

Exec -
2000 Budget

President, GOP Trade Barbs Over Education

Specter Crafts Bill Aimed at Compromise

By CHARLES BABINGTON and ERIC PLANIN
Washington Post Staff Writers

President Clinton and congressional Republicans clashed yesterday over their competing approaches to education funding, which is likely to become a hot-button issue in next year's elections.

Using an aging middle school with a leaky roof in downtown New Orleans as a backdrop, Clinton took aim at a House spending bill that would torpedo his plan to hire an additional 100,000 teachers and eliminate funds for Goals 2000, building improvements and a program to help youngsters prepare for college.

Noting that the amount approved last week by the House Appropriations labor, health and human services and education subcommittee falls \$3 billion below his request, the president said, "It is wrong to blame the kids and it's wrong not to give the schools a chance."

Republicans responded that Americans were unhappy with existing programs and want a change and that the White House was more concerned about preserving control over spending by Washington bureaucrats and labor leaders than in fostering innovation.

"This isn't about education, this is about power, it's about controlling dollars for the sake of power," said Sen. Judd Gregg (R-N.H.).

However, a Senate Appropriations subcommittee headed by Arlen Specter (R-Pa.) offered a more conciliatory approach yesterday—one that would boost overall labor, health and education spending and fund some of Clinton's priorities, including Head Start, special education and the Gear Up college prepa-

ratory program.

The spending package proposed by the Senate subcommittee—including \$91.7 billion of discretionary spending for labor, health and education programs in fiscal 2000—would exceed this year's levels by \$4 billion, although it would be \$1.4 billion less than the president's request. The Senate would add \$500 million to Clinton's \$34.7 billion request for education, but it reduces his proposals for hiring new teachers, adult education and several other programs.

To stay technically within the budget constraints of the 1997 balanced budget agreement, and not dip into the Social Security surplus, Specter's bill would "forward fund" or put off \$16.4 billion of the spending until early fiscal 2001. This budget technique has been used before, but not on so grand a scale, and is integral as well to the House approach to the labor-health-education bill.

Even with the Senate concessions to the White House, Congress and the administration remain far apart over the labor-health-education measure, the single largest domestic spending bill and a perennial battle ground for the two sides.

During yesterday's session to produce a bill, Specter said that "it's a real battle to come up with a number" that satisfies the spending restraints, and has a chance of winning a majority in the House and Senate and the president's signature.

The fight over education is only one of many disputes with the administration that make it virtually impossible for Congress to complete work on all 13 annual spending bills before the start of the new fiscal year

Friday. The House is to vote today on a stopgap continuing resolution to keep government agencies operating for three weeks beyond the start of fiscal 2000 to buy time for additional negotiations.

So far, Congress has completed work on only four of the bills, although the House last night voted 327 to 87 to approve a final agreement on a \$21.3 billion energy and water spending bill. House and Senate negotiators and the administration resolved differences over the weekend, including a dispute over the regulation of wetlands.

As the budget fight with Congress continued, Clinton celebrated new administration figures showing that the government will close the books on fiscal 1999 this week with a \$115 billion budget surplus—the largest in history and the second surplus in two years.

The projected surplus exceeds by \$16 billion the administration's prediction last summer, and is due largely to declining spending for Medicare and interest on the debt. However, the higher figure will have no practical impact on the impasse over spending.

In fact, the administration's new estimate simply moves the White House projection into line with long-standing forecasts by private economists and the Congressional Budget Office, which last July projected a \$120 billion surplus that it trimmed to \$117 billion on Sept. 14.

Clinton spent yesterday in New Orleans, renewing his call for billions in school construction dollars and keynoting two fund-raisers for a Democrat who's fighting an uphill battle to oust Republican Gov. Mike Foster this fall. The president spoke at two swanky events—one costing participants \$2,500 a person, the other \$25,000 per couple—for Rep. William J. Jefferson (D-La.).

Before the fund-raisers, the president used a stop outside the 87-year-old Sophie B. Wright Middle School to take aim at the labor-health-education bill that was drafted in the House last week, hours before the Senate subcommittee took up its version of the bill.

Staff writer George Hager in Washington contributed to this report. Babington reported from New Orleans.

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Tripp Lawsuit Alleges Plot to Discredit Her

By BILL MILLER
Washington Post Staff Writer

Linda R. Tripp yesterday filed a civil lawsuit accusing the White House, Defense Department and 99 "John and Jane Does" of orchestrating a campaign to leak embarrassing and confidential information about her in retaliation for her cooperation last year with independent counsel Kenneth W. Starr.

Tripp's 27-page lawsuit, filed in U.S. District Court, portrays her as a whistle-blowing government employee who had a public duty to aid Starr's office in the Monica S. Lewinsky investigation. The suit maintains that officials at the Defense Department, where Tripp worked, conspired with White House operatives to undermine her credibility with the American public.

According to the suit, Tripp has been subjected to "extreme public embarrassment, humiliation, anxiety, ridicule" and other abuses, including a loss of income. She seeks an unspecified amount of damages.

The lawsuit comes at a time when Tripp is facing her own legal problems. In July she was indicted in Maryland on charges of illegal wiretapping stemming from her taped telephone conversations with Lewinsky. Her supporters contend the criminal charges are baseless and politically motivated.

The lawsuit alleges that a host of unidentified people working in the executive office of the President undertook a search for damaging information about Tripp once she emerged as a potential witness against Clinton. These "John and Jane Does" allegedly violated her civil rights by coming up with ways to leak confidential materials kept in FBI and personnel files.

The suit cites an unflattering profile about Tripp that appeared in the *New Yorker* magazine soon after the Lewinsky scandal became public. The article, "Portrait of a Whistle-blower," reported that Tripp was arrested as a teenager on a felony charge of grand larceny and pleaded guilty to a reduced charge of loitering. It reported that Tripp did not disclose the arrest, as required, in response to a question on her 1987 security clearance form.

The Pentagon's chief spokesman, Kenneth Bacon, later acknowledged that he had provided the magazine's reporter with information gleaned from the security clearance form. Bacon has said he acted along with Clifford Bernath, one of his deputies, and that the White House wasn't involved. Tripp accused Bacon, Bernath and others of violating her privacy rights.

Bacon was out of town yesterday and Bernath did not return a telephone message. W. Neil Eggleston, an attorney who represents the White House, declined to comment. The Defense Department had no immediate response. Tripp, who continues to work for the Defense Department, declined to comment through her attorneys.

The lawsuit does not say who at the White House allegedly sought to discredit Tripp. But one section maintains that numerous current and former officials engaged in discussions about her, including first lady Hillary Rodham Clinton.

Stephen M. Kohn, one of Tripp's attorneys, said he hopes to take depositions from numerous White House officials to further develop the case.

First Lady Defends Museum

Associated Press

NEW YORK, Sept. 27—Taking a stand at odds with the man she'll probably run against next year, the first lady said today she doesn't personally approve of a museum's controversial exhibit but thinks it's wrong to take city funds away from the institution.

Speaking outside a Harlem school this morning, Hillary Rodham Clinton said she doesn't like the idea of a portrait of the Virgin Mary embellished with elephant dung, part of an upcoming exhibit at the Brooklyn Museum, but she believes the museum has a right to show it.

Mayor Rudolph Giuliani, who, like Clinton, is considering running for U.S. Senate, is pledging to cut \$7 million in city funds if the museum goes ahead with the show, "Sensation: Young British Artists From the Saatchi Collection," set to open Saturday.

"I share the feeling that I know many New Yorkers have that there are parts of this exhibit that would be deeply offensive," Clinton said. "I would not go to see this exhibit." But she said, "it is not appropriate to penalize and punish an institution such as the Brooklyn Museum."

On Sunday, Cardinal John O'Connor sided with the Republican mayor, while civil rights activists said that pulling the museum's funding would violate the First Amendment.

"I'm saddened by what appears to be an attack not only on our blessed mother . . . but one must ask if it is not an attack on religion itself and in a special way on the Catholic Church," O'Connor said in his weekly sermon at St. Patrick's Cathedral.

O'Connor did not name Giuliani, but he said he was grateful to city officials, adding: "It is their right, if not their duty, to express themselves on such matters."

He urged his listeners to send protest letters to the museum. But New York Civil Liberties Union Director Norman Siegel said the threat to cut funding violates the First Amendment.

"His assertion that New York City can withdraw all funds for the museum based on a single exhibition that he finds offensive illustrates a serious misunderstanding of the Constitution," Siegel said.

The museum's director, Arnold Lehman, has not publicly said what he will do, but he has a reputation for standing firm on matters of artistic expression. Directors of other museums have been noticeably silent.

Clinton Lists New Agenda Of Legislation

By JEANNE CUMMINGS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Flanked by Democratic congressional leaders, President Clinton offered a New Year's legislative agenda that is short on new issues but includes new tactics designed to boost his party's fortunes during the coming elections.

The most notable item unveiled by Mr. Clinton is a budget request for \$1.3 billion for loans and grants to help pay for school renovations and repairs. That request will be coupled with a proposal first offered last year for \$3.7 billion over five years to help generate \$24.8 billion in tax-credit bonds to modernize as many as 6,000 schools.

"We can't expect our students to meet high academic standards if their schools don't even meet high building standards," Mr. Clinton said.

In addition to the school-construction proposal, the president said he again will push for passage of hate-crime legislation, a minimum-wage increase, a prescription-drug benefit under Medicare, firearm-safety locks and other gun-control measures, and new rights for patients who belong to health-maintenance organizations.

Putting On the Squeeze

All of those proposals were on the White House's 1999 legislative laundry list and failed to win passage in the Republican-controlled Congress. This year, administration officials hope election-year jitters will push some Republicans—particularly moderates who are in swing districts—onto their side of the issues. "We have seen bipartisan support for all these programs in Congress," Mr. Clinton said. "We know that outside Washington, none of these are partisan issues."

Despite Mr. Clinton's pledge to "reach across party lines" to pass the bills, the

Reading, Writing and Repairs

School-Construction Needs

- **\$112 billion** is needed to repair problems at the nation's schools.
- **One-third** of the schools, or about 25,000, require extensive repairs.

The White House proposal

- **\$3.7 billion** over five years to help generate \$24.8 billion in tax-credit bonds to modernize up to 6,000 schools
- **\$1.3 billion** for loans and grants that could help finance 8,300 renovation projects.

school-construction proposal serves as an example of how the White House is carefully crafting its legislative proposals to put the squeeze on Republicans.

Last year, a confrontation over the school-construction issue never materialized because the White House proposal dealt strictly with tax credits and Congress didn't pass a comprehensive tax-credit bill. The White House made sure things would go differently this year when it created the \$1.3 billion loan and grant provision, which will go through the appropriations process and probably will become an issue in the final budget negotiations just before the November elections.

GOP Setting Priorities

By directing the construction-spending proposal toward the budget process, Mr. Clinton also hopes to have a debate on school spending without alienating members of the House and Senate education committees, which still must pass his Elementary and Secondary Education Act this year. That bill includes his proposals for more teachers, after-school programs, teacher training and testing, rewards for schools showing academic improvement, and other measures the president is eager to see passed during his administration.

The Democrat's agenda was unveiled as Republican congressional leaders began two days of private meetings to hash out their own legislative priorities. Their reactions to the president's school-construction proposal suggests that, at least at this early stage, neither side is prepared to give way to the other.

"Republicans are for more construction, more teachers, and putting more computers into schools," said Joe Karpinski, spokesman for the Senate Health and Education Committee. "But we believe that state and local administrators are best able to decide how to prioritize those issues based on their own needs."

House Ways and Means Committee Chairman William Archer of Texas noted that Congress has passed legislation to help localities modernize schools, but the GOP plans were blocked by the White House. "I hope this year that our school children will come before politics and that the President works with us to enact a school-construction initiative into law," Mr. Archer said.

Education -
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FY 2001
budget

Candidates Clash, but Agree on Gays in Military

By BOB DAVIS

Staff Reporter of THE WALL STREET JOURNAL
DURHAM, N.H.—In a debate featuring some of the most personal clashes of the campaign so far, the two Democratic presidential contenders said they would appoint to the Joint Chiefs of Staff only those officers who would implement a policy of letting gays serve openly in the military.

Vice President Al Gore compared the gay-rights issue to the racial integration of the armed forces after World War II, and said agreement with his position would be a "requirement" for an appointment to the top commands in the U.S. armed forces. "I would insist that [military-service chiefs] support my policy; I would make it a requirement," he said.



Al Gore

Mr. Bradley phrased it differently, saying that whether a member of the Joint Chiefs liked such a policy or not, he would expect him to follow orders. "When you're president, military people are loyal to their commander in chief whatever the policy the commander in chief calls for." Both candidates would scrap the current "don't ask, don't tell" policy.

The discussion marked one of the few areas of agreement in the televised, 60-minute debate here at the University of New Hampshire, sponsored by a consortium of New Hampshire cable TV stations, New Hampshire Public Television and the Manchester Union Leader. Messrs. Bradley and Gore clashed repeatedly over welfare reform, national health insurance, gun control and even whether logging should be permitted in national forests, a sensitive issue in New Hampshire with significant employment in the timber and paper industries.

