

**NLWJC - Kagan**

**DPC - Box 017 - Folder 009**

**Education - Block Grants**

Educ-class size  
and  
Educ-Block grants



Michael Cohen  
09/18/98 12:26:26 PM

Record Type: Record

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

cc:

Subject: class size vote

class size was defeated 216-190; vote on dollars to classroom is going on now, and it will of course pass



Kate P. Donovan  
09/16/98 07:15:32 PM

Record Type: Record

To: Laura Emmett/WHO/EOP, Kevin S. Moran/WHO/EOP, Jessica L. Gibson/WHO/EOP, Elizabeth Gore/OMB/EOP

cc:

Subject: Revised SAP for HR 3248

We revised the SAP that was released today for H.R. 3248 - Dollars to the Classroom Act, to reflect action taken this afternoon by the House Rules Committee. Please note that the overall position is the same. "Senior Advisers would recommend veto?" However, a new paragraph has been added at the end of the SAP (in bold) that states our support for the Clay substitute amendment. Mike Cohen, Broderick Johnson, Bob Shireman, & Barbara Chow have all approved this new language. I'm not sure if you need to clear this with Elena, Larry, or Maria respectively, but wanted to leave it for your discretion. The bill is expected on the House floor tomorrow afternoon; therefore, I would need your comments/clearance around 11am. Please call me if you have any questions. Thank you.

DRAFT

September 17, 1998

(House)

**H.R. 3248 - Dollars to the Classroom Act**  
(Rep. Pitts (R) PA and 110 cosponsors)

The Administration strongly opposes H.R. 3248, as reported by the Committee on Education and the Workforce. If the bill were presented to the President, his senior advisers would recommend that he veto it.

H.R. 3248 would convert a wide array of Federal education programs that address national priorities into a single, unfocused block grant program providing general aid for education. The bill would eliminate programs that focus on our neediest children and schools, and on activities in which national leadership can play a critical role. For example, it would eliminate programs that help States and school districts raise educational standards and achievement for students, improve the quality of teaching, bring the benefits of technology to our Nation's students, and increase the availability of after-school programs.

Block grants would replace these worthy programs with general aid for school operations, which is the responsibility of States and communities, with no attention to areas of national need. In addition, the bill contains inadequate mechanisms to: (1) hold States and communities accountable for their use of taxpayer funds; (2) hold schools and school systems accountable for results; and (3) give the Administration and Congress information with which to evaluate the block grant program's performance.

H.R. 3248 is also objectionable because the "Ed-Flex" provisions that would extend authority to waive Federal requirements to all States lack the critical ingredient of the current program in which 12 States participate: meaningful accountability, connected to high standards and expectations for all children. The Administration supports expansion of the Ed-Flex program to additional States, but only when the links to challenging academic standards, high expectations for all children, and accountability for results are strong and clear.

**The Administration strongly supports Representative Clay's amendment in the nature of a substitute, which would promote class-size reduction and improved teacher quality, along the lines proposed by the President earlier this year. The Clay substitute would provide much-needed assistance to help States and local school districts recruit, train, and hire 100,000 additional well-prepared teachers in order to reduce the average class size to 18 in grades 1 through 3 in our Nation's public schools. Rigorous research confirms what parents and teachers have long believed -- that students in smaller classes, especially in the early grades, make greater educational gains and maintain those gains over time.**

\* \* \* \* \*

**(Do Not Distribute Outside Executive Office of the President)**

This draft position was developed by LRD (Bowers/Benton) in consultation with EIML (Cassell/White) and ED (Riddle). The Departments of Education (Riddle), Justice (Jones), and Interior (Cardinale), and WH IA (Ibarra), OMB GC (Retzman), BRCD (Brown), BASD (Sullivan), and OIRA (Chenok), agree with or do not object to this position. DPC (Cohen) and WHLA (Johnson) commented on an earlier draft of the SAP.

OMB/LA clearance: Gore, Chow, Mathews, Lew (OMB); Johnson, Stein (WHLA); Cohen, Kagan (DPC); CoS (via Moran).

**BACKGROUND**

Secretary Riley sent a letter to the House Education and Workforce Committee on June 24, 1998, stating that he would recommend that the President veto H.R. 3248. His letter noted that the President stated previously that he would "use his veto power to prevent this [block grant] approach from becoming law." The letter stated that the block grant approach in H.R. 3248 would replace the current emphasis on national priorities (e.g., focusing on the neediest children and schools) with general aid that would fail to provide focus and accountability for results. The bill was ordered reported on June 24, 1998, by a vote of 19-18.

**SUMMARY OF H.R. 3248**

H.R. 3248 would consolidate funding for 31 currently funded elementary and secondary education programs into a program of block grants to the States. The total FY 1998 appropriations for these programs is \$2.46 billion. The bill would authorize appropriations of

\$2.74 billion for FY 1999 increasing to slightly more than \$3 billion for FY 2003. H.R. 3248 also would:

Require that 95 percent of block grant funding be directed to school districts, which could use it for a variety of classroom activities.

Ensure that States and school districts would receive block grant funding at least equal to the amount of formula grant funding they received prior to the consolidation.

Require that funding under the bill supplement, not supplant, existing State and local educational funds.

Require States to develop formulas for distributing funds to school districts in each State. In developing these formulas, States would be required to consider: (1) poverty rates in each school district; (2) children living in rural areas; (3) children who require a higher than average cost to educate; and (4) the equitable geographic distribution of funds.

Require States to report annually on how funds have been used to improve student performance and to certify that 95 percent of funds have been spent on classroom activities and services.

Allow any Elementary and Secondary Education Act (ESEA) Title I school to be designated as a school-wide program.

Expand the existing Ed-Flex demonstration program to all 50 States. This would allow any State to waive certain Federal requirements in order to carry out State education reform efforts.

### **CLAY AMENDMENT**

Rep. Clay is expected to offer an amendment in the nature of a substitute to the text of H.R. 3248. It would contain the text of H.R. 3876, which he introduced on May 14, 1998, and is based substantially on the Administration's proposed "Class-Size Reduction Act of 1998." ED transmitted the Administration bill to Congress on May 8, 1998. H.R. 3876 reflects technical changes to the Administration's bill, which ED reports are not objectionable. The Committee has not taken any action on H.R. 3876.

