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## A New Challenge for American Education

**T**HE FAULT LINE IN THE AMERICAN ECONOMY is education. This statement has been true for almost a full generation and continues to be true. Those with skills prosper; those without fall behind (see *Figures 1 and 2*).

The good news is that we all can learn the skills that will empower us to cross this fault line. Each year of postsecondary education or job training increases a person's average earnings by 6 to 12 percent. Employer training also substantially raises the average weekly earnings of all workers, whether they have a high school degree, a college degree, or some college education (see *Figure 3*). A recent employer survey indicated that a 10 percent increase in worker education is associated with an 8.6 percent increase in firm productivity—well over twice the payoff from a 10 percent increase in physical capital.

The bad news is that during the past generation many Americans remained on the wrong side of this fault line. From 1950 to 1978 family incomes more than doubled, and all income groups shared in this growth (see *Figure 4*). But growth in family incomes has since stalled: at the slow rates of growth experienced since the mid-1970s, it would take almost *two centuries* for median family incomes to double. Averages tell only part of this disturbing story: while the wealthiest 5 percent captured over 50 percent (and the top 20 percent over 95 percent) of the meager growth in family incomes (see *Figure 5*), the majority of families suffered a decline in real income from 1979 to 1993 (see *Figure 6*).

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These statistics on family incomes and the returns to skills, however, only describe the *results* of the story of economic change over the past two generations. To understand the challenge to our future prosperity—and to American education—we need to understand the nature of that change.

#### A HISTORIC CROSSING TO A NEW ECONOMY

Fundamental changes have occurred in the nature of work, the means of production, and the firm over this century. In 1900 the manager of the typical American business enterprise closed the barn door at night to make sure that the most valuable assets—animals, feed and seed, and equipment—on the farm would be there when the rooster crowed in the morning. Since then there has been a continuing revolution in agriculture production, organization, and distribution: today a tiny fraction of the American work force produces all of the nation's food.

In 1950 the manager of the typical American business enterprise locked the gates to the single-story, long-line industrial factory at night to make sure that the most valuable assets—the building, equipment, and inventory—would be there when the plant whistle blew in the morning. United States mass production was the envy of the world. Millions of persons with relatively low skills worked to achieve what had never before been thought possible: a full generation in which a majority of Americans earned middle-class incomes and owned homes. Upward mobility was increasingly available to those who were willing to work hard.

Starting in the mid-1970s, however, the economic growth that fueled this dream subsided. The comparative advantage of America's old mass production model eroded for several reasons: competition from abroad increased; technological innovation reduced the demand for low-skill labor; and customized "lean" production replaced mass production.

During a difficult, two-decade transition, America's most productive manufacturing firms reorganized to meet this challenge: they shifted from the old, hierarchical means of mass production to integrating high-skill work forces and advanced technologies into high-performance workplaces, with frontline workers assuming far greater responsibility for the quality and added value of

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their products. By 1995, American manufacturing firms in many sectors were once again the most competitive in the world, with sustained rates of productivity increase exceeding 3 percent per year. But along the way, many plants closed, many workers were laid off, and wages stagnated in the remaining old-style mass production plants; many industry sectors have yet to complete the transition to high-skill, high-wage, high-performance production.

In addition, wage levels and rates of productivity increase have generally been lower in the service sector than in manufacturing. Increases in productivity seldom reached 1 percent per year in the service sector, and the once vaunted computer appeared useful only for speeding up repetitive clerical and calculating tasks. For years, Senator Patrick Moynihan has argued that slow economic growth necessarily results when the service sector grows as a share of the total economy, because it is impossible to increase productivity in the service sector. Peter Drucker puts this same point differently: the nations and firms that learn how to increase productivity in the service sector will dominate the world economy in the twenty-first century.

Scattered evidence is emerging to suggest that some firms in the service sector are learning how to increase productivity through more responsive means of production and distribution and by adding more value to service products. New generations of networked personal computers, software and groupware, and interactive telecommunication are being integrated into fundamentally reorganized, knowledge-intensive workplaces where frontline workers are empowered to add more value—in communication, marketing, design, distribution, professional, health, information, and technical services. As with the increases in productivity associated with the transformation in the manufacturing sector, the transformation of firms in the service sector offers the potential for sustained increases in productivity and added value. Indeed, it is possible that whole new industries may emerge as the old divisions between the manufacturing and service sectors break down. The fastest growing occupations involve learning and applying higher skills to higher value-added work: technicians, professional specialty, design, precision production and repair, executive, and information and communication services of all types. But this transformation of the service sector has only just begun, and average

total compensation of all workers has remained stagnant despite the strong growth in productivity in 1993 and 1994.

In the year 2000 the workers in the typical American business enterprise will have their own keys to the workplace. The most valuable assets of these knowledge-intensive firms—whether in the manufacturing, design, distribution, agriculture, communication, financial, or other sectors—are the workers themselves. The firm's greatest risk is that these highly skilled employees will turn in their keys in the morning and go to work for a competitor, or for themselves. For the individual worker, the *key* to earning the rewards and mobility of such work is a good education—the ability, character, and habit of mind to continuously learn and apply new skills, to work with colleagues to solve problems, meet challenges, and create opportunities. The choice in this new economy is simple: high skills or low wages.

Make no mistake, the challenge set by this new economy is great, but it is surely no greater than the challenges met by our forbearers. Not all of us will adjust to the new economy at the same time or in the same way, and some of us will get lost along the way. But we must make the opportunity to learn and apply new skills and habits of mind realistically available to all Americans.

#### THE ROLE OF SCHOOLS

If continuous learning is the key to enabling our workers and firms to make their own successful transitions to the new economy, the nature of the challenge to American education must be rethought. Obviously, the challenge is no longer to prepare the majority of citizens for manual labor, whether on the farm, as in 1900, or in the mass production factory, as in 1950. Indeed, it is no longer sufficient just to graduate a majority of youth from high school with basic skills. We hear much today of the decline of elementary, secondary, and higher education. But even with an increasingly diverse student population, by race, color, creed, ethnicity, language, and national origin, the trajectory of accomplishment in schools by most objective measures has generally been *up* in recent years—in graduation rates, in numbers of students taking a tough

sequence of academic courses, in the proportion of high school graduates going on to college.

The unvarnished truth, however, is that the challenge to American education is now of a much different scale and order of magnitude than it ever has been: virtually *all* students must now learn to new and higher standards. This is a fundamentally new challenge for America's schools.

There is also another challenge: student motivation. One of the continuing ironies of American education is that most colleges and most employers in their admission and hiring decisions do not look behind the high school diploma to the actual performance of the applicant in school. As a result, most students in high school have no incentive to learn to high standards. Students must be given the opportunity to appreciate how learning and work are related. The African proverb is that it takes a whole village to raise a child; for secondary schools, the new proverb is that it takes a whole community to educate our youth.

To understand the extent to which schools must be reinvented to meet these challenges, consider the following caricature of the typical twentieth-century school. This school was organized around a mass production industrial model: Teachers poured prescribed packets of information and doses of discipline into rows of passive students. The students were then sent to the next teacher in the next grade. Teachers were also responsible for sorting out those students who were qualified to be trained for higher education and those students who were not. This school embraced only two technological advances of the twentieth century—the electric bell to keep classes moving, and the public address system so that the principal could communicate the news and orders of the day. Unconscionably, the telephone, fax machine, tape recorder, television, and computer were never integrated into the work of this school.