The two candidates also questioned each other's ability to lead the nation and tried to rewrite some of the positions they had taken earlier in the campaign.

The change in tone was especially striking for Mr. Bradley, who has been repeatedly criticized for seeming aloof and disengaged. Last night, he used humor, irony and sarcasm in his criticisms of the vice president—and clearly got under Mr. Gore's skin.

Mr. Bradley accused Mr. Gore of having a "Washington bunker" mentality, which he chalked up to the Clinton administration's having to deal with the Republican takeover of Congress and the impeachment of President Clinton. "I think the objective of the White House in the last several years has been survival," the New Jersey Democrat said.

Mr. Gore shot back, saying, "I'm proud I stayed and fought against the Gingrich Congress." The vice president has often criticized Mr. Bradley for not seeking re-election in 1996, after Republicans won control of both houses of Congress.

Mr. Bradley accused the vice president of deliberately misrepresenting his proposals on health care by saying they would harm African Americans and Hispanics who depend on Medicaid. The Bradley health plan would replace the Medicaid system with subsidies to enable the poor to buy private coverage.

"I didn't say any of the things you heard," Mr. Gore responded. But the Gore campaign has warned that blacks, Hispanics and people with HIV could suffer under

Bradley's plan because they disproportionately depend on Medicaid, which Mr. Bradley would abolish.

Mr. Bradley also tried to subtly change his position during the debate. Asked by Mr. Gore why he didn't devote any of the expected surplus to shoring up the Medicare system, Mr. Bradley responded that "if we grow faster than 2.9%, we'll have money to devote to Medicare."

The former senator, however, hasn't put forward any proposals that would guarantee such speedy growth. The Congressional Budget Office and the Clinton administration estimate that the U.S. will grow around 2.3% to 2.5% annually over the coming years. The tax-cut plan put forth by Texas Gov. George W. Bush anticipates growth of 2.7% annually. Only wealthy Republican publisher Steve Forbes counts on faster growth—and he has proposed steep tax cuts and jawboning the Federal Reserve to achieve those optimistic goals.

During one exchange, Mr. Bradley said that his health-care plan would also be helped by competition that would arise among health-care providers to insure low-income Americans for the sums provided by a Bradley administration. "Let me explain to you how the private sector works," he lectured the vice president, to laughs from the audience.

For his part, Mr. Gore showed a card he carried that listed the costs of various health-care plans that Mr. Bradley hopes to expand for low-income Americans. Few could be purchased with the subsidies Mr. Bradley envisages.

The two men traded barbed exchanges on campaign reform as well. Mr. Gore said that even though he was trailing in some polls in New Hampshire, he would be willing to scrap television advertising in New Hampshire in exchange for twice-weekly debates with Mr. Bradley.

"Your underdog pitch brings tears to my eyes," Mr. Bradley said, mockingly.

"I hope my upset victory brings tears to your eyes," Mr. Gore responded.

Earlier in the day, Mr. Gore picked up the endorsement of Democratic Sen. Edward Kennedy, from next-door Massachusetts, who praised Mr. Gore's health-care plan as superior to Mr. Bradley's. Mr. Gore was clearly hoping that the Kennedy embrace would swing some liberal voters to his cause. But Mr. Bradley dismissed the endorsement as just another example of the Democratic establishment lining up for the vice president.



Bill Bradley

LOS ANGELES TIMES

(first-edition) Page 1 for Tuesday, Sept. 28, 1999:

Top of page:

Col 1: Local feature.

Cols 2-4: Photo of President Clinton visiting New Orleans school. Refers to inside story CLINTON-TIMES.

Cols 5-6: Gov. Gray Davis signs into law one of the most ambitious health care reform packages in the United States, granting more than 20 million California residents the right to sue their HMOs, obtain second medical opinions and appeal their health plan's decisions to independent experts. (HEALTH-CALIF, moved).

Above fold:

Cols 2-3: With peacekeepers extending their mission, control of East Timor's second-largest city passed, without a shot being fired, from the Indonesian military to 100 Australian and Philippine soldiers of the U.N.-sanctioned force. (TIMOR-TIMES, moved).

Col 4: In addition to its enervating effect on individuals, Serbia's defeatism also is sapping the opposition movement trying to remove Yugoslavian President Slobodan Milosevic. (BALKANS-SERBIA, moving Tuesday).

Col 6: A drive to raise the wages of America's most poorly paid workers appears headed for success because prosperity has convinced many people that the nation can afford to pay more and because economic growth has undercut opponents' traditional objections. (MINIMUMWAGE-ASSESS, moved).

Below fold:

Col 3: Newsfeature. Moving later with art.

Cols 5-6: The current New England Journal of Medicine one of the world's top outlets of clinical information carries a favorable article on two popular hair-loss treatments without disclosing the author's financial ties to the companies that make the drugs. (JOURNAL, moved).

Bottom of page:

Cols 1-2: When the Knights of the Ku Klux Klan volunteered to pick up litter in St. Louis as part of Missouri's Adopt-a-Highway program, state administrators balked; so now the state and the KKK are locked in a legal battle. (KLAN, moving Tuesday).

Cols 4-6: Local story.

Clinton Finds Metaphor for School Plea

By James Gerstenzang

Los Angeles Times

NEW ORLEANS President Clinton enlisted the children of an impoverished New Orleans middle school Monday in his latest battle with Congress, using their tumbledown campus as a metaphor for the impact that federal spending cuts would have in the classroom.

With the government's fiscal year drawing to a close at midnight Thursday and Clinton ready to veto seven of the 13 appropriation bills that pay for government operations, the president sought to contrast the nation's sound economic footing and the budget surplus with the deteriorating conditions of aging school buildings and the triage-like decisions facing educators.

On the day he announced in Washington that the federal budget surplus in 1999 would be \$115 billion, Clinton asked a gathering here: "What are we going to do with our prosperity? You know we've got a lot of challenges out there. And you know as well as I do that the modern economy requires more education from all people."

At its heart, the message the president is taking around the country draws a line: On one side, as he presents it, is his plan to boost spending on education and shore up Social Security and Medicare. On the other sits a Republican majority in Congress that has proposed cutting spending and giving the nation a large tax cut.

Speaking from a stage erected on the cracked, sun-baked blacktop outside the Sophie B. Wright Middle School on the edge of the city's Garden District, Clinton chastised House Republicans for advancing a plan that he said would eliminate funding for the expansion of the nation's teachers' corps and money that he has sought for construction or modernization of 6,000 schools across the country.

"It would deny access to hundreds of thousands of children to after-school programs, so important to improving learning and keeping that juvenile crime rate down keep kids in school, off the street and out of trouble," said the president, standing before a group of students from the Wright school. "We have to demand more of our schools and invest more in them."

The General Accounting Office, the congressional investigative agency, has found that 25,000 school buildings about one-third of the nation's public schools need extensive repair or replacement.

The target of the president's criticism is a spending bill approved by House subcommittees last week providing money for the departments of Labor, Education and Health and Human Services.

The White House complained that the spending plan would provide no money to reduce the size of classes. Clinton's budget proposal would help local school districts hire an additional 8,000 teachers.

Clinton would pay for the modernization of up to 6,000 schools with \$24.8 billion in tax credit bonds. Local school boards would issue the bonds and the interest they pay would earn federal tax credits for investors at a five-year cost to the federal treasury of \$3.7 billion. A separate Republican plan would pay for work in no more than 644 schools, the White House said. kern,2

House Republicans, meanwhile, seeking to avert a government shutdown when the fiscal year expires Thursday, unveiled stopgap funding legislation Monday designed to continue government for another three weeks while lawmakers complete action on appropriation bills.

The temporary funding measure essentially would extend the current year's appropriations intact without any of the structural changes that Congress has made in the money bills it has passed for fiscal year 2000, which begins Friday.

Clinton to Have Numerous Options for Post-Presidency

By James Gerstenzang

Los Angeles Times

WASHINGTON President Clinton had just visited a museum in upstate New York when a National Park Service ranger jokingly offered him a tour guide's job there after he leaves the presidency.

"I can work cheap. I've got a good pension," Clinton responded.

His public comments are flip. His thinking may be sketchy. He resists friends' entreaties to focus on retirement. But the outlines of Clinton's post-presidential life are beginning to take shape, 16 months before he leaves office.

He has hired Robert B. Barnett, one of the best-known lawyer-agents in Washington, presumably to obtain the most lucrative book contract available from New York publishers.

A good box to be in

OPPOSING VIEW Democrats' proposed spending hurts GOP goals.

By Dennis Hastert

When the president sent his budget proposal to the Congress earlier this year, it contained plans to raid 40% of the income paid into the Social Security trust fund and increase taxes on the American people to pay for more government spending.

We in the Republican Congress thought that the president's proposal was ill advised.

After all, the federal government had the first on-budget surplus in 40 years, which we believed gave us a historic opportunity to protect the Social Security trust fund and pay down our national debt.

We also believed that since the American people pay more in taxes than at any time since the end of World War II, it would be unfair to increase taxes again. Instead, we sought to give some tax relief to hard-working Americans.'

Today, three days before the end of the fiscal year, we are fighting hard to maintain these

two principles: We will not raid the Social Security trust fund and we will not raise taxes.

This is hard work, especially given the lack of leadership from the president. He has offered not one proposal to limit spending. Rather, his Democratic allies offer only more tax increases to pay for more spending.

Make no mistake, if we had a Republican president and more Republican votes in the Congress, we could have accomplished these goals quicker and with less confrontation.

Some say that we have put ourselves in a box that hampers our ability to negotiate with a president who wants more spending. But this box is designed to protect Social Security and prevent the Democrats from raising taxes again. This is a good box to be in.

I urge the president to join us in this box. Help us make the government more fiscally responsible. Help us find ways to protect Social Security without raising taxes. And help us chart a course of smaller and smarter government for the next century.

Rep. Dennis Hastert, R-Ill., is speaker of the House of Representatives.

Rocket science awry

Accidents happen. Everything is a learning experience. It's science delayed, not science lost.

Such are the soothing words pouring forth from NASA scientists and supporters in the wake of the loss of the Mars orbiter last week.

A thesaurus of phrases for "oops," though, can't excuse the fact that a \$125 million project was obliterated by a dumb mistake.

If there is a silver lining to this interplanetary cloud, it's that NASA appears to be learning from its mishaps.

Last Thursday's orbiter loss could have been worse — and backlash against the space program greater — if the agency hadn't scaled back its missions after its biggest Mars failure: the 1993 Mars Observer. That \$1 billion mapping mission came to an abrupt end when an off-the-shelf propulsion system used to save money blew up as the Observer approached Mars.

In the most recent case, either the orbiter's earthbound pilots or its software developers apparently failed to properly measure the angle to orbit around Mars. So rather than circling the planet to send back fresh data on ecological inferences, the orbiter became part of the Red Planet's atmosphere.

Unfortunately, this isn't the first time rocket scientists have miscalculated a math problem. In 1990, the Hubble space telescope went up with a mismeasured mirror that so blurred its vision of the star-splattered heavens as to make the Milky Way look like a malt.

Hubble, at least, could get corrective lenses, a feat producing better optics that enhanced man's ability to work in space and raised new speculation about the universe's origin.

The lessons from the orbiter's loss are more down-to-earth: like the value in cutting your losses.

That philosophy was implemented after the 1993 Mars mission failure. Under a new NASA administrator, the agency gave up all-in-one-basket missions for "faster, better, cheaper" ones, with more limited goals.

The result has been more missions: 21 deep space probes since 1993, compared with two in the 1980s. And with the orbiter being the third failure, the rate is not much worse than the one in 10 record for more costly ones.

Still, as any carpenter knows, by measuring twice, you only have to cut once. And enhanced accuracy makes space missions of all sizes better and cheaper for taxpayers to swallow.

Stances Harden in Education Fund Battle

By ERIC PLANIN
and JULIE EILPERIN
Washington Post Staff Writers

The GOP yesterday hardened its stand against President Clinton's demand to spend a full \$1.4 billion to hire more teachers next year, yet both sides insisted they could still work out their differences on this and other budget issues before the end of the week.

Republican leaders believe they are playing a stronger hand by fighting for more local control of federal education money and warned the administration and their own members early in the day that the talks may drag on beyond Wednesday night—an informal leadership target for adjournment.

However, White House officials and Republican lawmakers planned to meet last night, with some indicating that a breakthrough may be at hand. Even so, Republicans said they were angered by White House Chief of Staff John D. Podesta's weekend warning that the administration would not give ground on the teacher issue and accused Clinton of attempting to dictate local school policy for using the money from Washington.

"The big issue is, who controls it?" said Senate Majority Leader Trent Lott (R-Miss.) "Will Washington bureaucrats assert and control where this money is used, or will there be some discretion at the local level, based on what local needs are, whether it's books or computers or training for teachers, or for teachers themselves?"

