

**NLWJC - Kagan**

**DPC - Box 040 - Folder 015**

**Race-Race Initiative - Book [1]**

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	From: Clara Shin To: Maria Echaveste, et al.; RE: Handwritten notes (partial) (1 page)	02/19/1999	P6/b(6)

**COLLECTION:**

Clinton Presidential Records  
 Domestic Policy Council  
 Elena Kagan  
 OA/Box Number: 14366

**FOLDER TITLE:**

Race - Race Initiative - Book [1]

2009-1006-F  
db1539

### RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

April 5, 1999

MEMORANDUM TO TODD STERN

FROM: Bruce Reed

SUBJECT: Comments on Draft Chapters of Race Book

The second half of this memo outlines my concerns about and changes to the policy chapters of the draft race book. With a little good faith, I believe these changes can easily be incorporated, although this is not the first time I have suggested them.

For the most part, however, the real shortcomings of the current draft have little to do with policy. Despite a lot of hard work by all concerned, the current draft falls far short of what I thought the President was looking for -- a bold, honest, Clintonesque vision of race and America for the 21st Century.

I see three fundamental problems:

1. *This draft does nothing to advance the President's goal of launching a new debate on race.* The President has made clear that the whole point of the race initiative was to move beyond the old debates of the '60s and '70s toward a new debate about race. This draft could have been written 20 years ago:

- It lays out new rights, but deliberately goes out of its way not to mention responsibilities -- even replacing the President's trademark "opportunity, responsibility, community" with "opportunity, community, heart." Responsibility isn't just missing from the litany, it's missing from every chapter.
- Instead of advancing the President's long-held philosophy that the best way to close the opportunity gap is through universal programs that expand opportunity for all but disproportionately help minorities, the draft focuses almost entirely on narrow, targeted programs to help particular populations. Big, pressing problems that affect most Americans and hit minorities hardest -- like the need for child care and health care -- are lucky to get a paragraph, while the section on the need for more social science research goes on for four pages.

- The draft does nothing to reframe the race debate, focusing more on black-white concerns than on the complex new challenges we face as a nation that is almost majority-minority. There is a chapter on Native Americans -- why is there no chapter on the New Immigrants or the New Citizens?

2. *No one reading this draft would think it was written by Bill Clinton.* Going back to his 1992 speeches in Detroit and Macomb County, the President has never had one philosophy for minorities and another for whites -- he has always tried to deliver the same message to both. But this draft is written in a different voice, oddly disconnected from the tone, the policies, and the force of the man who has been working on these issues for two decades.

- The draft leaves the impression that we're only now getting around to doing something about race. But this subject has formed part of the underlying mission of the Clinton Presidency from the outset.
- The President is famous for wrestling with the many hard issues that surround race, and for that reason, when he talks about race in a speech or town meeting, he comes across as honest, revealing, interesting. Throughout, this draft flattens and oversimplifies complex problems. For example, as I outline below, the crime chapter skips over the hard truths that made the Memphis speech so profound.
- Throughout the draft, the words just don't sound like Bill Clinton. For example, I have heard the President talk about education a thousand times; the education chapter doesn't sound anything like him. His analysis of the problems is richer, his priorities clearer, his empathy deeper, his impatience for progress and weariness of easy answers more evident. The real Clinton is missing from these pages.

3. *It isn't bold and it isn't interesting.* This draft does a serviceable job of conveying basic information about race. But as I have suggested, if the point of the race book is to put forth a bold vision, provoke a good debate, or even just change a few minds, this draft falls short. Neither the rhetoric nor the vision rise to the occasion.

## EDUCATION CHAPTER

The centerpiece of this chapter, about the “Compact for Equal Opportunity in Education,” just doesn’t work. Despite repeated meetings on this topic, and direct guidance from the President on down that this chapter needs to advance his existing education agenda, it still does not. This section (pp III.1-19 to III.1-27) needs a fundamental rewrite or it will undermine the real centerpiece of the President’s education agenda, which he laid out in the State of the Union.

The authors seem intent on minimizing the President’s sweeping ESEA proposals -- which the President has called a “sea change” in education policy -- in one throwaway paragraph, so they can devote most of the discussion to a new effort (the “Compact”) that is inconsistent with what we’ve already proposed. This is particularly troubling because the President’s own proposal is bolder, more coherent, and more likely to reduce racial disparities in achievement than the vague idea sketched out in the draft.

As I said to the authors two months ago, “Every time he speaks on this subject, the President makes a powerful argument for why his plan is fundamental to closing the education opportunity gap, by ensuring a qualified teacher in every classroom, consequences for schools that fail, and high expectations coupled with the help it takes to meet those expectations. Obviously, the book need not be limited to proposals the President has already made. But since the ESEA debate is the most important shot he’ll have at these problems in his Presidency, it deserves more than a paragraph.”

This section needs to change in two fundamental ways: First, it needs to make a strong, compelling case for the President’s ESEA proposal (and related investments) as the centerpiece of his vision for increasing educational opportunity. The President has given dozens of off-the-cuff speeches that make his argument for equal opportunity in education better than this draft does. The book needs to explain why poor schools aren’t working and the sea change we’ve proposed to fix them -- that low-income students have suffered the most from decades of federal indifference to results, and now for the first time, we’re demanding accountability; that every child has a right to functioning schools, qualified teachers, and high expectations; and that failing schools, lousy teachers, and social promotion will no longer be a local option.

Second, the Compact section needs to be reworked to mesh with ESEA or junked altogether. The most sensible change would be to make the ESEA reforms the heart of this Compact, rather than a prelude to it. The description of the Compact on p. 21 and in the text box on p. 23 doesn’t work, for a variety of reasons. The whole proposal is too vague to make much sense, but its few specifics conflict with what we’re already doing. It turns some measures we’ve already proposed to require nationwide (like report cards and takeovers of failing schools) into local options, and resurrects others we’ve rejected (like expert panels). [As an example of what might happen under the Compact, the draft cites Dade County’s efforts to turn around failing schools -- which is already required under our ESEA proposal.] The essence of the Compact is

to offer (and then threaten to take away) broader flexibility in federal grant programs -- which we have already proposed to do through ESEA, and may already have signed into law through Ed-Flex by the time the book comes out. Most troubling, it undercuts the President's ESEA proposal by suggesting that "our ambitions must be higher" (p. 25) and that "the special challenge of racial disparities requires special measures" like the Compact (p. 26). The whole point of our ESEA proposal -- as well as our class size, school construction, and after-school proposals -- is to close the gap. We should make arguments for it, not against it.

We would be happy to rewrite this section, but Paul Glastris -- who writes all the President's education speeches -- might be the best candidate to do so.

### Other Line Edits

5 -- The paragraphs on vouchers don't fit, and don't make sense. For one thing, the President is opposed to the federal use of funds for vouchers, not vouchers themselves. Moreover, we're just asking for trouble if we imply that vouchers will "reinforce race and class segregation." This section should be dropped.

17 -- These three principles don't exactly sing. The first principle ought to be along the lines of "First, we must eliminate racial disparities in education by raising expectations for everyone and doing more to help everyone meet those expectations -- because every child can learn."

28-29 -- The draft suggests we have given "lip service" and made "compromises" in our ideals, but doesn't say how.

32 -- Testing and standards should be discussed later, under expectations and accountability (p. 41), not as the introduction to a section on school equity. And we're for the standards movement. We're for high standards now and everywhere -- not down the road after every aspect of unequal funding has been addressed.

34 -- We have a host of proposals in our ESEA package to improve the quality of teaching for poor and minority children. They're not mentioned.

### **CRIME**

The proposal in this chapter to require community action plans for targeted crime funds (p. 16) is a warmed-over version of Bush's weed-and-seed program. It is supposed to target assistance to communities that need it most -- but it sets up a process of plans, reviews, and accountability that will make it harder for those communities to get money than if they applied through the regular COPS program. It's a small, not particularly sensible proposal, and it bears little relation to what we're actually doing in our budget or our crime bill.

40-41 -- We cannot say that the lack of trust in law enforcement "may even promote crime" or imply that criminals are more likely to commit repeat acts of domestic violence because of the way they were treated by law enforcement. We have never made excuses for criminal behavior, and we should not start now. We can make a persuasive argument about the need for greater trust without accusing law enforcement of causing crime.

48 -- The section on racial profiling needs to be rewritten to reflect the Executive Order we're actually going to do, which Justice is still drafting.

58 -- The concluding paragraph is a reminder of why the current draft is tired instead of interesting. No one would argue with the truism that schools are better than jails. But the draft skips over the basic truths that have distinguished the President's views on crime and that made his Memphis speech so profound -- that individuals and families regardless of circumstance have a responsibility to obey the law and help the police fight crime; that crime causes poverty, not the other way around; that if we don't make neighborhoods safe, there will never be enough businesses, jobs, or taxes to support decent schools; and that we will never succeed in reducing racial and class isolation and tension unless we continue to reduce crime. If our goal is to promote an honest dialogue about America's problems, we should tell the whole story, not fall back on cliches.

## OTHER CHANGES

p. (Intro)-8: As noted above, the new litany of "opportunity, community, heart" is ludicrous. The President can't and shouldn't walk away from "responsibility" in his race book. It was the central theme of the most important speech he has given on the subject.

p. (I)-22: This page refers to "hidden bigots" like "the teacher in your child's school, a policeman who might detain you, or your supervisor at work". "Hidden bigot" is not a phrase to throw around lightly. It's certainly not fair to single out teachers and police -- public servants who are no more likely to hold racist views than people in other professions, and should not be stereotyped.

THE PRESIDENT

1-19-99

THE WHITE HOUSE  
WASHINGTON

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Race Initiative Book

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January 5, 1999

January 14, 1998

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 PM 1:17

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 the 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

*Back to  
Gen / Bus*

'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.

1-19-99

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."

