 45 low-performing schools in 1995, implemented intensive three-year corrective action plans including schoolwide reading programs and improved technology, and determined last year that all of the schools had made progress. And in New York City, the Chancellor (superintendent) of the school system took direct control of the ten worst-performance schools in 1996 and determined just two years later that half the schools had made sufficient progress to be removed from his supervision.

Making Common Sense Common Practice -- Now. Holding every school accountable for results, providing extra help to schools that need it, and reconstituting or closing down schools that still fail to improve -- this is a common-sense approach to strengthening public education. Your proposal will dramatically accelerate efforts by states and school districts to turn around low-performing schools. In March 1996, you challenged every state and school district to take responsibility for intervening in low-performing schools. According to a recent Education Week study, 19 states currently have policies in place to help improve low-performing schools. A growing number of urban school systems,

including New York City, San Francisco, Dade County, Philadelphia, and Chicago, also are taking steps to intervene aggressively in schools with the lowest achievement levels and least improvement. The Boston Public Schools will begin next year to place their lowest-performing schools under intensive corrective action plans. Your proposal will speed and spread these efforts, ensuring that every state and school district takes responsibility to turn around low-performing schools and that more of our children get a quality education.

IV. PARTICIPANTS

Briefing Participants:

Bruce Reed
Doug Sosnik

Event Participants:

Secretary Richard Riley
Governor Paul Cellucci (R-MA)
Senator Edward Kennedy (D-MA)
Senator John Kerry (D-MA)
Mayor Tom Menino (D-MA)
Dr. Joanne Collins-Russell, Principal, Jackson/Mann Elementary School
Gail Zimmerman, Teacher, Jackson/Mann Elementary School

Audience Participants:

Congressman Joseph Moakley (D-MA)
Superintendent Tom Payzant, Boston Public Schools
Also in attendance will be eight America Reads tutors from Boston University, and 10 students involved in the City Year program.

V. PRESS PLAN

Open Press.

VI. SEQUENCE OF EVENTS

- You are announced on-stage, accompanied by Dr. Joanne Collins Russell and Gail Zimmerman.
- Dr. Joanne Collins-Russell, Principal, Jackson/Mann Elementary School, makes welcoming remarks and introduces Mayor Tom Menino.
- Mayor Tom Menino makes remarks and introduces Governor Paul Cellucci.
- Governor Paul Cellucci makes remarks and introduces Senator John Kerry.
- Senator John Kerry makes remarks and introduces Senator Edward Kennedy.
- Senator Edward Kennedy makes remarks and introduces Secretary Richard Riley.
- Secretary Richard Riley makes remarks and introduces Gail Zimmerman, teacher, Jackson/Mann Elementary School.

- Gail Zimmerman makes remarks and introduces you.
- You make remarks, work a ropeline, and depart the auditorium.
- You then greet a group of 50 after-school students in an overflow classroom.
- Upon departure, you will greet the Jackson/Mann Elementary School Choir.

VII. REMARKS

Remarks Provided by Speechwriting.

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THE WHITE HOUSE
WASHINGTON

January 13, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Mike Cohen

SUBJECT: Education Issues in Chris Edley's Memo

The attached memo from Chris Edley argues that our ESEA proposals do not go far enough in holding states and school districts accountable for results, while going too far in trying to end social promotion. We respectfully disagree with both criticisms, and believe that the alternative proposal Chris lays out is unlikely to achieve our policy objectives. Both the Department of Education and OMB share our views respecting these matters.

A. Ensuring Accountability

With all due respect to Chris, our ESEA proposal is simply not "too soft." The proposal requires all states -- on penalty of losing ESEA funds -- to identify and intervene in failing schools (including in appropriate cases by reconstituting or closing these school), prevent the use of unqualified teachers, end social promotion (more on this below), and issue school report cards. In short, our proposals require states to put into place the set of education reform measures that every recent study tells us works. In addition, our proposal includes specific, appropriate, and feasible bonuses and penalties for performance. At your request, we have developed a new mechanism for providing extra money to schools that make progress on state assessments over several consecutive years. Also in response to your concerns, we have developed a plan to deny administrative cost-sharing to school districts that do not make adequate progress.

It is important to understand two ways in which this proposal diverges from Chris's. First, Chris's proposal would leave Title I and all other programs now authorized under ESEA completely untouched. His proposal relates only to a currently non-existent funding stream, which is unlikely for many years (if ever) to comprise a substantial percentage of federal education funding. Second, Chris's proposal includes no requirements for specific school reforms; it is instead a block grant -- albeit one that can be taken away in certain circumstances -- for a broadly defined educational purpose (reducing racial disparities). Chris would make a virtue of this approach, arguing that it is more "Presidential." But we have never accepted the view that the federal government should leave all education policy decisions to the states; to the contrary, we have tried to use our education dollars to get the states to adopt certain policies we believe will improve performance (for example, reducing class size and modernizing facilities). As Chris himself concedes, we increasingly know what works in this area -- and we know that

too few states are implementing these policies. To rely only on a far-off threat of removing federal money -- a threat that both past practice and common sense suggests is not altogether credible -- is to deprive the federal government of much of its leverage.

B. Ending Social Promotion

Our proposal to end social promotion is sound and will be effective. We do not share Chris's view that ending social promotion is "a distraction" from your education reform agenda. On the contrary, it is a central part of holding schools, teachers and students accountable for results, as you demonstrated in Arkansas and as Chicago, Boston, and other communities are demonstrating today. The policy focuses the attention of students, parents, teachers, schools, and entire school systems on getting students to meet standards, which is the core goal of our education policy. Recall that in Arkansas, passing rates on the eighth grade reading and math tests went from about 83 to about 96 percent once a no-social-promotion was put into effect.

We do not doubt that our proposal will be controversial in some quarters, particularly in the traditional civil rights community. Chris is right to note that some members of this community oppose the use of tests to hold students accountable for performance under almost any circumstance. They will not be happy with any policy to end social promotion that goes beyond paying lip-service to this goal.

We believe that the best way to respond to the concerns of the civil rights community is to insist that states and school districts end social promotion *the right way*. This means, as you have always said, coupling no-social-promotion policies with other steps to strengthen learning opportunities in the classroom, such as extended learning time for students who need it. It also means ensuring enforcement of the civil rights laws and putting in safeguards to prevent abuses. Our proposal that the Department of Education review and approve state plans to end social promotion -- as well as our proposal that states take up to five years to phase in these plans -- should help to ensure high-quality implementation. (By contrast, if we do nothing in this area, some states will adopt irresponsible ways of ending social promotion.) We may not be able entirely to persuade Chris and others, but we believe that our continued insistence on ending social promotion policy the right way will blunt their objections.

THE WHITE HOUSE
WASHINGTON
January 18, 1999

THE PRESIDENT HAS SEEN
1-19-99
EJuc - ESEA reauth.

MR. PRESIDENT:

OMB has signed-off on the
attached memo.

Phil Caplan

THE WHITE HOUSE
WASHINGTON

January 17, 1999

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financial bonus for states and school districts
achievement (both in producing overall gains and
which will be passed on to their highest performing
in the event of a denial of administrative costs -- for school
student achievement. These proposals, developed
ESEA proposals you have already approved to
identify and intervene in failing schools; (3)
issue school report cards. The combination of the
into place the set of education reform measures
a set of financial incentives and disincentives to

spur the very best results.

A. Financial Bonuses for High Performance

✓ Our proposal would establish an Education Excellence Fund to provide financial rewards to any state and any of the 100 largest urban school districts that make significant gains, sustained over three years, in raising student achievement across-the-board and reducing disparities in achievement based on race, ethnicity, and socioeconomic background. Directing this money to states reinforces the broad message of our ESEA proposal that they are responsible for the performance of their schools and must adopt policies that achieve results. Directing this money to large urban school districts (aside from being good politics for us) responds to the relative independence of these districts from state governments and to their recent efforts to make far-reaching education reforms.

States and cities would receive rewards if they met, for three consecutive years, improvement targets that the Secretary of Education had set for them. These targets primarily would measure state assessments in reading and math, though they also could take into account additional indicators of performance such as improvements in other academic subjects, drop-out rates, and student attendance. As noted previously, the targets would track both overall performance and success in closing opportunity gaps.

Under the proposal, each state and city receiving an award would have to distribute 90

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THE WHITE HOUSE
WASHINGTON

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January 17, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Mike Cohen

SUBJECT: ESEA Incentive Proposals

This memo describes proposals for (1) a financial bonus for states and school districts that have made significant progress in student achievement (both in producing overall gains and in closing demographic gaps), almost all of which will be passed on to their highest performing schools; and (2) a financial penalty -- in the form of a denial of administrative costs -- for school districts that fail to make adequate progress in student achievement. These proposals, developed at your direction, are meant to complement the ESEA proposals you have already approved to require states to (1) end social promotion; (2) identify and intervene in failing schools; (3) prevent the use of unqualified teachers; and (4) issue school report cards. The combination of the two sets of proposals will ensure that states put into place the set of education reform measures that recent studies show work, and then provide a set of financial incentives and disincentives to spur the very best results.

A. Financial Bonuses for High Performance

✓ Our proposal would establish an Education Excellence Fund to provide financial rewards to any state and any of the 100 largest urban school districts that make significant gains, sustained over three years, in raising student achievement across-the-board and reducing disparities in achievement based on race, ethnicity, and socioeconomic background. Directing this money to states reinforces the broad message of our ESEA proposal that they are responsible for the performance of their schools and must adopt policies that achieve results. Directing this money to large urban school districts (aside from being good politics for us) responds to the relative independence of these districts from state governments and to their recent efforts to make far-reaching education reforms.

States and cities would receive rewards if they met, for three consecutive years, improvement targets that the Secretary of Education had set for them. These targets primarily would measure state assessments in reading and math, though they also could take into account additional indicators of performance such as improvements in other academic subjects, drop-out rates, and student attendance. As noted previously, the targets would track both overall performance and success in closing opportunity gaps.

Under the proposal, each state and city receiving an award would have to distribute 90

percent of it to the schools most responsible for its performance results; the state or city could retain the remaining 10 percent of the award. States, cities, and schools could use the bonus funds for any activities geared toward continuing to improve student performance.

Our proposal would authorize the Excellence Fund at a level of one billion dollars over five years. This level of funding could support awards of about \$40,000 to about 5 percent of all public schools (4500 schools). We would provide the first awards three years after the passage of ESEA to allow the Secretary to establish improvement targets and determine whether a jurisdiction had met the targets for three years running.

B. Financial Penalties for Low Performance

Our proposal would impose an appropriate and credible financial penalty on school districts that fail to make gains in student achievement over three consecutive years. The penalty would equal half of the Title 1 funds provided to the district for administrative purposes (about 2.5 percent of total Title 1 funds). Prior to imposing the penalty, the Secretary would give the school district an opportunity to turn its performance around under a corrective action plan approved and supervised by the state. We believe that this level of penalty would motivate school districts, without endangering the educational opportunities of their students. We could put into place a similar set of performance penalties for states, but think that making this proposal would not be worth the political costs.

We do not believe we should impose financial penalties on individual schools, no matter how low-performing. Our proposal requires states, working with school districts, to take effective actions to turn around these schools (with \$200 million in your FY 2000 budget to support this effort). Initial action might include extensive teacher training, support to improve school discipline, and implementation of proven approaches to school reform, such as Reading Recovery or Success for All. If these efforts did not lead to improved student achievement, the state would have to take more drastic action, such as making wholesale changes in school staff or closing the school and reopening it as a charter school. We think that this approach to turning around low-performing schools is superior to withdrawing federal money, which would pose too great a danger of entrenching existing disparities and harming the most disadvantaged students.

* * * * *

If you approve, it might be appropriate to mention this proposal -- in particular, the part about performance bonuses -- in the State of the Union.