In renewing his insistence that Congress earmark new funds to help hire 100,000 teachers, the president cited an Education Department study concluding that students benefit from smaller class sizes.

Clinton told reporters that the federal money for new teachers does not belong to states and local school districts. "It's not their money," he said. "If they don't want the money, they don't have to take it. If they're offended by it, they can give it to other states and other school districts."

Clinton also renewed his call for Congress to hire 50,000 new police officers, spend more money on acquiring open spaces, increase the minimum wage without enacting "special-interest tax cuts" and strengthen laws against hate crimes. He noted that the parents of Mathew Shepard—the gay Wyoming man whose beating death gained national attention—visited the Capitol and the White House today. Clinton did

not meet with the couple, but Podesta did.

After a largely unproductive weekend bargaining session, the White House and congressional Republicans exchanged proposals yesterday for narrowing their differences on a range of issues.

"If tonight's meetings suggest a desire for serious and constructive resolution, things can move very quickly," said Linda Ricci, an Office of Management and Budget spokesperson. "It would take a lot of work to wrap up by Wednesday, but it's not impossible."

Lawmakers said they were close to a final agreement on one of the four remaining spending bills—the bill funding the Interior Department. To assuage Clinton's concerns that their bill is underfunded, GOP lawmakers have proposed adding \$385 million for land acquisition and other purposes.

Republicans have also "moderated" a number of provisions the administration deems anti-environmental, according to Rep. Ralph Regula (R-Ohio), who oversees the spending bill. New oil royalty rules will be delayed only until April 1, rather than June 1, and individuals with grazing permits can renew them for up to three years before meeting new environmental standards instead of renewing them for a decade.

With education looming as a crucial issue in next year's election campaign, the two parties are using the budget negotiations to jockey for political advantage. The administration has made the hiring of 100,000 new teachers to reduce average class size a top priority, and last year Congress reluctantly approved funding for the first installment of that program.

Republicans say that they are just as concerned about education as the Democrats, and in fact approved more for education this year than the president requested. But they changed direction this year, arguing that while hiring teachers should be the top priority, local schools should have the option of using the money to improve teacher competency or some other purpose.

"I'm prepared to acknowledge to the president that classroom size is the first priority," said Sen. Arlen Specter (R-Pa.), a senior lawmaker with jurisdiction over education. But he said school boards should be able to use the money for other purposes if they "make a factual determination that classroom size is not a problem."

Republicans said they wanted to model the classroom-size reduction initiative on the GOP's Teacher Empowerment Act, which would limit the funding to hiring, professional development and teacher testing but would not bow to Clinton's demand that it all be used for hiring.

"If classroom reduction means hiring unqualified teachers, then don't do it," said Education and the Workforce Committee Chairman William F. Goodling (R-Pa.), who has been negotiating with the White House on the issue. "Above all, we want quality teachers in the classroom."

But referring to GOP support last year for his teacher hiring program, Clinton complained that the "Republican majority has mysteriously changed its mind."

The House leadership launched a public relations offensive on education yesterday, organizing a series of after-hours floor speeches on the issue and publishing "rapid response" press releases.

House Speaker J. Dennis Hastert (R-Ill.) wrote, "As a former high school teacher, I know firsthand that students are best served when decisions about their education are made on the local level. . . . The president now acknowledges that the issue at stake here isn't funding, it's control."

Staff writer Charles Babington contributed to this report.

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President Goes a Step Further in Online Chat

Audio-Visual Hookup Has Some Problems

By CHARLES BABINGTON
Washington Post Staff Writer

President Clinton fielded about two dozen questions, most of them gentle, from Internet users last night in what organizers billed as the first presidential online chat involving audio and video technologies.

While many predict that computer and Web site innovations will play increasingly important roles in U.S. politics, last night's virtual "town hall chat" showed that these pathways still contain lots of bumps. The "video streaming" images of Clinton were herky-jerky at best, and technological glitches caused the comments of other participants to be painstakingly delayed at times or difficult to hear.

Still, Clinton seemed delighted with the undertaking, and organizers called it a great step for a democracy that prizes close links between citizens and elected officials. Clinton has taken questions in previous online chats in which his answers were typed, but this was the first that allowed properly equipped computer users to hear his comments and to see sporadically moving pictures of him, as he sat on stage at George Washington University's Marvin Center.

Clinton made little if any news. Virtually all the questions dealt with topics he has discussed often. He said he thinks "the chances of success are better than 50-50" for significant progress in Middle East talks between Israelis and Palestinians. He said he welcomed a vigorous debate on free-trade initiatives at the upcoming Seattle meeting of the World Trade Organization. And he said "it would be irresponsible" not to build a national missile defense system if one can be effectively constructed without violating existing treaties.

"I think the real problem is the danger that in the future, rogue states and terrorist groups might themselves get missile technologies that could pierce America's traditional defenses," Clinton said. "So we're working on missile defense and we're also working with the Russians to see if we can agree to make some amendments to the Anti-Ballistic Missile Treaty so that we can put the missile defense up if we can develop it and they can share the benefits of it."

Five other elected officials from throughout the nation participated by telephone hookups. The most assertive was Maryland Lt. Gov. Kathleen Kennedy Townsend (D), who volunteered her views on Maryland initiatives on matters including crime, education and Internet access.

Clinton praised Townsend for heading the effort that made Maryland the only state that requires public high school students to perform community service to graduate. "I'd like to see most states follow Maryland's lead," he said.

The online chat was sponsored by the Democratic Leadership Council, a centrist group politically tied to Clinton. A California-based company, Excite@Home, provided the technical support.

DLC President Al From joined Clinton on stage and read from questions that had been screened by Excite staff members and then a top DLC aide. Clinton scrutinized the list of questions scrolling across a video monitor, at one point telling From, "I want to take this one."

The president several times praised the work of Vice President Gore, crediting him with efforts to ease traffic congestion and "give people back time."

He said there is little to fear in the United States from the Y2K computer glitch when the year 2000 arrives. "The United States is fine," the president said, "and I wouldn't hoard food and I wouldn't hide."

When "Mark in England" asked if Clinton wishes he could serve a third four-year term, which the Constitution bars, he replied: "I love this job and I would continue to do it if I could." He told another questioner he believes his legacy will be "a time of transformation, hope, of genuine opportunity," a time when "we deepened the bonds of freedom."

Clinton said he hopes future candidates and government officials will subject themselves to online questioning.

"If we use technology to chip away at cynicism and increase participation," he said, "that will be a great thing indeed."

In an interview, From called the evening a success despite the technological problems. "The idea that citizens anywhere in the world can ask questions of their leaders is wonderful," From said.

The Washington Post

TUESDAY, NOVEMBER 9, 1999

Educ
2000 Budget

Education Is a Sticking Point in Negotiations on Spending Bills

By TIM WEINER

WASHINGTON, Nov. 8 — Congress and the White House argued late into tonight on the year's long-overdue spending bills but remained deadlocked over billions of dollars and crucial paragraphs of legislative language.

The two sides fought all day over President Clinton's \$1.4 billion program to help hire 100,000 new teachers and reduce class sizes in public schools, part of the \$314 billion spending bill for labor, health and education programs.

"We have a big difference of opinion on education," Mr. Clinton said.

Mr. Clinton, who calls the plan one of his most important goals this year, wants the money spent entirely on hiring teachers. Republicans want instead to give \$1.2 billion to states and their school boards to spend as they please on books, computers, teachers, or other needs. Mr. Clinton says he will not compromise.

"It's not about the money," said the Senate majority leader, Trent Lott of Mississippi. "The big issue is, who controls it?"

Senator Arlen Specter, Republican of Pennsylvania, the chairman of the Appropriations subcommittee in charge of the education spending bill, said he had little desire to deal with a president making ultimatums. "I don't see any room for compromise," he said. The two sides were still more than \$2 billion apart on the bill and miles apart on its wording.

The White House and the Republicans met face-to-face in the Senate late tonight on the \$39 billion bill financing the Commerce, Justice and State Departments, one of five measures still unfinished among the 13 spending bills. Neither side expected a settlement on any bill tonight.

"We're a long way away," said Senator Ted Stevens, Republican of Alaska, the chairman of the Senate Appropriations Committee, which governs spending. Congress wants to adjourn on Wednesday, but Mr. Stevens said that was a distant prayer.

Throughout the day, there were offers and counteroffers between the White House and the Republican leadership but no deals on the unresolved spending bills.

"Can we do it all by Wednesday? In a heartbeat, if we work together," Mr. Clinton said. But the noise level of the arguments only increased.

Mr. Lott said the White House might still have to agree to an across-the-board spending cut of nearly 1 percent to make sure that

the Republican-written spending bills do not rely on spending Social Security money. The Republicans have staked their fiscal and political reputations on meeting that goal.

Mr. Clinton last week vetoed an across-the-board cut of 0.97 percent, denouncing it as "blind" and "mindless."

But Mr. Lott said Congress "absolutely, absolutely" would insist on the across-the-board cut if necessary. "We have to look at all the numbers and see how they add up," he said. "And if there's any chance that it would dip into the Social Security trust fund, we should have an across-the-board cut."

And a new potential obstacle loomed. Senator Robert Byrd of West Virginia, the ranking Democrat on the Appropriations Committee, wants a new law favoring his state's coal miners added to the legislative stew before Congress adjourns.

Mr. Byrd wants to overturn a federal judge's ruling that the state violated clean water laws by letting coal companies clog hundreds of miles of streams with earth dumped from mountain sides.

To force that provision to the floor,

Mr. Byrd threatened to block the \$15.3 billion foreign operations bill passed by the House on Friday. He lifted that threat tonight, but the rest of the spending bills remain potential legislative vehicles for his effort. Mr. Byrd's office said he would declare his intentions on Tuesday.

Among the spending bills still on the table, one, with less than half a billion dollars of federal financing for the District of Columbia, is all but finished and ready for the president's signature. A second, covering the \$15 billion Interior Department budget, still has provisions favoring the oil, gas and mining industries to which environmentalists and the White House object.

Then there is the big dispute over

education programs. And the bill financing the Commerce, Justice and State Departments is in limbo.

Representative Christopher H. Smith, Republican of New Jersey, wants the bill to block federal money from going to any organization trying to ease abortion restrictions overseas. He has attached that provision to the section of the bill that would allow the United States to pay the \$1 billion in dues it owes the United Nations.

Mr. Lott said: "The dues issue should be resolved in an appropriate way. The Administration needs to come to grips with some limitations on taxpayer dollars being spent to lobby for abortion around the world."

THE NEW YORK TIMES

TUESDAY, NOVEMBER 9, 1999

Senate Panel Clears Moseley-Braun Appointment as Ambassador

WASHINGTON, Nov. 8 (Reuters) — The Senate Foreign Relations Committee overwhelmingly endorsed former Senator Carol Moseley-Braun this evening as the new United States ambassador to New Zealand, clearing the way for final Senate confirmation later this week.

The committee backed her 17 to 1, with the chairman, Jesse Helms, who delayed her nomination hearing for weeks after saying she was under an "ethical cloud," casting the lone vote

against her.

Ms. Moseley-Braun, the first African-American woman to serve in the United States Senate, rejected the ethics charges during a short and collegial confirmation hearing before the panel last week.

She denied allegations that she had used 1992 campaign funds to purchase clothes, cars and overseas trips, and said she paid for two trips to Nigeria during the reign of the

former dictator Sani Abacha out of her own funds.

"Senator Moseley-Braun will be an excellent ambassador," Senator Joseph Biden of Delaware, the ranking Democrat on the panel who led the push for her nomination, said after the vote.

Mr. Helms, Republican of North Carolina, had demanded a batch of documents related to the ethics charges against Ms. Moseley-Braun,

and delayed her confirmation hearing until he received them last week.

Civil rights activists and some Democrats said his dispute with Ms. Moseley-Braun stemmed from her 1993 opposition to a renewal of a design patent sponsored by Mr. Helms for the United Daughters of the Confederacy, which used the Confederate flag in its emblem.

Books of The Times: Weekdays

Senator Delays Vote to Confirm Admiral as Envoy to China

By ELIZABETH BECKER

WASHINGTON, Nov. 8 — A Republican senator has blocked the confirmation of retired Adm. Joseph W. Prueher to be the next Ambassador to China, saying he is worried that the admiral is too friendly to China.

Last Thursday Senator Robert C. Smith, a Republican from New Hampshire, put a hold on a full Senate vote on the admiral's nomination until the Pentagon releases official documents detailing his relations with China and Taiwan

when he commanded the combined American forces in the Pacific.

"I'm worried that he's been lax on planning for the defense of Taiwan," said Senator Smith. "No. 2, he's a bit naive on China at best, or at worst somewhat dangerous to the nation's national security."

In a letter to Secretary of Defense William S. Cohen, Senator Smith and Sen. James M. Inhofe, a Republican from Oklahoma, asked for documents detailing the admiral's plans for defending Taiwan, his objections to arms sales to Taiwan and his decision to allow Chi-

nese officers to tour an American nuclear submarine in California.