### **PAY-AS-YOU-GO SCORING**

According to EIML (Cassell) and BASD (Sullivan), H.R. 3248 is not subject to the pay-as-you-go (PAYGO) provisions of the Omnibus Budget Reconciliation Act of 1990.

LEGISLATIVE REFERENCE DIVISION DRAFT  
September 14, 1998 - 11:30 a.m.

Educ - block grants  
and  
Educ - class size

DRAFT SEPTEMBER 16, 1998 10:45 AM

Honorable Newt Gingrich  
Speaker of the House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

I am writing to express my strong objections to H.R. 3248, the "Dollars to the Classroom Act," as recently reported by the House Committee on Education and the Workforce, and my strong support for a substitute version of the bill, which I understand Representative Clay will offer, to help States and communities hire well-qualified teachers and reduce class size in the early grades, along the lines proposed by the President earlier this year.

The Clay substitute would provide much-needed assistance to help States and local school districts recruit, train, and hire 100,000 additional well-prepared teachers in order to reduce the average class size to 18 in grades 1 through 3 in our Nation's public schools. As schools across the Nation struggle to accommodate a surge in enrollments, educators and parents have become increasingly concerned about the impact of class size on teaching and learning, particularly in the critically important early grades. Rigorous research confirms what parents and teachers have long believed - that students in smaller classes, especially in the early grades, make greater educational gains and maintain those gains over time. These gains occur because teachers in small classes can provide students with more individualized attention, spend more time on instruction and less time on discipline, and cover more material effectively.

We can help all of our students learn to read independently and well by the third grade, get a solid foundation in basic skills, and reach high educational standards if we start them off with small classes and well-prepared teachers in the early grades.

Unfortunately, the bill reported by the Committee goes in a completely different, and misguided, direction. Title I of the bill would convert a wide array of Federal education programs into a single block grant program. The President stated last fall that such a step is unacceptable, and that he would use his veto power to prevent this approach from becoming law. If H.R. 3248 were presented to the President in its current form, his senior advisors would recommend that he veto it.

The issue here is not about who controls public education -- we

all agree that that responsibility rests at the local and State levels. At stake, rather, is whether the Federal Government will maintain its long-standing, bipartisan commitment to helping local communities strengthen accountability, raise standards, and improve student achievement, by providing assistance that focuses on our neediest children and schools and on activities in which national leadership can play a critical role.

The American people rightly look to the Federal Government to focus its efforts not on general aid to school districts, which H.R. 3248 would provide, but for leadership on national priorities. These include helping States and school districts raise educational standards and educational achievement for all students, improving the quality of teaching, bringing the benefits of technology to our Nation's students, and increasing the availability of after-school programs.

This Administration has worked diligently to eliminate unnecessary regulations and take other steps to promote State and local flexibility in carrying out these targeted efforts. The Department of Education, for example, has eliminated 2/3 of its regulations relating to elementary and secondary education and has simplified the remainder. At the same time, we have supported strong accountability mechanisms, such as the Government Performance and Results Act of 1993, that focus attention on program effectiveness. Block grants would replace these worthy efforts with general aid, providing no focus, no meaningful accountability for results, and no rationale for ongoing support.

I also object to Title II of the Committee bill, which would provide broad authority to waive Federal requirements, now afforded to 12 States with comprehensive education reform plans, to all States. This proposal lacks the critical ingredient of the current "Ed-Flex" program in which those 12 States participate: meaningful accountability, connected to high standards and high expectations for all children, that must go hand in hand with such a broad waiver authority. I support expansion of the "Ed-Flex" program to additional States, but only when the links to challenging academic standards, high expectations for all children, and accountability for results are strong and clear.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program and that enactment of H.R. 3248, as reported by the Committee, would not be in accord with the President's program.

Riley



Kate P. Donovan  
09/16/98 08:56:37 AM

Record Type: Record

To: Laura Emmett/WHO/EOP

cc:

Subject: per my voice mail

Good morning. This morning I'm trying to clear the SAP for HR 3248 -- Dollars to the Classroom Act, per my voice mail. I just wanted you to have it easy access if you need it. Mike Cohen has approved - could you please make sure Elena is ok w/ it. Thank you.

**DRAFT -- NOT FOR RELEASE**

September 16, 1998  
(House Rules)

**H.R. 3248 - Dollars to the Classroom Act**  
(Rep. Pitts (R) PA and 107 others)

The Administration strongly opposes H.R. 3248, as reported by the Committee on Education and the Workforce. If the bill were presented to the President, his senior advisers would recommend that he veto it.

H.R. 3248 would convert a wide array of Federal education programs that address national priorities into a single, unfocused block grant program providing general aid for education. The bill would eliminate programs that focus on our neediest children and schools, and on activities in which national leadership can play a critical role. For example, it would eliminate programs that help States and school districts raise educational standards and achievement for students, improve the quality of teaching, bring the benefits of technology to our Nation's students, and increase the availability of after-school programs.

Block grants would replace these worthy programs with general aid for school operations, which is the responsibility of States and communities, with no attention to areas of national need. In addition, the bill contains inadequate mechanisms to: (1) hold States and communities accountable for their use of taxpayer funds; (2) hold schools and school systems accountable for results; and (3) give the Administration and Congress information with which to evaluate the block grant program's performance.

H.R. 3248 is also objectionable because the "Ed-Flex" provisions that would extend authority to waive Federal requirements to all States lack the critical ingredient of the current program in which 12 States participate: meaningful accountability, connected to high standards and expectations for all children. The Administration supports expansion of the Ed-Flex program to additional States, but only when the links to challenging academic standards, high

expectations for all children, and accountability for results are strong and clear.