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

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	From: Clara Shin To: Maria Echaveste, et al.; RE: Handwritten notes (partial) (1 page)	02/19/1999	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
Domestic Policy Council  
Elena Kagan  
OA/Box Number: 14366

### FOLDER TITLE:

Race - Race Initiative - Book [1]

2009-1006-F  
db1539

### RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

Race book

RACE BOOK

EK - NO!  
Demand another mtg.

Clara J. Shin 02/19/99 02:39:43 PM

Record Type: Record

To: See the distribution list at the bottom of this message  
cc: See the distribution list at the bottom of this message  
Subject: race report: compact language

Please find attached a revised version of the education Compact section of the President's Race Report. Changes were made to reflect the concern that the Compact proposal was inconsistent with our ESEA reauthorization proposal. Please forward comments to me by Tuesday, February 23. Thank you.

- edcompact2-19.wpd

Message Sent To:

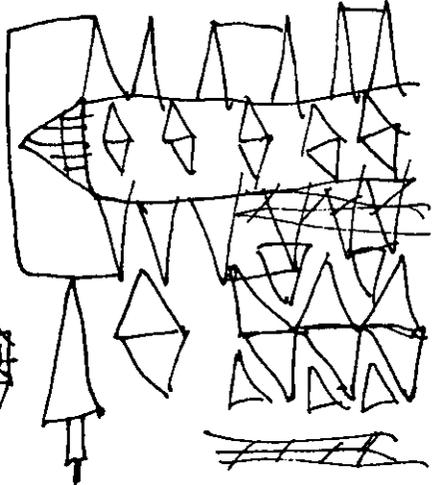
Maria Echaveste/WHO/EOP  
Bruce N. Reed/OPD/EOP  
Elena Kagan/OPD/EOP  
Shirley S. Sagawa/WHO/EOP  
mike\_cohen @ ed.gov @ inet

Message Copied To:

Marjorie Tarmey/WHO/EOP  
Cathy R. Mays/OPD/EOP  
Laura Emmett/WHO/EOP  
MaryEllen C. McGuire/WHO/EOP  
felicia.wong @ npr.gov

P6/(b)(6)

P6/(b)(6)  
Clinton Library Photocopy



## Centerpiece of the Federal Workplan: The Compact for Equal Opportunity in Education

For more than three decades, the Elementary and Secondary Education Act has been the foundation of our nation's support for millions of students and their schools. In my January, 1999 State of the Union address, I proposed that we fundamentally redirect that effort to put far greater emphasis on spurring concrete improvement in results, while creating far stronger systems of accountability, not just to federal taxpayers, but to communities and families. I also proposed targeted federal resources to help turn around failing schools, to reward progress in raising achievement levels, to put high quality teachers in high poverty schools, to end so-called social promotion, and to expand after-school and other academic support programs. And I proposed that we build in accountability at all levels to focus not only on improving education overall, but also on narrowing the gaps between poor and rich, rural and urban, minority and white.

~~This is a good start. Now we must build on it to~~ provide the world-class education and schools our nation and all our children need to continue to prosper into the 21st century. While these reforms are motivated by several concerns beyond racial justice, I believe they contain the right ingredients to form the centerpiece of our education workplan for building One America. I know that this important shift in policy will not occur overnight or without extended debate, but I believe that in the end there will be a consensus that our nation's ideals and prosperity require a new determination to make quality education for all a reality, not just a slogan.

I believe we can and must build upon these broad-based reforms. We must make targeted efforts in those communities where racial disparities in achievement and resources present an especially tragic and worrisome picture that simply isn't the America we want. Federal leadership can be a catalyst, but our efforts will fizzle without broad-based community involvement. Local control is essential. We need to enlist the participation of willing jurisdictions and private sector partners in a **Compact for Equal Opportunity in Education**. Quote simply, [all of us?] need to join in a new covenant to benefit America's children, with the goal of eliminating racial disparities in K-12 achievement. Just as our Welfare-to-Work Partnership has helped move tens of thousands of families off of welfare and into good jobs, the Compact can be a coalition to bring determination, creativity and resources to bear on this central obstacle to securing the opportunity all our children deserve.

Let me give you an idea of how this new partnership might work.

School systems would commit to measure and close the racial disparities in achievement, and adopt measurable goals and a strategy for achieving them. Corporations and other community actors would

commit to specific forms of support for the strategy.

*I have proposed annual report cards for every school, so parents know whether*  
The strategy would have a timetable, and a report-card style system of public accountability. ~~These report cards will help ensure that our policies focus not just on the administering and maintenance of schools and programs, but also on ensuring that those schools and programs achieve the results that they are supposed to.~~ There should be carrots and sticks so that everyone involved, from students to school boards, has all the right incentives to succeed.

*Confusing  
- This  
is already  
part of an  
ESGA proposal.*



The federal government should support the Compact by offering the ~~broadest possible~~ flexibility in its <sup>return for</sup> grant programs, based on the accountability for results ~~and on the judgment of expert panels that the strategy proposed by a school district (or state) has the ingredients~~ most likely to yield success, including support for quality teaching, high expectations, and quick-response takeovers of failing schools.

*NO to  
"expert  
panels"*

*real  
and strategies  
that are*

Ultimately, my hope is that the federal government will be able to offer substantial new funds to Compact communities, tied to results, to further support ambitious gap-closing reforms.

We know that this results-based approach to education can work. We have seen states and school districts use this method to help all of their students achieve more. Let me give you an example. Dade County, Florida, which includes the city of Miami and is one of the most racially diverse school districts in America, had 45 critical, low-performing schools. But in two years, they raised their math and reading scores so much that all 45 were off the list. And they did this by focusing on results. Dade County officials and teachers refused to accept the proposition that because these students were poor or lived in tough neighborhoods, they could not learn.<sup>1</sup>

We should all follow this results-oriented approach. I proposed it in response to a tragic irony that is at work in American education: too often, the children who need the most are least likely to get it. In part, this is because of long-standing inequities in educational funding formulas, especially the traditional reliance on local property taxes. Schools in a sea of poverty are too often overwhelmed, or nearly so, by the extraordinary challenges they face. Students who live in low-income neighborhoods often bring the many burdens of their lives and their communities to school with them. Simple calculations of expenditures-per-pupil don't capture the subtleties, including: homelessness, family crises, or hunger; crime in hallways, streets and homes; and the simple, grinding pressure of poverty that may make family support harder to come by. Add to those problems the aging inner-city school buildings, disparities in teacher training, high proportions of

students with special language needs -- and you have a recipe for disaster.

Up until now, we have generally tackled this problem with piecemeal, fragmented approaches, including efforts at the federal level. Over the decades, the intentions have been good, and the progress has sometimes been meaningful. Early in my Administration, we worked with the Congress to enact Goals 2000 and a major reform of the bedrock Federal grant program intended to help states and districts educate poor children, the so-called Title I program. Now funded at almost \$8 billion per year, the program is distributed by a formula related to the number of poor children, and the law now tells participating states that they must raise standards and use tests or some other assessment measures to hold themselves accountable for making progress in improving education outcomes for poor children. I believe that these reforms are moving us in the right direction. There are important signs of promise and progress. But the pace is too slow, and our ambitions must be still higher.

We have tolerated racial disparities and underachievement in education for too long. I share the burning impatience felt by many parents, civic leaders and educators who are fed up with the status quo and demanding more for our children. Together, we must forge a new federal-state partnership to break the cycle of disadvantage and eliminate gaps in student achievement. ~~Still more piecemeal programs -- federal or state -- will not bring about the sweeping changes needed~~ To close the substantial racial gaps in opportunity and achievement, ~~and making public schools work for all of the public,~~ *we need to hold every state and school/district accountable to produce results*

Let me be clear: this is not Washington encroaching on local authority. In my years as a governor, working both within my state and on national policy, I came to fully appreciate that education is primarily a state and local responsibility. But I have also seen that sometimes a child's opportunity can be limited by the resources a local community can raise with a property tax, or the accident of whether the state is wealthy or poor, generous or stingy in aid to local schools. [And I have seen that] Federal education programs are often too confining, with their red tape and narrow categorical purposes. And across the board, I have seen education treated as an island, cutoff from the mainland of challenges in the surrounding community. We have worked hard in the last several years to tackle these problems, but I am determined to do more. Yes, education is primarily a state and local responsibility -- but to be successful, all citizens -- public and private -- must work together to support our children, their families and communities. And as I have said many times, this is an issue too important to get ensnared in jurisdictional, administrative or partisan bickering. When it comes to the education of our children, politics must stop at the schoolhouse door.

TEXT BOX:

*That's the  
GOP argument*

*CAN'T SAY  
THAT  
[scribbles]  
11/8.*

As part of the Compact, the federal government would provide new, greater flexibility but in return demand greater results, focused on closing the racial disparities. It springs from my belief that, given an equal chance, all our children can succeed. It is my hope that the flexibility built into this proposal will spur emulation, innovation and tailoring of approaches to fit local needs. For example, I expect *but would not require* that each Compact for Equal Opportunity in Education include such things as: (a) strategies focused on putting high-quality teachers in high-need schools, and plans to reduce disparities in other resources; (b) ways to engage families, businesses and other local institutions; (c) strategies for breaking through the red tape of various federal, state and local programs in education as well as related fields, and ways to build partnerships across jurisdictional lines of school districts and local government agencies; (d) creative responses to the needs of immigrant children with limited English skills; (e) ways to promote higher expectations for achievement and to take aggressive action when there is failure; (f) practical mechanisms to identify educationally bankrupt schools or even districts, triggering receivership; and (g) plans for accountability at all levels, so that performance is measured fairly and has consequences.

No!

These are not mandates. I am proposing neither a formula nor a cookbook. Communities that are not interested in a new Compact to close achievement gaps can simply ignore this challenge, and learn from the bold efforts of others.

No!

END TEXT BOX

As the Advisory Board on Race said in its final report to me, "To a great extent, we know what to do to promote educational equity and excellence; we just have to have the courage as a nation to do it. If we are successful here, fundamental change will follow." In the long-term, if we eliminate gaps in student achievement by race, we will ensure minority access to college and to a better future, and we will promote integration by making all public schools, and therefore the communities they serve, attractive to all Americans.