Approve _____

Disapprove _____

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

'99 JAN 20 AM 8:51

January 20, 1999

MEMORANDUM FOR WHITE HOUSE SENIOR STAFF

FROM: JEFFREY A. FRANKEL *Jf*

SUBJECT: December Housing Starts and Permits,
Department Release, Wednesday, 8:30

25 copies

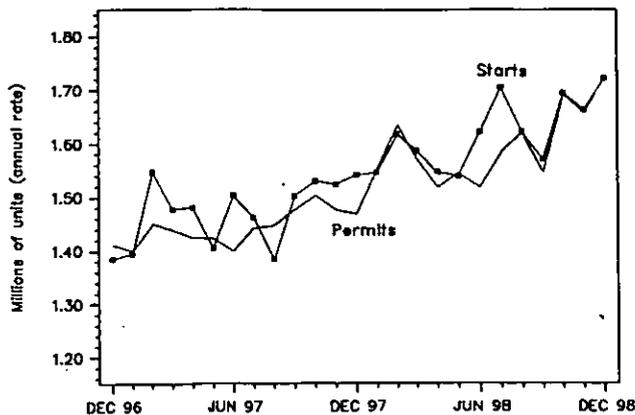
Housing starts increased 3 percent in December to 1.72 million units at an annual rate--above market expectations.

- All of the December increase was in the volatile multi-family component. Single-family starts were little changed.
- The pace of housing starts in 1998, at 1.62 million units, was the strongest since 1987.

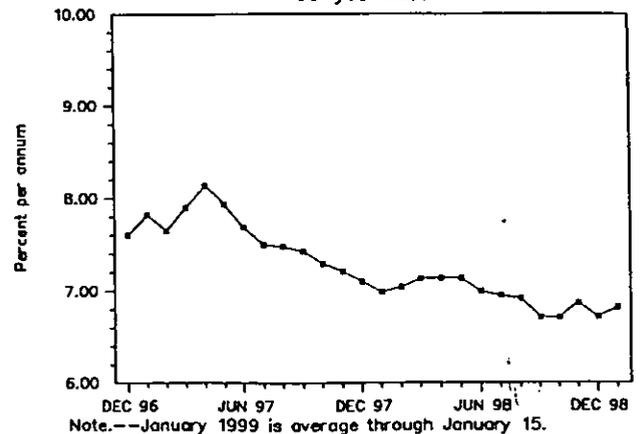
Housing permits--a more stable and forward-looking measure of construction activity--increased 4 percent in December. The level of this series foreshadows strong housing starts next month.

Residential construction has increased substantially faster than GDP in each of the past four quarters, and the recent pattern of housing starts points to another such gain in the fourth quarter. The recent strength reflects large gains in real income as well as the general decline in mortgage interest rates over the past year and a half (chart at lower right). Longer-run models, however, suggest that housing starts are running above their demographic fundamentals.

HOUSING STARTS AND BUILDING PERMITS



MORTGAGE COMMITMENT INTEREST RATE
30-year fixed



Note.--January 1999 is average through January 15.

THE PRESIDENT

1-19-99

THE WHITE HOUSE
WASHINGTON

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Edley - EPEA reauth
and
Race Initiative Book

99 JAN 7 PM 1:17

January 14, 1998

January 5, 1999

MR. PRESIDENT:

Chris Edley sent you the attached memo as a follow-up to your phone conversation. He is quite critical of some of your most recent proposals. Bruce and Gene thought you should have, and I agreed, some background on Chris's criticisms. Therefore, DPC and NEC have prepared cover memos, which are attached at left.

Remember that Chris will be traveling to New York with you later today.

Phil Caplan *Phil*

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Attachment

1-19-99

'99 JAN 7 PM1:17

THE HARVARD LAW SCHOOL
CAMBRIDGE MA 02138

January 5, 1999

Memorandum for the President

From: Christopher Edley, Jr. 

Re: Your Request for Candid Further Discussion of Opportunity-Related Ideas in Relation to the Race Book, Budget and SOTU

More details are in the attachment. In brief, you and I discussed these items:

Education: ESEA/Title I accountability for results. I stressed that ESEA reform, to present a credible alternative to vouchers, must emphasize accountability for *results*, not just promises. The draft race book urges a specific national commitment to close racial disparities in achievement. I also questioned the "Nation's Superintendent" model of federal leadership which focuses on carrots to spur changes in education inputs and processes, rather than focusing the national debate on accountability for results while leaving state and local governments to choose the means.

Education: Ending social promotion, with associated supports/protections. I stressed the likely objections to this from progressives and the civil rights community without equally forceful rhetoric and measures to deter abuses. The National Academy of Sciences has reported on the risks of high-stakes testing and abusive retention policies. Won't districts claim the right policies but practice something that grabs political credit for toughness while avoiding the resource investments in early intervention, remediation, and improved instruction? I fear a reprise of the National Voluntary Test fiasco, when Administration officials dismissed the concerns of progressives (like me) who support high standards but want enforceable safeguards.

Economic Development, Trillion Dollars, etc. I credited the good will of the "Trillion Dollar" and HUD packages, but voiced concerns that the blizzard of proposals really offers little hope for the well-informed observer. These helpful ideas pale in comparison to the creation of FHA and FNMA. Twenty SBICs and three turtle doves do not a bold legacy make. The draft book recommends re-chartering the Federal Home Loan Bank Board GSE to focus on community development, with a broad set of tools financed off budget or on the mandatory side.

Jobs: I noted the book's "mountain top" goal is to break the back of hyper-unemployment among minority young adults, and contrasted this with a plethora of ideas lacking focus and edge. Something like DOL's new \$250 million Youth Opportunity Areas program is not an answer, with 20 sites, each ten square blocks, serving only 60,000 kids nation wide: A drop in the swimming pool, impossible to scale up. The draft book recommends a challenge grant to leverage metropolitan reinvention; reinvention across bureaucracies; and accountability for results. I'm pleased that the budget is silent, because if your book says we must go to the moon, I don't want the budget to unveil the first step as the purchase of a wrench and two screws.

Attachment

ATTACHMENT

1. Education: ESEA/Title I accountability for results in closing achievement disparities

The DPC/Department reauthorization proposal as of 12/23 is exciting, but leaves the nagging concern that states/districts get and keep their money just by *planning and promising*. Or, arguably worse, we push them to change specific management practices or education inputs (interventions for failing schools, personnel policies) without holding anyone accountable for whether those actions in fact produce better learning outcomes. There are two conceptual problems:

- a. **Find the Stick.** On a scale of incentives running from lofty exhortation to tactical nukes, either extreme is bad, but aren't we still far too soft? As between the "be patient" view of entrenched educrats and the "revolution, else vouchers" view of frustrated parents and business leaders, whose side are we on? I'm told that DPC is now working on options to add stronger consequences. I believe these must be both powerful and credible.
- b. **Superintendent, or President?** Are we going to continue focusing on inputs – leaky roofs, teacher certification, Advanced Placement offerings, technology, class size – or should we try to shift the national discussion to the heart of the matter: *Everyone must be judged by results, and federal taxpayers will not subsidize failure or underwrite excuses*. All of the input interventions and regulations are individually sensible and many are research-based, but most strike me as the agenda for a superintendent of schools rather than a President -- particularly a President trying to demonstrate that New Democrats don't throw money at problems. I suspect you are focusing this way because an idea like fixing the roofs or shrinking class size has just enough intuitive appeal to trump conservative anxiety about an expanding federal role. The alternative conception of presidential leadership, however, is to focus public discourse on closing the achievement disparities and creating tough accountability for results, while stepping way back from top-down prescription of the means of achieving those results. And I think this alternative is the way to present a meaningful, values-based alternative to the Heritage Foundation agenda, striking a responsive popular and populist chord.
- c. **Connection to your race book.** Finally, you have seen the draft chapter urging a focus on the "mountaintop" of eliminating the racial disparities in achievement. I urge that this "man on the moon" goal be explicit in the ESEA reauthorization, and that some dimension of accountability be tied to progress in achieving this goal. The draft chapter recommends a specific challenge fund for this purpose, on the theory that it is politically infeasible to put the larger body of Title I funding at risk when everyone pretty much thinks of that formula as a vital fiscal entitlement.

2. Education: Ending social promotion, with associated supports/protections.

We discussed the danger that, like your call for a Voluntary National Test, calling for an end to social promotion will generate a backlash from progressives who fear abuses – retention driven by the results of a single test, rather than a range of factors, and imposed without the various early interventions and remedial supports that you and your advisers usually emphasize. In 1997 I urged an early amendment to the VNT proposal to build in protections against the kind of test misuse the expert testing community fears, but Administration officials were, frankly, polite but dismissive of my substantive and political concerns, even after hearing the same message in last minute consultations with civil rights advocates. The response of Congressional progressives, and the results of Congressionally-chartered analyses by the National Academy of Sciences [NAS] (in which I played a role) validated my 1997 concerns. I am right this time, too.

According to the NAS, retention is linked to significant and sometimes dramatic increases in drop-out risk, and while virtually every district has a written retention policy stating all the right things about multiple considerations and early interventions, actual practice is poorly understood but known to include abuses and, civil rights advocates believe, discrimination.

These violations of the professional standards of educators and testing experts are perfectly predictable, and so are the responses to your initiative. No important constituency favors social promotion. I and others fear, however, that it is politically easy for some state or local official to say he's for tough standards and then show it by flunking poor colored kids (we know something is wrong with them anyway). On the other hand, it is politically difficult to spend a lot of money on the interventions, supports, and summer school that will forestall or ameliorate retention. And even more difficult to hold someone other than the kid, like a teacher or principal, responsible for the failure to achieve.

I have heard no persuasive response to these concerns. I predict that, absent adjustment, important voices will be raised against the proposal. It will alienate many of the very interests you should be rallying to unite in a bold school reform strategy. I see no easy way out of it, especially at this late date. As a conceptual matter, however, retention policies are just one of the "inputs" to the achievement equation. If the Federal leadership is focused on results instead of inputs, a new categorical program about social promotion is a distraction. It should be a bully pulpit item, as should other particular solutions that a superintendent ought consider.

3. Economic Development, Trillion Dollars, etc.

You wanted my reaction to the various HUD and "Trillion Dollar Roundtable" proposals. The blizzard of elements gives clear and convincing proof of good will and commendable energy. From a Race Initiative perspective, however, the elements aren't bold enough to make an informed observer believe this will make much difference. They do not inspire an educated hopefulness.

As the draft race book suggests, your goal should be to harness the power of markets and financial institutions and put them to work for distressed communities. But now, judge the FY 2000 proposals by that standard, or the standard of policy historians. When past presidents identified home ownership as a goal, they created FHA, chartered FNMA, and transformed market forces and institutions. When rural depression seemed an intractable blight, past Presidents created the TVA and REA. These ideas were as important for the *structural* changes they wrought as for the incremental dollars involved. Today, your package expanding the SBIC program and so forth is not comparable in vision or boldness, notwithstanding great rhetoric about leveraging billions of dollars. Giving Andrew \$100 million to promote "regionalism" is the substantively right direction, but an almost comic application of the aphorism that a journey of a thousand miles begins with a single step. If I were on the outside, I would write that the scale of the problem makes these measures too much like a handful of band aids, old-Democrat style. These initiatives aren't wrong or bad. Needy people will be helped and important policy principles underscored. But I believe you should offer a grander vision, while respecting fiscal discipline, and make clear that the proposals ready for announcement are part of that grander whole.

As I mentioned to you, the draft book suggests a major refocusing of the large housing-related GSEs -- FNMA, Freddie Mac and the Federal Home Loan Bank Board System. In particular, the FHLBB should be re-chartered as the **National Community Investment Bank**, with a new mission: working side-by-side with CDFIs to fuel economic revitalization in our most distressed communities through affordable financing of a range of community development and job-creating projects. In general, GSEs commonly assert that they are "private" and cannot be expected to make uneconomic investments. But their profitability is fueled by their access to "cheap" money via an implicit government debt guarantee tantamount to a discount Fed window. The FHLBB is the most egregious at playing loose with the public purpose, making much of its profit through arbitrage. Specifically, the Administration should propose to:

- First, adopt new regulatory and statutory provisions to (a) press the GSEs to focus more of their housing activity on severely distressed communities, and (b) give the GSEs more effective tools to promote targeted lending for community development purposes.
- More important, re-charter the FHLBB system as the *National Community Investment Bank* [NCIB] to stem arbitrage abuses and focus on investments and technical assistance that implement *comprehensive strategies for community economic development*, analogous to (good) IMF and World Bank missions in developing nations.
- Third, some or all of the fiscal impact of these Federal subsidies could be placed off-budget or on the PAYGO side; the *NCIB* could even be a source of financing outside the discretionary caps for CDFIs, SBICs, and many related efforts.