This caricature does not, of course, describe all of the aspects of the typical twentieth-century school. Whatever the limits of this caricature, however, it is clear that we now live in a much different era, with much different *possibilities* for schools, teachers, and students.

The central feature of a high-performance school is that the primary work of learning is done by the students. Teachers are

empowered to work together as navigators, tutors, and coaches to enable *all* students to actively engage in learning. The ability to learn is the skill that is most needed in the new economy.

#### THE ROLE OF GOVERNMENT

Such a bottom-up transformation in schools cannot be financed or mandated by the national government. Laws, regulations, administrative direction, or judicial orders offer much less support for such change than do wise leadership, seed capital, and incentives for reform. In one sense this continues the limited federal financial role in elementary and secondary education; the federal government provides a small fraction of the financial aid to local schools, concentrated on schools with greater student needs. In another sense, however, this new role marks a substantial departure for the federal government. By large, bipartisan majorities in 1993 and 1994, the Congress enacted and the President signed a set of laws broadening the national interest to include a call upon all schools—and states and localities, parents and firms—to join in the new mission of educating *all* students to new and higher levels.

With respect to each of the basic agreements, the federal government's role is limited but important: leadership and encouragement; evaluation and information; seed capital to nurture bottom-up reform; and supplements where they are needed. Dozens of categorical federal programs have already been consolidated, terminated, or streamlined with substantial federal budget savings, and others will follow, as the focus shifts to enabling all students to learn.

#### EDUCATING ADULTS

For the 85 percent of the work force for the year 2000 that is already out of high school, there is a complementary challenge for American education: We must expand the opportunity for every person to invest—when, where, and how they choose—in learning new skills.

In the post-Cold War era, when new and better skills are all-important, can there be any doubt that we need to expand opportunities to invest in learning new skills that will enable workers to

find new and better jobs? We need to put more resources and better information directly in the hands of ordinary Americans so they can choose how best to get ahead in the new economy. Key components of an effective federal strategy to support such lifelong learning opportunities include: Individual Skill Grants and expanded Pell Grants for dislocated workers and low and moderate income persons; Individual Education Accounts with flexible repayment plans so that *every* person can borrow money to invest in learning new skills; tax deductions for tuition, so that the after-tax cost of postsecondary education and training expenses will be rewarded under the tax code as much as such education and training provided or paid for by employers; better information on local, regional, and national labor markets and on education and training providers.

America's greatest comparative economic advantage has always been its ability to adapt to change. In the new economy, where skills, innovation, and personal responsibility will matter even more, it only makes sense to expand the opportunity for individuals to make informed choices about how to get ahead. In the process, we can consolidate dozens of other education and training programs and put the resources directly in the hands of the individual. This expanded federal support for lifelong learning can provide opportunities analogous to what the G. I. Bill offered to America's veterans following World War II.

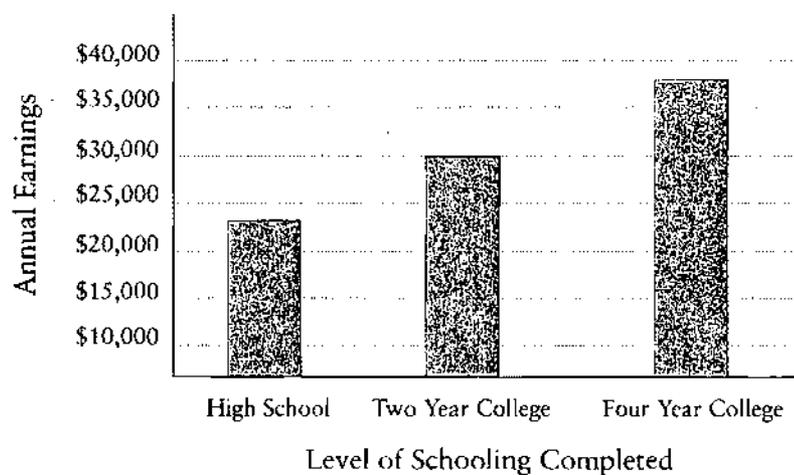
The opportunity to learn is of vital national interest. It empowers ordinary Americans to build a brighter future for themselves and for their children. The new challenge for American education is to make lifelong learning opportunities available to every person.

The debate about how high education ranks in federal budget priorities will no doubt rage in the Capitol for a few more months. It may be more difficult today than one or two generations ago to appreciate the extent of the national interest in education. Thoughtful voices raise a number of concerns about new conditions that may make it much harder for American education to deliver on its old promise, let alone successfully meet a new and more demanding challenge: There is a larger proportion of voters than ever before with no school-age children and, hence, no direct stake in schools; there is a larger proportion of school-age children than ever before

who are of a different race, ethnicity, national origin, or first language than most voters; there is already a larger proportion of students than ever before who graduate from high school and go on to college; parents in many families are working longer hours and have less time for parenting; many parents express general satisfaction with their children's own schools; and the rising constraints on the federal budget and the competing priorities, the breakup of the family, the breakdown of the community, the increasing violence in society, the scourge of drugs, the growing isolation and rage of inner-city youth, and the deepening cynicism of suburban youth make it harder for schools to educate most children to even minimally adequate levels.

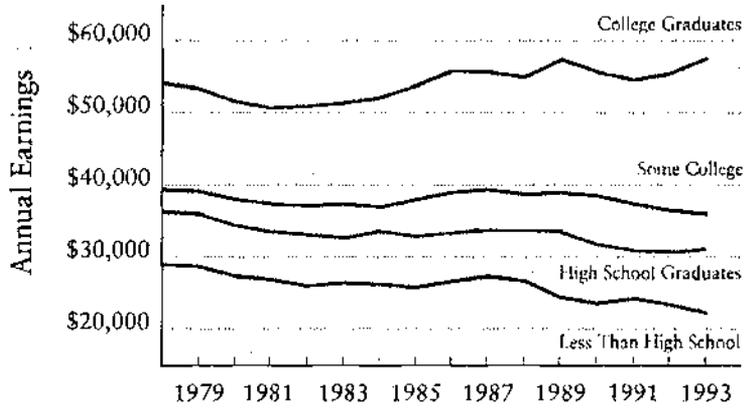
Each of these concerns, and many others, may merit serious consideration. As discussion and debate on these issues continue in the years to come, however, we should not lose sight of the basic national consensus on the importance of education. More than ever before, education offers a key to opening the American dream to every American, to unlocking the door to national economic growth and rising family prosperity. More than ever before, education offers a way for families and communities to join together to expand the opportunities for each new generation.

FIGURE 1. Median Earnings of Male Workers in 1993.



Source: Census Bureau, median earnings of males twenty-five years old and older.

FIGURE 2. Average Annual Earnings of Men by Educational Attainment.