5 23 69  
025 527575

Crime-police brutality  
and  
Race book

Maria Echaveste

02/23/99 09:48:45 AM

Record Type: Record

To: Robert B. Johnson/WHO/EOP, Bruce N. Reed/OPD/EOP, Charles F. Ruff/WHO/EOP  
cc: edley @ law.harvard.edu @ inet, Clara J. Shin/WHO/EOP, Elena Kagan/OPD/EOP  
Subject: Hugh Price letter

In connection with the crime section of the book, we had scheduled a meeting (right now on Mon 3/1) on racial profiling to see if we couldn't reach agreement on what the President should say about this. At the same time the NYC african immigrant shooting caused Hugh Price on 2/17 to write an open letter asking the President to take a more visible role on minorities and the criminal justice system, asking, inter alia, for DOJ to issue guidelines on how law enforcement should conduct its work while protecting civil rights and liberties. In some ways the crime section of the book addresses some of these issues. So we need to be coordinated both as to how we respond to Price letter and how we finalize the crime section of the book. Seems to me a quick meeting today, tomorrow or friday on the price letter, keeping in mind monday's mtg, would help us agree on a strategy here--Chuck, Bruce, Elena--I'll be happy to call the meeting if you haven't done so already.

Race Losh

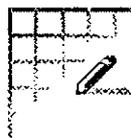
▶ **Paul J. Weinstein Jr.**  
02/23/99 12:26:34 PM  
.....

Record Type: Record

To: Elena Kagan/OPD/EOP  
cc:  
Subject: Re: President's feedback on Edley's Workplan Outline

You are correct. Please see Bruce's E-mail below. Are you comfortable with me delivering that message or would you like to.

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on 02/23/99 12:26 PM -----

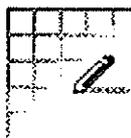
 **Bruce N. Reed**  
02/23/99 11:58:12 AM

Record Type: Record

To: Paul J. Weinstein Jr./OPD/EOP, Cynthia A. Rice/OPD/EOP, Andrea Kane/OPD/EOP  
cc:  
Subject: Re: President's feedback on Edley's Workplan Outline

Here is what I sent Maria: we should tell Chris what we've already proposed, and work with Gene on something new if need be, since obviously something "BIG" would involve MONEY.

----- Forwarded by Bruce N. Reed/OPD/EOP on 02/23/99 11:59 AM -----

 **Bruce N. Reed**  
02/17/99 12:41:04 PM

Record Type: Record

To: Maria Echaveste/WHO/EOP  
cc: See the distribution list at the bottom of this message  
Subject: Re: President's feedback on Edley's Workplan Outline 

First we should put in one place the proposals we're already pushing to help jobless young men. For example, 20% of our welfare-to-work proposal is dedicated to helping fathers (most of them in this age group) get jobs. We also have a DOJ proposal we pushed at the President's request to expand work/training for federal prisoners. Gene has more proposals in the budget as well, and if there's a desire to come up with still more ideas, NEC would be the right one to host a process.

Message Copied To: \_\_\_\_\_

Race book

▶ **Paul J. Weinstein Jr.**  
02/23/99 12:30:14 PM  
.....

Record Type: Record

To: Elena Kagan/OPD/EOP  
cc:  
Subject: Men

What we sent in the short term.

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on 02/23/99 12:27 PM -----

**Andrea Kane** 

Record Type: Record

To: edley @ law.harvard.edu @ inet  
cc: Paul J. Weinstein Jr./OPD/EOP, Cynthia A. Rice/OPD/EOP  
Subject: Men

Your note to Paul mentioned single men, but I'm assuming this would also include non-custodial fathers. So, here's info about the President's proposal in the Welfare-to-Work reauthorization to dedicate at least 20% of the state formula funds (about \$150 M) to helping low income non-custodial parents (primarily fathers) increase their employment and earnings so they can better meet their responsibilities to their children and become more involved with their children. I think Paul is getting back to you on some other issues, but in the meantime, I'd be glad to discuss any of these with you (6-5573)

Paper from 1/25 event where POTUS highlighted the initiative (he also made brief mention in State of the Union)



wtw0125c.wp

POTUS remarks from 1/25 (see bold sections)



speecha.wp

Bio and remarks from Carlos Rosas, the father who introduced the President on 1/25



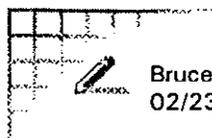
carlos.wpd



carlossp.wp

Two pager on the WtW reauthorization

Race book



Bruce N. Reed  
02/23/99 06:34:14 PM

Record Type: Record

To: Clara J. Shin/WHO/EOP

cc: See the distribution list at the bottom of this message

Subject: Re: race report: compact language

This draft still doesn't work. As we agreed when we met the last time on this subject, and as the President passed along through Maria, the education chapter needs to be entirely consistent with his ESEA proposal (and presumably helpful to it). The latest draft minimizes ESEA in one throwaway paragraph, then goes on to suggest a new effort (the Compact) that combines some measures we've already proposed (report cards) with some we've rejected (expert panels). The draft goes on to make a number of arguments FOR the Compact that Republicans will spend this year making AGAINST our entire education agenda, from ESEA and after-school to school construction and class size -- i.e., that more piecemeal programs won't work, that federal aid is mostly red tape and categorical programs, etc. The draft concludes by emphasizing that "I expect *but would not require*" in the Compact certain things that we do require in ESEA, such as high-quality teachers in needy schools and accountability at all levels -- and suggests that communities that don't want to close the gap can ignore the whole thing.

I do not believe this reflects what we agreed to last time around. Besides sorting out these various inconsistencies, this part of the book ought to make the case for what the President is doing in ESEA, not just for some vague aspiration of what he might do beyond ESEA. Every time he speaks on this subject, the President makes a powerful argument for why his plan is fundamental to closing the education opportunity gap, by ensuring a qualified teacher in every classroom, consequences for schools that fail, and high expectations coupled with the help it takes to meet those expectations. Obviously, the book need not be limited to proposals the President has already made. But since ESEA debate is the most important shot he'll have at these problems in his Presidency, it deserves more than a paragraph.

As I said at the last meeting, I don't think we're all that far apart on policy. But I think it would be a terrible mistake for the book to assume we've already won this great national debate on education, when in fact we have a long way to go.

Message Copied To:

---

Maria Echaveste/WHO/EOP  
Elena Kagan/OPD/EOP  
Shirley S. Sagawa/WHO/EOP  
mike\_cohen @ ed.gov @ inet  
Ann F. Lewis/WHO/EOP  
Broderick Johnson/WHO/EOP

Race Book

 Maria Echaveste

02/17/99 12:30:44 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Gene B. Sperling/OPD/EOP

cc: Elena Kagan/OPD/EOP, Sarah Rosen/OPD/EOP, Sally Katzen/OPD/EOP, Clara J. Shin/WHO/EOP

Subject: President's feedback on Edley's Workplan Outline

The President reviewed your memos and comments on Edley's workplan outline in connection with the Race Book. He had three specific requests: make sure that the education workplan section of the book not be inconsistent with his State of the Union ESEA reauthorization framework; determine if the idea of rechartering the Federal Home Loan Bank system for community investment is a good concept, i.e., what does Treasury think; and consider whether we can develop any proposals to address the high unemployment rate of young single men (noting that this is fastest growing prison population), e.g., tax credit, private/public partnership.

On education, you'll recall we met with Edley and that chapter is being revised for our further review. On the community investment idea, Rubin has asked Rick Carnell to look at this--Gene, who should we work with on your staff to followup? On the last issue, I'm not sure who should take the lead, DPC or NEC, suggestions?

Race Book

THE WHITE HOUSE  
WASHINGTON

January 27, 1999

TO: BRUCE REED  
GENE SPERLING  
MINYON MOORE  
ANN LEWIS  
MELANNE VERVEER  
SHIRLEY SAGAWA  
PAUL BEGALA  
SIDNEY BLUMENTHAL  
MICHAEL WALDMAN  
ELENA KAGAN  
SYLVIA MATHEWS  
JOSH GOTBAUM  
MICHAEL COHEN

CC: CHRISTOPHER EDLEY, JR.

FROM: MARIA ECHAVESTE

SUBJECT: THE PRESIDENT'S RACE REPORT: EDUCATION SECTION MEETING

Many of you recently reviewed and provided comments on the draft education section of the President's Race Report. As noted before, I plan to hold meetings throughout this review process to address any issues in dispute prior to sending a final draft to the President. Based on your comments with regard to the education section, I have identified three primary issues: (1) the consistency between the education workplan and our current initiatives and FY2000 budget; (2) the Report's emphasis on legislative solutions; and (3) the extent to which the President should highlight Administration achievements in the education arena. I have summarized these issues below, with recommended discussion points for tomorrow's meeting.

- *Consistency.* Many of you stressed the need for the education workplan to be consistent with policies announced during the State of the Union, including ESEA reauthorization, quality teachers, social promotion, and accountability. In particular, there was concern about the Compact for Equal Opportunity in Education and its compatibility with the current ESEA reauthorization strategy. *Discussion Point:* How do we make the education workplan consistent with the State of the Union policies and FY2000 budget?

- *Legislative Strategies.* Some of you recommended that the education workplan not rely too heavily on legislative solutions, arguing that a legislative emphasis takes away from the Presidential “bully pulpit” aspects of the chapter. The First Lady’s Office encourages us to develop a workplan for schools that is “as strong as possible regarding what schools can and should do regardless of federal policy.” *Discussion Point:* What is the proper balance between the bully pulpit and legislative strategies?
- *Administration Credit.* Many of you recommended that the President highlight more of his and Mrs. Clinton’s education initiatives than are currently in the Report. You provided specific suggestions: (1) America Reads, (2) Prescription for Reading, (3) Head Start and other early childhood programs, (4) charter schools, (5) scholarships to recruit people to teach in high poverty communities, (6) Troops to Teachers, (7) the Native American teacher recruitment initiative, (8) the battle for school modernization, (9) Literacy Challenge Fund, (10) English language acquisition, and (11) school safety initiatives. *Discussion Point:* To what extent should we highlight Administration accomplishments, and which ones?