A thoroughly reinvented FHLBB/*National Community Investment Bank* could be a tremendous source of financial support and strategic planning assistance for distressed communities. As an intermediary, it could nurture secondary markets, allocate tax or other subsidies to attract private

financing for SBICs and CDFIs, create insured equity investment vehicles, and more, subject to the existing government safety and soundness oversight.

4. Jobs: Breaking the back of endemic hyper-unemployment in distressed communities.

The point I made to you was that, from the perspective of the race book, there is a need for some focus on a clear goal. We should break the back of hyper-unemployment of minority young adults in distressed areas, raising their employment levels to that of non-minorities in the same metro labor market. The three structural challenges here are: *metropolitan reinvention* across political jurisdictions; *service delivery reinvention* across a wide range of bureaucracies (from schools to reverse commuting to childcare to welfare); and *accountability for results* in closing the employment disparities. The draft book proposes a honey pot of resources available in a competitive challenge grant to metro and state applicants.

In my budget discussions with staff, there was reasonable interest in the idea, but not enough to push other ideas (from HUD, DOL, DOT, NEC) off the table and make the new investment substantial enough to be meaningful. I withdrew the proposal, because I hope to persuade you to include the "Man on the moon" statement of ambition in the book. I don't want to make it hollow with a budget down payment that belies the seriousness of the vision, draining hope away.

1-19-99

THE WHITE HOUSE
WASHINGTON

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99 JAN 12 PM 6:37

January 13, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Mike Cohen

SUBJECT: Education Issues in Chris Edley's Memo

The attached memo from Chris Edley argues that our ESEA proposals do not go far enough in holding states and school districts accountable for results, while going too far in trying to end social promotion. We respectfully disagree with both criticisms, and believe that the alternative proposal Chris lays out is unlikely to achieve our policy objectives. Both the Department of Education and OMB share our views respecting these matters.

A. Ensuring Accountability

With all due respect to Chris, our ESEA proposal is simply not "too soft." The proposal requires all states -- on penalty of losing ESEA funds -- to identify and intervene in failing schools (including in appropriate cases by reconstituting or closing these school), prevent the use of unqualified teachers, end social promotion (more on this below), and issue school report cards. In short, our proposals require states to put into place the set of education reform measures that every recent study tells us works. In addition, our proposal includes specific, appropriate, and feasible bonuses and penalties for performance. At your request, we have developed a new mechanism for providing extra money to schools that make progress on state assessments over several consecutive years. Also in response to your concerns, we have developed a plan to deny administrative cost-sharing to school districts that do not make adequate progress.

It is important to understand two ways in which this proposal diverges from Chris's. First, Chris's proposal would leave Title I and all other programs now authorized under ESEA completely untouched. His proposal relates only to a currently non-existent funding stream, which is unlikely for many years (if ever) to comprise a substantial percentage of federal education funding. Second, Chris's proposal includes no requirements for specific school reforms; it is instead a block grant -- albeit one that can be taken away in certain circumstances -- for a broadly defined educational purpose (reducing racial disparities). Chris would make a virtue of this approach, arguing that it is more "Presidential." But we have never accepted the view that the federal government should leave all education policy decisions to the states; to the contrary, we have tried to use our education dollars to get the states to adopt certain policies we believe will improve performance (for example, reducing class size and modernizing facilities). As Chris himself concedes, we increasingly know what works in this area -- and we know that

too few states are implementing these policies. To rely only on a far-off threat of removing federal money -- a threat that both past practice and common sense suggests is not altogether credible -- is to deprive the federal government of much of its leverage.

B. Ending Social Promotion

Our proposal to end social promotion is sound and will be effective. We do not share Chris's view that ending social promotion is "a distraction" from your education reform agenda. On the contrary, it is a central part of holding schools, teachers and students accountable for results, as you demonstrated in Arkansas and as Chicago, Boston, and other communities are demonstrating today. The policy focuses the attention of students, parents, teachers, schools, and entire school systems on getting students to meet standards, which is the core goal of our education policy. Recall that in Arkansas, passing rates on the eighth grade reading and math tests went from about 83 to about 96 percent once a no-social-promotion was put into effect.

We do not doubt that our proposal will be controversial in some quarters, particularly in the traditional civil rights community. Chris is right to note that some members of this community oppose the use of tests to hold students accountable for performance under almost any circumstance. They will not be happy with any policy to end social promotion that goes beyond paying lip-service to this goal.

We believe that the best way to respond to the concerns of the civil rights community is to insist that states and school districts end social promotion *the right way*. This means, as you have always said, coupling no-social-promotion policies with other steps to strengthen learning opportunities in the classroom, such as extended learning time for students who need it. It also means ensuring enforcement of the civil rights laws and putting in safeguards to prevent abuses. Our proposal that the Department of Education review and approve state plans to end social promotion -- as well as our proposal that states take up to five years to phase in these plans -- should help to ensure high-quality implementation. (By contrast, if we do nothing in this area, some states will adopt irresponsible ways of ending social promotion.) We may not be able entirely to persuade Chris and others, but we believe that our continued insistence on ending social promotion policy the right way will blunt their objections.

THE WHITE HOUSE

WASHINGTON

January 13, 1999

99 JAN 14 AM 7:03

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: Edley Memo

Chris's attached memo stresses two areas in economic opportunity and development where he feels our efforts so far are inadequate. While we will agree that if we had unlimited resources it would be good to do even more and while there are legitimate differences on how best to tackle these challenges, it is important to put his ideas in both areas in perspective.

Economic Development:

On top of your Empowerment Zones, the Community Reinvestment Act, the Community Development Financial Institution (CDFI) fund, you will announce on Friday the New Markets Initiative, which will dramatically expand capital investments in our underserved areas. This initiative will include:

- **A New Market Investment Tax Credit:** You will propose a new \$1 billion tax credit, which will be available for qualified equity investments in a range of vehicles financing businesses in America's new markets. An investor will receive total tax credits up to a fixed percentage of his/her investment. This tax credit will leverage \$6 billion in additional investment in our distressed communities.
- **The Creation of America's Private Investment Companies (APIC):** In response to concerns that the SBICs are too limited in size to meet the need for larger-scale investment in underserved areas, you will propose a new program to provide government guarantees for investment partnerships targeting larger businesses relocating or expanding in inner cities and rural areas. This initiative will allow government guarantees on debt up to two times the amount of equity investment allowing up to five investment firms each with up to \$300 million to invest -- or up to \$1.5 billion in investment.
- **New Markets Venture Capital Firms (NMVC):** To help small-sized firms in underserved areas that need investment *and* technical assistance, you will propose that SBA finance investment firms offering a new combination of investment and technical assistance to smaller businesses in targeted areas. The program should provide long-term, patient growth capital and facilitate critically needed technology and management skills development for these firms.

- **SBIC Targeting for Underserved Areas:** In order to meet better the needs of minority firms and underserved markets, SBA will hold a series of workshops throughout the country to educate the business and investment community about the SBIC program and to promote the formation of SBICs focused on equity capital for underserved areas. SBA will also provide a new financing mechanism and more favorable regulatory treatment, if an SBIC invests in businesses in underserved areas (or which draw a significant proportion of its employees from those areas).
- **250 Percent Expansion of Microenterprise Investment:** In many underserved areas, fostering opportunities for the smallest of entrepreneurs can help to build the job base and provide economic stability to a community. Your budget calls for a 250-percent increase in funding for technical assistance and lending to very small businesses.

Chris recommends re-chartering the Federal Home Loan Bank System (FHLBS) to create a National Community Investment Bank with the goal of promoting community development. While we share Chris's interest in the potential of GSEs doing more to meet public policy objectives, the issues involving Fannie Mae, Freddie Mac, and the FHLBS are complex and delicate. In the end, we believe that our chances are far greater to get a sound New Markets Initiative passed by this Congress than a prudent new GSE.

However, the complexity and unlikelihood that Chris's proposal will pass Congress in a sensible form are not sufficient enough reasons to exclude it from a visionary statement. You should know, though, that experts within your Administration have significant problems with the proposal on substance grounds.

For example, there is much skepticism that political dynamics will allow us to add new public purpose obligations on the FHLBS -- the off-budget subsidies of which Chris writes -- and reduce arbitrage significantly at the same time. More likely, some fear, the mission will be expanded and the leakage of federal subsidy to private hands will *grow*. Treasury has thus far insisted that these "abuses" be stemmed before any -- even modest -- mission expansion can go forward.

If you would like to pursue this idea further, we can convene a process to evaluate this option and develop a pro/con memo to inform your decision on how to proceed.

Youth Jobs:

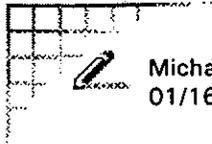
We share Chris's goal of "breaking the back of endemic hyper-unemployment in distressed communities." However, we must respectfully disagree with Chris's belief that your Youth Opportunities Initiative is not a good answer because it is too concentrated in a few areas and will serve "only" 60,000 poor children this year.

The overwhelming weight of the academic research shows that in order to truly help out-of-school youth we need to saturate small areas with a lot of resources so that we change the culture of joblessness and high unemployment. This is precisely what the Youth Opportunity Initiative will do. It is important to note that serving 60,000 out-of-school youth nationwide is not a "drop in the swimming pool." For example, last year, there were 280,000 unemployed African-American teenagers. Therefore, we are taking an significant first step toward addressing the problem.

Finally, it is important to note that Youth Opportunities Areas was only one piece of your agenda to help politically powerless disadvantaged youth. Besides the \$250 million in last year's budget for the new Youth Opportunity Areas, you won \$120 million for GEAR-UP -- a program based on solid research on mentoring programs -- and \$70 million more to help minorities prepare for college and stay in college through the TRIO program. In sum, you won \$510 million more in FY99 than in FY98 -- an enormous one-year increase for investments in poor children.

If you include the doubling of GEAR-UP, a new \$50 million regional youth initiative, the new \$100 million Right-Track partnership, and the expansion of existing programs in your FY2000 budget, our investments in programs specifically targeted at poor children will be \$902 million higher than in 1998. (See attached table) In the face of a partisan Republican Congress, this is quite significant progress and will certainly purchase more than "a wrench and two screws."

FUNDING FOR PROGRAMS THAT HELP DISADVANTAGED YOUTH					
	Actual FY1998	Actual FY1999	Proposed FY2000	Increase from 1998-2000	5-Year Total
Youth Opportunity Areas	--	\$250 million	\$250 million	\$250 million	\$1,250 million
GEAR-UP Mentoring Program	--	\$120 million	\$240 million	\$240 million	\$1,200 million
Right-Track Partnerships	--	--	\$100 million	\$100 million	\$500 million
Regional Youth Initiative	--	--	\$50 million	\$50 million	\$250 million
Rewarding Achievement in Youth	--	--	\$20 million	\$20 million	\$100 million
TRIO -- Helping Minorities Go to and Stay in College	\$530 million	\$600 million	\$630 million	\$100 million	\$500 million
YouthBuild	\$35 million	\$43 million	\$75 million	\$40 million	\$200 million
JobCorps	\$1,246 million	\$1,308 million	\$1,348 million	\$102 million	\$510 million
TOTAL				\$902 million	\$4,510 million



Michael Cohen
01/16/99 02:12:45 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc:

Subject: Education spending in SOTU

You asked me to check the figure in the SOTU for federal spending on elementary and secondary education. I have several figures for you, any one of which could be the most appropriate depending upon the context in which the number is used in the speech. Since I don't have a recent version, I'm not sure exactly what the context is. So here are the choices; if the correct option isn't apparant, I'll be happy to help figure it out. All figures are for the FY 1999 budget, not our FY 2000 proposal.