\* \* \* \* \*

**(Do Not Distribute Outside Executive Office of the President)**

This draft position was developed by LRD (Bowers/Benton) in consultation with EIML (Cassell/White) and ED (Riddle). The Departments of Education (Riddle), Justice (Jones), and Interior (Cardinale), and WH IA (Ibarra), OMB GC (Rettman), BRCD (Brown), BASD (Sullivan), and OIRA (Chenok), agree with or do not object to this position. DPC (Cohen) and WHLA (Johnson) commented on an earlier draft of the SAP.

OMB/LA clearance:

**BACKGROUND**

Secretary Riley sent a letter to the House Education and Workforce Committee on June 24, 1998, stating that he would recommend that the President veto H.R. 3248. His letter noted that the President stated previously that he would "use his veto power to prevent this [block grant] approach from becoming law." The letter stated that the block grant approach in H.R. 3248 would replace the current emphasis on national priorities (e.g., focusing on the neediest children and schools) with general aid that would fail to provide focus and accountability for results. The bill was ordered reported on June 24, 1998, by a vote of 19-18.

**SUMMARY OF H.R. 3248**

H.R. 3248 would consolidate funding for 31 currently funded elementary and secondary education programs into a program of block grants to the States. The total FY 1998 appropriations for these programs is \$2.46 billion. The bill would authorize appropriations of \$2.74 billion for FY 1999 increasing to slightly more than \$3 billion for FY 2003. H.R. 3248 also would:

Require that 95 percent of block grant funding be directed to school districts, which could use it for a variety of classroom activities.

Ensure that States and school districts would receive block grant funding at least equal to the amount of formula grant funding they received prior to the consolidation.

Require that funding under the bill supplement, not supplant, existing State and local educational funds.

Require States to develop formulas for distributing funds to school districts in each State. In developing these formulas, States would be required to consider: (1) poverty rates in each school district; (2) children living in rural areas; (3) children who require a higher than average cost to educate; and (4) the equitable geographic distribution of

funds.

Require States to report annually on how funds have been used to improve student performance and to certify that 95 percent of funds have been spent on classroom activities and services.

Allow any Elementary and Secondary Education Act (ESEA) Title I school to be designated as a school-wide program.

Expand the existing Ed-Flex demonstration program to all 50 States. This would allow any State to waive certain Federal requirements in order to carry out State education reform efforts.

### **PAY-AS-YOU-GO SCORING**

According to HRD (Cassell) and BASD (Sullivan), H.R. 3248 is not subject to the pay-as-you-go (PAYGO) provisions of the Omnibus Budget Reconciliation Act of 1990.

LEGISLATIVE REFERENCE DIVISION DRAFT  
September 14, 1998 - 11:30 a.m.

From: Melissa N. Benton on 09/11/98 10:49:59 AM

Record Type: Record

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

cc:

Subject: Statement of Administration Policy on HR3248 Dollars to the Classroom Act--DEADLINE IS TODAY, 2 p.m.

Total Pages: \_\_\_\_\_

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LRM ID: MNB226

**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
Washington, D.C. 20503-0001**

**Friday, September 11, 1998**

**LEGISLATIVE REFERRAL MEMORANDUM**

**TO:** Legislative Liaison Officer - See Distribution below

**FROM:** Janet R. Forsgren (for) Assistant Director for Legislative Reference

**OMB CONTACT:** Melissa N. Benton  
PHONE: (202)395-7887 FAX: (202)395-6148

**SUBJECT:** Statement of Administration Policy on HR3248 Dollars to the Classroom Act

**DEADLINE:** 2 p.m. Friday, September 11, 1998

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In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

**COMMENTS:** This bill is scheduled to be considered by the House as early as Tuesday, September 15th.

**DISTRIBUTION LIST**

**AGENCIES:**

61-JUSTICE - L. Anthony Sutin - (202) 514-2141  
30-EDUCATION - Jack Kristy - (202) 401-8313  
59-INTERIOR - Jane Lyder - (202) 208-4371

**EOP:**

Barbara Chow  
Sandra Yamin  
Michael Cohen

**DRAFT -- NOT FOR RELEASE**

September 15, 1998  
(House)

**H.R. 3248 -- Dollars to the Classroom Act**  
(Sponsors: Pitts (R), Pennsylvania and 107 others)

The Administration strongly opposes H.R. 3248, as reported by the Committee on Education and the Workforce. If the bill were presented to the President, his senior advisers would recommend that he veto it.

H.R. 3248 would convert a wide array of Federal education programs that address national priorities into a single, unfocused, block grant program providing general aid for education. The bill would eliminate programs that focus on our neediest children and schools, and on activities in which national leadership can play a critical role. For example, it would eliminate programs that help States and school districts raise educational standards and achievement for students, improve the quality of teaching, bring the benefits of technology to our Nation's students, and increase the availability of after-school programs.

Block grants would replace these worthy programs with general aid for school operations, which is the responsibility of States and communities. In doing so, it diverts attention from national priorities and the need to hold schools accountable for results.

\* \* \* \* \*

**(Do Not Distribute Outside Executive Office of the President)**

This draft position was developed by LRD (Connie Bowers) in consultation with HRD (Cassell/White) and ED (Riddle). The Departments of Justice (Jones) and Interior (Cardinale), and OMB GC (Rettman), BRCD (Brown), OIRA (Chenok), agree with or do not object to this position.

OMB/LA clearance:

**BACKGROUND**

Secretary Riley sent a letter to the House Education and Workforce Committee on June 24, 1998, stating that he would recommend that the President veto H.R. 3248 if it were presented to him. His letter noted that the President stated previously that he would "use his veto power

to prevent this [block grant] approach from becoming law." The letter stated that the block grant approach in H.R. 3248 would replace the current emphasis on national priorities (e.g., focusing on the neediest children and schools) with general aid that would fail to provide focus and accountability for results. The Committee reported the bill by a vote of 19-18.