Of these three issues, I plan to concentrate our meeting discussion on the first two points. With respect to the Administration initiatives to be highlighted in the Report, I will ask you to work with Edley’s staff outside of the meeting to incorporate your suggestions.

In preparation for our meeting, I am attaching background materials: (1) the book summary outline and education section of the workplan; (2) your comments on the education workplan; (3) Edley’s January 5th memorandum to the President regarding opportunity-related ideas in relation to the Race Book, budget, and the State of the Union; and (4) DPC’s January 13th memo addressing the education issues in Edley’s memo. If you have any questions or suggestions, do not hesitate to contact me or Clara Shin at 6-5506.

## BOOK SUMMARY OUTLINE

### Introduction

#### Part I: The America We See

- Getting the facts straight: Demographic trends. What the best social science evidence is about disparities, discrimination, intergroup relations and attitudes. The overt and subtle influence of race on lives, and on our political and policy struggles.
- Is the glass half full, or half empty?

#### Part II: The America We Want

- A vision of what racial and ethnic justice mean for the 21<sup>st</sup> Century, including: *Opportunity* so broadly and deeply shared that there is no visible evidence of a legacy of slavery, colonialism or conquest; *community* so deeply felt that we celebrate our diversity and draw social and economic strength from our interactions and relationships; *hearts* healed of hatred and fears and prejudices, so that we are connected with one another across lines of class and color, caring about our neighbors, and living by the great commandment.
- Some of the vexing questions — the seeming clashes in values and perceptions that make progress on race so difficult. Modeling how to respectfully engage each other, searching for a way to pursue a common vision of a just community. (Examples: English-only; racial profiling; self-segregation by college students; etc.)

#### Part III: The Community We Must Build

- Promising practices from communities and organizations around the nation. (A few examples drawn from the hundreds collected by the Advisory Board and PIR staff.)
- How these projects can help us advance the *community* and *heart* elements of our vision for One America.

#### Part IV: The Opportunity We Deserve — A Workplan for the Nation

- Education
- Jobs and Economic Development
- Community Security and Crime
- Civil Rights Law Enforcement
- Strengthening Democracy and Civic Engagement

#### Part V: The Leadership We Need for the Road Forward

- Creating Partnerships in Communities and Organizations
- Leadership and Action in Key Sectors (faith community, higher education, etc.)
- Leadership and Action in the Federal Government (reinvigorating the Civil Rights Commission, etc.)

### Conclusion

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## PART IV: THE OPPORTUNITY WE DESERVE

### [Introduction to Part IV]

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## 1. A HIGH QUALITY EDUCATION FOR ALL

### INTRODUCTION

On September 25, 1957, nine black students walked through the doors of all-white Central High School in Little Rock, Arkansas. It had been three years since the Supreme Court's historic decision in *Brown v. Board of Education* declared racial segregation in America's schools to be unconstitutional, and the conflict at Central High would become the first major confrontation over court-ordered school desegregation. I was 11 years old at the time, living 50 miles away in Hot Springs, but I vividly remember the "breaking news" television coverage and countless discussions about those brave young Americans approaching Central High School escorted by Federal troops as a mob of white protesters glared, shouted and spat at them. The courageous efforts of the Little Rock Nine served as a catalyst for the integration of thousands of segregated schools around the nation and, over a period of years, produced great strides in opportunity and understanding. One of many lessons from those struggles is that our schools and our nation are stronger when persons of all races learn together. I believe this in my own heart. I have seen it with own my eyes.

On November 6, 1998, I had the privilege as President of hosting the Little Rock Nine at the White House and announcing that each of them would be receiving the Congressional Gold Medal for their courage and contribution to our nation. At the ceremony, my friend Ernest Green spoke on behalf of the nine honorees and said something of great significance. He explained that while they understood in 1957 the importance of their effort to end racial segregation in Little Rock schools, more than anything else, the Little Rock Nine were simply seeking the highest quality education they could find. "We simply thought we were doing the right thing," Ernie said, "and that it was our duty as students in Little Rock to try to advance and receive the best education available."

For generations, and even more so today, education has been the cornerstone of opportunity in America. The foundation of our modern democracy and free enterprise economy is our belief in the great capacity of all citizens to lift up America while lifting up themselves. This in turn requires that each person have the educational opportunity to develop to his or her full potential. Excellence

in education is the right of every American. This is true whether your forebears came here on the deck of the Mayflower or in the hull of a slave ship; whether they were natives in America before the first Europeans arrived, or came as immigrants from Asia or Latin America less than a generation ago. We have not always lived up to that ideal. Today, at last, we must recognize that we do not have a person to waste.

The denial of full and fair educational opportunity -- whether through malice, indifference or inadvertence -- threatens the very foundation of our nation. In the knowledge economy of the 21st century, education will play an even greater role in determining America's future prosperity and our place in the world. And as our nation grows more diverse, our strength will depend more and more on whether we provide educational opportunity to those children of color who today receive the least.

Education is also the most powerful arena for strengthening our American community. When young people learn together and serve together across racial and ethnic lines they begin to break down stereotypes and the walls that have kept us apart. I have seen this work across our nation. Our diversity is a great asset in education, but one that we exploit too little. Thurgood Marshall, who led the fight for school integration a generation ago, put it best when he said, "Unless our children begin to learn together, there is little hope our people will ever learn to live together."

In sum, excellence and integration in education are not just individual rights, they are also our fundamental responsibilities. And I consider them vital to our national strength and security.

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The question before us today is how do we guarantee the finest education in the world for all our children as we confront the very real challenges of our expanding diversity. Consider the fact that since 1976, the percentage of minority students in public schools has increased from 24 percent to 35 percent. The number of Hispanic students has doubled and the number of Asian Pacific American students has tripled. Some schools are becoming diverse in ways we never dreamed of. The schools of Fairfax County, Virginia, for example, have students from more than 180 countries who speak more than 100 different languages. By 2035, there will likely be no majority race in our public school population. Already, 9 of the 10 largest school districts have greater than 75 percent minority enrollment, and 19 of the 20 largest districts have greater than 40 percent minority enrollment. [Insert table showing demographics of selected school systems.]

Over the last few decades, we have made important progress in educating children of all races. Though improvement has often been slow and uneven, test scores, high school graduation rates, and college participation rates have increased for all racial and ethnic groups. In some cases, these improvements have been greater for students of color than for whites, thus narrowing achievement gaps. For example, since 1976, even as the pool of students taking college entrance exams has grown dramatically, average SAT scores for students of color have increased 21 points for Mexican Americans (from 781 to 802 out of 1600), 24 points for Asian Pacific Americans (from 932 to 956), 42 points for American Indians (from 808 to 850), and 58 points for blacks (from 686 to 744), while average scores for whites have increased only 2 points (from 944 to 946). Nonetheless, as the wide disparities in SAT and other measures illustrate, substantial challenges in education remain. [Insert graphs with SAT and NAEP trends by race.]

Clearly, it is in the national interest to have more of our students performing at the highest levels. Racial gaps in achievement persist throughout the “pipeline” -- from preschool through higher education. Consider these stark examples:

- According to the National Assessment of Educational Progress (NAEP), average reading proficiency scores for 17-year-old black and Hispanic students are lower than the average score for 13-year-old white students.
- Although 93 percent of whites and 87 percent of blacks ages 25 to 29 have a high school degree, only 62 percent of Hispanics and approximately 66 percent of Native Americans are high school graduates.
- While the importance of a college degree is growing, so is the gap between whites and persons of color who have a degree: 33 percent of whites ages 25-29 have a four-year college degree or higher, compared with just 14 percent of blacks and 11 percent of Hispanics.

I believe these disparities stem in large part from continuing gaps in educational opportunity. Minority children are still less likely than white children to have access to vital educational resources, including high-quality teachers, modern school buildings, current technology, challenging coursework, and more. Many minority students confront not just one, but all of these deficiencies in their schools.

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**text box**

Students attending predominantly minority secondary schools, for example, have only a 60 percent chance of getting a math teacher with a math degree and as little as a 50 percent chance of getting a science teacher with a degree in the subject being taught. Seventy percent of predominantly minority schools have at least one serious building deficiency, such as poor heating, lighting, or ventilation. Black and Hispanic students are 20 percent less likely than whites to use a computer at home or in school, and recent studies indicate that computers are used less effectively in predominantly minority schools. Furthermore, children for whom English is a second language often have inadequate resources to learn English and to participate fully in other subjects. In California, more than 20 percent of all students are Limited English Proficient (LEP), yet for every bilingual teacher who speaks Spanish or an Asian language, there are 81 LEP Hispanic students and 561 LEP Asian Pacific American students.

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**end box**

In addition, while some schools are more diverse than ever before, racial segregation remains a problem both among and within our schools, and there is evidence that the situation is getting worse:

- Today, more than one-third of all black and Hispanic students attend schools with greater than 90 percent minority enrollment.
- Rates of segregation are worse for Blacks than they were 15 years ago and, for Hispanics, 25 years ago.
- Nearly 90 percent of these racially isolated schools also have a majority of children in poverty, and therefore face extra burdens typical of deeply poor communities.
- If you compare students in schools that are overwhelmingly minority (90 percent or more) with those that are overwhelmingly white, a minority student is 16 times more likely than a white student to be in a high-poverty school.

It is clear that we have not yet met our aspiration -- I consider it an obligation -- to provide all children with what Ernest Green and the Little Rock

Nine bravely sought forty years ago -- a high quality education for all students, regardless of race, and the chance for all students to learn together. To the parents of children who attend our best schools I pose this simple question: How would you feel if you had to send your child to a school with a leaky roof, outdated textbooks, no computers, and teachers teaching subjects in which they lack basic competence? Too many of our children face this reality every day. And more often than not, they are children of color.