1. **Total federal aid to elementary and secondary education through ESEA: \$14.266 billion.** This is the pot of money affected by our accountability proposals.
2. **Total Education Department aid to elementary and secondary education** (this includes an additional \$5.487 billion, the portion of special education, vocational education and funds from other programs that go to elementary and secondary schools, but are not part of ESEA): **\$19.753 billion.**
3. **Total Federal aid to elementary and secondary education** (including el/sec spending by NSF (\$384 million) , and the e-rate(\$1.3 billion)): **\$21.437 billion .**
4. **Total Federal spending on elementary and secondary education, including federally operated schools** (BIA (\$474 million) and Department of Defense schools (\$1.423 billion)): **\$23.334 billion.**

Unless you want to specifically limit the figure to spending affected by our accountability and other ESEA proposals, "more than \$20 billion" might do it. (in our FY2000 budget, the Education Department el/sec budget will be slightly more than \$20 billion).

Talking Points on New York Times Education Article

- The New York Times headline writer got the President's proposal wrong. The President isn't going to be proposing a national superintendent of education. He is going to be proposing significant education reforms to promote accountability for results in public schools across the nation.
- The President believes that states and localities should continue to have primary responsibility for education and should have flexibility to decide what to teach and how to teach it.
- But the President also believes that we should hold schools accountable for results. For our children's sake, we should invest in what works and not in what doesn't. We should put into place the accountability measures that study after study shows produce results and increase student achievement.
- Here's what we're saying:
 - Schools should end social promotion -- the practice of moving children from grade to grade regardless whether they've learned the subject;
 - Teachers should be qualified to teach the subjects they are assigned to teach, and new teachers should have to pass performance and subject matter tests to show they can do so;
 - States have a responsibility to turn around their lowest-performing schools through intensive intervention, and if necessary by making significant staff changes and/or closing the school and reopening it as a charter school;
 - Parents should get annual report cards for every school and school district so they can see how well the schools are working and be able to make informed choices; and
 - Schools should institute strict discipline codes so that they can be places of learning.
- A growing number of states, cities, and schools are implementing these reforms. They are, almost without exception, the places making the biggest student achievement gains. The President wants to ensure that all our children reap the rewards of these accountability measures.
- The President is determined to stand for these common-sense principles -- to demand accountability and to make sure that taxpayers' money is used wisely and well, rather than to subsidize educational failure. He believes these principles will benefit our children. And he will be glad to debate anyone who thinks that they are the wrong principles for a 21st century American education.

Educ - ESEA reauth.

Karen Tramontano

01/18/99

01:20:53 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc: Cathy R. Mays/OPD/EOP, Laura Emmett/WHO/EOP

Subject: ny times education

had follow-up conference w/ bob and sandy --- both seem fine. both reiterated that your briefing was very good, productive, helpful, etc.

they are comfortable w/ getting more press calls.

Educ - ESEA reauth
and
Race Initiative - book

THE WHITE HOUSE
WASHINGTON

January 13, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Mike Cohen

SUBJECT: Education Issues in Chris Edley's Memo

The attached memo from Chris Edley argues that our ESEA proposals do not go far enough in holding states and school districts accountable for results, while going too far in trying to end social promotion. We respectfully disagree with both criticisms, and believe that the alternative proposal Chris lays out is unlikely to achieve our policy objectives. Both the Department of Education and OMB share our views respecting these matters.

A. Ensuring Accountability

With all due respect to Chris, our ESEA proposal is simply not "too soft." The proposal requires all states -- on penalty of losing ESEA funds -- to identify and intervene in failing schools (including in appropriate cases by reconstituting or closing these school), prevent the use of unqualified teachers, end social promotion (more on this below), and issue school report cards. In short, our proposals require states to put into place the set of education reform measures that every recent study tells us works. In addition, our proposal includes specific, appropriate, and feasible bonuses and penalties for performance. At your request, we have developed a new mechanism for providing extra money to schools that make progress on state assessments over several consecutive years. Also in response to your concerns, we have developed a plan to deny administrative cost-sharing to school districts that do not make adequate progress.

It is important to understand two ways in which this proposal diverges from Chris's. First, Chris's proposal would leave Title I and all other programs now authorized under ESEA completely untouched. His proposal relates only to a currently non-existent funding stream, which is unlikely for many years (if ever) to comprise a substantial percentage of federal education funding. Second, Chris's proposal includes no requirements for specific school reforms; it is instead a block grant -- albeit one that can be taken away in certain circumstances -- for a broadly defined educational purpose (reducing racial disparities). Chris would make a virtue of this approach, arguing that it is more "Presidential." But we have never accepted the view that the federal government should leave all education policy decisions to the states; to the contrary, we have tried to use our education dollars to get the states to adopt certain policies we believe will improve performance (for example, reducing class size and modernizing facilities). As Chris himself concedes, we increasingly know what works in this area -- and we know that

too few states are implementing these policies. To rely only on a far-off threat of removing federal money -- a threat that both past practice and common sense suggests is not altogether credible -- is to deprive the federal government of much of its leverage.

B. Ending Social Promotion

Our proposal to end social promotion is sound and will be effective. We do not share Chris's view that ending social promotion is "a distraction" from your education reform agenda. On the contrary, it is a central part of holding schools, teachers and students accountable for results, as you demonstrated in Arkansas and as Chicago, Boston, and other communities are demonstrating today. The policy focuses the attention of students, parents, teachers, schools, and entire school systems on getting students to meet standards, which is the core goal of our education policy. Recall that in Arkansas, passing rates on the eighth grade reading and math tests went from about 83 to about 96 percent once a no-social-promotion was put into effect.

We do not doubt that our proposal will be controversial in some quarters, particularly in the traditional civil rights community. Chris is right to note that some members of this community oppose the use of tests to hold students accountable for performance under almost any circumstance. They will not be happy with any policy to end social promotion that goes beyond paying lip-service to this goal.

We believe that the best way to respond to the concerns of the civil rights community is to insist that states and school districts end social promotion *the right way*. This means, as you have always said, coupling no-social-promotion policies with other steps to strengthen learning opportunities in the classroom, such as extended learning time for students who need it. It also means ensuring enforcement of the civil rights laws and putting in safeguards to prevent abuses. Our proposal that the Department of Education review and approve state plans to end social promotion -- as well as our proposal that states take up to five years to phase in these plans -- should help to ensure high-quality implementation. (By contrast, if we do nothing in this area, some states will adopt irresponsible ways of ending social promotion.) We may not be able entirely to persuade Chris and others, but we believe that our continued insistence on ending social promotion policy the right way will blunt their objections.

Educ - ESEA reauth
and

'99 JAN 7 PM 1:17

THE HARVARD LAW SCHOOL
CAMBRIDGE MA 02138

Race Int - Book

January 5, 1999

Memorandum for the President

From: Christopher Edley, Jr. *CEJ*

Re: Your Request for Candid Further Discussion of Opportunity-Related Ideas in Relation to the Race Book, Budget and SOTU

More details are in the attachment. In brief, you and I discussed these items:

Education: ESEA/Title I accountability for results. I stressed that ESEA reform, to present a credible alternative to vouchers, must emphasize accountability for *results*, not just promises. The draft race book urges a specific national commitment to close racial disparities in achievement. I also questioned the "Nation's Superintendent" model of federal leadership which focuses on carrots to spur changes in education inputs and processes, rather than focusing the national debate on accountability for results while leaving state and local governments to choose the means.

Education: Ending social promotion, with associated supports/protections. I stressed the likely objections to this from progressives and the civil rights community without equally forceful rhetoric and measures to deter abuses. The National Academy of Sciences has reported on the risks of high-stakes testing and abusive retention policies. Won't districts claim the right policies but practice something that grabs political credit for toughness while avoiding the resource investments in early intervention, remediation, and improved instruction? I fear a reprise of the National Voluntary Test fiasco, when Administration officials dismissed the concerns of progressives (like me) who support high standards but want enforceable safeguards.

Economic Development, Trillion Dollars, etc. I credited the good will of the "Trillion Dollar" and HUD packages, but voiced concerns that the blizzard of proposals really offers little hope for the well-informed observer. These helpful ideas pale in comparison to the creation of FHA and FNMA. Twenty SBICs and three turtle doves do not a bold legacy make. The draft book recommends re-chartering the Federal Home Loan Bank Board GSE to focus on community development, with a broad set of tools financed off budget or on the mandatory side.

Jobs: I noted the book's "mountain top" goal is to break the back of hyper-unemployment among minority young adults, and contrasted this with a plethora of ideas lacking focus and edge. Something like DOL's new \$250 million Youth Opportunity Areas program is not an answer, with 20 sites, each ten square blocks, serving only 60,000 kids nation wide: A drop in the swimming pool, impossible to scale up. The draft book recommends a challenge grant to leverage metropolitan reinvention; reinvention across bureaucracies; and accountability for results. I'm pleased that the budget is silent, because if your book says we must go to the moon, I don't want the budget to unveil the first step as the purchase of a wrench and two screws.

Attachment

ATTACHMENT

1. Education: ESEA/Title I accountability for results in closing achievement disparities

The DPC/Department reauthorization proposal as of 12/23 is exciting, but leaves the nagging concern that states/districts get and keep their money just by *planning and promising*. Or, arguably worse, we push them to change specific management practices or education inputs (interventions for failing schools, personnel policies) without holding anyone accountable for whether those actions in fact produce better learning outcomes. There are two conceptual problems:

a. Find the Stick. On a scale of incentives running from lofty exhortation to tactical nukes, either extreme is bad, but aren't we still far too soft? As between the "be patient" view of entrenched educrats and the "revolution, else vouchers" view of frustrated parents and business leaders, whose side are we on? I'm told that DPC is now working on options to add stronger consequences. I believe these must be both powerful and credible.

b. Superintendent, or President? Are we going to continue focusing on inputs – leaky roofs, teacher certification, Advanced Placement offerings, technology, class size – or should we try to shift the national discussion to the heart of the matter: *Everyone must be judged by results, and federal taxpayers will not subsidize failure or underwrite excuses*. All of the input interventions and regulations are individually sensible and many are research-based, but most strike me as the agenda for a superintendent of schools rather than a President -- particularly a President trying to demonstrate that New Democrats don't throw money at problems. I suspect you are focusing this way because an idea like fixing the roofs or shrinking class size has just enough intuitive appeal to trump conservative anxiety about an expanding federal role. The alternative conception of presidential leadership, however, is to focus public discourse on closing the achievement disparities and creating tough accountability for results, while stepping way back from top-down prescription of the means of achieving those results. And I think this alternative is the way to present a meaningful, values-based alternative to the Heritage Foundation agenda, striking a responsive popular and populist chord.

c. Connection to your race book. Finally, you have seen the draft chapter urging a focus on the "mountaintop" of eliminating the racial disparities in achievement. I urge that this "man on the moon" goal be explicit in the ESEA reauthorization, and that some dimension of accountability be tied to progress in achieving this goal. The draft chapter recommends a specific challenge fund for this purpose, on the theory that it is politically infeasible to put the larger body of Title I funding at risk when everyone pretty much thinks of that formula as a vital fiscal entitlement.

2. Education: Ending social promotion, with associated supports/protections.

We discussed the danger that, like your call for a Voluntary National Test, calling for an end to social promotion will generate a backlash from progressives who fear abuses – retention driven by the results of a single test, rather than a range of factors, and imposed without the various early interventions and remedial supports that you and your advisers usually emphasize. In 1997 I urged an early amendment to the VNT proposal to build in protections against the kind of test misuse the expert testing community fears, but Administration officials were, frankly, polite but dismissive of my substantive and political concerns, even after hearing the same message in last minute consultations with civil rights advocates. The response of Congressional progressives, and the results of Congressionally-chartered analyses by the National Academy of Sciences [NAS] (in which I played a role) validated my 1997 concerns. I am right this time, too.

According to the NAS, retention is linked to significant and sometimes dramatic increases in drop-out risk, and while virtually every district has a written retention policy stating all the right things about multiple considerations and early interventions, actual practice is poorly understood but known to include abuses and, civil rights advocates believe, discrimination.

These violations of the professional standards of educators and testing experts are perfectly predictable, and so are the responses to your initiative. No important constituency favors social promotion. I and others fear, however, that it is politically easy for some state or local official to say he's for tough standards and then show it by flunking poor colored kids (we know something is wrong with them anyway). On the other hand, it is politically difficult to spend a lot of money on the interventions, supports, and summer school that will forestall or ameliorate retention. And even more difficult to hold someone other than the kid, like a teacher or principal, responsible for the failure to achieve.