## SUMMARY OF H.R. 3248

### Title I -- Block Grant Provisions

Title I of H.R. 3248 would consolidate funding for 31 currently funded elementary and secondary education programs into a \$2.7 billion program of block grants to the States. The total FY 1998 appropriations for these programs is \$2.46 billion. It would also expand the "Ed-Flex" authority and the authority of schools to operate Elementary and Secondary Education Act Title I schoolwide programs. Title I of H.R. 3248 would:

Require that 95 percent of the funds be directed to school districts, which would use them for a variety of classroom activities;

Provide a 100 percent hold harmless for States and school districts for the formula grant programs to be consolidated, so that no State would experience a reduction in funds received;

Require that funds under the bill supplement, not supplant, existing State and local educational funds;

Require States to develop formulas for distributing funds to school districts in each State. In developing these formulas, States would be required to: (1) take into account children living in poverty and rural areas and children who have a higher than average cost to educate, and (3) ensure an equitable geographic distribution of funds;

Require States to report annually on how funds have been used to improve student performance and to certify that 95 percent of funds have been spent on classroom activities and services;

Allow any ESEA Title I school to be designated as a schoolwide program.

Authorize the appropriation of \$2.74 billion for FY 1999 and a total of \$14.35 billion for Fiscal Years 1999-2003.

### Title II -- Ed-Flex Provisions

Title II of H.R. 3248 would expand the existing Ed-Flex demonstration program to all 50 States. This would allow any State to waive certain Federal requirements in order to carry out State education reform efforts.

Educ - block grants

DRAFT  
July 14, 1998  
9:30 AM

STATEMENT OF ADMINISTRATION POLICY

H.R. 3248 - DOLLARS TO THE CLASSROOM ACT

(Sponsors: Pitts (R), Pennsylvania and 84 others)

The Administration strongly opposes H.R. 3248, as reported by the Committee on Education and the Workforce. If this bill were presented to the President, his senior advisors would recommend that he veto it.

H.R. 3248 would convert a wide array of Federal education programs that address national priorities into a single, unfocused, block-grant program of general aid for education. The bill would eliminate programs that focus on our neediest children and schools, and on activities in which national leadership can play a critical role, such as helping States and school districts raise educational standards and achievement for students, improving the quality of teaching, bringing the benefits of technology to our Nation's students, and increasing the availability of after-school programs.

Block grants would replace these worthy efforts with general aid for school operations, which is the responsibility of States and communities to provide, with no attention to national priorities and no accountability for results.

\* \* \* \* \*

Educ-Block grants



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

June 24, 1998

Honorable William Goodling  
 Chairman  
 Committee on Education and the Workforce  
 United States House of Representatives  
 Washington, DC 20515

Dear Mr. Chairman:

I am writing to express my strong objections to H.R. 3248, the "Dollars to the Classroom Act," both to the bill as originally introduced by Representative Pitts and to a substitute version that I understand you will propose. This legislation would convert a wide array of Federal education programs into a single block grant program. The President stated last fall that such a step is unacceptable, and that he would use his veto power to prevent this approach from becoming law. If H.R. 3248 were presented to the President, I would recommend that he veto it.

The issue here is not about who controls public education -- we all agree that that responsibility rests at the local and State levels. At stake, rather, is whether the Federal Government will maintain its long-standing, bipartisan commitment to helping local communities strengthen accountability, raise standards, and improve student achievement, by providing assistance that focuses on our neediest children and schools and on activities in which national leadership can play a critical role.

The American people rightly look to the Federal Government to focus its efforts not on general aid to school districts, which H.R. 3248 would provide, but for leadership on national priorities. These include helping States and school districts raise educational standards and educational achievement for all students, improving the quality of teaching, bringing the benefits of technology to our Nation's students, and increasing the availability of after-school programs.

This Administration has worked diligently to eliminate unnecessary regulations and take other steps to promote State and local flexibility in carrying out these targeted efforts. The Department of Education, for example, has eliminated 2/3 of its regulations relating to elementary and secondary education and has simplified the remainder. At the same time, we have supported strong accountability mechanisms, such as the Government Performance and Results Act of 1993, that focus attention on program effectiveness. Block grants would replace these worthy efforts with general aid, providing no focus, no accountability for results, and no rationale for ongoing support.

600 INDEPENDENCE AVE., S.W., WASHINGTON, D.C. 20202-0100

*Our mission is to ensure equal access to education and to promote educational excellence throughout the Nation.*

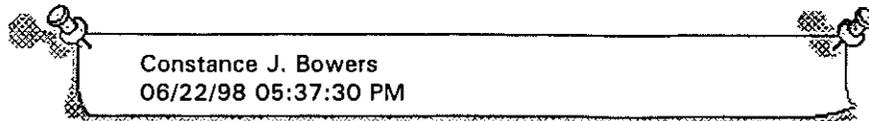
Page 2 - Honorable William Goodling

I also object to language in the pending substitute that would provide broad authority to waive federal requirements, now afforded to 12 States with comprehensive education reform plans, to all States. This proposal lacks the critical ingredient of the current "Ed-Flex" program in which those 12 States participate: meaningful accountability, connected to high standards and high expectations for all children, that must go hand in hand with such a broad waiver authority. I support expansion of the "Ed-Flex" program to additional States, but only when the links to challenging academic standards, high expectations for all children, and accountability for results are strong and clear.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program and that enactment of H.R. 3248 would not be in accord with the President's program.

Yours sincerely,

  
Richard W. Riley



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: Revised ED letter on substitute to HR 3248 (ED. block grants/ \$ to classroom)

This letter replaces the draft sent to you 6/19/98 (revised LRM CJB221) for the **Wed., June 24th H. Committee markup of HR 3248**. It addresses a substitute bill prepared by Rep. Goodling that would replace the original (Rep. Pitts') bill -- the revised bill text was also circulated earlier today. The letter now asserts that **the President's senior advisers would recommend he veto HR 3248**. (Further explanation of how the substitute bill differs from the bill as introduced appears for your information in a note below the letter.)

**\*\*\* Please provide any comments by 12:00 noon, Tuesday, June 23rd \*\*\***

Revised Draft 6/22/98

Honorable William Goodling  
Chairman  
Committee on Education and the Workforce  
United States House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

I am writing to express my strong objections to H.R. 3248, the "Dollars to the Classroom Act," both to the bill as originally introduced by Representative Pitts and to a substitute version that I understand you will propose. This legislation would convert a wide array of Federal education programs into block grants. The President stated last fall that such a step is unacceptable, and that he would use his veto power to prevent this approach from becoming law. If H.R. 3248 were presented to the President, his senior advisers would recommend that he veto it.