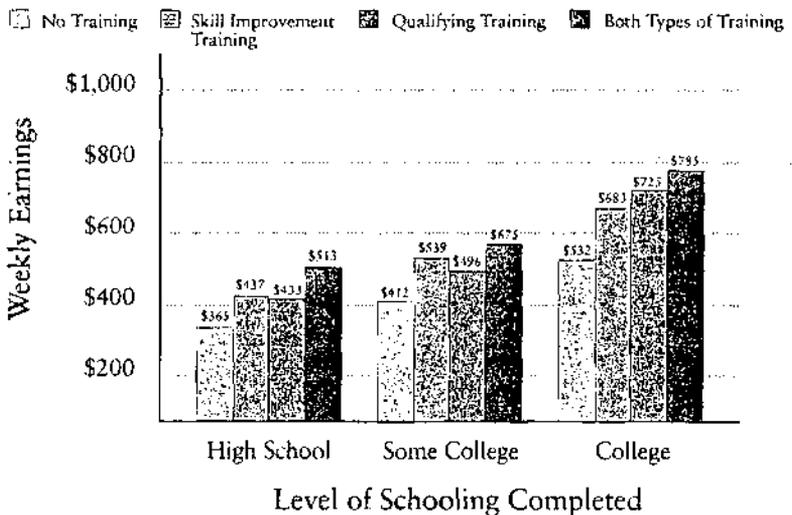


Note: Workers twenty-five years of age and older, working year round, full time. Data on educational attainment for 1991 through 1993 are not directly comparable to that from prior years. Numbers for 1993 used 1990 population weights, whereas data for other years used 1980 population weights.

Source: Bureau of the Census, Current Population Survey.

Prepared by OASP, January 18, 1995.

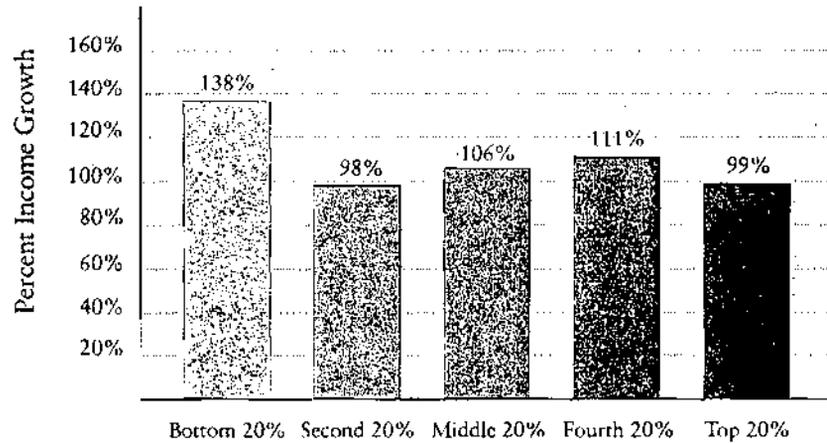
FIGURE 3. Average Weekly Earnings of Full-Time Workers by Educational Attainment and Training Received, 1991.



Source: Current Population Survey.

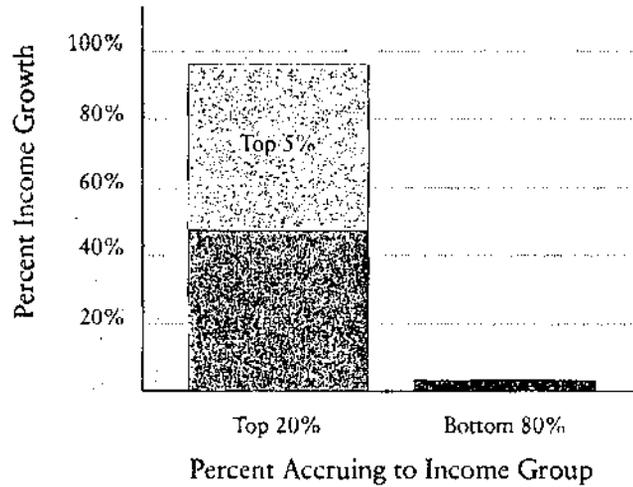
Prepared by OASP, August 26, 1994.

FIGURE 4. Real Family Income Growth by Quintile, 1950 to 1978.



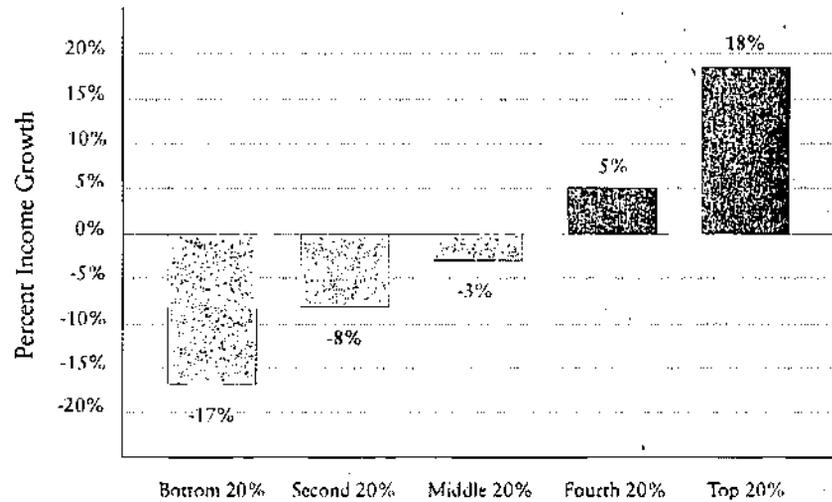
Source: Bureau of the Census, Department of Commerce. All data converted to 1993 dollars.

FIGURE 5. Shares of Average Household Income Growth, 1979 to 1992.



Source: Based on data from the Census Bureau, Current Population Survey. Household income is in constant 1992 dollars, and adjusted by CPI-U-X1, and population is normalized to a constant level.

FIGURE 6. Real Family Income Growth by Quintile, 1979 to 1993.



Source: Bureau of the Census, Department of Commerce. All data converted to 1993 dollars.

Some students after one or more years of college will conclude that their experience of higher educational institutions does not have much interest for them; some teachers will reach the same conclusions about these and other students. It is unreasonable to believe that all who start will finish, even with a lapse of time. Institutions of higher learning ought to lead in helping such students to bypass the social and economic pressures for mandatory attendance. The colleges and universities ought collectively to address themselves to the task of working with employers and trade and professional associations to free many jobs from routine requirements that make college obligatory. Such attendance is often unnecessary for many of the positions for which it is presently required, and ought not to be imposed as a condition for gainful employ. In this, as in so much else, the colleges and universities themselves through their own employment policies should set the pattern for others.

Thesis 7

If access to employment opportunity were less exclusively through college or university education, the pressure to secure admission to such institutions would diminish. New kinds of institutions should be established to appeal to those who are not very much taken with an academic environment; for example, many new kinds of apprenticeship are needed. Every innovation that reduces the pressure on colleges and universities to accommodate all, including those who are not interested or able—and that reinforces an element of choice on the part of the individual—is desirable.

Thesis 8

From "The Assembly on University Goals and Governance"  
*Dædalus* 104 (1) (Winter 1975)

## POSTSCRIPT

# Bill Clinton on How to Save the Public Schools

In the March issue, we ran a story on the peril of the country's public schools that began by noting that the nation's leaders have consistently failed to make education a top priority. The piece specifically criticized President Clinton who, with his daughter safely enrolled in the private Sidwell Friends School, has "kept us waiting" on public education.