I have heard no persuasive response to these concerns. I predict that, absent adjustment, important voices will be raised against the proposal. It will alienate many of the very interests you should be rallying to unite in a bold school reform strategy. I see no easy way out of it, especially at this late date. As a conceptual matter, however, retention policies are just one of the "inputs" to the achievement equation. If the Federal leadership is focused on results instead of inputs, a new categorical program about social promotion is a distraction. It should be a bully pulpit item, as should other particular solutions that a superintendent ought consider.

3. Economic Development, Trillion Dollars, etc.

You wanted my reaction to the various HUD and "Trillion Dollar Roundtable" proposals. The blizzard of elements gives clear and convincing proof of good will and commendable energy. From a Race Initiative perspective, however, the elements aren't bold enough to make an informed observer believe this will make much difference. They do not inspire an educated hopefulness.

As the draft race book suggests, your goal should be to harness the power of markets and financial institutions and put them to work for distressed communities. But now, judge the FY 2000 proposals by that standard, or the standard of policy historians. When past presidents identified home ownership as a goal, they created FHA, chartered FNMA, and transformed market forces and institutions. When rural depression seemed an intractable blight, past Presidents created the TVA and REA. These ideas were as important for the *structural* changes they wrought as for the incremental dollars involved. Today, your package expanding the SBIC program and so forth is not comparable in vision or boldness, notwithstanding great rhetoric about leveraging billions of dollars. Giving Andrew \$100 million to promote "regionalism" is the substantively right direction, but an almost comic application of the aphorism that a journey of a thousand miles begins with a single step. If I were on the outside, I would write that the scale of the problem makes these measures too much like a handful of band aids, old-Democrat style. These initiatives aren't wrong or bad. Needy people will be helped and important policy principles underscored. But I believe you should offer a grander vision, while respecting fiscal discipline, and make clear that the proposals ready for announcement are part of that grander whole.

As I mentioned to you, the draft book suggests a major refocusing of the large housing-related GSEs -- FNMA, Freddie Mac and the Federal Home Loan Bank Board System. In particular, the FHLBB should be re-chartered as the **National Community Investment Bank**, with a new mission: working side-by-side with CDFIs to fuel economic revitalization in our most distressed communities through affordable financing of a range of community development and job-creating projects. In general, GSEs commonly assert that they are "private" and cannot be expected to make uneconomic investments. But their profitability is fueled by their access to "cheap" money via an implicit government debt guarantee tantamount to a discount Fed window. The FHLBB is the most egregious at playing loose with the public purpose, making much of its profit through arbitrage. Specifically, the Administration should propose to:

- First, adopt new regulatory and statutory provisions to (a) press the GSEs to focus more of their housing activity on severely distressed communities, and (b) give the GSEs more effective tools to promote targeted lending for community development purposes.
- More important, re-charter the FHLBB system as the *National Community Investment Bank* [NCIB] to stem arbitrage abuses and focus on investments and technical assistance that implement *comprehensive strategies for community economic development*, analogous to (good) IMF and World Bank missions in developing nations.
- Third, some or all of the fiscal impact of these Federal subsidies could be placed off-budget or on the PAYGO side; the *NCIB* could even be a source of financing outside the discretionary caps for CDFIs, SBICs, and many related efforts.

A thoroughly reinvented FHLBB/*National Community Investment Bank* could be a tremendous source of financial support and strategic planning assistance for distressed communities. As an intermediary, it could nurture secondary markets, allocate tax or other subsidies to attract private

financing for SBICs and CDFIs, create insured equity investment vehicles, and more, subject to the existing government safety and soundness oversight.

4. Jobs: Breaking the back of endemic hyper-unemployment in distressed communities.

The point I made to you was that, from the perspective of the race book, there is a need for some focus on a clear goal. We should break the back of hyper-unemployment of minority young adults in distressed areas, raising their employment levels to that of non-minorities in the same metro labor market. The three structural challenges here are: *metropolitan reinvention* across political jurisdictions; *service delivery reinvention* across a wide range of bureaucracies (from schools to reverse commuting to childcare to welfare); and *accountability for results* in closing the employment disparities. The draft book proposes a honey pot of resources available in a competitive challenge grant to metro and state applicants.

In my budget discussions with staff, there was reasonable interest in the idea, but not enough to push other ideas (from HUD, DOL, DOT, NEC) off the table and make the new investment substantial enough to be meaningful. I withdrew the proposal, because I hope to persuade you to include the "Man on the moon" statement of ambition in the book. I don't want to make it hollow with a budget down payment that belies the seriousness of the vision, draining hope away.

cop. cc
Reed
Cohen
Podesta

1-4-99

THE WHITE HOUSE
WASHINGTON

December 28, 1998

*This is very good
should be a major
part of 99*

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Mike Cohen

SUBJECT: ESEA Reauthorization Proposal

We have been working with the First Lady's office, OMB, the Vice President's office and the Education Department to develop the strongest possible proposal to reauthorize the Elementary and Secondary Education Act, with the objective of transmitting it to Congress by March 1. While there is still much to be done to shape and finalize this proposal, we have made progress in addressing some of the most significant issues. (Although Secretary Riley has not reviewed our suggestions in detail, Deputy Secretary Smith has been very closely involved in the process.) This memo looks at how the 1994 reforms are working, where they are falling short, and what improvements we are considering. We are planning to meet with you in early January.

I. Progress Report on the 1994 Reauthorization and Goals 2000

Our reauthorization proposal will build on the framework for federal aid to elementary and secondary education established in Goals 2000 and the Improving America's Schools Act, the 1994 reauthorization of ESEA. In principle, both of these Acts overhauled federal elementary and secondary education programs by:

- *Insisting that every state set challenging academic standards that all students are expected to reach.* Goals 2000 required states to set academic standards for all students and develop assessments aligned to those standards. Title 1 of ESEA built on this requirement by mandating that states use these standards for disadvantaged students, thus ending the practice of setting lower expectations for low-income students.
- *Providing schools, school districts, and states with the flexibility to determine how best to educate students to meet high standards.* Goals 2000 provided states and districts with tremendous flexibility in how funds could be used, and for the first time allowed the Secretary of Education to waive federal requirements if they impeded state or local reform efforts. ESEA reduced regulations, paperwork, and reporting requirements; launched your initiative to establish 3,000 charter schools; and permitted high-poverty schools (with 50% or more students eligible for Title 1) to combine funds from separate streams and use them to improve the whole school.
- *Holding schools accountable for the results they achieve, rather than for compliance with*

rules and regulations. Title 1 now requires states to set annual goals for each school and district relating to the number of students who must reach academic standards; to report progress annually for each school (disaggregating data by demographic subgroups); and to intervene in schools that fail to make adequate progress.

These reforms have sparked considerable state and local education reform activity. There is, however, still much more to be done to achieve significant improvement in elementary and secondary education, especially in high-poverty schools. The key lessons from the implementation of Goals 2000, ESEA, and related state and local reforms include:

- Standards-based education reform works.* A recent Rand study of education reform in North Carolina and Texas -- the two states with the best track record of improving achievement generally and closing achievement gaps between minority and white students -- shows that a sustained, statewide approach of raising academic standards, providing schools with the flexibility and tools they need, targeting resources for extra help to low-performing students and schools, and holding schools accountable for results produces results, particularly for disadvantaged students. Other studies also have shown that states and school districts -- including urban school districts like Philadelphia, Boston, San Francisco, and Chicago -- that have adopted similar approaches have shown significant gains in reading and math. This data indicate that our overall strategy is sound. If we maintain the recent direction of federal education policy while intensifying our efforts, we can improve elementary and secondary education across the nation.
- States have adopted policies effecting standards-based education reform, but these policies do not go far enough.* Forty-eight states have set new, more challenging academic standards, and most states are working to develop or adopt new assessments aligned with these standards. Fewer states, however, have adopted accountability systems along with the standards. Only 25 states provide for intervention in low-performing schools, as required by Title 1. In addition, only 17 states provide extra help, such as summer school or tutoring, for students who do not meet the standards, and only five states require students to demonstrate they have met the standards as a condition for promotion.
- Implementation of state policies providing for standards, assessments, and accountability leaves room for improvement.* Title 1 includes a series of deadlines for implementing state policies on standards, assessments, and accountability. Although not all of the implementation deadlines have been reached, it is already clear that many states are not on track to meet them. In addition, some states are failing to implement these policies as envisioned. For example, some states have evaded the full extent of their responsibility to set goals for "adequate yearly progress" for students and schools. And although half the states have policies that provide for some kind of intervention in low-performing schools, many have shown themselves unable or unwilling to take the actions necessary to turn around these schools so they provide an acceptable education.

- *Improvements in the quality of teachers and teaching are urgently needed.* Governor Hunt's National Commission on Teaching and America's Future has underscored the difficulty of recruiting and retaining talented and well-prepared teachers, especially in schools with the most disadvantaged students. About 50,000 teachers each year enter the profession with emergency or substandard licenses. Nearly one quarter of secondary school teachers lack even a minor in their main teaching field, and in schools with the highest minority enrollment, students have less than a 50% chance of having a math or science teacher with a license and degree in the field. On average, 22% of new teachers leave the field within three years, and in urban areas 30-50% leave within five years. Paraprofessionals are widely and increasingly used to provide instruction to low-achieving students in Title 1 schools, with as many as 20% of Title 1 instructional aides providing instruction without a teacher's supervision. By one estimate, instructional aides account for roughly half (67,000) of the entire Title 1 instructional workforce, and Title 1 aides are being hired at twice the rate of Title 1 certified teachers.

The Eisenhower professional development program, the main federal program to improve teacher quality (Goals 2000 and Title 1 also provide some funds for this purpose), has failed to improve the situation in any significant way. Recent evaluation data suggest that in many districts, the Eisenhower program funds activities of limited effectiveness. And even where the activities are effective, the program often fails to fund them at an adequate level. The Higher Education Act you signed last year includes a new program to provide scholarships to highly qualified individuals who commit to teaching in high-poverty schools, but the current appropriation is sufficient for only about 1,400 of these scholarships.

II. Major Changes to ESEA

Our budget contains a number of initiatives to expand educational opportunity in the elementary and secondary grades: school modernization, class size reduction, after-school funding connected to social promotions policy, and an increase in Title 1 funding for the specific purpose of intervening in low-performing schools. Our ESEA reauthorization can build on these initiatives by insisting on what the studies suggest we most need: accountability -- for students, teachers, and low-performing schools. With this Congress, we may not be able to enact every ESEA reform we want -- indeed, we may not be able to get ESEA done at all this year -- but we can frame the debate in the right way by putting forward a bold vision of the future of education reform.

Our proposal would include a new set of accountability requirements as a condition for any state or district to receive any ESEA funds (not just Title 1). States and school districts would be required to produce annual school report cards, end social promotions, intervene in the lowest performing schools, and end the use of unqualified teachers. Taken together, these new requirements represent a fundamental change in federal aid to elementary and secondary

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*What about...
in low performing schools
shouldn't we put that in too?*

education. For the first time, the federal government would link investment in state and local education systems with their commitment to take the steps necessary to enable all students, teachers, and schools to meet high standards. In effect, we are saying that the best way for the federal government to help students is to insist that states and local school districts live up to their responsibilities, rather than to try to compensate after-the-fact for their failure to do so.

Along with the investments in your budget, this approach is intended to help close the opportunity gap by lifting achievement in low-performing schools and making sure that disadvantaged students are not left behind. We think the approach would be compelling enough to unite most Congressional Democrats, the education community, and the public, as well as to counter an expected Republican push for vouchers and block grants.

A. Annual School Report Cards. Our proposal would require annual report cards, easily understood by and widely distributed to parents and the public, for each school, school district, and state. The report cards would include information on student achievement, teacher quality, school safety, and class size. Where appropriate, the data collected and published -- especially on student achievement -- would be broken down by demographic subgroups, to allow a greater focus on the gaps between minority and majority, low-income and more advantaged students.