Last week the Senate Foreign Relations Committee voted to confirm the admiral. But with Congress attempting to complete its business this week and go into recess as early as Wednesday evening, Senator Smith's hold could delay a vote by the full Senate and mean the death of the nomination. In that case, President Clinton's only recourse would be to make Admiral Prueher an ambassador through a recess appointment.

"The president believes this

nomination should be acted on expeditiously," said David C. Leavy, a spokesman for the National Security Council. "It's clear there is bipartisan support for the admiral."

The Department of Defense plans to deliver the documents to Senator Smith on Tuesday, a Pentagon spokesman said. If he is not satisfied with those documents, Senator Smith said, he may refuse to allow a vote.

The post in Beijing has been empty since the former ambassador, James Sasser, left in July.

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Podesta says education is key to budget accord

No new teacher funds, no deal, he warns

By Joyce Howard Price
THE WASHINGTON TIMES

A1

White House Chief of Staff John Podesta said yesterday there will be no budget deal unless Republicans in Congress agree to President Clinton's demands for more teachers and reduced class size.

Mr. Podesta made his comments on NBC's "Meet the Press" as Jack Lew, Mr. Clinton's budget director, met with Senate appropriators in a rare Sunday session as the two sides try to wind up fiscal 2000 budget negotiations.

Mr. Podesta acknowledged neither side wants a government

shutdown. "I don't see that in the cards," he said.

But he said negotiators still "have very major issues to resolve."

Leading that list, he said, is "whether we're going to put more teachers in the classroom and reduce class size and improve our performance in the lowest grades."

Mr. Podesta added: "Realistically, I think we are not prepared to go home until we do get more teachers and lower class size. The Republican leadership made a commitment to that last year after

the president pressed and pressed and pressed."

Asked if this means there will not be a budget agreement unless more teachers are provided, the president's senior aide said, "That's correct."

At issue is the GOP's refusal to earmark money for a Clinton initiative to hire 100,000 additional teachers. This past year, Congress provided a "down payment" of \$1.2 billion to help local school districts hire 30,000 teachers nationwide.

But Republicans in Congress now believe local school districts — not Washington bureaucrats — should decide their specific needs. Some may need extra teachers, but others may require funds for other educational purposes, and they

should have the flexibility to decide, Republican leaders say.

On Wednesday, Mr. Clinton vetoed a massive spending bill to finance education, health, and other social programs. He had pledged to veto it, if it did not include the money to continue the teacher hiring program.

"We've hired 30,000 new teachers," Mr. Podesta said yesterday. "There's a report out that the program is quite successful, and we're going to keep pressing them [Republican leaders] to fulfill the commitment they not only made to the president, but to the American people, that this program to put teachers in the classroom will be funded adequately and there won't be any gimmicks to take the money out the back door, as we currently have" in spending bills passed by Congress.

In the Labor, HHS, Education appropriations bill Mr. Clinton ve-

toed, the Department of Education would receive \$300 million more in fiscal year 2000 funding than the president requested. But dollars would not be specifically provided for additional teachers.

Among other big budget questions still to be resolved, Mr. Podesta said yesterday on NBC, are "whether we put more cops on the street to continue the decline in the crime rate" and "whether we're going to pay our debt to the U.N."

On CNN's "Late Edition," Sen. Orrin G. Hatch, Utah Republican, and Sen. Dianne Feinstein, California Democrat, both urged inclusion of \$1 billion in the budget for payment of back dues the United States owes the United Nations.

On "Meet the Press," Mr. Podesta said budget negotiators yesterday were tackling the "tough issue of the Interior bill, which has all these anti-environmental riders which need to be stripped off, and

we need some more money for the key environmental programs and land acquisition

"Hopefully, we can resolve that in the next day or so and move on to the other remaining issues," the senior White House aide said.

Senate Majority Leader Trent Lott said he hopes Congress will be able to complete its budget work by Wednesday.

"We could have it worked out" by then, the Mississippi Republican told reporters yesterday.

To date, Mr. Clinton has signed eight of the 13 major appropriation bills for the fiscal year that began Oct. 1. In the budget talks, congressional leaders and White House officials are trying to reach agreement on four of the remaining five measures that were vetoed. Work on the fifth, which involves D.C. spending, is all but completed.

Feminist author assails peers for 'heterophobia'

By Joyce Howard Price
THE WASHINGTON TIMES

A1

A longtime feminist charges that "heterophobia" — which she defines as "fear and antagonism" toward men and heterosexuality — is driving much of today's sexual-harassment law and policy.

Daphne Patai, author of the new book "Heterophobia: Sexual Harassment and the Future of Feminism," says the roots of heterophobia lie in "extremist" feminist literature, with which she became familiar when she was a professor of women's studies at the University of Massachusetts at Amherst.

"Somewhere along the line, the feminist criticism of patriarchal institutions derailed into a real, visceral, and frightening antagonism toward men and a consequent intolerance toward women who insist on associating with them," she writes.

In her book, Ms. Patai says "heterophobia" is the engine behind "some truly dreadful" sexual-harassment laws and policies she says are sweeping the nation, on college campuses and in the workplace.

"Sexual-harassment legislation is an instrument by which the micromanagement of everyday life is being undertaken. The real aim is to change the relations between men and women in a fundamental way," she writes.

Ms. Patai, who is married, put it this way in a telephone interview Friday from her Amherst home: "Feminist literature promotes the image [of heterosexual sex] as [a practice involving] a predatory male and an innocent female victim. . . . There are feminists who write that heterosexuality is unnatural and some who argue that even having consensual [heterosexual] sex is not right, as women are lying to themselves" about enjoying it.

Ms. Patai, now professor of Brazilian literature at the University of Massachusetts at Amherst, says such thinking dominates what she calls the "sex-harassment industry" and is incorporated into legal decisions.

Some feminists agree that heterophobia exists in the women's movement but insist that it's not prevalent.

"There is definitely an academic feminist contingent for whom that line of thinking is primary," said Martha Burk, director of the Center for the Advancement of Public Policy and editor of Washington Feminist Faxnet.

"But these people do not represent the feminist movement any more than Gary Bauer [a social conservative who is a Republican presidential hopeful] represents all churchgoers," Ms. Burk said.

She added: "The opinions of these more radical people, such as Andrea Dworkin, are on the fringe. . . . The most active contingent [in the feminist movement] are those

working for socioeconomic change, not those debating in ivory towers about who's on top."

Ms. Burk dismisses Ms. Patai's assertion that heterophobia is a driving force behind much of the sexual-harassment legislation now on the books.

"Sex discrimination and sex harassment were the genesis of those laws," she said.

Ms. Patai identifies feminists such as Ms. Dworkin, Catherine MacKinnon and Adrienne Rich as some of the "male-bashing" femi-

nist extremists whose views are showing up today in efforts designed to stamp out sexual harassment.

"Their agenda is strange and represents a minority of feminist thinking, but it's had a disproportionate effect in the law," she said.

Writing for the journal *Sexuality and Culture*, Ms. Patai says the claim of "feminist extremists" that "heterosexuality is a social construct oppressive and inimical to women has gone from being a marginal view within feminism to an idea that is implicitly manifest in public policy and judicial decisions."

She says sexual harassment is an ambiguous term that can mean "anything from a look to rape: unwanted touching, looks, jokes or repeated invitations." Particularly on college campuses, she says, ca-

reers are being destroyed, "typically with no due process."

Ricky Silberman, chairman of the Independent Women's Forum, which had Ms. Patai as a guest speaker in September, said in the IWF newsletter, *Ex femina*, that the author showed how radical feminists have "latched onto sexual harassment as a means of bringing men to heel."

Gloria Allred, a feminist whose Los Angeles law firm handles more sexual-harassment lawsuits than any other in the country, said the cases she and her partners take generally involve "more serious conduct" than sexual bantering in the workplace.

But she argues that sexually explicit language alone can constitute sexual harassment if it's "continuing, severe and creates a hostile workplace."

Clinton Sends Budget Negotiators Back to Capitol

By DAVID ROGERS

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—President Clinton sent his budget negotiators back to the Capitol, hoping to speed a deal with Republicans before he leaves Friday for an 11-day trip to Europe.

The rare Sunday meetings lasted into the evening and largely focused on a \$14.5 billion natural-resources bill on which the two sides are optimistic of reaching an agreement. As part of a final compromise, the GOP was prepared to boost funding for the president's Lands Legacy initiative and set a date in the spring to end a moratorium that has blocked Interior Department rules that would increase the level of government royalties for oil pumped from federal lands.

More difficult legislative issues remain regarding education policy. White House Chief of Staff John Podesta warned that the administration wasn't prepared to let Congress go home until there is more of a commitment to the president's goal of hiring thousands of teachers to reduce class sizes in public schools.

Mr. Clinton and Speaker Dennis Hastert of Illinois conferred Friday during a joint appearance in Chicago, and Republicans are anxious to adjourn by the Veterans Day holiday Thursday. After last week's breakthrough on foreign-aid funding, there was hope of meeting this deadline. But the budget talks seem to lack any momentum, and, unless more progress is made soon, they could slip over into next week—and perhaps Thanksgiving.

"It's going to take just three hours to finish this," said Missouri Rep. Roy Blunt, the GOP's deputy whip. "I just don't know on what day that is going to be."

The latest and most serious obstacle comes from the president's own party, where West Virginia Sen. Robert Byrd is

ping its support for a provision important to his state's coal industry. Presidential politics are part of the mix, since environmentalists are watching how Vice President Gore handles the matter. As the ranking Democrat on the Senate Appropriations Committee, Mr. Byrd is well positioned to slow any budget action.

At issue is an October federal-court decision challenging the practice of mountaintop-removal mining, which results in dumping tons of rubble into the valleys below. The ruling has been stayed amid the uproar that followed, but Mr. Byrd wants more permanent legislative relief. Environmentalists fear this will gut the court's effort to protect streams in the valleys from contamination and blockage.

Joe Stewart, a former aide to Mr. Byrd, is among those lobbying for the provision. The dispute is potentially embarrassing for the 83-year-old senator as he campaigns for re-election next year. While the state's coal companies and coal miners support his stand, the politics of West Virginia have become more sensitive to the environment over the years. He had hoped to work quietly with the White House and was described as livid when the administration publicly changed signals on him.

In action on foreign aid, the House voted 316-100 Friday to approve a revised \$15.3 billion package, adding about \$2.6 billion to a foreign-aid bill vetoed by Mr. Clinton last month. It includes \$120 million dedicated to begin writing off U.S. bilateral

debt owed by poor developing countries. But the Treasury Department still wants an amendment to bring multilateral institutions such as the International Monetary Fund into the debt-reduction initiative, which was blessed this summer by the major industrial nations.

Toward this goal, Treasury needs authorization for the IMF to sell as much as 14 million ounces of gold from its reserves in some off-market transactions designed to create more liquidity to cover the cost of the forgiven loans. Majority Leader Dick Armey of Texas supports the debt-relief effort, but remains wary of the IMF's role. Treasury Secretary Lawrence Summers met with the Republican leader for close to an hour Friday. "All conversations are useful," Mr. Summers said.

Much may depend on lobbying by an amalgam of church groups, relief organizations such as Oxfam and even Bono, lead singer for the Irish rock band U2, all drawn to the concept of forgiving debts with the turn of the millennium. "We have a good debt-relief program in place. . . . It is dead

if the IMF is not permitted to fund its share," reads an Oxfam lobbying memo. Republicans are divided over the foreign-aid bill's higher costs and may be reluctant to go much further.

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House Passes Bill To Help Reverse Cuts to Medicare

By SHAILAGH MURRAY

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The House overwhelmingly approved an \$11.5 billion Medicare bill to help reverse deep Medicare cuts to hospitals, nursing homes and other health-care providers.

The measure isn't the Medicare overhaul that President Clinton and congressional lawmakers had hoped to achieve this year. President Clinton and Democrats had lobbied hard to add a prescription-drug benefit to the program, while many Republicans wanted a top-to-bottom restructuring to make the senior health-insurance program less bureaucratic.

"It's a refinement bill, not a reform bill," said Rep. Bill Thomas, the California Republican who sponsored the legislation. "We still need to address prescription drugs," he added. "But this very narrow, very shallow canoe cannot support that initiative today."

The House bill is similar to a version that has passed the Senate Finance Committee, though there are some differences that have to be worked out. President Clinton has indicated that while he doesn't like certain aspects of the House bill, he is determined to wrap up a so-called Medicare give-back package before Congress adjourns for the year. But one problem that remains is the financing. Democrats have argued that the legislation shouldn't be paid for out of the projected budget surplus.

The five-year package would increase payments to teaching hospitals and skilled nursing facilities, two provider groups that have clamored loudly for assistance since the Balanced Budget Act of 1997 sharply cut Medicare reimbursement rates. It would also increase payments to managed-care plans—a sticking point with the administration, and provide more flexibility and funding for rural hospitals. In addition, the bill would delay a scheduled 15% reduction in home health-care services, and extend coverage of organ-transplant drugs and cervical-cancer screening.