Since then, the President has risen in the polls and, newly confident, begun to consider what he might do in a second term. According to a report by Matthew Cooper in *The New Republic*, the point man for developing that vision is domestic policy advisor Bruce Reed. And Reed's most recent major project, with speechwriter Michael Waldman, was Clinton's address before the education conference of governors and business leaders in Palisades, New York, on March 27.

Whatever text Waldman and Reed prepared, this speech was clearly the President's own. He referred back to various panels at the summit and to his own considerable experience in Arkansas. He showed not just that he is familiar with schools, but that he understands them. In the course of 35 minutes, he laid out a reform plan that was intelligent, comprehensive, and politically courageous.

If you're scratching your head wondering what speech we're referring to, that's because you didn't catch it on C-Span and depended on journalists to report it to you. All but a few of the major papers neglected to mention what was truly significant in the speech—Clinton's call to reduce the bureaucracy, recruit good principals and hold them accountable, and improve the ranks of teachers. Regarding this last measure, a favorite of reformers like us, the President endorsed "alternative certification"—allowing able people with knowledge of the subject to teach without going through education schools—and merit pay for teachers. Stories in *The New York Times*, *The Washington Post*, and the *Los Angeles Times* omitted these issues entirely. *Time* and *Newsweek* didn't cover the speech at all.

Had they been paying attention—or known what to listen for—the reporters in Palisades would have also heard Clinton take on a core Democratic constituency. After praising teachers and pointing out that good ones are the key to successful schools, Clinton said that the process of removing teachers who are "burned out or not performing up to standard ... has to be much faster and far less costly than it is." In essence, Clinton was calling for bad teachers to be fired. This is anathema to the teachers' unions—who seem to believe their job is to protect the marginals and incompe-

tents, not the vast majority of teachers who are hard-working and effective. But Clinton is right on target. He is also right to want to include teachers' unions—and, of course, teachers themselves—in the monitoring and evaluation of teachers. "[S]tate and school systems and teachers unions needs to be working together," the President said. We couldn't agree more.

We applaud the President—and hope he'll stay with this topic as long as it takes. Since you're not likely to read a full account of it elsewhere, we are reprinting portions of Clinton's address. —The Editors

I suppose that I have spent more time in classrooms than any previous President, partly because I was a governor for 12 years and partly because I still do it with some frequency. I believe the most important thing you can do is to have high expectations for students—to make them believe they can learn, to tell them they're going to have to learn really difficult, challenging things, to assess whether they're learning or not, and to hold them accountable as well as to reward them.

Most children are very eager to learn. Those that aren't have probably been convinced they can't. We can do better with that. I believe that once you have high standards and high expectations, there is an unlimited number of things that can be done. But I also believe that there have to be consequences.... [I]f you want the standards movement to work, first you have to do the hard work in deciding what it is you expect children to learn. But then you have to have an assessment system, however you design it, in your own best judgment at the state level, that says, "no more free passes." If you want people to learn, learning has to mean something. That's what I believe. I don't believe you can succeed unless you are prepared to have an assessment system with consequences.

In Arkansas in 1983 when we redid the educational standards, we had a very controversial requirement that young people pass the 8th grade tests to go on to high school. And not everybody passed it. And we let people take it more than once. I think it's fine to do that. But even today, after 13 years, I think there are only five states in the country today which require a promotion for either grade to grade or school to school for its young people.... The worst thing you can do is send people all the way through school with a diploma they can't read.... [Y]ou will never know whether your standards are being met unless you have some sort of measurement and have some sort of accountability....

[W]e shouldn't kid ourselves. Being promoted ought to mean more or less the same thing in Pasadena, California, that it does in Palisades, New York....

I was always offended by the suggestion that the kids who grew up in the Mississippi Delta in Arkansas, which is the poorest place in America, shouldn't have access to the same learning opportunities that other people should and couldn't learn. I don't believe that. I think we should begin with a concrete standard for reading and writing because the most troubling thing to me is that we've been through a decade in which math and science scores have risen and reading scores have stayed flat. Intel recently had to turn away hundreds of applicants because they lacked basic reading and writing skills. Secretary [of Education Richard] Riley says that every child should be able to read independently by the end of the third grade. And parenthetically, that if that were the standard, I think we would be more successful in getting parents to read to their children every night, which would revolutionize the whole system of education anyway.

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The second thing I think we have to do is to face the fact that if we want to have these standards for children, standards and tests, we have to have a system that rewards and inspires and demands higher standards of teachers. They, after all, do this work. The rest of us talk about it, and they do it. So that means that first of all, you've got to get the most talented people in there. There's been a lot of talk about this for a decade now, but most states and school districts still need work on their certification rules. We should not bar qualified, even brilliant young people from becoming teachers. The Teach For America group in my home state did a wonderful job, and a lot of those young kids wind up staying and teaching, even though they can make two and three times as much money doing something else. Every state should, in my view, review that. I also believe any time you're trying to hold teachers to higher standards they should be rewarded when they perform. I know that in South Carolina and Kentucky, if schools markedly improve their performance, they get bonuses and the teachers get the benefit. That's not a bad thing; that's a good thing, and we should have more of that.

I want to thank Governor Hunt for the work he's done on the National Board for Professional Teaching Standards. We had the first group of teachers who are board certified in the White House not very long ago. Every state should have a system, in my opinion, for encouraging these teachers to become board certified. The Federal Government doesn't have anything to do with that. Encourage these teachers to become board

certified because they have to demonstrate not only knowledge but teaching skills. And when they achieve that level they should be rewarded. There should be extra rewards when they do that.

We also need a system that doesn't look the other way if a teacher is burned out or not performing up to standard. There ought to be a fair process for removing teachers who aren't competent, but the process also has to be much faster and less costly than it is. I read the other day that in New York it can cost as much as \$200,000 to dismiss a teacher who is incompetent. In Glen Ellyn, Illinois, a school district spent \$70,000 to dismiss a high school math teacher who couldn't do basic algebra and let the students sleep in class. That is wrong. We should do more to reward good teachers; we should have a system that is fair to teachers but moves much more expeditiously and much more cheaply in holding teachers accountable. So state and school systems and teachers' unions needs to be working together to make it tougher to get licensed and recertified, easier and less costly to get teachers who can't teach out of the classrooms, and clearly set rewards for teachers who are performing....

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The third thing I think we have to do is to hold schools accountable for results. We have known now for a long time that the most important player in this drama besides the teachers and the students are the school principals.... And yet, still, not every state has a system for holding the school districts accountable for having good principals in all these schools and then giving the principals the authority they need to do the job, getting out of their way and holding them accountable, both on the up side and the down side. To me, that is still the most important thing. Every school I go into, I can stay there about 30 minutes and tell you pretty much what the principal has done to establish a school culture, an atmosphere of learning, a system of accountability, a spirit of adventure. You can just feel it, and it's still the most important thing.

Secondly, the business community can do a lot of work with the governors to help these school districts reinvent their budgets, I think. There are still too many school districts spending way too much money on administration and too little money on education and instruction. And there needs to be some real effort put into that, that goes beyond rhetoric. I mean, I was given these statistics, which I assume are true because I had it vetted four different times—I hate to use numbers that I haven't—if it is true that New York City spends \$8,000 a student on education, but only \$44 goes to books and other classroom materials, that's a

## **“We have to have a system that rewards and inspires and demands higher standards of teachers”**

disgrace. That's wrong. And that's true in a lot of other school districts. We cannot ask the American people to spend more on education until we do a better job with the money we've got now....