There are many reasons for the persistence of these problems, but we must not let complexity obscure the dire consequences of inaction. Issues such as continued residential segregation by race and class as well as our system of funding schools based largely on local property taxes require our immediate and focused attention. Just a few decades ago, our laws mandated that white, black and Hispanic students attend separate schools, with black and Hispanic children relegated to inferior schools. Those laws are gone. But residential segregation remains, especially in urban centers, and it has been exacerbated by "white flight" as more and more middle class whites and others have moved to the suburbs or sent their kids to private schools.

This has left many poor, minority communities struggling to fund their schools from a limited and often shrinking tax base. These same schools have trouble attracting and keeping the best teachers and must cope with all of the challenges of life in high poverty communities. The result is that, nearly a half-century after *Brown v. Board of Education*, many black and Hispanic children still attend inferior schools. We no longer say that white and minority children must go to separate schools. But we do say that each local community bears primary responsibility for funding its schools, and if children are underserved because a community is extremely poor, and if a state declines to level the playing field, so be it. And if that perpetuates America's color divide, let some future generation balance the accounts.

These conditions are morally unacceptable. They are also socially and economically destructive. While we point fingers in every direction, individual opportunity and our national strength suffer. How much genius and creativity are we failing to harness because of continuing racial disparities in educational opportunity? What would our lives be like today if we had provided every American regardless of race or class with the educational opportunity to succeed to his or her full potential? Would we have a cure for cancer? Or AIDS? Would we have more efficient energy sources and technologies that greatly reduced pollution? Would we have a new global movement for world peace and human rights? How far would we have progressed in weaving our diversity into one great fabric of community, and in purging our hearts of stereotypes and fears?

Each of us has a responsibility to help overcome present disparities and to build in America the highest quality educational system extending from birth to college and beyond. As a former governor, I know that education is and should be primarily a state and local issue. But in our increasingly diverse, interconnected and global society, quality education is also a national priority. And it is a matter of fundamental fairness.

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Throughout my presidency, education has been among my highest priorities, and we have made important progress. [See text box on Administration proposals and accomplishments(to come).] We have embraced the idea of high standards for all students, and we have taken some steps to close the opportunity gap in education. Our effort, for example, to help local schools hire 100,000 new teachers and reduce class size in early grades will help eliminate racial disparities in class size and have positive effects on student achievement. But, much work remains to be done. Let me discuss three primary goals for the years ahead -- not just for federal action, but for all of us.

First, as we raise the bar for everyone, we must eliminate racial gaps in primary and secondary educational achievement. Those achievement gaps mark the distance from the America we see to the America we deserve. In the America we *deserve*, every child must have a high quality education from preschool through high school, including high standards and full and fair access to the best our schools can offer. And because the stakes are so enormous, we need a revolution in accountability for public officials, administrators, teachers, parents, and students themselves. Without stronger mechanisms for accountability, tied to appropriately measured educational outcomes, the goal of high quality is a mere aspiration, not a commitment.

Second, we must close racial disparities in college participation and graduation. Over the last three decades, the importance of a college degree to economic advancement has grown dramatically. Today, a person with a college degree earns 77 percent more than a person with only a high school diploma, compared to a 57 percent advantage in earnings twenty years ago. Yet the proportion of blacks, Hispanics, and Native Americans receiving college degrees remains less than half that of whites. This must change. Improving K-12 achievement is the most important step, but, we can't stop there. We can and must make it possible for more students of color to go on and succeed in college.

Third, we must promote integration in education so that students have the opportunity to learn together in ways that enrich the learning environment, improve race relations, and prepare students to thrive in the diverse world that

awaits them. In this sense, integration must be properly understood as one important element of quality in our educational system. As the Advisory Board stated in its final report, "Simply put, high-quality, integrated schools provide a more complete educational experience for all students than high-quality, segregated schools."

With these goals in mind, in the balance of this chapter, I offer a workplan to guide us all in the struggle for equity and excellence in education over the coming decade. Let me first highlight the centerpiece for renewed federal leadership, which focuses on the problem of disparities in primary and secondary educational opportunity and achievement.

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### **CENTERPIECE OF THE FEDERAL WORKPLAN: THE COMPACT FOR EQUAL OPPORTUNITY IN EDUCATION**

I propose a **Compact for Equal Opportunity in Education** -- quite simply, a new covenant to benefit America's children. In those states and school districts willing to enter into this covenant:

- The federal government will offer substantial new funds and greatly expanded flexibility in the use of current federal funding.
- In return, the state or school district would establish a comprehensive plan and strong system of accountability for results in closing the measurable achievement gaps between minority and non-minority and between poor and non-poor students in public schools.
- The federal government would not dictate the means used, and the state or district could even propose its own goals and timetables, with all the public scrutiny that entails. But the decision to award the federal funds and enter into a Compact would be based on a competitive, public review of the applicant's comprehensive strategy by an independent, diverse, peer review panel, including experts in successful school reform strategies.

Let me explain briefly why I think we must take this new approach. There is a tragic irony at work in American education. Too often, the children who need the most are least likely to get it. In part, this is because of long-standing inequities in educational funding formulas, especially the traditional reliance on local property taxes. Schools in a sea of poverty are too often overwhelmed, or

nearly so, by the extraordinary challenges they face. Students who live in low-income neighborhoods often bring the many burdens of their lives and their communities to school with them. Simple calculations of expenditures-per-pupil don't capture the subtleties, including: homelessness, family crises, or hunger; crime in hallways, streets and homes; and the simple, grinding pressure of poverty that may make family support harder to come by. Add to those problems the aging inner-city school buildings, disparities in teacher training, high proportions of students with special language needs -- and you have a recipe for disaster.

Up until now, we have generally tackled this problem with piecemeal, fragmented approaches, including efforts at the federal level. Over the decades, the intentions have been good, and the progress has sometimes been meaningful. Earlier in my Administration, we worked with the Congress to enact Goals 2000 and a major reform of the bedrock Federal grant program intended to help states and districts educate poor children, the so-called Title I program. Now funded at almost \$8 billion per year, the program is distributed by a formula related to the number of poor children, and the law now tells states that accept the money (all do) that they must raise standards and use tests or some kind of assessment to hold themselves accountable for making progress in improving education outcomes for poor children. I believe that these reforms are moving us in the right direction, and there are important signs of promise and progress. But the pace is too slow, and our ambitions must be still higher.

But I believe the racial disparities and underachievement we have tolerated for so long justify the burning impatience felt by many parents, civic leaders and educators alike. I share their impatience, and therefore believe we need a new approach. We can forge a new federal-state partnership to break the cycle of disadvantage and eliminate gaps in student achievement. Still more piecemeal programs -- federal or state -- will not bring about the sweeping changes needed to close the substantial racial gaps in opportunity and achievement, making public schools work for all of the public.

Let me be clear: this is not Washington encroaching on local authority. In my years as a governor, working both within my state and on national policy, I came to fully appreciate that education is primarily a state and local responsibility. But I have also seen that sometimes a child's opportunity can be limited by the resources a local community can raise with a property tax, or the accident of whether the state is wealthy or poor, generous or stingy in aid to local schools. On the other hand, I have seen that Federal education programs are often too confining, with their red tape and narrow categorical purposes. And across the board, I have seen education treated as an island, cutoff from the mainland of challenges in the surrounding community. Yes, education is primarily a state and local responsibility -- but to be successful, all public officials at all levels must

work together, across political boundaries in a metropolitan area, and across whatever agencies or departments can play a role in supporting children, families and their communities.

This Compact will provide new, greater flexibility but in return demand greater results. It springs from my belief that, given an equal chance, all our children can succeed. It is my hope that the flexibility built into this proposal will spur emulation, innovation and tailoring of approaches to fit local needs. For example, I expect *but would not require* that each Compact for Equal Opportunity in Education include such things as: (a) strategies focused on putting high-quality teachers in high-need schools, and plans to reduce disparities in other resources; (b) ways to engage families, businesses and other local institutions; (c) strategies for breaking through the red tape of various federal, state and local programs in education as well as related fields, and ways to build partnerships across jurisdictional lines of school districts and local government agencies; (d) creative responses to the needs of immigrant children with limited English skills; (e) ways to promote higher expectations for achievement and to take aggressive action when there is failure; (f) practical mechanisms to identify educationally bankrupt schools or even districts, triggering receivership; and (g) plans for accountability at all levels, so that performance is measured fairly and has consequences.

These are not mandates. I am proposing neither a formula nor a cookbook. Communities that are not interested in a new Compact to close achievement gaps can simply ignore this challenge, and leave the money on the table for others. We will continue to work with them in the basic Title I program to raise standards and performance. But for those states and communities willing to join in this bold national effort, the independent review panel will judge whether the programs proposed show a strong promise of success. And states or districts must show results over time or lose funding to others who have adopted measures that produce progress.

As the Advisory Board on Race said in its final report to me, "To a great extent, we know what to do to promote educational equity and excellence; we just have to have the courage as a nation to do it. If we are successful here, fundamental change will follow." In the long-term, if we eliminate gaps in student achievement by race, we will ensure minority access to college and to a better future, and we will promote integration by making all public schools, and therefore the communities they serve, attractive to all Americans.

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## A WORKPLAN FOR THE NATION

The nation's agenda in education is a broad one. To Build One America, we must:

- Close racial gaps from preschool through high school to maximize the God-given potential of every child;
- Increase college participation and graduation; and
- Promote integration in education to enrich the learning experience for all students and to strengthen our American community.

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### **CLOSING RACIAL GAPS FROM PRESCHOOL THROUGH HIGH SCHOOL**

The Compact for Equal Opportunity in Education, together with other efforts such as Headstart and Title I, represent an important Federal contribution to our national effort. But there are several important steps that require commitments from us all -- as we sit around the table in the Cabinet Room weighing legislative ideas, as a parent sits with a child around the kitchen table helping with arithmetic or grammar, as teachers work together on a strategy to get an alienated teenager engaged in learning. Here are some key things we must do together, focused on closing the morally unacceptable racial gaps in education achievement.