The issue here is not about who controls public education -- we all agree that that responsibility rests at the local and State levels. At stake, rather, is whether the Federal Government will maintain its long-standing, bipartisan commitment to helping local communities strengthen accountability, raise standards, and improve student achievement, by

providing assistance that focuses on our neediest children and schools and on activities in which national leadership can play a critical role.

The American people rightly look to the Federal Government to focus its efforts not on general aid to school districts, which H.R. 3248 would provide, but for leadership on national priorities, such as helping States and school districts raise educational standards for all students, improving the quality of teaching, bringing the benefits of technology to our Nation's students, and increasing the availability of after-school programs.

This Administration has worked diligently to eliminate unnecessary regulations and take other steps to promote State and local flexibility in carrying out these targeted efforts. At the same time, we have supported strong accountability mechanisms, such as the Government Performance and Results Act of 1993, that ensure program effectiveness and results that justify continued support by the taxpayers. Block grants would replace these worthy efforts with general aid, providing no focus, no accountability for results, and no rationale for ongoing support.

I am also very concerned about language in the pending substitute that would provide broad authority to waive Federal requirements, now afforded to 12 States with comprehensive education reform plans, to all States. While I am a strong supporter of flexibility at the State and local levels, including expansion of the current "Ed-Flex" authority to additional States, this proposal lacks the essential ingredient of accountability, connected to high standards and high expectations for all children, that must go hand in hand with such a broad waiver authority.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program and that enactment of H.R. 3248 would not be in accord with the President's program.

Yours sincerely,

Richard W. Riley

**Notes for Executive Branch reviewers of draft letter from Sec. Riley:**

A few more comments on the Goodling substitute:

(1) The block grant provisions are a lot more straightforward than in the Pitts original. Instead of putting Congress through the exercise of appropriating funds under numerous current programs and then diverting those funds to block grants, the substitute would simply repeal (most of) those programs, and create a new program that, notwithstanding its long list of authorized activities, is pretty hard to distinguish from general aid.

(2) The list of blocked programs is a little bit shorter. Goodling has deleted OERI research and dissemination and Safe and Drug-Free Schools from the hit list. This changes the examples we'll use in the Secretary's letter, but not the overall points on the Administration's objections to block grants.

(3) Title I. The Pitts version had a provision that, while difficult to interpret with confidence, could have been read to let LEAs use 95 percent of their Title I funds for any classroom activities they found appropriate, without regard to any of the normal Title I provisions. This provision is not in Goodling's version. Goodling's version, however, has an equally puzzling provision (section 202, p. 30) that amends the schoolwide programs authority (ESEA, sec. 1114). It looks like it would eliminate the poverty thresholds, thus allowing an LEA to run a schoolwide program in any Title I school. (I can't follow the literal bill language, but it's hard to see what else they might have in mind.)

(4) Waivers. Goodling's bill adds a waiver authority in Title II of the bill. Having repealed Title III of Goals 2000, his bill would then resurrect, almost word for word, the current waiver provisions in section 311 of Goals 2000. He would make every State eligible for Ed-Flex authority (only 12 States can have it now), while removing any connection to an approved State plan under Goals 2000 as a condition of attaining Ed-Flex status. I've added a paragraph to the Secretary's letter expressing concern over this lack of accountability.

*Educ - block grants*

# URGENT

Total Pages: 8

LRM ID: CJB221

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
Washington, D.C. 20503-0001

Monday, May 18, 1998

## LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below  
*Janet R. Forsgren*  
 FROM: Janet R. Forsgren (for) Assistant Director for Legislative Reference  
 OMB CONTACT: Constance J. Bowers  
 PHONE: (202)395-3803 FAX: (202)395-6148  
 SUBJECT: EDUCATION Report on HR3248 Dollars to the Classroom Act  
 DEADLINE: 3:00 p.m. Tuesday, May 19, 1998

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

**COMMENTS:** HR 3248 is scheduled to be marked up by the House Subcommittee on Early Education on Thursday, May 21st. In this letter, Secretary Riley states that he would recommend that the President veto HR 3248 if it is presented to him.

### DISTRIBUTION LIST

#### AGENCIES:

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- Tanya E. Martin
- Elena Kagan
- Robert M. Shireman
- William P. Marshall
- Edward W. Correia
- Broderick Johnson
- Kate P. Donovan
- Lisa M. Kountoupes
- Robert G. Damus
- Rosalyn J. Rettman
- Edward M. Rea

- Pamula L. Simms
- Justin D. Sullivan
- Winifred Y. Chang
- Jennifer Brown
- Daniel J. Chenok
- Daniel I. Werfel
- Diana Fortuna
- Thomas A. Kalil
- Sanders D. Korenman
- Janet R. Forsgren
- James C. Murr

LRM ID: CJB221 SUBJECT: EDUCATION Report on HR3248 Dollars to the Classroom Act

**RESPONSE TO  
LEGISLATIVE REFERRAL  
MEMORANDUM**

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:

(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or

(2) sending us a memo or letter

Please include the LRM number shown above, and the subject shown below.

**TO: Constance J. Bowers Phone: 395-3803 Fax: 395-6148  
Office of Management and Budget  
Branch-Wide Line (to reach legislative assistant): 395-7362**

**FROM:** \_\_\_\_\_ (Date)  
\_\_\_\_\_ (Name)  
\_\_\_\_\_ (Agency)  
\_\_\_\_\_ (Telephone)

The following is the response of our agency to your request for views on the above-captioned subject:

- \_\_\_\_\_ Concur
- \_\_\_\_\_ No Objection
- \_\_\_\_\_ No Comment
- \_\_\_\_\_ See proposed edits on pages \_\_\_\_\_
- \_\_\_\_\_ Other: \_\_\_\_\_
- \_\_\_\_\_ FAX RETURN of \_\_\_\_\_ pages, attached to this response sheet

**DRAFT**  
**MAY 18, 1998**  
**1:20 PM**

Honorable Frank Riggs  
Chairman, Subcommittee on Early Childhood,  
Youth, and Families  
Committee on Education and the Workforce  
United States House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

I am writing to express my strong objections to H.R. 3248, the "Dollars to the Classroom Act," which would convert a wide array of Federal education programs to block grants. The President stated last fall that such a step is unacceptable, and that he would use his veto power to prevent this approach from becoming law. If H.R. 3248 were presented to the President, I would recommend that he veto it.