Let me also say I think we ought to encourage every state to do what most states are now doing, which is to provide more options for parents.... I'm excited about the idea that educators and parents get to actually start schools, create and manage them, and stay open only if they do a good job within the public school system. Every charter school I visited was an exciting place. Today, 21 of you allow charter schools. There are over 250 schools which are open; 100 more are going to open next year. Freed up from regulation and top-down bureaucracy, focusing on meeting higher standards, the schools have to be able to meet these standards if you impose them....

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Let me just mention two other things briefly. I don't believe you can possibly minimize ... how irrelevant this discussion would seem to a teacher who doesn't feel safe walking the halls of his or her school or how utterly hopeless it seems to students who have to look over their shoulders when they're walking to and from school. So I believe that we have to work together to continue to make our schools safe and our students held to a reasonable standard of conduct, as well....

And one of the primary targets I would have if I were a local leader trying to redo my district budget is to reduce the amount spent on administration so that I could invest more money in keeping it open longer hours, especially for the latch-key kids and the other kids that are in trouble that don't have any other place to go. So that's something that I think is very important. Finally, let me just echo what Governor Miller said about the technology. We did have a barnraising in California, and we hooked up actually more than 20 percent of the classrooms to the Internet on a single day. But we need every classroom and every library in every school in America hooked up to the Internet as quickly as possible. We set a goal as the year 2000; we could actually get there more quickly....

I believe that this meeting will prove historic. And again, let me say, I thank the governors and the business leaders who brought it about. In 1983, we said, "We've got a problem in our schools. We need to take tougher courses. We need to have other reforms." In 1989 we said, "We need to know where we're going. We need goals." Here in 1996, you're saying you can have all of the goals in the world, but unless somebody really has meaningful standards and a system of measuring whether you meet those standards, you won't achieve your goals. That is the enduring gift you have given to America's schoolchildren and to America's future....

## The Washington Monthly

### JOURNALISM AWARD

FEBRUARY 1996

#### ***The Washington Post***

Both Congress and the Clinton administration have used verbal pressure and fiscal restraints to hamper federal agencies' ability to enforce government regulations. The unsettling results, meticulously documented by the *Post* in a four-part series, include corner-cutting by the Environmental Protection Agency in its enforcement of the Clean Air Act and the Occupational Safety and Health Administration's inability to ensure the safety of many workplaces.

#### ***City Limits (New York)***

Taking a rotting movie theater as an emblem of an urban neighborhood's thwarted potential, Glenn Thrush uses vivid turns-of-phrase to document how a "Tammany-in-training-wheels political structure" has created entrenched political fiefdoms that keep East New York mired in poverty.

#### ***The Indianapolis Star***

In a five-part series on special-interest donations to the Indiana state legislature, the *Star* detailed which groups' money pushed or pulled the state's lawmaking process, and succinctly identified what was missing from the political process: "Democracy. Or at least the spirit of democracy—the expectation that public servants will make laws with the good of everyday Hoosiers in mind."

The Monthly Journalism Award is presented each month to one or more newspaper, magazine, radio, or television stories (or series of stories) that demonstrate a commitment to the public interest. We are particularly interested in reporting that explains the successes and failures of government agencies at all levels and of other institutions such as the media, corporations, unions, and foundations that contribute to the existence or solution of public problems. Please send nominations (including two copies of the article or broadcast text) to Monthly Journalism Award, 1611 Connecticut Ave. NW, Washington, DC 20009. Nominations for April stories are due May 10.



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE SECRETARY

May 8, 1996

NOTE TO: GENE SPERLING  
BRUCE REED

CC: PAULINE ABERNATHY  
JASON GOLDBERG

FROM: *[Handwritten signature]* LESLIE T. THORNTON

SUBJECT: *[Handwritten signature]* 1997 APPROPRIATIONS HEARING/POSTSECONDARY EDUCATION  
PROGRAMS

In addition to the answers given at the April 17, 1996, hearing on 1997 appropriations for Department of Education Postsecondary Education Programs, we have submitted (today) the following supplemental answers. I thought they might be useful for your files. The supplemental answers include our answer on the issue of the President's Merit Scholarship proposal (p. 78 of transcript). For your convenience, I have attached our supplemental answer(s) to the page(s) of the transcript on which the questions appears.

Attachment

*Bruce -  
Can I have  
your autographed?  
(and)*

230 that figure. Do you know that off the top of your head?

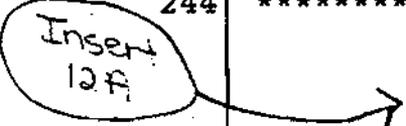
231 Mr. LONGANECKER. Well, I know the share of dollars that  
232 come from the Federal Government in the form of student  
233 financial assistance. But I do not know the total amounts.  
234 That number, between 18 and 25 percent, for a major research  
235 university, is not an uncommon number. When I was in  
236 Colorado, that was roughly what the relative shares were for  
237 the University of Colorado, which is a major research  
238 university.

239 Mr. PORTER. Well, let me ask you to provide for the  
240 record a table indicating the information by type of  
241 institution and type of student aid, and give us that also  
242 for the historically black colleges and universities as well.

243 [The information follows:]

244 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

Insert  
12A



12A1  
Inserts  
5/8/96

## FEDERAL SUPPORT FOR POSTSECONDARY INSTITUTIONS

To determine the percentage of operating expenses for institutions of higher education funded by the Federal Government, the institutions' sources of revenue were compared to their current-fund expenditures.

- In 1992-93, the Federal Government provided funds for approximately 14.6 percent of the operating expenses for public and 17.1 percent for private institutions of higher education.
- In 1985-86, the Federal Government provided funds for approximately 13.8 percent of the operating expenses for public and 19.0% for private institutions of higher education.

**Estimated percentage of operating expenses for institutions of higher education funded by the Federal Government, by control of institution: 1985-86 & 1992-93\***  
(in millions)

	1992-93*					1985-86				
	Operating Expenses	Federal Funding	%	Other Funding Sources	%	Operating Expenses	Federal Funding	%	Other Funding Sources	%
<b>Total</b>	\$165.2	\$26.6	16.1	\$138.7	83.9	\$97.5	\$15.3	15.6	\$82.3	84.4
<b>Public</b>	104.6	15.3	14.6	89.3	85.4	63.2	8.7	13.8	54.5	86.2
<b>Private</b>	60.7	10.4	17.1	50.3	82.9	34.3	6.5	19.0	27.8	81.0
<b>HBCUs</b>	3.2	0.9	27.7	2.3	72.3	2.0	0.6	28.2	1.4	71.8

Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 1995, Tables 318, 319, 320, 330, & 331 and the Federal Pell Grant Program Disbursement System

\*[preliminary data]

RAA

**Revenue of institutions of higher education, by source of funds and control of institution: 1985-86 and 1992-93\***  
(in thousands)