Democrats tried to score political points by criticizing the lack of a prescription-drug benefit, and they wanted higher funding for teaching hospitals, home-care agencies and other hard-hit providers. Many lawmakers disliked a measure that would redistribute graduate medical-education payments to a larger pool of teaching hospitals—a boon for hospitals with funding problems but a blow to those that get the bulk of the money today. For instance, Montefiore Medical Center in the Bronx in New York City stands to lose \$15 million a year under the bill. "There shouldn't be winners and losers here," said Rep. Eliot Engel, a New York Democrat whose district includes the hospital.

White House Project Aims to Make Trucks More Fuel-Efficient

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The White House is trying to put together a multibillion-dollar initiative to vastly increase the fuel efficiency of heavy trucks.

The program, tentatively called the Twenty-First Century Truck Initiative, involves officials from Vice President Al Gore's office.

The initiative is modeled after a government-industry program to triple the fuel efficiency of average-priced automobiles, known as the Partnership for a New Generation of Vehicles and launched by Mr. Gore in 1993. The so-called supercar program has made considerable technical progress, but it is far from clear it can meet its ambitious goal by its 2004 deadline.

A senior White House official said the administration is meeting with representatives of truck and engine makers to see whether they would be willing to participate in such a venture and share costs. If the White House finds a sufficient number of willing partners, the project could be included in February's budget request. National Journal reported on the project in its current issue.

The federal government already conducts research into advanced truck and truck-engine design.

The aim of the project would be to coordinate research at the Defense Department, Department of Transportation, the Environmental Protection Agency and elsewhere, and pair it with research from industry to produce high-mileage vehicles. The White House official said putting together a supertruck initiative will be more difficult than one for cars. There were only three U.S. auto makers, compared with a larger number of truck and engine makers.

In addition, the technological challenges vary greatly depending on the size of the vehicle.

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White House, GOP Meet to Try to Bridge Gaps on Budget Issues

By ERIC PLANIN
Washington Post Staff Writer

With both sides eager to conclude budget talks this week, the White House and congressional Republicans met yesterday in an unusual weekend session to try to narrow their differences over interior spending and a handful of other key issues that are blocking a final deal.

While conflicts about overall spending are fast evaporating, Republicans and the administration remained far apart over hiring additional teachers and police officers, paying nearly \$1 billion of back United Nations dues and the details of President Clinton's "Lands Legacy" initiative to acquire environmentally and culturally significant land that is threatened by development.

White House Budget Director Jacob "Jack" Lew left the meeting last night saying he was disappointed that more had not been accomplished. "We're a long ways from everything being decided right now," he said.

The dispute over Clinton's demand for another installment in hiring 100,000 new teachers and his land acquisition program were the most contentious issues.

White House Chief of Staff John D. Podesta yesterday angered Republicans by declaring during a televised appearance that Clinton would not budge in his demand that Congress spend \$1.4 billion to hire 30,000 more teachers. And Clinton refuses to agree to the GOP's approach of giving local school boards the option of using the money for other purposes. The White House contends that hiring more teachers to reduce the average class size is the most important thing that can be done to improve the quality of education.

"Realistically, I think we are not prepared to go home until we do get more teachers and lower class size," Podesta said on NBC's "Meet the Press."

Sen. Arlen Specter (R-Pa.), chairman of the Senate appropriations subcommittee with jurisdiction over education spending, warned that White House intransigence might force the Republicans to dig in their heels. "That makes me pretty determined to keep what the Congress has done," Specter said before entering the negotiating room in the Capitol.

The administration is equally adamant about funding for the Lands Legacy program, which would buy New Mexico ranch land, California

desert and parts of the Florida Everglades. The White House has sought about \$700 million for land acquisition and related activities, but Congress approved only \$266 million. Yesterday, the Republicans offered to boost overall interior spending by \$338 million—or a total of about \$14.8 billion—for land acquisition and other Interior Department programs. But they rejected a last-minute administration proposal to make the Lands Legacy program a trust with dedicated funding.

"We're closer on numbers, but we are not going to authorize a new entitlement," declared Sen. Slade Gorton (R-Wash.), a senior appropriator with jurisdiction over interior spending.

Republicans and the administration reported some progress in resolving their differences over the interior bill, which Clinton vetoed last month. However, they have yet to settle differences over a number of environmental "riders" dealing with the dumping of mining waste, royalties paid by companies that extract oil and natural gas from public land and grazing on federal lands.

GOP leaders appear prepared to water down some of those provisions that affect mining, grazing

and other industries in the West, which the administration contends would harm the environment. GOP leaders also are likely to break the impasse over the unpaid U.N. dues by requiring that antiabortion forces relent on their efforts to link the dues to restrictions on international family planning programs.

A deal worked out late last week that provided Clinton with \$2.6 billion more for foreign aid and to underwrite the Wye River Middle East peace accords raised hopes that that Republican leaders and the White House could resolve many of the remaining issues over the weekend, with an eye to a final deal by midweek.

Clinton is scheduled to depart at the end of the week on a 10-day trip to Central Europe, and members of Congress are anxious to adjourn by Wednesday or Thursday—producing what an administration official last night described as a "natural deadline."

"We could have it worked out by then," said Senate Appropriations Committee Chairman Ted Stevens (R-Alaska), who hosted yesterday's sessions in his committee office.

"These guys have the smell of jet fuel in their nostrils," said a House

GOP appropriations aide in describing congressional eagerness to leave for the Veterans Day holiday.

However, the talks are complicated, and yesterday's session to discuss three of the five unresolved spending bills for the fiscal year that began Oct. 1 produced only modest progress. Until now, the Republicans have been reluctant to engage in closed-door meetings with administration officials, fearing a repeat of last year's talks that ended with Clinton extracting billions of dollars in concessions.

Lew, the White House budget chief, noted recently that the two sides made the most progress on the foreign aid bill when they didn't talk face to face but instead exchanged offers over the telephone or by fax.

"Some progress was made today, but we are a long ways from a done deal on any of the bills we're talking about," said Linda Ricci, a spokeswoman for the Office of Management and Budget. "We certainly hope this can be resolved quickly, but on the other hand, we're also prepared to do week-to-week continuing resolutions if that is necessary to resolve these important differences and to get a commitment to reducing class sizes."

Labastida Wins Mexico Primary

Ruling Party Opens Presidential Politics With First Public Election of Candidate

By JOHN WARD ANDERSON
AND MOLLY MOORE
Washington Post Foreign Service

MEXICO CITY, Nov. 8 (Monday)—Francisco Labastida Ochoa, a former state governor and cabinet minister seen as the favored candidate of Mexico's ruling party establishment, won a landslide victory in the country's first presidential primary Sunday, according to preliminary official returns and independent exit polls.

The win makes Labastida the immediate front-runner in the July 2000 general election, provided the ruling Institutional Revolutionary Party (PRI) does not fracture in the aftermath of a divisive, negative primary campaign. After decades of allowing sitting presidents to handpick their successors in private, the party adopted the primary as part of an effort to revive its tarnished image and extend its 70 years of uninterrupted rule in the face of growing opposition.

With 58 percent of the vote counted early today, PRI officials said Labastida was winning in 272 of 300 electoral districts over challenger Roberto Madrazo, who portrayed himself as a party maverick and attacked Labastida as a creature of an obsolete, anti-democratic political machine. Party officials said Madrazo was leading in 21 districts. An independent survey of voters in 5,600 polling locations by the National Chamber of Radio and Television Industries showed Labastida the winner in 270 districts, compared with 22 for Madrazo. "We're winning," Labastida said in a victory speech before boisterous supporters this morning. "Today is a new PRI, born of the power of the vote."

Madrazo campaign officials disputed those results and insisted that their candidate had won at least 204 districts. The winner of the primary will be determined not by a direct popular vote but on the basis of who receives the most votes in each of Mexico's 300 congressional districts.

The conflicting vote tally is precisely the sort of dispute that the PRI had hoped to avoid. Irreconcilable claims by the two campaigns could lead to charges of vote rigging and the loser's defection from the party. It could also reinforce the PRI's reputation for electoral fraud, a legacy that has driven voters to opposition parties in recent years and that the primary was designed to repair.

"The stronger we are inside, the better for us," said Alejandro Valenzuela, Labastida's adviser for international affairs. "The weaker we are, the more difficult it's going to be for us to struggle for power next year."

The PRI primary was open to all eligible voters, regardless of party affiliation, but turnout was sporadic. Some potential voters expressed confusion about the concept of a primary, and PRI officials accused opposition party workers of using loudspeakers and leaflets to dissuade people from participating. President Ernesto Zedillo, who was widely seen to be supporting Labastida, had embraced the primary in response to calls for greater democracy and the growing strength of opposition parties in state and local elections.

In addition to Labastida, 57, and Madrazo, 47, two other candidates competed for the nomination: former Puebla state governor Manuel Bartlett, 63, and former PRI president Humberto Roque Villanueva, 55.

If the party holds together and unites behind Labastida, many analysts believe the PRI, the party of every Mexican president since 1929 and the world's longest-governing party still in power, could continue its winning streak next year in the election to replace Zedillo, who cannot run for reelection.

But if one of the primary losers bolts from the party, if the race is marred by credible complaints of fraud or if the fractured opposition parties unexpectedly unite, polls show that the PRI could lose next year.

Recent surveys indicate that the PRI nominee can expect a strong challenge from former Guanajuato state governor Vicente Fox, the candidate of the center-right National Action Party (PAN). The other main contender, former Mexico City mayor Cuauhtemoc Cardenas of the leftist Democratic Revolutionary Party (PRD), trails badly in polls.

While the PRI is conducting the most open candidate selection process of the three major parties, its long history of ballot-box fraud and election rigging raised doubts about whether the party could run a clean primary. Because Mexico's new election laws have not kept pace with the transformation of the political system, the country's independent election commission did not oversee Sunday's primary, and many international observer groups declined to monitor it.

"We are the first who want it to be totally pristine," PRI President Jose Antonio Gonzalez Fernandez said in an interview. "If there is a failure, the future of the PRI will be at stake."

Each of the PRI candidates reported minor incidents of voting irregularities at a few of the country's 64,900 polling stations, although none of the candidates alleged any serious breaches of electoral ethics. Madrazo officials accused the Labastida campaign of blocking access to some polling stations in the vote-critical state of Mexico.

PRI officials said about 6 million of Mexico's 55 million registered voters cast ballots. Despite distrust of the system, many voters such as Laura Lara, a 43-year-old saleswoman, said participating was important. "I think it's part of the PRI's strategy for the candidates to attack each other. They already knew who would win," said Lara, who cast her ballot at a fast food stand in Mexico City.

Both Labastida, the former governor of the northern state of Sinaloa, and Madrazo, who is on leave as governor of the southern state of Tabasco, ran well in their regions, according to exit polls. That left a narrow, voter-rich belt across central Mexico as the main battleground of the campaign. Mexico City, the state of Mexico that surrounds it, and the Gulf Coast state of Veracruz contain 30 percent of the voting districts.

In another key primary, exit polls and preliminary vote counts indicated that former finance secretary and ex-ambassador to the United States Jesus Silva Herzog was the winner in the PRI nomination for mayor of Mexico City, considered the second most powerful elected position in the country. The other two parties have not yet selected their mayoral candidates.

The first presidential primary in Mexican history revolutionized electioneering here. Candidates took to the airwaves, and, with prominent U.S. political consultants and pollsters as advisers, individual personalities and public image-making overshadowed traditional attributes of party service and loyalty.

Madrazo rocketed ahead of Labastida in opinion polls in August when he launched ads attacking the incestuous and corrupt machinery of his own party, despite charges that he himself had engaged in electoral fraud to win the Tabasco governor's race in 1994.

That played well in a country where many have become fed up with the autocratic power of the party and its traditional leaders.

"I voted for Madrazo because he's said a lot of things nobody else has had the courage to say," said Amparo Martinez, 42, a single mother of two who works as a maid and voted in the chilly courtyard of the high school in the poor Mexico City neighborhood where she lives.

But surveys of potential voters showed that many people tired of the hard-hitting attacks. Labastida, whose campaign rebounded from a sluggish and disorganized start, moved ahead of Madrazo in the polls in recent weeks.

Labastida, who had the backing of most of the PRI establishment, was governor of the northern state of Sinaloa from 1986-92. After he left office his state attorney general was murdered, allegedly in retribution for fighting drug traffickers. The government dispatched Labastida to Portugal as ambassador, supposedly to help protect his life.

He has been a government functionary for most of his career, holding three cabinet positions, including most recently the powerful post of interior minister in the Zedillo administration.