Block grants would halt many of our most successful efforts to improve education, including our efforts to raise educational standards, make computers available in every classroom, and keep our schools safe and free of drugs. H.R. 3248 could also seriously harm the ESEA, Title I program, which provides extra help to low-income students so that they can master the basic skills of reading and math, paving the way for them to reach high academic standards.

The American people rightly look to the Federal Government to focus its efforts not on general aid to school districts, but on national priorities, such as improving educational opportunities for poor children and other children with special needs, combating youth drug abuse and school violence, and researching and disseminating information on what works. This Administration has worked diligently to eliminate unnecessary regulations and take other steps to promote State and local flexibility in carrying out these targeted efforts, while supporting strong accountability mechanisms, such as the Government Performance and Results Act of 1993, that ensure program effectiveness and results and that justify continued support by the taxpayers. Block grants would replace these worthy efforts with general aid, providing no focus, no accountability for results, and no rationale for ongoing support.

The issue here is not about who controls public education -- we all agree that that responsibility rests at the local and State levels. The question, rather, is whether the Federal Government will maintain its long-standing, bipartisan commitment to helping

local communities strengthen accountability, raise standards, and improve student achievement, by providing assistance that focuses on our neediest children and schools and on activities in which national leadership can play a critical role.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program and that enactment of H.R. 3248 would not be in accord with the President's program.

Yours sincerely,

Richard W. Riley

*fuji*

	A
1	
2	HR 3248, Dollars to the Classroom Act
3	as introduced by Representative Joseph Pitts (R-PA)
4	
5	
6	Department of Education Programs included in proposed block-grant
7	
8	Goals 2000 - Title III - State and Local Education Systemic Improvement
9	Goals 2000 - Title IV - Parental Assistance
10	Goals 2000 - Title VI - International Education Program
11	Educational Research, Development, Dissemination, and Improvement Act of 1994
12	School-to-Work Opportunities Act
13	ESEA - Section 1502 - Demonstrations of comprehensive school reform
14	ESEA - Section 1502 - Demonstrations of comprehensive school reform*
15	ESEA - Section 1503 - Innovative elementary school transition projects
16	ESEA - Title II - Part A - Eisenhower Professional Development Program - Federal activities
17	ESEA - Title II - Part B - Eisenhower Professional Development Program - State Grants
18	ESEA - Section 3132 - School Technology Resource Grants
19	ESEA - Title III (except Section 3132)
20	ESEA - Title IV - Part A - Subpart 1 - SDFSC - State Grants
21	ESEA - Title IV - Part A - Subpart 2 - SDFSC - National Programs
22	ESEA - Title V - Part A - Magnet Schools
23	ESEA - Title V - Part B - Women's Educational Equity Act
24	ESEA - Title VI - Innovative Education Program Strategies
25	ESEA - Title IX - Part B - Native Hawaiians
26	ESEA - Title IX - Part B - Alaska Natives
27	ESEA - Title X - Part A - Fund for the Improvement of Education*
28	ESEA - Title X - Part B - Javits Gifted and Talented Children
29	ESEA - Title X - Part D - Arts in Education
30	ESEA - Title X - Part F - Civic Education
31	ESEA - Title X - Part G - Ellender Fellowships
32	ESEA - Title X - Part I - 21st Century Community Learning Centers
33	ESEA - Title X - Part J - Urban and Rural Educational Assistance
34	ESEA - Title X - Part K - National Writing Project
35	ESEA - Title X - Part L - The Extended Time for Learning and Longer School Year
36	ESEA - Title XIII - Part A - Comprehensive Regional Assistance Centers
37	ESEA - Title XIII - Part C - Eisenhower Regional Mathematics and Science Education Consortia
38	Stewart B McKinney Homeless Assistance Act - Title II - Part B
39	

	A
40	
41	
42	* - FIE appropriation mess

	B
1	
2	
3	
4	
5	1998
6	Funding
7	
8	466,000,000
9	25,000,000
10	5,000,000
11	128,567,000
12	200,000,000
13	120,000,000
14	25,000,000
15	0
16	23,300,000
17	335,000,000
18	425,000,000
19	159,035,000
20	531,000,000
21	25,000,000
22	101,000,000
23	3,000,000
24	350,000,000
25	18,000,000
26	8,000,000
27	83,100,000
28	6,500,000
29	10,500,000
30	5,500,000
31	1,500,000
32	40,000,000
33	0
34	5,000,000
35	
36	27,054,000
37	15,000,000
38	28,800,000
39	

	B
40	3,142,056,000
41	
42	



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Educ - school construction  
and  
Educ - block grants  
and  
Educ - IDEA

**STATEMENT OF ADMINISTRATION POLICY**

**TO:** RAHM EMANUEL  
LARRY STEIN  
TRACY THORNTON  
CHUCK BRAIN  
JOHN PODESTA  
SYLVIA MATHEWS  
GENE SPERLING  
BOB SHIREMAN  
BRUCE REED  
MIKE COHEN  
RON KLAIN  
JOHNSON BRODERICK  
JASON GOLDBERG

**CC:** DEPUTY DIRECTOR LEW  
CHARLES KIEFFER

**FROM:** Alice Shuffield  
**DATE:** April 17, 1998  
**SUBJECT:** FOR YOUR CLEARANCE --  
Letters on S. 2646 - The Education Savings Account Legislation

*Elana -  
Should have  
included you  
this list. AS*

Attached are the following two draft letters regarding H.R. 2646, the Education Savings Account Bill, which will be considered on the Senate floor on Monday:

**POTUS ltr:** The draft Presidential letter supports the Moseley-Braun amendment to replace the "A-Plus accounts" provision with a provision to invest in school construction. **The letter issues a Presidential veto on the bill if it contains the A-Plus account provision (elevation from the previous Secretarial level veto threat).**

**Riley letter:** The second letter, from Secretary Riley, would go to the Hill after the President's letter. (We would add appropriate language to reference the President's letter.) **In addition to referencing the President's veto threat on the A-Plus Accounts provision, the Secretary would also issue a veto threat on the provisions regarding Block Grants and IDEA.**

**Clearance:** Staff at OMB, NEC, and Education are comfortable with the letters. Treasury prefers to omit the 2nd paragraph on the A-Plus Accounts in the Ed letter, as noted.