Source of funds	1992-93*					1985-86				
	Total Revenue	Control of Institution				Total Revenue	Control of Institution			
		Public	%	Private	%		Public	%	Private	%
	\$170,880,503	\$108,186,484	63.3	\$62,694,018	36.7	\$100,437,617	\$65,004,632	64.7	\$35,432,985	35.3
Federal government(1)	15,318,540	14.2	\$10,397,931	16.8	\$15,229,728	14.7	\$8,725,828	13.4	\$6,503,902	7.5
State government	41,247,855	39,789,841	36.8	1,458,314	2.3	29,911,500	29,220,588	45.0	690,914	1.9
Local government	4,444,874	4,040,897	3.7	403,977	0.8	2,544,506	2,325,844	3.8	218,662	0.6
Student tuition & fees(2)	40,844,165	15,826,692	14.6	24,817,473	39.8	20,551,558	7,565,721	11.6	12,985,837	36.6
Private gifts & grants	9,659,977	4,330,112	4.0	5,329,865	8.5	5,410,906	2,109,782	3.2	3,301,124	9.3
Endowment earnings	3,827,773	687,711	0.6	2,960,062	4.7	2,275,898	398,603	0.8	1,877,295	6.3
Educational activities	5,037,902	3,236,037	3.0	1,801,865	2.9	2,373,494	1,596,948	2.5	776,546	2.2
Auxiliary enterprises	16,662,850	10,255,044	9.5	6,407,806	10.2	10,674,136	8,684,794	10.3	3,989,342	11.3
Hospitals	18,124,015	11,791,033	10.9	6,332,982	10.1	8,226,635	4,708,630	7.2	3,517,705	9.9
Other sources	5,714,522	2,830,778	2.7	2,783,744	4.4	3,199,186	1,687,600	2.8	1,511,586	4.3

Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 1995, Tables 318, 319 & 320

(1) Includes appropriations, grants, contracts, and revenues associated with major federally funded research and development centers (FFRDC). Also includes Pell Grants.

(2) Includes federally supported aid received through students. Excludes Pell Grants.

1243

**Current-fund expenditures of institutions of higher education, by purpose and control of institution: 1985-86 and 1992-93\***

(in thousands)

Expenditures	1992-93*					1985-86				
	Total Expenses	Control of institution				Total Expenses	Control of institution			
		Public	%	Private	%		Public	%	Private	%
<b>Educational &amp; general</b>	<b>128,977,988</b>	<b>83,210,979</b>	<b>79.8</b>	<b>45,766,989</b>	<b>75.4</b>	<b>76,127,965</b>	<b>50,872,982</b>	<b>80.5</b>	<b>25,255,003</b>	<b>73.5</b>
Instruction	50,340,913	34,260,177	32.8	16,080,738	28.5	31,032,100	21,880,782	34.8	9,151,318	28.6
Research	15,291,309	10,804,973	10.1	4,686,338	7.7	8,437,388	5,705,144	9.0	2,732,222	8.0
Public service	5,835,084	4,583,397	4.4	1,371,697	2.3	3,119,533	2,515,734	4.0	603,789	1.8
Academic support	11,072,870	7,813,244	7.3	3,459,728	5.7	6,667,392	4,693,543	7.4	1,973,849	5.7
Student services	8,165,079	5,173,239	4.9	2,991,840	4.9	4,562,938	2,821,758	4.6	1,841,180	4.8
Institutional support	15,249,897	9,049,589	8.7	6,200,308	10.2	9,350,786	5,667,144	9.0	3,683,642	10.7
Plant operation/maintenance	10,783,728	7,076,805	6.8	3,706,923	6.1	7,605,226	5,177,254	8.2	2,427,972	7.1
Scholarships/fellowships	10,148,374	3,727,838	3.6	6,420,538	10.6	4,160,175	1,575,909	2.5	2,584,266	7.5
Mandatory transfers	1,890,603	1,141,717	1.1	848,886	1.4	1,192,449	735,695	1.2	458,754	1.3
Auxiliary enterprises	15,581,508	10,024,352	9.8	5,537,156	9.1	10,528,302	6,830,235	10.8	3,698,067	10.8
Hospitals	17,049,672	11,100,602	10.6	5,949,070	9.8	8,692,113	5,358,699	8.5	3,333,414	9.7
Independent operations**	3,651,891	234,168	0.2	3,417,723	5.6	2,187,361	131,958	0.2	2,055,405	6.0

Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 1996, Tables 330 & 331

\*[preliminary data]

\*\* generally includes only those expenditures associated with majority funded research & development centers

1034

**Revenue of Historically Black Colleges and Universities, by source of funds and type of institution: 1985-86 and 1992-93\***  
(In thousands)

Source of funds	1992-93*					1985-86				
	Total Revenue	Control of institution				Total Revenue	Control of institution			
		Public	%	Private	%		Public	%	Private	%
	\$3,258,171	\$1,777,731	54.8	\$1,480,439	45.4	\$1,088,778	\$1,128,010	57.4	\$838,768	42.6
General government	1,191,030	1,077,563	22.0	1,477,269	32.2	555,801	920,498	51.0	1,110,000	37.7
State government	788,358	752,351	42.3	34,007	2.3	575,813	563,170	48.9	12,643	1.5
Local government	83,509	82,408	5.2	1,103	0.1	74,322	73,301	6.5	1,021	0.1
Student tuition & fees(3)	570,814	214,737	12.1	355,878	24.0	210,983	52,568	4.7	158,418	18.9
Private gifts, grants & cont	168,781	28,965	1.6	139,816	9.4	93,950	10,075	0.9	83,875	10.0
Endowment earnings	30,045	2,462	0.1	27,582	1.9	22,830	1,431	0.1	21,199	2.5
Sales & services	684,603	244,823	13.8	419,780	28.4	388,087	158,073	14.0	228,015	27.2
Other sources	59,401	34,384	1.9	25,007	1.7	46,191	28,894	2.6	17,298	2.1

Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 1995, Table 211 and the Federal Pell Grant Program Disbursement System

- (1) Includes appropriations, grants, contracts, and independent operations.
- (2) Includes Pell Grants.
- (3) Includes federally supported aid received through students. Excludes Pell Grants.

**Current-fund expenditures of Historically Black Colleges and Universities, by purpose and type of institution: 1985-86 and 1992-93\***  
(In thousands)

Expenditures	1992-93*					1985-86				
	Total Expenses	Control of institution				Total Expenses	Control of institution			
		Public	%	Private	%		Public	%	Private	%
	\$2,121,303	\$1,518,390	87.4	\$1,093,898	75.8	\$1,589,158	\$947,658	85.7	\$621,802	73.3
Educational & general	2,612,088	1,518,390	87.4	1,093,898	75.8	1,589,158	947,658	85.7	621,802	73.3
Auxiliary enterprises	322,274	215,351	12.4	102,805	7.1	235,211	158,648	14.3	78,588	9.0
Hospitals	248,309	0	0.0	249,309	17.2	150,237	0	0.0	150,237	17.7
Independent operations	633	0	0.0	633	0.0	NA	NA	0.0	NA	0.0

Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 1995, Table 211, and 1986, Table 152; and the Federal Pell Grant Program Disbursement System

12A5

270 mentioned the substantial unprecedented increase that you're  
271 asking, I think, for Pell Grants. There's a question in my  
272 mind about whether that ever really translates into help, or  
273 whether costs and tuition simply rise to meet the new Federal  
274 commitment.

275 So I wonder if you could provide for me a table that  
276 tracks the increases in student aid of various types, along  
277 with the increases in costs of a student's being educated, so  
278 that we can perhaps make some sense of whether we're simply  
279 into a cost push inflation or not.