FINAL

The Washington Post

MONDAY, NOVEMBER 8, 1999

Educ
2000 Budget

Conference Labor/HHS/ED Appropriations Bill Guts Critical Investments

The Conference Bill Guts Investment in Accountability, Teacher Quality and Class Size Reduction. The bill provides no funding for class size reduction and fails to address teacher training issues. Worse still, the bill turns these programs into a virtual block grant that could be spent on vouchers and other unspecified activities. By failing to fund class size reduction this bill does not guarantee that the more than 29,000 teachers hired last year can continue teaching in smaller classes and eliminates funding for an additional 8,000 teachers that would be hired under the President's Budget for next year. The bill also fails to invest in proven teacher professional development practices.

The Conference Bill Guts Investment in Title I Grants Title I of the Elementary and Secondary Education Act currently provides much-needed academic support to nearly 12 million children in high-poverty communities. The bill provides \$189 million less than the President's budget for Title I. As a result, 300,000 fewer children in high poverty communities would receive additional educational services. Title I funding is a key component of efforts to help disadvantaged students reach high standards. The bill fails to fund the President's plan to set aside 2.5 percent of Title I funds to help states and localities turn around or reconstitute failing schools using Title I resources.

The Conference Bill Badly Under Funds GEAR UP GEAR UP is a nation-wide initiative to encourage more young people to have high expectations, stay in school, study hard, and take the right courses to go to college. The bill provides only \$180 million, \$60 million below the President's Budget. Nearly 131,000 low-income students who received services in FY 1999 to help them succeed in school and prepare for college would receive no such services in FY 2000. The President's Budget extends GEAR-UP services to over 570,000 students in FY 2000.

The Conference Bill Guts Investment in After School The bill provides only \$300 million of the President's \$600 million request for After School programs, and would result in the participation of nearly 400,000 fewer students than those served by the level in the President's Budget. After-school programs are one of the most effective ways to help students reach high academic standards and end harmful practices such as social promotion.

The Conference Bill Under Funds Investment in Educational Technology The bill provides \$60 million less than the President's request of \$801 million for a variety of innovative educational technology programs. Funds to help all states and thousands of school districts buy hardware and software, train teachers, and link up to the Internet were cut by \$25 million. Funding to establish up to 300 Community Technology Centers was cut from \$65 million to \$10 million.

The Conference Bill Threatens Enforcement of Labor Protections The Conference bill level results in an effective freeze for Department of Labor domestic workplace enforcement programs, resulting in a \$51 million reduction below the President's request. For example, OSHA is cut \$25 million below the President's budget. As a result of this cut, some 2,200 fewer OSHA compliance inspections would be performed.

The Conference Bill Cuts the Social Service Block Grant (SSBG) The bill cuts SSBG by \$209 million below FY 1999, and by \$680 million below the President's request.

SSBG serves some of the most vulnerable families in the Nation, with child protection and child welfare services for millions of children.

The Conference Bill Eliminates the President's Family Caregiver Support Program

The House bill does not include funds for the President's \$125 million new initiative to support those who care for the over 5 million disabled Americans who have long term care needs.

The Conference Bill Cuts Important Health Initiatives The bill cuts public health priorities, including preventive health, mental health and substance abuse, health care access for the poor, and efforts to reduce racial health disparities and the spread of AIDS worldwide. The bill would also threaten our ability to manage key entitlement programs, such as Medicare and Medicaid, and would delay improving our nation's organ distribution system.

The Conference Bill Imposes an Irresponsible Across-the-Board Cut In adopting a 0.97 percent across-the-board reduction, Congress has abdicated its responsibility to make tough choices. This reduction would cut \$5.6 billion in government spending. The across-the-board cut would result in indiscriminate cuts to important areas such as education, the environment, and law enforcement. In addition, this cut would have an adverse impact on certain national security programs.

TO: Barbara Chow, Bruce Reed, Frank Holleman, and Mike Cohen
FROM: OMB, DPC, and Education Staff
SUBJECT: Decisions on selected Department of Education programs and initiatives
DATE: January 18, 2000

Edw -
2001 Budget

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

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

Universal After-School / 21st Century Community Learning Centers

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

Outstanding Issues:

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

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

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

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

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

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

Title I Accountability

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

Outstanding Issues

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

Option 1: earmark \$250 million (OMB) ✓

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

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

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

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

- **Which schools should be required to implement a choice option?** The ESEA proposal allows LEAs to use a choice option for schools in corrective action, in conjunction with other corrective action activities. Option 1 strengthens that approach by requiring choice for all corrective action schools, the worst of the failing schools, but a small enough number of schools so that the requirement should not create a capacity problem. The Republican proposal requires all schools in school improvement to offer choice to all of their students, to be implemented within 18 months of being placed in school improvement. The 2000 appropriations language requires all schools in school improvement to offer a choice option, unless the district shows the State that it does not have the capacity to do so, then choice must be offered on an equitable basis. In all cases, the choice requirement would apply only those schools that receive resources from the Accountability Fund.

Option 1: all schools in corrective action (ED; OMB unless the number of schools in corrective action is very small)

Option 2: all schools in school improvement

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

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

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

Option 2: no

- **Which schools should be prioritized for services?** The ESEA proposal places a first priority on schools in corrective action, and a second priority on other schools in school improvement. However, some States have identified few schools for school improvement

and even fewer for corrective action. In that case it may make sense to allow funds to be used on other low-performing schools

Option 1: first priority on corrective action schools, second priority on school improvement schools, unless the State has identified very few, then the lowest-performing schools (for example, the bottom 5%). ✓

Option 2: all school improvement schools on an equal basis, unless the State has identified very few, then the lowest-performing schools (for example, the bottom 5%).

Recognition and Rewards

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

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

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

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

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

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

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

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

School Renovation Program

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

Outstanding issues:

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

Option 1: Use existing Title XII authorization.

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

Status of Other Programs with Outstanding Issues

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

School Principals and Leadership: In general, there is policy agreement on this issue. This issue should require very little additional work. (see page 13 in attachment)

Hometown Teachers: In general, there is policy agreement on this issue. OMB, DPC and ED are still addressing a few details of the program including a possible name change. (see page 15 in attachment)

Teacher Quality Incentive Award: In general, OMB, DPC and ED have reached consensus on policy issues. Details of this program, including the exact targets a district must reach to receive an award and the measuring tools to be used, still must be determined. (see page 17 in attachment)

Higher Standards, Higher Pay: Significant policy work remains to be done on this program. ED and OMB have expressed many concerns regarding the most recent proposal. Among these concerns are (1) Under the current proposal, all teachers will receive a \$5,000 salary increase, regardless of quality, until a peer review is in place (2) Under the current proposal, the federal government would pay for teachers' salary increases indefinitely, and (3) The current proposal does not necessarily insure that districts will use rigorous peer reviews -- a district could provide all teachers an additional \$5,000 (above the first \$5,000). Additional concerns are listed in the attached document. (see page 19 in attachment)

FY 2000 302(b) ALLOCATIONS WILL RESULT IN LARGEST EDUCATION CUTS IN HISTORY

Educ
FY 2000
Budget

The Fiscal Year (FY) 2000 302(b) allocation to the Labor-HHS-Education Appropriations Subcommittee approved on May 19 by the House Appropriations Committee will result in a reduction of at least 12 percent in all discretionary education, health, and job training programs. For Department of Education programs, this would mean a cut of \$4.022 billion below the FY 99 spending level. The largest one-year cut in education programs ever approved by the House was a \$3.7 billion cut in FY 96, later rejected by the Senate.

The Senate appropriations committee has not yet officially approved its 302(b) allocations, but preliminary levels released by Chairman Stevens would cause a reduction of at least 9.4 percent. For Department of Education programs, this would mean a cut of \$3.154 billion from current spending levels.

FY 2000 302(b) LABOR-HHS-EDUCATION APPROPRIATIONS SUBCOMMITTEE DISCRETIONARY SPENDING ALLOCATION

(In millions of dollars)

FY 2000 FREEZE		HOUSE		SENATE		HOUSE v. FREEZE		SENATE v. FREEZE	
BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays
88,815	85,822	78,142	78,848	80,445	81,031	-10,673 (-12.0%)	-6,974	-8,370 (-9.4%)	-4,791

Cuts in selected education programs

- **Education Technology:** House = \$-83.9 million; Senate = \$-65.8 million
- **21st Century After School Learning Centers:** House = \$-21 million; Senate = \$-18.8 million
- **Title I Grants to LEAs:** House = \$-922.4 million; Senate = \$-723.4 million
- **Impact Aid:** House = \$-103.8 million; Senate = \$-81.4 million
- **Eisenhower Professional Development:** House = \$-40.3 million; Senate = \$-31.6 million
- **Safe and Drug-Free Schools:** House = \$-68 million; Senate = \$-53.3 million
- **Class Size Reduction:** House = \$-144.2 million; Senate = \$-113.1 million
- **IDEA Grants to States:** House = \$-518 million; Senate = \$-406.2 million
- **Vocational Education Basic Grants:** House = \$-123.9 million; Senate = \$-97.1 million
- **Pell Grants:** House = \$-925.8 million; Senate = \$-726 million
- **Pell Grant maximum award:** House \$-375; Senate: \$-295
- **Supplemental Educational Opportunity Grants:** House = \$-74.4 million; Senate = \$-583.4 million
- **College Work-Study:** House = \$104.5 million; Senate = \$82 million
- **TRIO:** House = \$72.1 million; Senate = \$-56.5 million

National Education Association Government Relations
May 20, 1999



NATIONAL EDUCATION ASSOCIATION

Robert E. Chase, President
 Reg Weaver, Vice President
 Dennis Van Ruckel, Secretary Treasurer

1201 16th Street, N.W.
 Washington, D.C. 20036-3290

Don Cameron, Executive Director

March 24, 1999

*Edw -
Budget*

Facsimile

TO: Greg Williamson, Senator Murray, FAX: 224-0238
 Scott Giles, Senate HELP, FAX: 224-6510
 Danica Petroschius, Senate HELP, FAX: 228-0924
 Joan Huffer, Sen. Daschle, FAX: 228-5645
 Lisa Cieplak, Sen. Budget, FAX: 224-4835
 Amy Abraham, Sen. Budget, FAX: 228-3898
 Bettilou Taylor/Aura Dunn, Senate Labor-HHS-Education Appropriations, FAX: 224-1360
 Ellen Murray, Senate Labor-HHS-Education Appropriations, FAX: 228-0249
 Bev Schroeder, Sen. Harkin, FAX: 228-2923
 Craig Hanna/Andi King, House DPC, FAX: 226-0938
 Melissa Narins, House DPC, FAX: 226-6863
 Vic Klatt, Education and Workforce, FAX: 225-9571
 June Harris/Alex Nock/Mark Zuckerman, Education and Workforce, FAX: 225-3614
 Jerry Hartz, Democratic Whip, FAX: 225-5786
 Tony McCann/Susan Firth, House Labor-HHS-Education Appropriations, FAX: 225-3509
 Cheryl Smith/Mark Mioduski, House Appropriations, FAX: 225-9476
 Linda Emery, House Budget, FAX: 225-9905
 Tom Kahn/Sara Abernathy, House Budget, FAX: 226-7233
 Steve Richetti, WH Deputy Chief of Staff, FAX: 456-6703
 Bruce Reed, WH Domestic Policy, FAX: 456-2878
 Broderick Johnson, White House Legislative Affairs, FAX: 456-2604
 Barbara Chow, OMB, FAX: 395-5730
 Susan Frost, Department of Education, FAX: 401-0596
 Scott Fleming, Department of Education, FAX: 401-1438
 Ed Kealy, CEF, FAX: 383-0097

PLEASE DELIVER TO PERSON LISTED ABOVE

FROM: Joel Packer
 National Education Association
 202-822-7329
 FAX 202-822-7309
 # Pages 6 (including this page)

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COMMENTS: FYI -NEA House and Senate budget resolution letters.

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NATIONAL EDUCATION ASSOCIATION

Robert F. Chase, President
Reg. Weaver, Vice President
Dennis Van Raab, Secretary-Treasurer

Don C. Cameron, Executive Director

1201 14th Street, N.W.
Washington, D.C. 20005-4263

GOVERNMENT RELATIONS
Mary Elizabeth Teasley, Director
202-822-7321 Fax 202-822-7741

March 24, 1999

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of the National Education Association, representing 2.4 million teachers and other education employees, we would like to express our opposition to the FY 2000 House Budget Resolution (H. Con. Res. 68). Although the budget resolution purports to increase FY 2000 elementary and secondary education funding above the President's proposal, the resolution actually cuts education funding by \$700 million. The resolution provides substantially lower elementary and secondary education funding than the Senate budget resolution, and will result in cuts to other important education and children's programs. NEA supports budget substitutes, such as the budget alternative offered by Representative Spratt, that provide real education funding increases.

The House Budget Committee's proposed \$22 billion elementary and secondary education FY 2000 funding level represents only a 2.3 percent increase above FY 1999 freeze levels and is a 3.1 percent decrease from the President's budget proposal. The House budget proposal funds elementary and secondary education programs at \$2.1 billion below the Senate's FY 2000 proposal, and provides \$6.1 billion and \$49.6 billion less than the Senate's respective five and ten-year funding levels.