- ***Support families and promote early learning opportunities***

A child's development in the earliest years is crucial to the rest of his or her life. Children who do not reach school ready to learn will spend a significant amount of time catching up to their peers and may never fully overcome initial learning gaps. The key here is families. Parents must be every child's first teachers.

The most important thing parents can do in the early years is read to their children. We have set a national goal of having all our children read independently and well by the end of third grade. To help achieve that goal, researchers tell us that parents should read to their children at least 30 minutes per day. In just the last few years, the percentage of parents who are reading to their children on a regular basis has increased dramatically, and that increase has been greatest among parents of color. This is important progress. But we can do better. Today, parents of white children are still more likely to read to their children. One reason for this difference is the gap in literacy among adults. Approximately 40 million American adults cannot read English or read only at the lowest level, and

persons of color are overrepresented in this group. Parents who cannot read cannot teach their children to read, and may not put as much emphasis as they should on their child's school work generally. We must take action to increase adult literacy for this and other important reasons.

Beyond the parent's role, we must mobilize other aspects of the caring "village" my wife Hillary has spoken about so often. It is long past time to recognize that children of all races must have access to high-quality pre-school. Quality preschool boosts child development, which leads to higher achievement in school, better social adjustment, and even decreased involvement in crime. Head Start plays an important role here by providing quality pre-school to nearly one million children of low-income families. But we are currently serving less than 50 percent of eligible students, including only 35 percent of eligible Hispanic students. There is more to do.

Finally, families must remain involved in their children's education throughout school. A child's chances of success, regardless of race or class, are immeasurably increased when his or her family participates in the child's education. The more directly involved parents are in each child's school, the greater the return. All schools should have parent compacts that clearly define parents' role in the school. As a national goal, I believe that every parent should do some form of volunteer work in their children's schools every month (and employers should provide the flexibility to help parents do so).

- ***Overcome racial gaps in K-12 educational opportunity***

Over the last several years, we have embraced the idea of high academic standards for all students, including the use of tests to ensure that those standards are met. Half our states now have or will soon introduce high school tests that students must pass to graduate. These standards and tests can play a crucial role in ensuring the quality of teaching and learning in our schools, but only if we give all students a full and fair opportunity to meet the standards and pass the tests. If all our children are going to be held to the same high standards, and they should be, then all students must have an equal opportunity to meet those standards and succeed to their full potential.

Present racial gaps in educational opportunity are dramatic, especially in our poorest, most racially isolated communities where large percentages of minority children are struggling to learn in our lowest quality schools. Students in these communities face disadvantages in so many areas that it is impossible to adequately discuss them all. But let me mention several issues that I believe are most crucial.

**Teaching.** First and foremost is the lack of high-quality teachers. Study after study confirms what many of us have always known -- teachers are our most valuable educational resource. As class size decreases and teacher quality increases, all students perform better, especially poor and minority students. Yet today, poor and minority children are more likely to be taught in moderately larger classes by less-qualified, less-experienced teachers. Nearly 50 percent of teachers in poor, minority schools leave after only 3 years. Students of color are also more likely to be taught by teachers without certification, without a degree in their field, and with lower test scores -- and all of this at schools where student underachievement is commonplace. Studies show that controlling for these factors, much of the racial disparity in student achievement disappears. We have taken an important step with Federal legislation in 1998 to help schools decrease class size. Now we must ensure, through recruitment, training, and professional development, that the teachers in those classes are fully prepared in the subjects they teach and in effective pedagogical methods. More of our brightest Americans must be encouraged to become teachers; colleges must commit to better teacher education; and more of our best teachers, including teachers certified by the prestigious National Board for Professional Teaching Standards, must be inspired and given incentives to teach in our highest-need communities.

**Curriculum.** Educational opportunities are not equal if students do not have equal access to challenging courses. That is why it was so important to me that federal legislation early in my Administration gave a vital boost to the high-standards reform movement, including the effort to ensure that poor children are offered challenging course work. Progress, however, is too slow. Still, poor and minority children are far less likely than middle class and white students to take a solid course in algebra, rather than "math for consumers." Still, minority students are far more likely than whites to attend a high school that offers few or no . Advanced Placement courses, like calculus or second-year chemistry. And, most unfairly, research suggests that too many children are put in "tracks" or so-called "ability groups" that supposedly offer extra help, but in reality can be a detour to a second-rate curriculum leading to a third-rate dream. When a student's school doesn't even have enough solid math classes to go around, taught by qualified teachers, is it any surprise that college entrance test scores suffer? If the courses most relevant to the jobs in tomorrow's economy are in the suburban schools but not the inner city 15 miles away, should we be surprised if America's economic divide widens in the years ahead? We share an obligation to face these disparities in opportunity, and end them.

**Buildings.** Teachers cannot teach and students cannot learn effectively in overcrowded, deteriorating, or unsafe schools. What are we saying to our young people who go to schools with leaky roofs and crumbling walls or who are forced to study in converted trailers. We are saying that school doesn't matter; education

doesn't matter; *they* don't matter. That is the wrong message, and it is harmful. These conditions are most dramatic in our inner cities, where large percentages of minority students attend outdated, dilapidated schools often just miles away from the grandest imaginable suburban schools complete with the latest technology. We cannot expect our children to raise themselves up in schools that are literally falling down. We must take action to modernize our schools and build new schools where needed.

***Technology.*** Closely related to this is the importance of overcoming racial and class disparities in access to technology. By the year 2000, 60 percent of the new jobs in America will require advanced technological skills. To prepare all students for these jobs and to improve education more generally, every school must have a sufficient number of computers, access to the Internet, and training on how to use technology effectively. The new "E-rate" championed by Vice President Gore is providing precious technology resources for many of our schools, but state, local and private efforts are needed. If we fail at this, the color divide will be compounded by a digital divide.

***English acquisition.*** There is strong consensus across racial and ethnic lines that all students should learn English, and we must provide the necessary resources to help all students learn English within three years. The current needs are great: In addition to a shortage of bilingual teachers, only 30 percent of teachers with Limited English Proficient (LEP) students in their classes have received any training in teaching LEP students. There are many possible models of success in teaching English, and the best approach depends on each student's needs. But whatever approach is chosen, it must be judged by its success at teaching LEP students English and helping them achieve at the same level as students for whom English is their first language.

At the same time, the ability to speak additional languages is a great asset in our increasingly diverse world and global economy. We should encourage foreign language learning, starting in early grades, so that all students are fluent in at least one language other than English. This is one important arena in which our nation's growing language diversity can be beneficial. If we want our children to know many languages, it helps that they go to school with children who speak many languages.

***Safety.*** Most of our schools are safe, but violent crime and fear of crime are real factors in about 10 percent of schools. Moreover, while the numbers are low, black and Hispanic children are significantly more likely than whites to fear being attacked in school, to report having street gangs in school, to see a gun in school, and more. Let me be clear: Violence destroys opportunity. It shatters both limbs and dreams. It teaches that force or might is more important than learning.

That is why I have proposed a comprehensive school safety initiative that supports efforts by schools and communities to eliminate guns, drugs, and violence from our schools.

- *Hold high expectations for everyone*

In addition to better resources, we must promote high expectations for all students. In large part this means holding all students to high academic standards and making sure that tracking does not restrict learning opportunities. Too often, students are tracked based not on their educational needs but on their skin color or accent. This is discrimination in the form of low expectations by teachers and other adults. It is wrong.

Building higher expectations often starts with simply expecting more from students. Consider this: Surveys show that African American and Hispanic students feel they can bring home lower grades than their white and Asian Pacific American peers before their parents will get upset. Other surveys show that minority students most hope to impress their teachers, not their parents, with their academic performance. These surveys suggest that if students of all races are to be inspired to succeed, parents must demand more, and teachers must expect a lot.

Peer influence is also important. Too many children of all races seem to view being a good student as “uncool.” Some research suggests that this situation is even more dramatic for minority students, for whom educational success may be perceived not only as uncool but also as “acting white.” Consider the dramatic account in Ron Suskind’s book, *A Hope in the Unseen*, of a schoolwide assembly at a poor, predominantly black high school in Washington, D.C. The assembly was one of several to honor students who received straight “A’s” with \$100 awards donated by a local radio station.

At the start, the assemblies were a success. The gymnasium was full, and honor students seemed happy to attend, flushed by the cash. But after a few such gatherings, the jeering started. It was thunderous. “Nerd!” “Geek!” “Egghead!” And the harshest, “Whitey!” Crew [gang] members, sensing a hearts-and-minds struggle, stomped on the bleachers and howled. No longer simply names on the Wall of Honor [which listed honor students], the “whiteys” now had faces. The honor students were hazed for months afterward. With each assembly, fewer show up. (p. 3)

Other honor students were even threatened with violence, including Cedric Johnson, the honor student chronicled in Suskind’s book who, I am thrilled to say, is now a student at Brown University. Cedric did not attend the assembly to pick up his \$100. “I just couldn’t take that abuse again,” Cedric explained to his

teacher. "I hate myself for not going." (p. 6).

Cedric beat the odds. But most students cannot be expected to succeed to their full potential in environments like Suskind describes. Of course, no student should ever have to fear violence because of academic success. We must also, however, convince students of all races that education is "cool," and that being smart is not acting "white," or "black," or "brown," or any other color. Role models are important here, and I urge people who succeed to reach back to their communities to show students that educational achievement is the key to success in all aspects of life.

In the end, however, the expectations of teachers are probably the safety net for kids who can't find encouragement or support from peers or parents. But, there are millions of students winning As and Bs from their teachers while scoring miserably on all kinds of standardized tests that compare them with students elsewhere. And there are social promotions that move a student along because teachers and administrators simply don't expect that certain kids can and should achieve at grade level. Well, these educators aren't living up to our expectations for *them*.