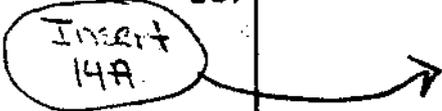
280 Mr. LONGANECKER. There's also been some reasonably good  
281 research outside of the Department of Education done by <sup>al</sup>  
282 social scientists, I think, particularly some research done  
283 by Arthur <sup>Hauptman</sup> Hoffman. And we'll be glad to provide that as  
284 well.

285 Mr. PORTER. Yes, that would be helpful.

286 [The information follows:]

287 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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## INCREASE IN STUDENT AID VS. INCREASE IN COST OF HIGHER EDUCATION

The rising cost of a college education is not being driven by increases in Pell Grants or other forms of Federal student financial assistance. This is not surprising as the latest data show that --

- Only 32 percent of all undergraduates receive Federal student financial assistance, and only about 23 percent receive Federal grant assistance.
- The average grant amounts that student receive has steadily declined in real terms.

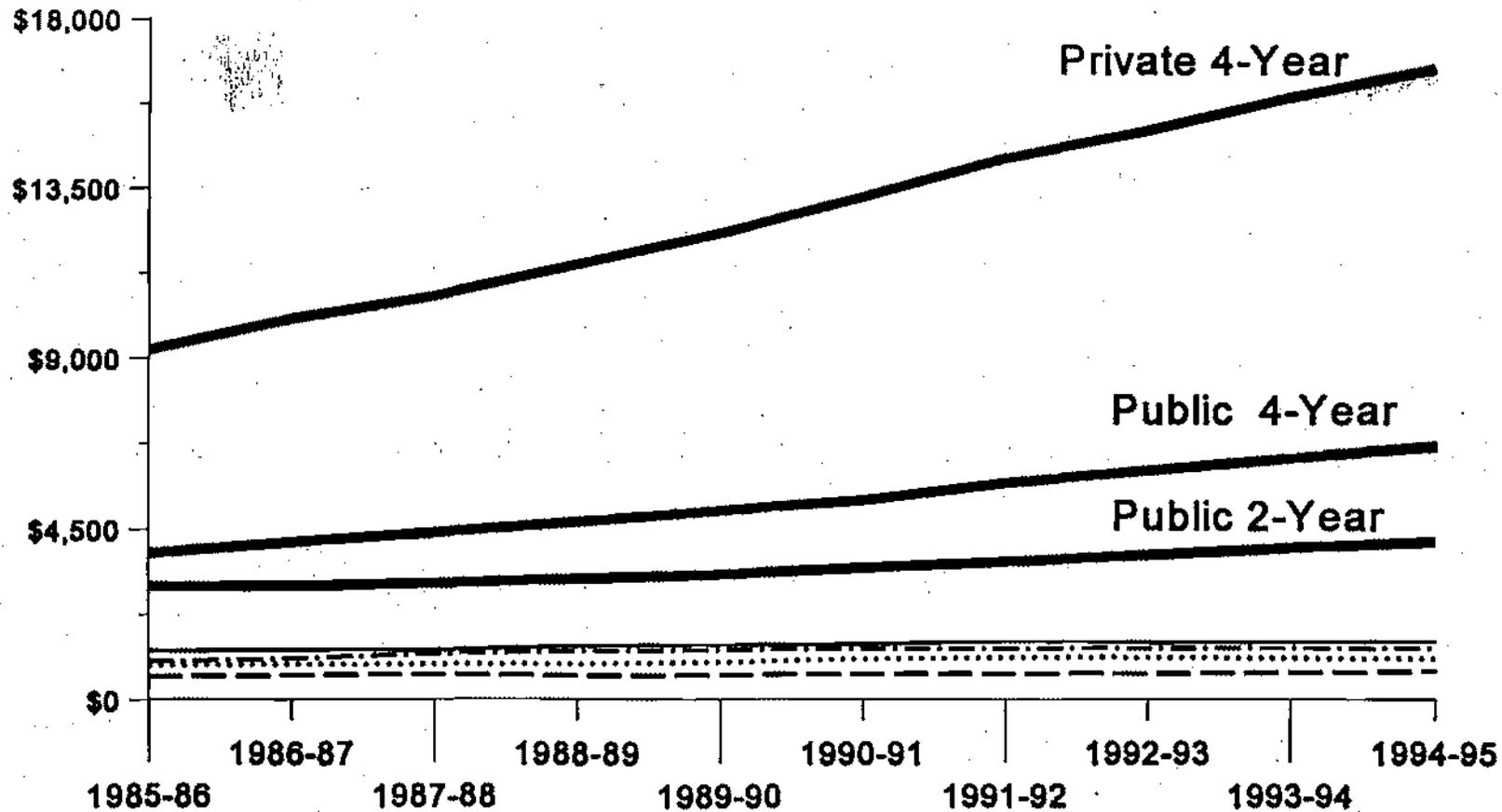
Federal funding for student financial assistance has not kept pace with increasing college costs. If anything, the historical correlation between Federal student financial assistance and college costs suggests that cutting Federal student aid leads to tuition increases, especially at private colleges and universities.

- From 1975 to 1980, total Federal student aid increased 183 percent. College costs increased by 49 percent for private institutions and 42 percent for public institutions.
- From 1980 to 1985, total Federal student aid increased only 58 percent. College costs increased by 62 percent for private institutions and 50 percent for public institutions.
- From 1985 to 1990, total Federal student aid increased only 34 percent. College costs increased by 82 percent for private institutions and 33 percent for public institutions.

The following chart shows the relationship between average costs of attendance and average awards received by students under the programs in the Student Financial Assistance account. Similar data are being prepared for the student loan programs and will be submitted to the committee shortly.

# Average Costs of Attendance Compared to Average Aid Awards

1985-86 to 1994-95



————— Pell Grants      - - - - - SEOG  
 ..... Work-Study      - · - · - Perkins

712 Mr. PORTER. Thank you, Mrs. Lowey. We'll have a second  
713 round.

714 Mr. Istook?

715 ADMINISTRATIVE COSTS OF PRESIDENTIAL HONORS SCHOLARSHIPS PROGRAM  
Mr. ISTOOK. Thank you, Mr. Chairman.

716 I wanted to focus, if I may, on the new program that you  
717 propose to develop regarding, I think it's the Presidential  
718 Awards Scholarship, I think that's the correct label.  
719 Several questions on that. I notice in your, the money that  
720 you would expect to be allocated to it, for a \$1,000 a person  
721 scholarship, you say \$130,<sup>million</sup>~~000,000~~, which would be for \$1,000  
722 scholarships to go to 128,500 students.

723 Now, that leaves only \$1.5<sup>million</sup>~~000,000~~ for anticipated  
724 overhead, whether it be at the Federal level, or since you  
725 mentioned that you anticipate that the school districts will  
726 widely advertise the program and the availability and  
727 whatever criteria that they refine. The first thing I wanted  
728 to ask on that is, what is actually the administrative cost,  
729 the overhead, whether it be at the Federal level or  
730 anticipated at the local level of administering a program  
731 that would grant scholarships to 128,500 students?