NEA believes these lower levels of funding will prevent important programs from reaching students in need. The Congressional Research Service estimates that the Title I program, which helps disadvantaged students improve math and reading skills, would require \$24 billion to reach all eligible children.

We are also concerned that the House budget resolution would increase funding for IDEA by only \$1 billion, a figure that falls far short of full IDEA funding. The proposed increase would raise the federal government's share of IDEA funding from approximately 10 percent to only 12 percent. Funding the federal government's full 40 percent share of IDEA costs would require a per year increase of \$11-\$13 billion. We strongly urge you to fully fund IDEA.

In addition, the proposed resolution provides a total elementary and secondary education funding increase of only \$500 million. Funding the proposed \$1 billion IDEA increase, therefore, will require \$500 million in cuts to such critical programs as Title I, Safe and Drug-Free Schools, and professional development for teachers. We strongly oppose any such cuts.

NEA is disappointed that the Budget Committee rejected along party lines an amendment to continue class size reduction program funding. Research clearly demonstrates the impact on student achievement of smaller class sizes in the early elementary grades, particularly for low-income and

March 24, 1999
FY 2000 Budget
Page 2

minority students. Local schools have begun implementation of class size reduction by hiring some 30,000 new teachers. These schools will face significant disruption should Congress fail to provide six-year funding for the class size reduction program.

We are also disappointed that the Budget Committee failed to approve funding for tax credits for school modernization. According to the General Accounting Office (GAO), repairs to existing school buildings will cost \$12 billion. Building new classrooms to alleviate overcrowding and meet projected enrollment increases will require an additional \$73 billion. Studies have documented the link between school building conditions and student learning. Children learn better in safe, healthy, modern school buildings. We strongly urge you to support funding to help modernize public schools.

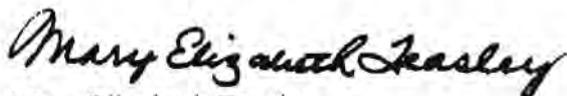
NEA opposes the provision approved by the House Budget Committee supporting a block grant of 31 existing elementary and secondary education programs. Block granting education programs would eliminate targeting of funds to needy school districts and remove accountability from states and schools.

While the proposed budget provides a small increase in elementary and secondary education funding, we are concerned that the overall budget proposal appears to fund these programs at the expense of other important education and children's programs. Maintaining the caps on discretionary spending while increasing defense spending will require aggregate FY 2000 cuts of \$20 billion to domestic discretionary programs. Under the proposed budget, non-elementary and secondary programs such as Head Start, Pell Grants, job training, and national service face aggregate cuts of \$1.7 billion. Over five years, the proposed budget would result in cuts to these programs of \$16.7 billion. Similar cuts will be required in other important children's programs, including nutrition, health, and juvenile justice programs.

By contrast, the Spratt substitute would provide \$1.4 billion more in education funding in FY 2000, \$9 billion more over five years, and \$50.3 billion more over ten years. In addition, the Spratt substitute would allow for continuation of the class size reduction program and would provide tax credits to pay the interest on \$25 billion in school modernization bonds.

We urge the House to reject the Budget Committee's resolution. We urge you to support budget substitutes such as the Spratt budget that provide real sustained investments in education, including funding for Title I, school modernization, class size reduction, IDEA, professional development for teachers, after-school programs, and Pell Grants for college students. Votes associated with these issues may be included in the NEA Legislative Report Card for the 106th Congress.

Sincerely,



Mary Elizabeth Teasley
Director of Government Relations



NATIONAL EDUCATION ASSOCIATION

Robert F. Ullrich, President
Reg. Weaver, Vice President
Dennis Van Rooyel, Secretary/Treasurer
Don Cameron, Executive Director

1701 16th Street, N.W.
Washington, D.C. 20036-1098

GOVERNMENT RELATIONS
Mary Elizabeth Teasley, Director
202/822-7321 Fax 202/822-7741

March 23, 1999

United States Senate
Washington, D.C. 20510

Dear Senator:

On behalf of the National Education Association, representing 2.4 million teachers and other education employees, we would like to express our views regarding the FY 2000 budget resolution (S. Con. Res. 20). NEA applauds Chairman Domenici's leadership in crafting a resolution that would increase investments in elementary and secondary education programs. We do, however, have deep concerns regarding potential negative impacts of the budget proposal on other education and children's programs.

The proposed \$24.1 billion elementary and secondary education FY 2000 funding level would increase funding by \$2.6 billion, representing a 12.1 percent increase above FY 99 freeze levels and a 6.2 percent increase above the President's budget proposal. The budget resolution also increases long-term funding of elementary and secondary programs by \$31.9 billion over five years and \$92.3 billion over ten years. NEA believes these funding levels are critical to ensure that important programs reach all students in need. The Congressional Research Service estimates that the Title I program, which helps disadvantaged students improve math and reading skills, would require an additional \$24 billion to reach all eligible children.

NEA is disappointed that the Budget Committee rejected along party lines an amendment to continue class size reduction program funding. Research clearly demonstrates the impact on student achievement of smaller class sizes in the early elementary grades, particularly for low-income and minority students. Local schools have begun implementation of class size reduction by hiring some 30,000 new teachers. These schools will face significant disruption should Congress fail to provide six-year funding for the class size reduction program. We strongly urge you to vote for an amendment that will be offered to ensure funding for the class size reduction program.

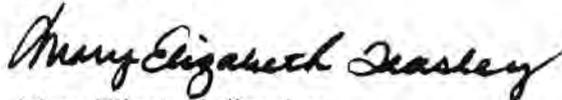
We are also concerned that the budget resolution provides only a modest increase in funding for the Individuals with Disabilities Education Act (IDEA). The proposed increase would raise the federal government share of IDEA funding from approximately 10 percent to only 11 percent. Funding the federal government's full 40 percent share of IDEA costs would require a per year increase of \$11-\$13 billion. We strongly urge you to vote for amendments to fully fund IDEA.

March 23, 1999
FY 2000 Budget Resolution
Page 2

While we strongly support the proposed funding levels for elementary and secondary education, we are concerned that the budget proposal appears to fund these programs at the expense of other important education and children's programs. Maintaining the caps on discretionary spending while increasing defense spending will require aggregate FY 2000 cuts of \$20 billion to domestic discretionary programs. Under the proposed budget, non-elementary and secondary programs such as Head Start, Pell Grants, job training, and national service face aggregate cuts of \$1.7 billion. Over five years, the proposed budget would result in cuts to these programs of \$16.7 billion. Similar cuts will be required in other important children's programs, including nutrition, health, and juvenile justice programs.

We urge the Senate to support further investments in education, in addition to the recommended increases in elementary and secondary education funding. We also urge you to support amendments to increase funding for the class size reduction program, IDEA, and Pell Grants. Finally, we request your support of a Sense of the Senate resolution calling for federal school modernization assistance. Votes associated with these issues may be included in the NEA Legislative Report Card for the 106th Congress.

Sincerely,



Mary Elizabeth Teasley
Director of Government Relations

DRAFT
1998 Education Budget:
An Historic Investment in Educational Opportunity

November 13, 1997

Now I ask you -- and I ask all our nation's governors; I ask parents, teachers, and citizens all across America -- for a new nonpartisan commitment to education -- because education is a critical national security issue for our future, and politics must stop at the schoolhouse door.

President Clinton, State of the Union Address, February 4, 1997

HIGHLIGHTS: The President's signature on the Labor-HHS-Education Appropriations Bill today, along with the education tax cuts enacted in August, take us an historic step closer to reaching the President's goal of making sure that every 8-year old can read, every 12-year old can log on to Internet, every 18-year old can go to college, and all Americans can keep on learning throughout their lifetimes. These investments represent the largest increase in our education investment in a generation, including the biggest increase in college aid since the GI Bill 50 years ago. The bill being signed today:

- ✓ promotes high standards and continued development of voluntary national tests;
- ✓ increases Pell Grants to \$3,000 -- the largest increase in two decades;
- ✓ expands Head Start;
- ✓ funds America Reads to help all children read well and independently by age 8;
- ✓ brings technology to the classroom;
- ✓ expands choice and accountability through public Charter Schools.

HELPING YOUNG CHILDREN GET READY TO LEARN

Expands Head Start toward 1 Million Children. The bill provides nearly \$4.4 billion for Head Start, continuing on track with the President's commitment to the goal of serving one million children. With this \$374 million increase, Head Start funding will have increased 57% since 1993. The program will serve an estimated 836,000 children in 1998.

RAISING STANDARDS: HELPING STUDENTS MASTER THE BASICS AND ADVANCED SKILLS

Continues Development of Voluntary National Tests. The bill allows continued development of national tests in 4th grade reading and 8th grade math, based on widely accepted national standards used in the National Assessment of Educational Progress (NAEP). It shifts control over test policies and development to the independent, bipartisan, National Assessment Governing Board (NAGB), as the Administration had proposed. The bill provides \$16 million to support the testing plan, and allows for pilot testing of test items to begin next Fall. The bill

also provides for a feasibility study to determine if existing state tests can be linked to the NAEP standards, and to each other.

Provides Funding for the America Reads Challenge. The bill provides \$301 million in new America Reads funding. This builds on current AmeriCorps tutoring efforts, and more than 800 colleges that have committed to using Federal work-study slots tutoring children who need help in reading.

- ✓ AmeriCorps and the senior volunteer programs won an increase of \$64 million in the two bills that fund National Service program (\$39 million in the bill being signed today). This will fund more than 3000 AmeriCorps members and senior volunteers who will recruit more than 100,000 volunteer tutors.
- ✓ State teacher training and family literacy efforts are increased a total of \$47 million, and \$5 million is provided to help provide training for tutors.
- ✓ \$210 million for pending legislation based on the President's America Reads initiative. The House version of that legislation -- promoting tutoring, family literacy, and teacher training -- passed the House with the Administration's support on November 8.

Brings Technology to the Classroom. Technology education programs received a *91 percent increase*, from \$305 million to \$545 million, including:

- ✓ **Technology Literacy Challenge Fund.** The bill provides \$425 million, more than twice as much as the \$200 million appropriated last year, to help States, communities, and schools acquire hardware, software, and connectivity linkages; provide professional development in the integration of technology into the curriculum; and apply technology to support school reform efforts and opportunities for all students.
- ✓ **Technology Innovation Challenge Grants.** The bill includes \$106 million--a 41 percent increase over last year's level of \$75 million--to support 15 new projects focused on delivering the most effective training for teachers in using educational technologies, as well as 62 existing projects involving a wide range of innovative strategies for improving teaching and learning and increasing student access to technology.

Expands Choice and Accountability in Public Schools. President Clinton's Public Charter Schools Program received a *57 percent increase*, from \$51 million to \$80 million. This program provides start-up funding for public schools that

parents, teachers, and communities create -- and that States free from most rules and regulations and instead holds them accountable for raising student achievement. By the end of next year, the Department of Education will be funding nearly 1,000 locally-designed charter schools, accelerating progress toward the President's goal of developing 3,000 new charter schools by early in the next century.

Supports Certification of Master Teachers. The bill includes \$18.5 million in support of the President's plan to help 100,000 teachers nationwide seek certification as Master Teachers by the National Board for Professional Teaching Standards.

Provides After-School Opportunities for Children. The bill dramatically expands support for the 21st Century Community Learning Centers program, providing \$40 million to support hundreds of after-school centers in rural and urban schools across the country that will provide academic enrichment, tutoring, and other learning opportunities while giving students a safe haven during the often-dangerous after-school hours.

Supports Strategies for Transforming Failing Schools. The bill includes \$150 million in *new funds* for an initiative, supported by the President, to help low-achieving, low-income schools transform themselves through proven reforms, addressing failing schools without abandoning public education. Will help almost 3,000 schools implement successful reforms.

Helps Children Learn English. The bill includes a 35% increase in bilingual and immigrant education secured by the President in the Balanced Budget Agreement. The bilingual education funding will help school districts teach English to more than a million limited English proficient children, as well as provide some 4,000 teachers with the training they need to do their jobs better. The Immigrant Education program will help more than a thousand school districts provide supplemental instructional services to 875,000 recent immigrant students.

Helps Children with Special Needs. This bill appropriates \$3.8 billion for Special Education Grants to States, an increase of \$700 million that will raise the Federal share of serving about 6 million children with disabilities by 19 percent. This increase will help States and school districts improve educational results for children with disabilities and help these children meet high standards, as called for by the recently enacted Individuals with Disabilities Act Amendments of 1997.

Promotes High Standards for All Children. The bill provides \$491 million for the President's Goals 2000 school reform program. Communities in every state are

using Goals 2000 funds to upgrade curriculum, improve teaching, increase parental involvement in schools, and make greater use of computers in the classroom. Since 1994, over \$1.3 billion has been invested in this vital initiative.

Funds Extra Assistance for Low-Income Schools and Students. The bill provides nearly \$7.4 billion in Title I to support extra help in basic and advanced skills for more than ten million disadvantaged students in elementary and secondary schools. Under the Clinton Administration, investment in Title I has grown by over \$ 1 billion.