**Timing:** We aim to send the President's letter on Monday, and the Education letter would likely follow late Monday or early Tuesday.

*Please contact Alice Shuffield or Kate Donovan at 5-9139 with your comments by noon Monday.*

April 20, 1998

Draft POTUS Letter

Honorable \_\_\_\_\_  
United States Senate  
Washington, DC 20510

Dear Senator \_\_\_\_\_:

In the next few days, you will have the opportunity to vote for the first time on a version of my proposal to help build and modernize more than 5,000 schools across America. I am writing to ask for your support for this important effort.

Never before have the education infrastructure needs of the Nation been so great. In order to accommodate record enrollments and small class sizes, to repair aging buildings, to take advantage of new technologies, and to better educate children with disabilities, States and localities are faced with unprecedented inventories of construction and renovation needs. The Federal government helps build roads, bridges, and other infrastructure needs, but none of that will matter much if we let the education infrastructure come crumbling down on our children. We must be part of the solution.

The amendment that I understand will be offered by Senator Moseley-Braun to H.R. 2646 would allow communities to issue nearly \$22 billion in bonds. Because bond purchasers would receive interest payments through a Federal tax credit, communities' costs would be reduced by one-third or more.

The Moseley-Braun amendment would replace a provision in the bill that is both bad education policy and bad tax policy. The so-called A-Plus accounts in the reported bill would divert needed resources from public schools, and would disproportionately benefit the most affluent families. Replacing the A-Plus accounts with the school modernization plan would make this a bill that I would be proud to sign. If, however, the bill contains the A-Plus accounts provision, then I would veto it.

Our children deserve schools they can be proud of. I urge you to help our schools provide a learning environment that will prepare our children for the challenges of tomorrow by supporting the Moseley-Braun amendment.

Sincerely,

Draft Ed LetterDRAFT  
APRIL 17, 1998  
6:00 PMHonorable \_\_\_\_\_  
United States Senate  
Washington, DC 20510

Dear Senator \_\_\_\_\_,

I am writing to reiterate my strong objections to the regressive proposal for "A-Plus Accounts" in H.R. 2646, now awaiting action by the Senate, and to express my equally strong objections to possible amendments to that bill that would convert Federal education programs to block grants and revise the Individuals with Disabilities Education Act. I would recommend that the President veto this legislation if it were to reach him with any of those provisions included.

A-Plus Accounts

As the Administration has noted on several prior occasions, the Coverdell/Archer proposal to accord tax benefits to expenses of elementary and secondary education through individual retirement accounts is both bad education policy and bad tax policy. Instead of targeting limited Federal resources to build stronger public schools, which would help ensure that all our Nation's children receive the education they need to become the most productive citizens possible, the bill would divert needed resources from these schools.

[ED would like to keep the following paragraph from its 4/15 draft unless it is included in the President's letter or in a letter from Secretary Rubin:

H.R. 2646 would disproportionately benefit the most affluent families and provide little benefit to lower- and middle-income families or to families whose children attend public schools. Families in the highest income bracket that saved the maximum amount permitted by H.R. 2646 would receive more than twice the benefit of families in the lowest tax bracket that saved the same amount. Moreover, the bill would not create a significant incentive for families to increase their savings for educational purposes; it would instead reward families, particularly those with substantial incomes, for what they already do. Finally, a recent analysis by the Congressional Joint Committee on Taxation shows that taxpayers with children in public schools would receive an average benefit of only \$7 under this proposal in 2002. This is not the way to improve education.]

I understand that Senator Moseley-Braun will propose a substitute amendment, which would devote revenue from this bill to help finance bonds for the construction and renovation of public schools. We must help to ensure that our children are educated

Page 2 - Honorable \_\_\_\_\_

in safe, modern, and well-equipped schools. I also note that several other possible substitute amendments would do far more to improve education than would the A-Plus Accounts now in H.R. 2646.

### Block grants

I would also strongly oppose any amendments to the bill that would convert Federal education programs into block grants. As the President noted last fall, such a step would halt many of our most successful efforts to improve education, including our efforts to raise educational standards, make computers available in every classroom, establish more charter schools, and keep our schools safe and free of drugs. It could also seriously harm the ESEA, Title I program, which provides extra help to low-income students so that they can master the basic skills of reading and math, paving the way for them to reach high academic standards.

The American people rightly look to the Federal Government to focus its efforts not on general aid to school districts, but on national priorities, such as improving educational opportunities for poor children and other children with special needs, combating youth drug-abuse and school violence, and researching and disseminating information on what works. This Administration has worked diligently to eliminate unnecessary regulations and take other steps to promote State and local flexibility in carrying out these targeted efforts, while supporting strong accountability mechanisms, such as the Government Performance and Results Act of 1993, that ensure program effectiveness and results and that justify continued support by the taxpayers. Block grants would replace these worthy efforts with general aid, providing no focus, no accountability for results, and no rationale for ongoing support.

The issue here is not about who controls public education -- we all agree that that responsibility rests at the local and State levels. The question, rather, is whether the Federal Government will maintain its long-standing, bipartisan commitment to helping local communities strengthen accountability, raise standards, and improve student achievement, by providing assistance that focuses on our neediest children and schools and on activities in which national leadership can play a critical role.