B. Ending Social Promotions. Our proposal would require states and districts participating in ESEA to adopt policies that (1) require students to meet academic performance standards at key transition points in elementary and middle school and for high school graduation; (2) use objective measures -- i.e., tests valid for these purposes -- to make an initial determination if a student has met the standards; and (3) permit other, non-objective factors, including teacher judgment, to enter into a final determination as to whether the student has met the standards. States and school districts would have to show how they will help students meet promotion standards by (1) strengthening learning opportunities in the classroom with steps such as clear grade-by-grade standards, small classes with well prepared teachers, high quality professional development, and the 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) providing an effective remedial plan for students who do not meet the standards on time, so that they do not repeat the same unsuccessful experiences. The proposal would phase in this requirement over five years; design the requirement to fit state governance systems (allowing "local control" states to delegate responsibilities to the local school district); and base the requirement on state or local rather than national standards. The Secretary would review and approve each state's plan, with continued funding conditional on adequate annual progress in implementing the plan.

To reinforce this requirement and encourage local school systems to address it even before the enactment of ESEA, your FY2000 budget contains a \$400 million increase in funding for the 21st Century Learning Center program, half of which will be reserved for after-school and summer school programs in school districts implementing policies to end social promotions.

C. Accountability for Teachers. Our proposal would require states and local school districts participating in ESEA to phase out the use of unqualified teachers over five years. In particular, states and school districts would have to end the use of (1) teachers with emergency rather than full certification; (2) secondary school teachers teaching "out of field" -- i.e., teaching subjects for which they lack an academic major or minor; and (3) instructional aides serving as lead instructors. Ending these practices is particularly important for high-poverty schools, where the practices are most prevalent. States also would have to adopt teacher competency tests for new teachers, including tests of subject-matter expertise for secondary school teachers. States and school districts would be able to use funds from a number of ESEA programs, including Title 1, bilingual education, and a new grant program focused in part on teacher quality, to help meet these requirements.

retained possible

In addition, we are working with the Education Department to fashion a requirement for states and school districts to deal with low-performing teachers. We are exploring a number of approaches, including (1) requiring periodic recertification of teachers, and (2) requiring school districts to adopt procedures to identify low-performing teachers, provide them with needed help, and remove them fairly and quickly if they do not improve. We will work closely with the NEA and AFT over the coming weeks to try and fashion a provision that will meet our objectives while addressing their concerns.

D. Accountability Fund for Title 1 Schools. Our proposal would strengthen accountability requirements in Title 1 so as to require and adequately fund immediate and significant state and local intervention in the lowest performing schools. Because the schools of greatest concern are invariably Title 1 schools and because Title 1 already contains certain accountability provisions, we believe we should incorporate these provisions into Title 1, rather than imposing a broader ESEA requirement.

X

Our proposal would retain current provisions for states to adopt performance standards and assessments by 2001. In addition, it would strengthen the current provisions in Title 1 relating to low-performing schools by: (1) requiring the immediate public identification of and intervention in the lowest performing schools in each state -- i.e., schools with very low levels of achievement that have made little or no improvement over the previous three years; (2) setting aside 2.5% of Title 1 funds to support aggressive intervention in these schools, including an external assessment of each school's needs and the implementation of needed improvements (such as addressing school safety and security needs, providing better teacher training, acquiring up-to-date textbooks, technology, and curriculum materials, and extending learning time to help students catch up academically); and (3) requiring states to provide recognition or rewards to Title 1 schools showing the greatest improvements.

To increase the appeal of this approach, your FY2000 budget contains a significant increase in Title 1 funding, of which \$200 million is specifically dedicated to this initiative.

III. Other Changes in ESEA

A. Charter Schools and Public School Choice. Earlier this fall you signed the Charter Schools Expansion Act of 1998, which strengthened incentives for states to (1) increase the number of high-quality charter schools, (2) strengthen accountability for charter schools, (3) maximize flexibility for charter schools, and (4) provide charter schools with their proper share of federal program funds. We believe, along with most in Congress, that no further changes relating to charter schools are needed in the ESEA reauthorization process.

Our proposed ESEA legislation, however, would include new authority to enable the Education Department to support other, new approaches to expanding public school choice. At present, the Department has authority only to support specific approaches to choice, such as intra-district magnet schools in the context of desegregation efforts, and (as of last year) high schools on community college campuses. We will propose a new competitive grants program that will give the Education Department the ability to support a much wider range of choice approaches, including district-wide public school choice systems, interdistrict magnet schools and other interdistrict approaches, work-site schools, schools-within-schools, and post-secondary enrollment options.

As a first step in this direction, your FY2000 budget proposal will contain funds and necessary authorizing language for three specific choice initiatives: \$10 million in grants to school districts to establish work-site schools; \$10 million to support interdistrict magnet schools; and (as already authorized) \$10 million to establish high schools on community college campuses.

B. Bilingual Education. Our proposal would make changes to the Title VII Bilingual Education program and to Title 1 (which serves more than 1.1 million LEP students) consistent with statements you and Secretary Riley made in opposing California's Unz Initiative. These statements called for (1) expanding the flexibility given to local communities to select the programs they believe will best educate LEP students; (2) making sure teachers are well trained to teach LEP students; and (3) strengthening accountability for programs serving LEP students by including a goal that all LEP students reach English proficiency within three years.

To expand local flexibility and parental choice, we would remove the Title VII provision in current law that limits expenditures on English-language (rather than bilingual) programs to 25% of the funds available. We also would require parental approval for participation in any program funded under Title VII. To improve teacher quality, we would phase in a requirement that schools receiving Title 1 funds provide LEP students with appropriately trained teachers. We also would strengthen the teacher training provisions in Title VII by giving funding priority to school districts and institutions of higher education that have implemented proven programs to hire, train, and support new ESL and bilingual teachers.

In Title 1, we would require that LEP students be included in the assessment and

accountability requirements for each school. Assessments would be in their language of instruction and, after three years of schooling in the United States, in English. We would require schools to disaggregate data, so that they would report -- and be accountable for -- both the academic achievement and the English language proficiency of LEP students. We also would require schools receiving Title 1 funds to provide alternative instructional strategies for LEP students who do not make adequate progress in English proficiency after three years. Finally, we would cut off Title VII funding to a program after three years if it could not show that students made significant gains in both English and academic subjects.

C. Safe and Drug Free Schools Program. As you announced at the White House Conference on School Safety, we would significantly overhaul the Safe and Drug Free Schools Program to improve its effectiveness at promoting drug-free, safe, and disciplined learning environments. Our proposal would accomplish this by (1) requiring states to allocate funds to local school districts on a competitive basis, with funds going to the districts with the greatest need and highest quality proposals; (2) requiring local school districts receiving program funds to develop and implement a rigorous, comprehensive approach to drug and violence prevention based on proven practices; (3) requiring every school district receiving funds to have a full-time program coordinator; and (4) requiring all schools to issue report cards that include data on crime, disorder, and substance abuse.

D. Class Size Reduction. We would include authorization for our Class Size Reduction initiative in our ESEA package, since the provisions in last year's Omnibus Appropriations Act provide funding and authority for only one year. Although we do not expect Congress to enact the ESEA reauthorization this year, we believe that transmitting authorization legislation will strengthen our ability to fight for additional funds for class size reduction in the FY2000 appropriations bill. Unlike the provision enacted last year, our original proposal required local school districts to provide matching funds (an average of 20%, with a sliding scale based on poverty levels). We intend to include the matching requirement in our ESEA authorizing proposal, so that we can reach our goal of providing 100,000 teachers within 7 years. In all other respects, our proposal would reflect the agreement reached with Republicans last year, which itself was fully consistent with our original proposal.

E. School Modernization. We also intend to include our school modernization proposal, with only minor changes from the one introduced last year, in our ESEA package.

F. Ed-Flex. Our proposal to expand Ed-Flex (which gives states the authority to waive many statutory and regulatory requirements in ESEA) to all 50 states died last year, caught between Democrats who opposed granting greater flexibility and conservative Republicans who insisted on a more sweeping block grant proposal. Governors of both parties aggressively promoted Ed-Flex until the very end of the session, and Governor Carper has indicated that the NGA will take up the cause again next year. Although we believe we should continue to support some version of Ed-Flex, we will need to think carefully about the scope of the proposal. We think it would be a mistake to allow states to waive the full set of accountability provisions

described above or the requirement for using class size funds to reduce class size to 18 in the early grades.

G. Preschool Education. Our ESEA proposal would retain provisions in current law allowing the use of Title 1 funds for pre-school, and would expand the Even Start Family Literacy program to reach greater numbers of children and adults. We also would strengthen the quality of pre-school programs and enhance school readiness by providing funds to local school districts, on a competitive basis, to (1) work with Head Start and other pre-school programs to identify the basic language and literacy skills that children need when they enter school and to design a curriculum to help students acquire these skills; and (2) provide professional development for child care providers and other providers of early childhood services to help children build these basic language and literacy skills.

IV. The future of Goals 2000 and continuing support for standards-based reform.

Goals 2000 has been the flagship Administration initiative promoting standards-based reform, and recent studies show that it has been successful. We do not believe we should let the program expire simply because of the political opposition it faces in Congress. At the same time, we do not believe it is wise -- either for substantive or for political reasons -- to submit a proposal that simply extends the current program. We are instead looking for a way to advance standards-based reform in a somewhat different form -- a kind of second-generation proposal that will reflect the current state of the standards movement.

Most educators agree that while states have made significant gains in developing standards, they still face great challenges in actually putting those standards into place in the classroom. To meet these challenges, schools must have talented and well-prepared teachers, who themselves have the tools — curriculum materials, instructional approaches, technology, and the like — to engage all students in learning to higher standards.

Several currently existing formula grant programs — Goals 2000, the Eisenhower Professional Development program, and the Title VI Block Grant -- could contribute to this objective. We are considering a number of approaches involving these programs, including proposals to consolidate some or all of them into a larger program, which would be designed to help move standards into the classroom and would have a strong focus on improving teacher quality. Such a proposal effectively would create a “responsible block grant,” with clear purposes and accountability. Some Congressional Democrats -- including Senator Kennedy -- are also looking at this approach, in part because it would respond to the Republican push for block grants and in part because it would create a large funding stream to address issues of teacher quality. We still have much work to do on this issue, and we will outline more concrete options in a subsequent memo.

PRESIDENT CLINTON'S PLAN TO STRENGTHEN ACCOUNTABILITY FOR RESULTS IN EDUCATION

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 opportunity 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 call on 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 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.

End Social Promotion. The President's 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 York City, 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.

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 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.

Turn Around Low Performing Schools. The President's proposal will require states to identify the schools with the lowest 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 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.

Issue School Report Cards. The President's 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 publish school 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 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.

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.

ESEA Proposal -
w/ removal of funds -

74% classroom
2.5% acc't fund
15% state
1% district

Target districts, not schools
Req adeq progress across LEA - test
wide basis

After 3 yrs if not failing to make
adeq progress, take away admin

Admin = 1% (dist)
- symbolically imp.

up to states - test scores - state assessment
"adeq progress" - math/reading
objective
- mult measures?
e.g. dropout rates
attendance rates

20-3 yrs

when does clock start? Disap. by groups/
low performing sch?

Then: 2-yr probation period
So really, 4 yrs before \$ gets
taken away.

Do same thing on state level w/ 5%?

But this will encourage states to
write lenient rules.

States have to tell us which districts fail?
Have to show imp in 2 yrs to get \$ back.