HELPING STUDENTS GET A COLLEGE EDUCATION AND CONTINUE LEARNING FOR A LIFETIME

Increases Pell Grant Award to \$3,000 Maximum. Congress adopted President Clinton's proposal to increase the maximum Pell Grant to \$3,000 -- *the largest increase in two decades*. Approximately 3.7 million students will receive the \$300 increase, and an additional 214,000 low- and moderate-income families that were not previously eligible will receive Pell Grants.

Protects Families' Financial Aid Eligibility. The bill includes the President's proposal to ensure that families' eligibility for Federal financial aid is not reduced as a result of the tax cuts for higher education. This was a part of the Administration's original HOPE Scholarship proposal, but was not included in the recent tax legislation.

Reduces Student Loan Interest Rate. A one-year provision will reduce the interest rate on consolidation loans in the guaranteed student loan program to match the lower rate which has been offered under direct lending, and will allow old loans to be consolidated into either program.

STRENGTHENING OUR NATION'S COMMITMENT TO EQUITY IN EDUCATION

Fully Funds Office for Civil Rights. The bill fully funds the Department of Education's Office for Civil Rights, meeting the President's request for a 12% increase in order to protect America's students from illegal discrimination in education.

Increases Funding for Historically Black Colleges and Universities and Hispanic Serving Institutions. The bill meets the President's request for increases for both Historically Black Colleges and Universities and Hispanic-Serving Institutions, providing greater support for these vital postsecondary institutions.

OTHER VICTORIES

The bill also maintains our investments in Safe and Drug-Free Schools and

Communities, School-to-Work Opportunities, College Work-Study, and other education priorities.



COUNCIL OF CHIEF STATE SCHOOL OFFICERS

One Massachusetts Avenue, NW, Suite 700, Washington, DC 20001-1431 • 202/408-5505 • FAX 202/408-8072
<http://www.ccsso.org>

April 21, 1997

Bruce Reed
Assistant to the President for Policy Development
The White House
1600 Pennsylvania Avenue, N.W.
Old Executive Office Building, Room 213
Washington, DC 20502

Dear Bruce:

The Council of Chief State School Officers, representing the public officials who lead departments of elementary and secondary education in the states and extra-state jurisdictions, commends President Clinton for continued strong support for education in the FY1998 Budget. We agree that increased federal investment is vital to strengthening the nation's educational system and assuring that all students achieve high academic standards. We believe such a federal investment must include a 15% funding increase for discretionary education programs as well as at least \$6.4 billion in new mandatory spending to address critical elementary and secondary education needs.

We support the Administration's priority to significantly increase discretionary education funding for key programs which provide important resources to our nation's schools. Building upon last year's 15% increase, we support a \$4 billion increase for discretionary education programs in FY1998. While the FY1997 increase restored the cuts of the two previous years and helped address inflation in the increased cost of delivering services, it is essential to continue that upward trend in funds for the 1998-1999 school year. Additional federal investment is needed to address increasing enrollments, training of 2 million new teachers over the next decade, bringing learning technologies to the classroom, and expanding school improvements and reforms to all the nation's students.

We also commend the Administration's proposed \$6.4 billion in mandated appropriations for the critical needs of reading proficiency and school infrastructure at the nation's elementary and secondary schools. A mandated appropriation of \$1.4 billion is necessary to assure a strong 4 year start up of a major initiative to assist students in developing reading proficiency. Only by first acquiring reading proficiency can the nation's students achieve to the high standards demanded for civic responsibility, family obligation, and economic productivity. A mandated appropriation of \$5 billion is necessary to assure multi-year assistance for the desperately needed construction of elementary and secondary schools--a need well documented by the General Accounting Office. The nation's children and youth must be provided a safe and nurturing school environment to foster productive learning and future success.

As the nation continues to make the education of its citizens a top priority, we thank the Administration for leading the effort to likewise make education a top priority of federal investment. We look forward to working with the Administration and the Members of Congress to continue to both increase federal education spending and connect the new and existing federal funds with federal, state, and local resources to expand the reach to as many young students as possible.

Sincerely

A handwritten signature in black ink, appearing to read "Gordon M. Ambach". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Gordon M. Ambach
Executive Director

Education -
FY 2001
budget

Background Papers
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Universal After-School

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

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

Option A:

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

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

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

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

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

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

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

Option A: *Competitive*

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

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

Option B: *Formula*

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

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

Option A: *Focused on failing schools*

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

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

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

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

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

Under this proposal:

- The Department would reserve funds for the continuation awards and would continue to administer those grants.
- Any funds not needed for continuation awards or national activities would be allocated to States by formula. Each State would receive the same share of 21st Century Community Learning Centers funds as they received under Part A of Title I in the previous fiscal year.
- States would award funds competitively to LEAs, giving a priority to schools identified for corrective action. States would provide a smaller priority for schools identified as in need of improvement. In making awards, States would use a rigorous peer review process.
- Each State would have to provide the Department with a plan for its awards process. States would have to describe: (1) its process for making awards, including which schools would receive a priority and how the priority would be provided; and (2) the steps it would take to ensure that programs supported with program funds provide students with high-quality extended learning opportunities. To help ensure quality, the Department would subject State plans to a peer-review process.
- LEAs would apply on behalf of schools. Applications would have to demonstrate that the LEA and school had developed a plan for providing high-quality extended learning programs. Applications on behalf of schools receiving a priority would have to identify an entity with expertise in extended learning programs to serve as a partner in providing services. This entity would be responsible for operating the extended learning program at the center. Possible partners would include community-based organizations, IHEs, or high-performing districts.
- The Department's proposal would allow States to use up to 10 percent of their allocations for subgrants to CBOs. To receive an award, a CBO would have to show that the affected LEAs concurred with the project and agree to conduct the program in public elementary or secondary school buildings.

DRAFT
JANUARY 14, 2000
8:10 AM

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

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

OR

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

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

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

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

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

Comparison of School Choice provisions in School Improvement and Accountability Sections

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

*Title I
Accountability*

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

Rewarding High Performance and Closing the Achievement Gap

Summary

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

Background

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

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

A FY2001 Rewards Program

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

State Eligibility

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

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

Options:

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

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

Reward Criteria

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

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

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

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

Options:

- Include a requirement that states must put in place a high school exit exam.
Pros: Given that the rewards are based on 4th and 8th grade performance, this would include an accountability mechanism at the graduation level. It would place an incentive on having an accountability system in place that includes graduation.
Cons: It is a departure for the "reward for performance" construct and it would reward states for having exams in place for graduation that include 8th grade standards. At present, there are reported to be only 8 states that have graduation exams that use a 10th grade standard. The emphasis would be on inputs rather than outcomes, which would be contradictory to the rewards message and incentives.
- Provide two sets of rewards: high achievers and exemplary growth: 1) those that make significant progress and close the achievement gap and 2) those that make significant progress, close the gap and that surpass some absolute standard (such as "having more students at the proficient level than the national average" or "50% or more of the state's students at a basic level).
Pros: Provides for rewards for high flyers that might not have as much room to grow (although they would also have to make progress and close the achievement gap). Would avoid a situation where all the rewards could go to states that are making progress but have low overall scores.
Cons: Opposing arguments is that we should be rewarding progress and focus on those who are making the greatest strides, irrespective of scores.

Recognition
Rewards

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

Size of Rewards

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

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

Use of Funds

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

Plan for the Out-Years

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

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

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

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01/17/00

Recognition
§
Rewards

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

School Renovation

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

School Renovation Appropriation language not using Title XII Authorization

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

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

Summary

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

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

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

Background and Rationale

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

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

DPC Proposal

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

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

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

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

Hometown Teachers Proposal

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

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

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

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

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

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

opportunities to learn the skills needed for teaching. During this stage, Master teachers would provide excellent role models in teaching to Hometown teachers.

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

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

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

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

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

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

District-Level Teacher Quality Rewards Program

Summary

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

Rewards Program for FY2001

Rewards Criteria

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

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

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

- State assurance that it has not made any policy changes that have lowered the standard for initial teacher certification or licensure.
- Baseline data on indicators of teacher quality. This data would include information on:
 - Percent of teachers who are either fully certified, working towards full certification, or fully certified in another state and meeting state requirements
 - In-field/Out-of-field teaching for secondary teachers. Consistent with proposed ESEA language, teachers would have full certification, "have had academic training or can demonstrate competence in the field they teach." The program would use an NCES-defined or other standard definition for out-of-field teaching.
- Status data demonstrating progress on teacher quality indicators reported in baseline.

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

Award Categories

The Rewards program would include three categories of districts:

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

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

Size and Range of Awards

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

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

Use of Funds

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

Outstanding Issues for Teacher Rewards

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

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

DRAFT

Higher Standards, Higher Pay

Background:

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

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

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

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

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

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

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

DPC proposal:

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

guarantee, but we must provide all our teachers the intensive support and training needed to succeed.

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

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

Cost:

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

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

1. On what basis would ED be making the grants? The paper states that \$1 million per site will be used to develop the peer review system. Does this mean that we need to award grants before systems are developed? What will we require of districts before they get any funding?
2. As a superintendent, I would be very tempted to develop a system that almost all of my teachers would pass. This would allow me to essentially give all of my teachers raises. How will we prevent this from happening?
3. Does your formula provide for districts to hire subs or staff as needed to enact the peer review?
4. Does this program facilitate the dismissal of low quality teachers? If it is not a real possibility that low quality teachers will lose their jobs, why do we give all teachers so much money before they even pass the peer review?
5. We are spending a lot of money on teachers before any peer reviews takes place. What is the rationale behind this decision? It seems to run counter to the premise of this proposal to provided raises to teachers who have only passed a minimum standard.
6. There is not enough money in this proposal to do what it proposes. When we start supplementing teacher salaries at the tune of \$5000 per teacher, that's a huge amount of money in large school districts. If we want to reach the high-poverty urban areas, this won't go too far. What happens when our program ends? Who makes up the difference in salary?
7. Would districts that have already done this be eligible? For example, Cincinnati and Columbus, Ohio, Rochester, NY, and Seattle already have this kind of system in place.
8. I don't think we want to be suggesting that districts start testing new teachers. States are the ones who administer tests for state licensing. Districts should not be adding to this. We might want to encourage districts to develop rigorous performance-based assessments for their new teachers that includes peer review, but we should not use the word "test" new teachers.
9. This proposal should make reference to the proposal that the Secretary put on the table in his State of American Education speech last February. He called on States to rethink their licensing and certification system to make them more rigorous, but also more flexible. To start a national dialogue, the Secretary outlined a three-tiered licensing system for initial, professional, and advanced certification, with appropriate jumps in salary for each stage. The professional license required a rigorous assessment of performance in the classroom judged by a panel of peers. To ignore the Secretary's proposal would be a serious mistake. We got lots of press attention to this when he made his speech. (The proposal is spelled out in our latest Information Kit on the Teaching Initiative and it's on our web site.)

10. I'd also like to see us continue to push the concept of knowledge and skills-based pay. The Secretary has been pushing this concept since his Back to School Address in 1998. It does a similar thing to this proposal, but does not just give across the board raises to everyone. Again, we elaborated on this concept in the State of American Ed last year.
11. If we wanted to be really bold, we should be looking at the proposal that the Milliken Foundation put forward this fall on differentiated teaching salaries based on knowledge, skills, and responsibilities of teachers on a faculty. Their proposal includes a description of a typical elementary and high school and how this might work without having to pour a tremendous amount of new money into the system. It's based on the medical field model. I don't know how the unions have reacted to this proposal, but I thought it was quite interesting.
12. Competitive grants to high-poverty districts (suggesting that urban and rural are competing against each other, no priority for districts in teaching staff crisis) How long are these grants for, particularly if they include salaries?
13. Application that includes plan (as described before) for testing of new teachers (Is this just the test for initial certification/licensure? What benefit does it have besides ensuring compliance with state teaching standards?) professional development and mentoring, streamlined system for teacher evaluation and removal
14. Salary increases--there seem to be three intervals at which teachers can earn up to \$5,000 in salary increases. Are these to be added together, meaning up to \$15,000 in salary increases per teacher? Is there any way of ensuring that our dollars do not supplant local dollars for salaries and salary increases? One increase is based on successful completion of "a rigorous peer review." Does this mean when the district has put in place such reviews, or when the teacher has undergone some peer implemented performance assessment?
15. Size and Number of Awards. Considering the estimated costs of peer review (\$1 million per site) and salary costs (\$5-15,000 per teacher), these awards would be for \$4 million-\$12 million for each LEA, and not serve Leas with more than 800 teachers. (5 awards to medium size districts?) I would guess that the top 100 largest districts have easily a couple of thousand teachers each. For which districts is this intended (Does it exclude big districts?) How many awards could be made? At what size?
16. Matching Requirement of 25%. Most of our matches are in-kind, is that the case here as well? Otherwise, which districts will contribute the \$1-4 million? Do we have evidence to suggest that districts will do this?