### Individuals with Disabilities Education Act (IDEA)

As you know, it was less than a year ago that the President signed the IDEA Amendments of 1997 into law. That legislation was the product of comprehensive bipartisan negotiations involving both chambers of Congress and the Administration, with broad public input from many other individuals and interested organizations. The final product involved compromises on many important and sensitive issues, including disciplining children

Page 3 - Honorable \_\_\_\_\_

with disabilities, and was widely recognized as a significant improvement of P.L. 94-142, the landmark legislation from 1975 that guarantees a free appropriate public education to our Nation's children with disabilities. By passing this legislation overwhelmingly less than a year ago, the Congress expressed its strong support for improving educational results for children with disabilities.

Because I firmly believe that last year's agreement on the IDEA should be honored, I strongly oppose revisiting any aspect of the Act this year. I therefore deeply regret that some would seek to reverse the substantial progress that we made last year by proposing to amend the new IDEA, particularly in complex areas such as discipline. After intense negotiations among all interested parties, the new IDEA gives teachers and schools the tools they need to ensure that our schools and classrooms are safe places of learning, while [scrupulously?] protecting the rights of children with disabilities to due process and an appropriate education. I view with great alarm the proposed amendment by Senator Gregg, which could return us to the days when disciplinary measures were used to remove children with disabilities simply because they were more difficult to educate. [Note: ED's prior draft included "scrupulously", as did the President's statement on signing the new IDEA last June. See p. 833 of the 1997 Weekly Compilation of Presidential Documents.]

I urge you to sustain the major achievements embodied in the bipartisan 1997 IDEA legislation, and to reject any efforts to undermine those achievements by amending the IDEA.

#### Summary

I urge you to oppose the unwarranted and harmful authority for A-Plus Accounts in H.R. 2646, as well as any amendments that may be offered to convert Federal education programs into block grants or to undo last year's IDEA agreement. I would recommend that the President disapprove this bill if it contains those features. The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program and that enactment of H.R. 2646 with the objectionable features I have described would not be in accord with the President's program.

Yours sincerely,

Richard W. Riley

Administration of William J. Clinton, 1997 / June 5

833

~~approved June 4, was assigned Public Law No. 105-17.~~

**Statement on Signing the Individuals With Disabilities Education Act Amendments of 1997**  
*June 4, 1997.*

It is with great pleasure that I have today signed into law H.R. 5, the "Individuals with Disabilities Education Act Amendments of 1997." This Act reaffirms and strengthens our national commitment to the education of children with disabilities and their families.

Since the enactment of Public Law 94-142 over 20 years ago, the Individuals with Disabilities Education Act (IDEA) has made it possible for millions of children with disabilities to receive an education, helping them become productive adults. The bill before me today builds on that success story by:

- putting an even sharper focus on improving educational results for these children through greater access to the general curriculum and inclusion in State and districtwide assessments;
- giving parents more information, including regular reports on their children's progress, and a greater role in decisions affecting their children's education;
- reducing paperwork and increasing administrative flexibility;
- asking children with disabilities, along with schools, teachers, and parents to assume greater responsibility for the children's success, and
- promoting the use of mediation to resolve disagreements between parents and schools.

This bill also gives school officials the tools they need to ensure that the Nation's schools are safe and conducive to learning for all children, while scrupulously protecting the rights of children with disabilities. It also includes a substantial commitment from the Federal Government to support the professional development of special and regular education teachers who work with children with disabilities, research and technological innovations to improve their education, the training of

parents, and the provision of technical assistance.

This bipartisan legislation is the result of a unique process involving the Congress, the Department of Education, parents, educators, the disability community, and other interested parties. I thank all who played a part in this great achievement. Successful implementation of the revised IDEA is the key to the future for children with disabilities and it will help them become successful and contributing members of their communities.

William J. Clinton

The White House,  
June 4, 1997.

Note: H.R. 5, approved June 4, was assigned Public Law No. 105-17.

~~**Statement on Supplemental Disaster Assistance Legislation**~~  
~~*June 4, 1997*~~

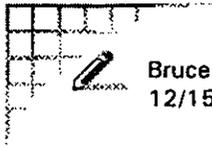
~~In moving ahead on this flawed legislation, the Republican leadership is once again delaying the disaster assistance needed by people and communities in the Dakotas, Minnesota, and 30 other States. With individuals, families, and businesses awaiting the assistance they need to rebuild, I urge the Republican leadership to get politics aside and pass a clean disaster assistance bill.~~

~~If the Republican majority is set on this course of adding contentious and extraneous provisions, they should send me this bill as quickly as possible. I will veto it as soon as it arrives and send it back so they can send me a clean disaster assistance bill immediately that keeps aid flowing to those in need. Americans in need should not have to endure this unnecessary delay.~~

~~**Letter to the Federal Election Commission Seeking To End the Soft Money System in Domestic Politics**~~  
~~*June 4, 1997*~~

~~To the Members of the Federal Election Commission:~~

~~I am writing to you, pursuant to 11 CFR Part 200, to request that you take action~~



Bruce N. Reed  
12/15/97 03:30:42 PM

Record Type: Record

To: Michael Cohen/OPD/EOP  
cc: Elena Kagan/OPD/EOP, Emily Bromberg/WHO/EOP  
Subject: NGA

We should push back on this.

----- Forwarded by Bruce N. Reed/OPD/EOP on 12/15/97 03:30 PM -----



Mickey Ibarra  
12/15/97 02:52:01 PM

Record Type: Record

To: See the distribution list at the bottom of this message  
cc:  
Subject: NGA

----- Forwarded by Mickey Ibarra/WHO/EOP on 12/15/97 02:39 PM -----

**Fred Duval** 12/15/97 02:49:09 PM

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Record Type: Record

To: Mickey Ibarra/WHO/EOP  
cc: Emily Bromberg/WHO/EOP  
Subject: NGA

Voinovich will make Block Grants a major initiative at the Feb NGA mtg. One of the proposals of greatest concern is a block grant on education. Romer seems ready to sign on, and in the absence of support from other Governors, Jonathan Jones says Carper will not oppose. If we want to beat it back, we will have to push. I suggest we arrange a meeting with Jennifer Davis and possibly DPC to discuss further.