- ***Increase responsibility and accountability for everyone in education***

We are all responsible in different ways for overcoming racial gaps in educational opportunity. We must all be held accountable for the results of our efforts. For public officials and school administrators, this means attaining measurable reductions in achievement gaps and increasing educational performance. Parents and CEO's, business leaders and clergy should demand success. This also means increasing public school choice and providing detailed information on school quality so that parents can make informed choices. For teachers, this means providing substantial opportunities for professional development but requiring that teachers demonstrate competence in their subject area and excellence in the classroom. For parents, this means building partnerships between schools and families and requiring that parents be engaged in their children's education through "parent compacts". For students, this means promoting high standards and ending social promotion while giving all students the help they need to achieve.

We must set clear, ambitious goals for education, give administrators, teachers, parents, and students the resources and authority to achieve those goals, and hold them accountable for results. I strongly believe that tests, including voluntary national tests, play an important role in measuring our success at teaching and learning, along with other forms of assessment. But we must be sure to always use the right tests, for the right purpose, in the right way.

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Let me explain briefly why I believe that private school vouchers, paid for with the public's tax dollars, are a far less promising approach than the workplan I have described. [A couple of paragraphs to be inserted here, including mention of the dangers of draining resources, making the public schools more likely to fail with the "stayers"; the value of the "common school" ideal and the problem of resegregation; the incredible multi-billion cost. But also: the importance of finding alternatives to the market-driven model of vouchers to ensure that are powerful incentives for school improvement -- through testing, sharper accountability, etc.]

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### **INCREASING COLLEGE PARTICIPATION AND GRADUATION**

While improving K-12 opportunity and achievement is the long-term solution in education, we must take additional action to increase college participation and graduation. Let me mention just three that are central to our pursuit of racial and ethnic justice.

- ***Expand college enrollment and financial aid***

We must continue to expand college access and ensure that all students who want and deserve to go to college can afford it. I am proud that we have made much progress in this area. But much more can be done. Black, Hispanic, and Native American students are still less likely to go to college than white or Asian Pacific American students. In many cases, this is simply because students from disadvantaged backgrounds are less aware of college options and of how to take advantage of those options. Evidence shows that we can increase participation in college by building partnerships between colleges and high-poverty schools. These partnerships can increase college expectations and provide support services, such as mentoring and tutoring. We have taken important action to develop these partnerships through our GEAR UP program. We must build on that to ensure that every degree-granting college partners with high-poverty schools to make the dream of college a reality for more low-income and minority students.

Over the last several years, we have retooled and dramatically increased financial aid for college, including substantial increases in Pell Grants, which are received by more than half of all minority college students. Nonetheless, the high cost of college remains the major reason why many students decide not to attend

college and why too many minority students drop out. Money for college is available to all who need it, and we must get that message out. But we must also take additional action to help families that face undue hardships due to the loss of a college student's contribution to family income.

- ***Close racial disparities in graduation rates and increase minority participation in graduate and professional schools***

Getting into college is only half the battle. Colleges must take greater responsibility for ensuring that more of their students finish successfully. Graduation rates for persons of color remain far below that of whites. Of those students beginning college in 1989 and seeking a bachelor's degree, 48 percent of white students and 47 percent of Asian Pacific American students earned a degree by 1994 compared with 34 percent of blacks and 32 percent of Hispanics. Studies prove that support services such as counseling, tutoring, and mentoring in college can significantly increase graduation rates, especially for Hispanic students. We should expand these efforts. Minority-serving institutions typically go the extra mile to retain their students, and more colleges should follow their lead. For example, Xavier University of Louisiana, a small historically black university with only 3000 students, leads the nation in producing black physics, chemistry, and biology graduates and sends more black graduates to medical schools and pharmacy schools than any other college or university in the nation. Norman Francis, President of Xavier University, attributes Xavier's success to demanding hard work while providing all students with the support services they need to succeed, including advising, tutoring, and assistance in applying to graduate schools.

Community colleges play an important role in expanding educational opportunity, especially for Hispanic students. These colleges also serve as a bridge to further education. Studies show that where there are clear agreements linking 2-year and 4-year colleges, more minority and other students successfully transfer from community college and more transfer students receive bachelor's degrees. Two-year and 4-year colleges must build strong, clear relationships to enhance coordination, increase student transfer rates, and increase graduation rates.

Finally, students of color are underrepresented across the board in graduate education. This situation is especially dramatic in the science and technology arenas. Almost 94 percent of all doctorates in science and engineering are earned by whites or Asian Pacific Americans, and the number of black doctorates is smaller now than 20 years ago. This is untenable. As a simple demographic matter, if we want breadth, depth and excellence in these professions, we must be inclusive.

- ***Support minority-serving institutions and build college partnerships***

Third, we must support minority-serving institutions, including historically black colleges and universities (HBCUs), Hispanic-serving institutions (HSIs), and Tribal colleges. These institutions have played and continue to play a vital role in educating students of color. Sixteen percent of black college students attend HBCUs, but HBCUs award 28 percent of all bachelor's degrees received by blacks. And HSIs award more than 50 percent of all bachelor's degrees received by Hispanics.

In addition, we must encourage partnerships between minority-serving institutions and predominantly white research universities. These partnerships can enrich academic offerings available to students. In addition, the partnerships can increase diversity by providing opportunities for students and faculty to interact in different environments.

\*

#### **PROMOTING INTEGRATION TO ENRICH THE LEARNING EXPERIENCE FOR ALL STUDENTS**

Parents, students, institutions, and communities should have the right to choose a racially and ethnically diverse education. After a burst of progress in the late 1960s and early 1970s, segregation in schools is worsening because of housing and demographic trends as well as a shift away from legal actions requiring school desegregation. Furthermore, diversity in higher education, though strongly supported by the higher education community and the nation, is under attack on several fronts.

We must renew our belief in the value of integration in education. As my Advisory Board said in its final report, the goals of quality and integration in education are complementary. Diversity is not about political correctness. It has real, tangible benefits, not only for all students, but to our society. Diversity improves teaching and learning by providing a range of perspectives that enrich the learning environment. It teaches good citizenship by showing students how to interact comfortably with people different from themselves. It improves students' preparation for employment by teaching them how to function in diverse work settings. And it fosters the advancement of knowledge by spurring study in new areas of concern. The actions we must take in this area include:

- ***Reduce racial segregation among and within schools***

Today, 67 percent of black students and 74 percent of Hispanic students

attend primary and secondary schools with greater than 50 percent minority enrollment, and more than one-third of black and Hispanic students attend schools with more than 90 percent minority enrollment. We must reduce this racial segregation and isolation among schools. The single most important thing we can do to promote integration is to make all schools good schools that attract diverse student bodies. But there are also innovative ways to give more parents and children the option of an integrated education, including the expansion of interdistrict magnet and charter schools, schools located at large employers and on university campuses. We must also promote housing integration efforts designed, in part, to promote school integration.

Even in so-called integrated schools, too many students are resegregated into different classes, with students of color overrepresented in remedial and special education classes. Furthermore, students sometimes self-segregate in inappropriate ways. We must take action to ensure that tracking based on biased expectations and faulty policies does not resegregate students.

Furthermore, schools must promote opportunities for positive cross-racial interactions. Studies show that having students of different races work together toward common goals can breakdown racial stereotypes, improve race relations, and improve the academic achievement of the lower achieving students.

- ***Promote the benefits of diversity in higher education***

We must also increase integration in higher education. College and university leaders have long known that diversity in the student body is essential to providing all students with a complete educational experience. According to Neil Rudenstine, President of Harvard University, "The conception of a diverse student body as an educational resource -- comparable in importance to the faculty, library, or science laboratories -- is the most direct expression of an idea that we have seen emerging over the course of more than a century." Studies show that where the "resource" of racial diversity is used effectively, all students benefit. However, diversity in higher education is poorly understood in the public arena and is under attack on several fronts. Most dramatically, in states where affirmative action has been outlawed, data show a dramatic decrease in the numbers of students of color accepted at the most prestigious institutions. For example, in 1998, the University of California, Berkeley had to reject more than 800 highly qualified black, Hispanic, and Native American applicants each of whom had a 4.0 or higher GPA and scored 1200 or higher on the SAT.

I address elsewhere the issue of affirmative action. But here I want to make the more general point that as a nation we must recognize the great value of diversity in higher education. In their recent book *The Shape of the River*, William

G. Bowen and Derek Bok showed that students of all races want a diverse educational experience. According to surveys of black and white graduates of selective universities who began college in 1989, a majority of both blacks and whites believe that "the ability to work effectively and get along with people of different races and cultures" is "very important." A majority of both blacks and whites also believe their undergraduate experience was of "considerable value" in developing those skills based on interactions with students of different races. And the vast majority of both blacks and whites believe that their school should continue to place the same or greater emphasis on diversity. We must preserve and develop appropriate mechanisms to ensure diversity in the short- and long-term. Furthermore, colleges and universities must promote the educational benefits of diversity by creating supportive campus environments and by promoting positive cross-racial interactions among students.

\* \* \*

### CONCLUSION

Tearing down the walls of disparity and division in American education is as vital to our future as the defeat of fascism was in World War II, or the global stabilization of struggling economies is today. For too long we have professed support for equal opportunity without grappling with the glaring inequities faced by too many of our children. I know this won't be easy. We have spent years building walls and patching cracks along the color line. But we must not fail to act. The costs of delay are mounting. Our children and our nation are in danger of falling behind in a world that is forging ahead.

Remember, these are all our children. Each of them is eight years old but once. The choices we make will put them on a track to nowhere or a track toward achieving their full, God-given potential. If we do not prepare them well, they may spend a lifetime struggling to find a way in from the cold margins of the new economy. And if our children learn apart, they won't know how to live together. This requires more than passing laws against hateful conduct. It requires a passage of spirit, from the old world of racial separation, to a new world of shared hopes, common values, and unity. Education is the vessel that will get us there. It must be our number one priority. Nothing less is at stake than the strength of our economy and the soul of our nation.

How we meet the challenge remains a window on our hearts.