THE WHITE HOUSE

Tuesday, January 12, 1999

Elena Kagan	Bruce Reed
9:00 Speech/Msg. Mtg. (Podesta's)	9:00 Speech/Msg. Mtg. (Podesta's)
9:15 DPC Staff Mtg. (211)	9:15 DPC Staff Mtg. (211)
10:30 Mark Penn (Bruce's)	10:30 Mark Penn (Bruce's)
11:00 PBOR Mtg. (Stein's)	11:00 PBOR Mtg. (Stein's)
12:30 Education Mtg. Contd. (Bruce's)	12:30 Education Mtg. Contd. (Bruce's)
1:45 SOTU Travel Mtg. (Roosevelt)	1:45 SOTU Travel Mtg. (Roosevelt)
3:30 SOTU Prep (Oval)	3:30 SOTU Prep (Oval)



Michael Cohen
01/06/99 11:41:33 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Laura Emmett/WHO/EOP, Cathy R. Mays/OPD/EOP
Subject: script for 1:00 meeting

At Bruce's request I've tried to capture the general approach we said we would use with the civil rights groups today. I've essentially laid out the basic points we want to make, based on what we told POTUS. I assume we will discuss the approach in more general and tentative terms, and give them a chance to have some input:

1. Our intent in ESEA reauthorization is to take a tougher approach to accountability across the board--for states and school districts, schools, educators and students. While the 1994 ESEA provides a framework for tougher accountability, we believe it doesn't go far enough:

 need faster action than current requirements to intervene in low performing schools

 Hold up Bill Taylor's report and indicate that we know implementation of current law could be improved

Highlight our proposal to put \$200 million in FY2000 budget [I presume we don't want to give them specific budget figure] and to require states to immediately identify and begin to intervene in the lowest performing schools -- those with low tests scores that have not made any improvement over the past 3 years. We will insist that states rely on whatever tests are currently in use--even if they are not the final ones required under ESEA--to meet this requirement.

Highlight our teacher accountability provisions--require phase out of (1) teachers on emergency credentials, (2) out-of-field teaching, and (3) use of instructional aides as lead instructors -- all practices that disproportionately occur in high poverty schools.

 Point out that we are working on overhauling programs such as Eisenhower, Goals, etc.--so they help provide the resources to phase out these practices

Highlight ending social promotion as part of this. Talk about linking promotion policy to implementing steps necessary to help kids meet standards the first time--expanded Head Start, smaller classes, improved classroom instruction and better teachers, use of proven practices such as Success for All, early identification of kids who need help, after-school and summer school programs, etc.

One issue they will raise is the use of tests --we should ask for their advice on how to handle this, indicating that we want the tests to be valid for these purposes, and we like the idea of using "multiple measures" and factors such as teacher judgment. I think we should use this as an opportunity to hear what they think.

I expect they will want to know how we will monitor this requirement -- how we will make sure that states do this the right way. We can talk about requiring plans that will need to be reviewed and approved against some criteria of good practices.

Tell them about tomorrow's announcement

THE WHITE HOUSE
WASHINGTON

December 28, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Mike Cohen

SUBJECT: ESEA Reauthorization Proposal

We have been working with the First Lady's office, OMB, the Vice President's office and the Education Department to develop the strongest possible proposal to reauthorize the Elementary and Secondary Education Act, with the objective of transmitting it to Congress by March 1. While there is still much to be done to shape and finalize this proposal, we have made progress in addressing some of the most significant issues. (Although Secretary Riley has not reviewed our suggestions in detail, Deputy Secretary Smith has been very closely involved in the process.) This memo looks at how the 1994 reforms are working, where they are falling short, and what improvements we are considering. We are planning to meet with you in early January.

I. Progress Report on the 1994 Reauthorization and Goals 2000

Our reauthorization proposal will build on the framework for federal aid to elementary and secondary education established in Goals 2000 and the Improving America's Schools Act, the 1994 reauthorization of ESEA. In principle, both of these Acts overhauled federal elementary and secondary education programs by:

- *Insisting that every state set challenging academic standards that all students are expected to reach.* Goals 2000 required states to set academic standards for all students and develop assessments aligned to those standards. Title 1 of ESEA built on this requirement by mandating that states use these standards for disadvantaged students, thus ending the practice of setting lower expectations for low-income students.
- *Providing schools, school districts, and states with the flexibility to determine how best to educate students to meet high standards.* Goals 2000 provided states and districts with tremendous flexibility in how funds could be used, and for the first time allowed the Secretary of Education to waive federal requirements if they impeded state or local reform efforts. ESEA reduced regulations, paperwork, and reporting requirements; launched your initiative to establish 3,000 charter schools; and permitted high-poverty schools (with 50% or more students eligible for Title 1) to combine funds from separate streams and use them to improve the whole school.
- *Holding schools accountable for the results they achieve, rather than for compliance with*

rules and regulations. Title 1 now requires states to set annual goals for each school and district relating to the number of students who must reach academic standards; to report progress annually for each school (disaggregating data by demographic subgroups); and to intervene in schools that fail to make adequate progress.

These reforms have sparked considerable state and local education reform activity. There is, however, still much more to be done to achieve significant improvement in elementary and secondary education, especially in high-poverty schools. The key lessons from the implementation of Goals 2000, ESEA, and related state and local reforms include:

- *Standards-based education reform works.* A recent Rand study of education reform in North Carolina and Texas -- the two states with the best track record of improving achievement generally and closing achievement gaps between minority and white students -- shows that a sustained, statewide approach of raising academic standards, providing schools with the flexibility and tools they need, targeting resources for extra help to low-performing students and schools, and holding schools accountable for results produces results, particularly for disadvantaged students. Other studies also have shown that states and school districts -- including urban school districts like Philadelphia, Boston, San Francisco, and Chicago -- that have adopted similar approaches have shown significant gains in reading and math. This data indicate that our overall strategy is sound. If we maintain the recent direction of federal education policy while intensifying our efforts, we can improve elementary and secondary education across the nation.
- *States have adopted policies effecting standards-based education reform, but these policies do not go far enough.* Forty-eight states have set new, more challenging academic standards, and most states are working to develop or adopt new assessments aligned with these standards. Fewer states, however, have adopted accountability systems along with the standards. Only 25 states provide for intervention in low-performing schools, as required by Title 1. In addition, only 17 states provide extra help, such as summer school or tutoring, for students who do not meet the standards, and only five states require students to demonstrate they have met the standards as a condition for promotion.
- *Implementation of state policies providing for standards, assessments, and accountability leaves room for improvement.* Title 1 includes a series of deadlines for implementing state policies on standards, assessments, and accountability. Although not all of the implementation deadlines have been reached, it is already clear that many states are not on track to meet them. In addition, some states are failing to implement these policies as envisioned. For example, some states have evaded the full extent of their responsibility to set goals for "adequate yearly progress" for students and schools. And although half the states have policies that provide for some kind of intervention in low-performing schools, many have shown themselves unable or unwilling to take the actions necessary to turn around these schools so they provide an acceptable education.

- *Improvements in the quality of teachers and teaching are urgently needed.* Governor Hunt's National Commission on Teaching and America's Future has underscored the difficulty of recruiting and retaining talented and well-prepared teachers, especially in schools with the most disadvantaged students. About 50,000 teachers each year enter the profession with emergency or substandard licenses. Nearly one quarter of secondary school teachers lack even a minor in their main teaching field, and in schools with the highest minority enrollment, students have less than a 50% chance of having a math or science teacher with a license and degree in the field. On average, 22% of new teachers leave the field within three years, and in urban areas 30-50% leave within five years. Paraprofessionals are widely and increasingly used to provide instruction to low-achieving students in Title 1 schools, with as many as 20% of Title 1 instructional aides providing instruction without a teacher's supervision. By one estimate, instructional aides account for roughly half (67,000) of the entire Title 1 instructional workforce, and Title 1 aides are being hired at twice the rate of Title 1 certified teachers.

The Eisenhower professional development program, the main federal program to improve teacher quality (Goals 2000 and Title 1 also provide some funds for this purpose), has failed to improve the situation in any significant way. Recent evaluation data suggest that in many districts, the Eisenhower program funds activities of limited effectiveness. And even where the activities are effective, the program often fails to fund them at an adequate level. The Higher Education Act you signed last year includes a new program to provide scholarships to highly qualified individuals who commit to teaching in high-poverty schools, but the current appropriation is sufficient for only about 1,400 of these scholarships.

II. Major Changes to ESEA

Our budget contains a number of initiatives to expand educational opportunity in the elementary and secondary grades: school modernization, class size reduction, after-school funding connected to social promotions policy, and an increase in Title 1 funding for the specific purpose of intervening in low-performing schools. Our ESEA reauthorization can build on these initiatives by insisting on what the studies suggest we most need: accountability -- for students, teachers, and low-performing schools. With this Congress, we may not be able to enact every ESEA reform we want -- indeed, we may not be able to get ESEA done at all this year -- but we can frame the debate in the right way by putting forward a bold vision of the future of education reform.

Our proposal would include a new set of accountability requirements as a condition for any state or district to receive any ESEA funds (not just Title 1). States and school districts would be required to produce annual school report cards, end social promotions, intervene in the lowest performing schools, and end the use of unqualified teachers. Taken together, these new requirements represent a fundamental change in federal aid to elementary and secondary

education. For the first time, the federal government would link investment in state and local education systems with their commitment to take the steps necessary to enable all students, teachers, and schools to meet high standards. In effect, we are saying that the best way for the federal government to help students is to insist that states and local school districts live up to their responsibilities, rather than to try to compensate after-the-fact for their failure to do so.

Along with the investments in your budget, this approach is intended to help close the opportunity gap by lifting achievement in low-performing schools and making sure that disadvantaged students are not left behind. We think the approach would be compelling enough to unite most Congressional Democrats, the education community, and the public, as well as to counter an expected Republican push for vouchers and block grants.

A. Annual School Report Cards. Our proposal would require annual report cards, easily understood by and widely distributed to parents and the public, for each school, school district, and state. The report cards would include information on student achievement, teacher quality, school safety, and class size. Where appropriate, the data collected and published -- especially on student achievement -- would be broken down by demographic subgroups, to allow a greater focus on the gaps between minority and majority, low-income and more advantaged students.

B. Ending Social Promotions. Our proposal would require states and districts participating in ESEA to adopt policies that (1) require students to meet academic performance standards at key transition points in elementary and middle school and for high school graduation; (2) use objective measures -- *i.e.*, tests valid for these purposes -- to make an initial determination if a student has met the standards; and (3) permit other, non-objective factors, including teacher judgment, to enter into a final determination as to whether the student has met the standards. States and school districts would have to show how they will help students meet promotion standards by (1) strengthening learning opportunities in the classroom with steps such as clear grade-by-grade standards, small classes with well prepared teachers, high quality professional development, and the 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) providing an effective remedial plan for students who do not meet the standards on time, so that they do not repeat the same unsuccessful experiences. The proposal would phase in this requirement over five years; design the requirement to fit state governance systems (allowing "local control" states to delegate responsibilities to the local school district); and base the requirement on state or local rather than national standards. The Secretary would review and approve each state's plan, with continued funding conditional on adequate annual progress in implementing the plan.

To reinforce this requirement and encourage local school systems to address it even before the enactment of ESEA, your FY2000 budget contains a \$400 million increase in funding for the 21st Century Learning Center program, half of which will be reserved for after-school and summer school programs in school districts implementing policies to end social promotions.

C. Accountability for Teachers. Our proposal would require states and local school districts participating in ESEA to phase out the use of unqualified teachers over five years. In particular, states and school districts would have to end the use of (1) teachers with emergency rather than full certification; (2) secondary school teachers teaching "out of field" -- *i.e.*, teaching subjects for which they lack an academic major or minor; and (3) instructional aides serving as lead instructors. Ending these practices is particularly important for high-poverty schools, where the practices are most prevalent. States also would have to adopt teacher competency tests for new teachers, including tests of subject-matter expertise for secondary school teachers. States and school districts would be able to use funds from a number of ESEA programs, including Title 1, bilingual education, and a new grant program focused in part on teacher quality, to help meet these requirements.

In addition, we are working with the Education Department to fashion a requirement for states and school districts to deal with low-performing teachers. We are exploring a number of approaches, including (1) requiring periodic recertification of teachers, and (2) requiring school districts to adopt procedures to identify low-performing teachers, provide them with needed help, and remove them fairly and quickly if they do not improve. We will work closely with the NEA and AFT over the coming weeks to try and fashion a provision that will meet our objectives while addressing their concerns.

D. Accountability Fund for Title 1 Schools. Our proposal would strengthen accountability requirements in Title 1 so as to require and adequately fund immediate and significant state and local intervention in the lowest performing schools. Because the schools of greatest concern are invariably Title 1 schools and because Title 1 already contains certain accountability provisions, we believe we should incorporate these provisions into Title 1, rather than imposing a broader ESEA requirement.