Michael Cohen  
01/25/99 02:16:26 PM

Record Type: Record

To: Maria Echaveste/WHO/EOP, Clara J. Shin/WHO/EOP  
cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
Subject: Comments on education section of race book

I reviewed the education chapter and introduction again over the weekend, and have a number of comments. Please note, I did not have a chance to do any fact checking -- I presume the numbers Chris uses are right and have been double checked by him and others.

1. The fundamental concern with this chapter has been addressed already, in our memo to POTUS. The Compact for Equal Opportunity in Education is clearly at odds with the President's State of the Union proposals and the direction that ESEA reauthorization is taking, so obviously that piece can't stay in here as is. If it is removed or substantially changed to reflect what POTUS has already proposed, the structure (but not necessarily the content) of much of the rest of the workplan would also need to be altered, since some of the issues in the workplan--quality teachers, social promotion, accountability for all--are addressed in the SOTU proposals. However, I'm not clear what the process is for resolving this conflict, so rather than relitigating now, I'll offer other comments designed to strengthen the rest of the chapter.

2. A couple of editorial comments:

- p.1 of the education section: I don't remember if in 1957 there was such a thing as "breaking news" television coverage. Someone should check before POTUS declares he remembers it.
- p.6: sentence describing our class size reduction effort should end with the point that reducing class size will "...have positive effects on student achievement *particularly for minority youngsters.*"
- p. 8: The sentence "On the other hand, I have seen that Federal education programs are often too confining, with their red tape and narrow categorical programs." is a problem (beyond the fact that it is contained in the disputed section on the "Compact". First, in the beginning of the Administration, we made a major and successful effort to reduce regulations and red tape in el/sec programs (e.g., we cut regs in ESEA programs by 2/3). This sentence doesn't reflect our own success. Second, since then, we have added several of our own programs with "narrow categorical purposes" including Class Size reduction and the America Reads initiative, which are as categorical as anything we found when we came into office. I would simply drop this point.

3. In the section highlighting aspects of the nation's workplan - the education issues that must be addressed -- Chris pays inconsistent attention to the extent to which our own initiatives help the nation address the challenges in question. While I know this section is not intended to be a compendium of federal education programs, it does seem important to highlight Presidential initiatives that support the nation's work. To that end, I offer the following suggestions (a number of these highlight NEC initiatives, so I assume they will respond similarly):

- *Support families and promote early learning opportunities.* the discussion here should mention that our America Reads initiative includes a significant effort -- through outreach, work with community based organizations, development of materials, etc. as well as budget proposals -- to encourage parents to read to their kids and to become literate themselves.

- *Teaching* -- This section should at least mention the initiatives POTUS highlighted last week -- scholarships to recruit people to teaching in high poverty communities, Troops to teachers and the Native American teacher recruitment initiative.
- *Buildings* -- Should underscore our battle over the past 2 years to enact federal legislation to support school modernization.
- *Technology* -- In addition to the e-rate, there should be some mention of our nearly \$2 billion technology Literacy Challenge Fund, to help get computers and trained teachers in the classroom.
- *English Language Acquisition*. I think there should be some indication that POTUS believes that if local communities should strive to help kids become proficient in English in 3 years.
- *Safety* -- There should be some mention of our school safety initiatives, with a particular emphasis on zero - tolerance for guns in schools, other efforts to keep guns away from kids, and after-school programs designed to keep kids safe.

Overall, I think this section is otherwise quite good.

To: Maria Echaveste

From: Melanne Verveer and Shirley Sagawa

Re: Comments on Intro and Education chapters of Race book

Date: January 27, 1999

We met with Chris Edley last week and gave him some comments directly. It looks as if the January 21 circulated predates our meeting. We assume he is planning to incorporate those comments.

One of the topics we discussed was the need for the draft to be consistent with the ESEA proposal, and not to confuse readers who might not understand the relationship between the two. A related issue is ensuring the chapter is as strong as possible regarding what schools can and should do regardless of federal policy. Too much emphasis on a federal proposal that requires legislation takes away from the "bully pulpit" aspects of the chapter.

Other comments:

p. 9, 1st full paragraph, under (e) -- in addition to promoting higher expectations and taking aggressive action against failure, should add "for all children" and call for the end of harmful tracking of children into deadend curriculum options.

p. 10 -- re: early learning opportunities. Could we mention the "Prescription for Reading" campaign initiated by Mrs. Clinton? Physicians responding to this challenge agree to "prescribe" reading for their young patients, and give them a book at every checkup. It is an example of how others in the community can promote reading. We can provide additional details.

Second, it makes sense to mention the need to apply the latest research on reading development in Head Start and other early childhood programs.

Third, it would be useful to underscore the link between health and education, early brain research, etc.

p. 11 -- re: K-12 educational opportunity. Improving reading curricula and teaching based on the latest reading research is very important if we are to close the gap. America Reads would fit here as well.

P. 12 -- re: teaching. It's unfair to say there is a "lack" of high-quality teachers. The problem is that there is a shortage of high quality teachers and that they are not distributed throughout the system in a way that optimizes achieving for the students who need them most. I would also mention the need to support new teachers (which would address the point raised in the text about new teachers quitting after three years). Strategies include mentors, better assignment policies,

and higher quality professional development opportunities.

p. 15 -- re: Increased accountability. This is the first mention of public school choice -- it's buried too. We would like to see the vouchers section when it is drafted. Believe there should be a positive mention of charter schools.



Ann F. Lewis  
01/26/99 07:50:59 PM

Record Type: Record

To: Clara J. Shin/WHO/EOP

cc:

Subject: Race Book

You asked if I had comments about the intro /education section .

I saw some policy recommendations that seemed new to me--eg the Compact for Equal Opportunity, which would make major change in federal funding, with no reference to our new accountability policy. (There is discussion of accountability later but not as an administration initiative . ) I didn't see any reference in the section on the importance of teachers --perhaps I missed it - to our incentives for teachers to teach in innercity and other underserved schools.

I assume either that this reflects a separate process on policies to highlight or that the next level of discussion should be with the policy offices. Language/ communication has to reflect the policies --not the other way round. So I can probably be more helpful if I know that these decisions have already been made.



Melissa G. Green  
01/26/99 02:19:59 PM

Record Type: Record

To: Clara J. Shin/WHO/EOP

cc:

Subject: Race Book

----- Forwarded by Melissa G. Green/OPD/EOP on 01/26/99 02:21 PM -----



Cecilia E. Rouse  
01/26/99 02:13:17 PM

Record Type: Record

To: Melissa G. Green/OPD/EOP

cc:

Subject: Race Book

Melissa,

The chapter looks fine. I would only suggest one edit: on p. 13 the new "E-rate" was not only championed by the VP, but by the President as well.

-- Ceci



"Christopher Edley, Jr." <edley @ law.harvard.edu >  
01/22/99 01:40:39 PM

Record Type: Record

To: Edward W. Correia/WHO/EOP  
cc: See the distribution list at the bottom of this message  
Subject: Re: Draft Book

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Thanks Eddie!

At 12:53 PM 1/22/99 , you wrote:

> I apologize for not getting back to you earlier with comments on the  
> draft. I have seen the 12/12 draft of the introduction and the 12/11 draft  
> of Part IV. Overall, I found the themes were very powerful and much of the  
> prose is really inspiring. Also, the policy suggestions and goals are good,  
> too -- eliminating racial disparities, reducing segregation, avoiding  
> inappropriate tracking and so on. My main concern is that the level of  
> generality and the long list of ideas (and this is only one part among  
> several) will generate a ho-hum reaction by the press. It could be one of  
> those more-is-less situations where there are lots and lots of ideas, but  
> there doesn't seem to be anything sharp enough to react to, so the  
> (irrational) reaction is that there's "nothing new" there. On the other  
> hand, there are clearly disadvantages in being more specific. For one  
> thing, there may be more controversy just getting the book out the door.  
> For another, a suggestion in the book may conflict with the budget or some  
> other policy we are currently taking. So, I don't have an easy answer. My  
> main thought is that you should avoid this sounding like a long State of  
> the Union. Fewer, sharper proposals beat a larger number of fuzzy ones.  
> The idea of a "Compact for Equal Opportunity" is a new and important  
> idea. My own view is that current law, including Title VI, are poor tools  
> for solving resource comparability and other problems that come under the  
> head of inequality in education (as opposed to across the board low quality  
> education). Title VI is certainly difficult to use at the inter-district  
> level. Federal standards tied to funding could potentially be a much more  
> powerful tool that could be targeted specifically to particular problems,  
> e.g., an inner city high school receiving substantially fewer resources  
> than a suburban school. Title VI is tough to use in this case as the recent  
> dismissal of the case in Philadelphia suggests. There are two problems:  
> First it can become (or seem) very bureaucratic and intrusive, so it  
> provokes strong opposition from the states and localities, which is then  
> passed on to Congress. We have already seen that in response to the Goals  
> 2000 idea and to the State of the Union. Second, if the authority is there  
> to withhold funds, and we actually do, the kids who may suffer are the  
> very ones we want to help.  
> If the compact idea is going to be in the book, it deserves a more  
> complete discussion, including an answer to the likely objections. So, my  
> suggestion is to deal with these issues more directly than you do know. In  
> fact, compliance would not be as voluntary as you suggest, or the compact

> wouldn't mean much. The truth is that the quality of education in some  
> places is so bad that we have to have federal oversight -- it's just too  
> costly to the nation as a whole not to. Second, I suggest that you  
> include some real-life examples to show the problem, e.g. lack of  
> comparability. I think ED can come up with some if you need some. And, if I  
> can help, let me know.  
>

**Message Copied To:**

---

Scott R. Palmer/PIR/EOP  
aedmonds1 @ home.com  
terry.edmonds @ ssa.gov  
James T. Edmonds/PIR/EOP  
Clara J. Shin/WHO/EOP

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.

THE WHITE HOUSE  
WASHINGTON

January 13, 1999

'99 JAN 12 PM6:37

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.