Our proposal would retain current provisions for states to adopt performance standards and assessments by 2001. In addition, it would strengthen the current provisions in Title 1 relating to low-performing schools by: (1) requiring the immediate public identification of and intervention in the lowest performing schools in each state -- *i.e.*, schools with very low levels of achievement that have made little or no improvement over the previous three years; (2) setting aside 2.5% of Title 1 funds to support aggressive intervention in these schools, including an external assessment of each school's needs and the implementation of needed improvements (such as addressing school safety and security needs, providing better teacher training, acquiring up-to-date textbooks, technology, and curriculum materials, and extending learning time to help students catch up academically); and (3) requiring states to provide recognition or rewards to Title 1 schools showing the greatest improvements.

To increase the appeal of this approach, your FY2000 budget contains a significant increase in Title 1 funding, of which \$200 million is specifically dedicated to this initiative.

III. Other Changes in ESEA

A. Charter Schools and Public School Choice. Earlier this fall you signed the Charter Schools Expansion Act of 1998, which strengthened incentives for states to (1) increase the number of high-quality charter schools, (2) strengthen accountability for charter schools, (3) maximize flexibility for charter schools, and (4) provide charter schools with their proper share of federal program funds. We believe, along with most in Congress, that no further changes relating to charter schools are needed in the ESEA reauthorization process.

Our proposed ESEA legislation, however, would include new authority to enable the Education Department to support other, new approaches to expanding public school choice. At present, the Department has authority only to support specific approaches to choice, such as intra-district magnet schools in the context of desegregation efforts, and (as of last year) high schools on community college campuses. We will propose a new competitive grants program that will give the Education Department the ability to support a much wider range of choice approaches, including district-wide public school choice systems, interdistrict magnet schools and other interdistrict approaches, work-site schools, schools-within-schools, and post-secondary enrollment options.

As a first step in this direction, your FY2000 budget proposal will contain funds and necessary authorizing language for three specific choice initiatives: \$10 million in grants to school districts to establish work-site schools; \$10 million to support interdistrict magnet schools; and (as already authorized) \$10 million to establish high schools on community college campuses.

B. Bilingual Education. Our proposal would make changes to the Title VII Bilingual Education program and to Title 1 (which serves more than 1.1 million LEP students) consistent with statements you and Secretary Riley made in opposing California's Unz Initiative. These statements called for (1) expanding the flexibility given to local communities to select the programs they believe will best educate LEP students; (2) making sure teachers are well trained to teach LEP students; and (3) strengthening accountability for programs serving LEP students by including a goal that all LEP students reach English proficiency within three years.

To expand local flexibility and parental choice, we would remove the Title VII provision in current law that limits expenditures on English-language (rather than bilingual) programs to 25% of the funds available. We also would require parental approval for participation in any program funded under Title VII. To improve teacher quality, we would phase in a requirement that schools receiving Title 1 funds provide LEP students with appropriately trained teachers. We also would strengthen the teacher training provisions in Title VII by giving funding priority to school districts and institutions of higher education that have implemented proven programs to hire, train, and support new ESL and bilingual teachers.

In Title 1, we would require that LEP students be included in the assessment and

accountability requirements for each school. Assessments would be in their language of instruction and, after three years of schooling in the United States, in English. We would require schools to disaggregate data, so that they would report -- and be accountable for -- both the academic achievement and the English language proficiency of LEP students. We also would require schools receiving Title 1 funds to provide alternative instructional strategies for LEP students who do not make adequate progress in English proficiency after three years. Finally, we would cut off Title VII funding to a program after three years if it could not show that students made significant gains in both English and academic subjects.

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described above or the requirement for using class size funds to reduce class size to 18 in the early grades.

G. Preschool Education. Our ESEA proposal would retain provisions in current law allowing the use of Title 1 funds for pre-school, and would expand the Even Start Family Literacy program to reach greater numbers of children and adults. We also would strengthen the quality of pre-school programs and enhance school readiness by providing funds to local school districts, on a competitive basis, to (1) work with Head Start and other pre-school programs to identify the basic language and literacy skills that children need when they enter school and to design a curriculum to help students acquire these skills; and (2) provide professional development for child care providers and other providers of early childhood services to help children build these basic language and literacy skills.

IV. The future of Goals 2000 and continuing support for standards-based reform.

Goals 2000 has been the flagship Administration initiative promoting standards-based reform, and recent studies show that it has been successful. We do not believe we should let the program expire simply because of the political opposition it faces in Congress. At the same time, we do not believe it is wise -- either for substantive or for political reasons -- to submit a proposal that simply extends the current program. We are instead looking for a way to advance standards-based reform in a somewhat different form -- a kind of second-generation proposal that will reflect the current state of the standards movement.

Most educators agree that while states have made significant gains in developing standards, they still face great challenges in actually putting those standards into place in the classroom. To meet these challenges, schools must have talented and well-prepared teachers, who themselves have the tools — curriculum materials, instructional approaches, technology, and the like — to engage all students in learning to higher standards.

Several currently existing formula grant programs — Goals 2000, the Eisenhower Professional Development program, and the Title VI Block Grant -- could contribute to this objective. We are considering a number of approaches involving these programs, including proposals to consolidate some or all of them into a larger program, which would be designed to help move standards into the classroom and would have a strong focus on improving teacher quality. Such a proposal effectively would create a “responsible block grant,” with clear purposes and accountability. Some Congressional Democrats -- including Senator Kennedy -- are also looking at this approach, in part because it would respond to the Republican push for block grants and in part because it would create a large funding stream to address issues of teacher quality. We still have much work to do on this issue, and we will outline more concrete options in a subsequent memo.

**ESEA
Reauthorization**

Strategy 1: Strengthen Title I Requirements for Standards, Assessment, and Accountability

Strategy 2: Support continued flexibility coupled with accountability at State and local levels to promote local reform efforts

Strategy 3: Technology Integrated into the Curriculum as an Instructional Tool

Strategy 4: Improving the Teacher Quality to ensure that Teachers have the Tools they Need to Teach Children to High Standards

Strategy 5: Improving Early Childhood Opportunities Focused on Language and Literacy Development

Strategy 6: Improving Instruction for Limited English Proficient Children

Strategy 7: Parent Involvement including Public School Choices for Parents and Students

Strategy 8: Promote Safe, Disciplined, and Drug-Free Schools

Strategy 9: Time for All Children to Practice and Further Develop Skills After-School

Strategy 10: Helping States and Districts Meet Their Goals Through Improved Technical Assistance

Strategy 11: Improve Title I Schoolwides by Focusing on Research-Based Practices

Battle Looms on Hill Over Education Funding and Ideas

By JUNE KRONHOLZ

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Want to get the political parties excited? Mention the reauthorization of the Elementary and Secondary Education Act.

No, really.

With Democrats and Republicans eager to capitalize on voter concerns about the quality of the public schools, and with politicians of every leaning eager to deliver something besides impeachment votes to the folks back home, the ESEA is quickening pulses all around town, months before it is even introduced.

President Clinton's ideas on social promotion, teacher quality and class size will be in it. The Republicans' esoteric favorite, block grants, will be there, too. But if the previous reauthorization is any clue, so will vouchers, school prayer, sex education, gay rights, gun control, the handicapped, English as a second language, telecommunications, pornography, single-sex schools, national tests, home schooling, smoking and, the most contentious of all, who gets how much of the billions of dollars set aside for poor children.

"It will be the battleground" for the parties, predicts John Jennings, director of the Center on Education Policy, a think tank, and a former Democratic staffer. They will spar over ideology; they will haggle over social issues. But "beyond ideology, beyond partisanship," he adds, "it's

how to divvy up the pot."

With a budget of about \$14 billion, the 34-year-old ESEA is the federal government's largest commitment to the public schools. ESEA's biggest program is Title I, which distributes about \$8 billion a year to school districts that have high percentages of poor children, and that use the money to hire extra reading teachers and promote family literacy, among other things.

Besides Title I, though, there are so many other programs in ESEA—from teacher training to technology—that it typically takes two years to reauthorize it for five years. Last time around, the rewritten act filled 1,200 pages.

Both parties want to expedite the process this time to avoid carrying ESEA into an election year, and both houses already have begun hearings to packed galleries. The House education committee, a sea of empty desks at most hearings, attracted more than half its members to recent ESEA testimony by Education Secretary Richard Riley. Equally urgent, the Senate committee met for Mr. Riley's testimony only days before the impeachment vote.

President Clinton's State of the Union address largely outlined the ESEA bill that Mr. Riley's department will send to Congress in early spring. There will be new accountability measures—that is, requirements that the public schools meet some performance standards or risk being taken over by their states. There will be tests for

new teachers, and professional training and mentoring for those already in the classroom. There will be a push to reduce class size by helping school districts hire new teachers—a program that Congress funded this year, but hasn't authorized as a continuing program. And there will be money for magnet schools and to encourage districts to try open enrollment—that is, allowing children to attend any school in their district, rather than automatically assigning them to a school.

All those ideas are hugely popular with parents. But they cause a dilemma for Republicans who have been criticizing teacher quality and demanding greater accountability in federal programs and more choice in schooling for years. Opposing them now would be embarrassing; championing them would hand Mr. Clinton yet another education victory.

Instead, the GOP's ESEA bill will try to shift federal money from education programs to block grants that would give money to school districts to use as they choose. William Goodling, the Pennsylvania Republican who heads the House education committee, also will try to commit the government to increasing its share of special-education spending. That would force Washington to cut general-education programs, such as class size, to come up with the money, and free up local money for schools to spend as they please. Both ways, the GOP would reach its real goal: cutting

federal involvement in the schools without being seen as cutting federal spending.

Beyond that broad debate, though, ESEA will provoke plenty of floor battles over members' pet issues. Conservatives probably will propose school vouchers, which parents could use to pay tuition at private and parochial schools. Voucher legislation failed in the last Congress, has no chance of passing this year and so far has no congressional champion. "But we'll offer it because it's right," vows a GOP staffer.

Democrats likely will raise the president's plan to give tax credits to companies that invest in school-construction bonds. As a tax measure, that program doesn't belong in ESEA, but Democrats have won so much support for championing it, and the GOP has been hurt for opposing it, that political mileage rather than passage is what might matter.

Squabbles over teaching techniques—phonics vs. whole-language reading, for example—aren't expected. But plenty of other fights are. Mr. Goodling will oppose any administration move toward national math and reading tests. Texas Republican Rep. Sam Johnson wants tougher school discipline. "The bill attracts these social amendments," the Center for Education Policy's Mr. Jennings says. "You're dealing with an emotional issue—your kids."

The real food fight over ESEA, though, will come when Congress considers how to carve up the \$8 billion in Title I grants. As it is now, the allocation is based on how many poor children a district has, and how much the district or state spends on them. It gives more money to those that provide more money, less to those that spend less. Gerald Tirozzi, assistant secretary of ele-

mentary and secondary education, calls that "a pretty darn good formula," and expects no major changes.

But because Congress can alter that formula, odd alliances usually form as members jockey to bring home more funding for their schools. California, with almost six million public-school children and low state funding, gets \$892 million in Title I grants, while New York, with half as many children, gets \$731 million. California liberals are likely to join California conservatives in an effort to change that.

Conservatives also are talking about "voucherizing" Title I—that is, having federal money sent directly to a poor youngster's school, rather than sending it to states, which pass it to the districts before it eventually reaches the schools. Voucherizing would give Washington so little control over the money that the Democrats, and even some Republicans, will oppose it.

Even expedited, ESEA won't get to the House or Senate floor before summer, which brings up another problem. "They want to show they're doing stuff other than impeachment," says Joel Packer, a lobbyist for the National Education Association, the teachers' union. So, members of both parties and both houses are trying to break off pieces of ESEA for quick, high-profile

passage now.

Ed-Flex, a bill to give school districts greater flexibility in how they use their Title I money, is the first of those. The administration wants to include Ed-Flex in ESEA, where it can attach some accountability strings to it. The Republicans, sensing a sliver of political advantage in outmaneuvering the president on the timing, are pushing for it now. Ignored in the maneuvering is the fact that both parties like Ed-Flex, it has bipartisan sponsors and the president has said he would sign it as soon as it reaches his desk.

—Elizabeth Crowley
contributed to this article.

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