732 Because if you read it correctly, that you believe the  
733 ~~over~~-administration, which is usually these, you have an  
734 allowance for local overhead and administrative costs, as  
735 well as Federal, you had, I'd like to, if you have something  
736 in writing that shows the analysis of where you think that

737 | could be administered for \$1,500<sup>million</sup>,~~000~~, I would like to see it.

738 | Mr. LONGANECKER. We'll be glad to provide that.

739 | [The information follows:]

Insert  
33A

740 | \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*



### PRESIDENTIAL HONORS SCHOLARSHIPS

The Department expects that the cost of administering this program would be a responsibility of the Federal Government, not of local school districts. The Department does not anticipate using the President's budget request of \$130 million for this program as the source for paying its administrative costs. Rather, the Department will use its general Salaries and Expenses account for this purpose.

In formulating the President's budget request for this program, the Department used as guidance its estimate of 128,500 recipients of the scholarship in fiscal year 1997. At \$1,000 per scholarship, this amounts to \$128.5 million, \$1.5 million less than the President's request. The Department believes this buffer is needed to account for a potential variation in the number of expected recipients. An unexpected increase of 1,500 recipients would absorb this buffer entirely.

766 Mr. SKELLY. No, it has not been calculated yet. We just  
767 haven't done that kind of projection.

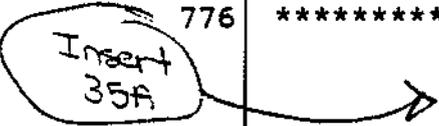
768 Mr. ISTOOK. Sure. I'd certainly request that as you do  
769 so, and certainly you couldn't make a decision on something  
770 like this without having it, that we not only be given the  
771 costs of any additional people, but also this cost of  
772 retained or shared employees, so that we can understand the  
773 true administrative expense, or the potential for it.

774 Mr. LONGANECKER. We shall do so.

775 [The information follows:]

776 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

Insert  
35A



## PRESIDENTIAL HONORS SCHOLARSHIPS

The Department intends on paying for the administrative costs of the Presidential Honors Scholarship program through its general Salaries and Expenses account. Since the specifications of this program are still being developed, the Department did not at the time of the President's fiscal year 1997 budget request delineate the administrative costs of this program in its Salaries and Expenses account request.

The Department expects that between 6 and 10 FTEs plus related costs would be necessary to run the Presidential Honors Scholarship program. However, it would not be necessary to hire new employees. The Department expects to transfer employees working on other duties to staff this program.

927 | postsecondary education of some form or another. You are  
928 | aware of America's Choice: High Skills, Low Wages and other  
929 | publications, that suggest <sup>that</sup> the area in which we are probably  
930 | most under-invested is in some postsecondary, not collegiate,  
931 | postsecondary.

932 | **TARGETING FUNDS FOR ALL POSTSECONDARY EDUCATION**  
932 | Mr. KORNFELD. Approximately 50 percent of all the schools  
933 | in the student financial assistance program are non-degree  
934 | type institutions, college degree type institutions.

935 | Mr. RIGGS. I'm sorry, what was the percentage again?

936 | Mr. KORNFELD. About 50 percent, approximately.

937 | Mr. RIGGS. Does your budget request reflect that?

938 | Mr. LONGANECKER. Yes. We have them as full partners in  
939 | our request, and consider that an important part of our  
940 | challenge and responsibilities <sup>is</sup> to assure that all  
941 | postsecondary education is reflected in our overall approach.

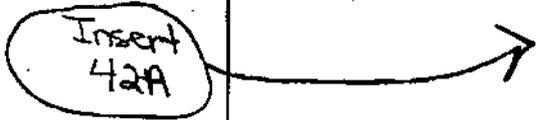
942 | Ms. CHRISTENSEN. Mr. Riggs, if it would be helpful, we  
943 | would be happy to submit for the record a list of the  
944 | descriptions and dollar amounts of the various kinds of  
945 | activities.

946 | Mr. RIGGS. I would appreciate that, Sally, thank you.

947 | [The information follows:]

948 | \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

Insert  
42A



## Financial Aid for Non-collegiate Postsecondary Students

Financial aid for postsecondary education is available to non-college-bound high school graduates through all of the Department's student financial assistance programs. Student loans are available through the FFEL program, the Direct Loan program and the Perkins Loan program. Grants to students are available through the Pell Grant program, the Supplemental Education Opportunity Grant program, the State Student Incentive Grant program and work-study funds are available through the Work-Study program. Funds are also provided to States to operate and improve programs of vocational education and to establish school-to-work opportunities systems. All of these programs are described below. The amount of funds going to postsecondary students not seeking a college or community college degree or certificate and the number of students assisted are estimated below the description.

### Federal Family Education Loans

The Federal Family Education Loan (FFEL) Program, formerly known as the Guaranteed Student Loan (GSL) Program, makes low-interest, long-term loans available to students attending participating postsecondary schools. The FFEL Program uses private loan capital made available by participating banks and other eligible lenders. The loans are guaranteed by individual state or private nonprofit guaranty agencies and reinsured by the Federal Government. Several loan programs exist under the FFEL Program umbrella, including the Federal Stafford Loan (subsidized and unsubsidized), Federal PLUS Loan, and Federal Consolidation Loans Programs.

Amount of loan aid for non-collegiate students - FY 1995 : \$1,910 million

Number of non-collegiate students served - FY 1995: 729,000

### Direct Loans

The William D. Ford Federal Direct Loan (Direct Loan) Program provides loan capital **directly from** the Federal Government (rather than through private lenders) to vocational, **undergraduate**, and graduate students and their parents. Direct lending eliminates the **reinsurance** and subsidization of private lenders. The program provides **flexible repayment terms** that can change as the borrower's financial circumstances change. There are several types of loans under the Direct Loan umbrella, including: Direct Subsidized, Direct Unsubsidized, Direct PLUS and Direct Consolidation Loans. Direct Loans generally have the same terms and conditions as comparable FFEL loans.

Amount of loan aid for non-collegiate students - FY 1995 : \$151 million

Number of non-collegiate students served - FY 1995: 51,000

### Federal Supplemental Educational Opportunity Grant Program

The Federal Supplemental Educational Opportunity Grant (SEOG) program provides need-based grant aid to eligible undergraduate students to help reduce financial barriers to postsecondary education. Federal funding allocations for this purpose are awarded to qualifying postsecondary institutions under a statutory formula. Unlike the Pell Grant program, the SEOG program is administered by institutional financial aid administrators who have substantial flexibility in determining student awards.

FY 1995 allocation for non-collegiate recipients - \$51.7 million  
Number of non-collegiate recipients - 142,000

### Federal Work-Study Program

The Federal Work-Study program assists needy undergraduate and graduate students in financing postsecondary education costs through part-time employment. Federal funds for this purpose are awarded to qualifying institutions that select needy students for employment. Students may be employed by the institution itself, by a Federal, State, or local public agency or private nonprofit organization; or by a private for-profit organization.

FY 1995 allocation for non-collegiate recipients - \$16.8 million  
Number of non-collegiate recipients - 12,000

### Perkins Loans-Federal Capital Contributions

The Federal Perkins loan program provides long-term, low-interest loans to financially needy students to help meet higher education costs. Loans are made from institutional revolving funds composed of: (1) newly appropriated Federal capital contributions (FCC); (2) an institutional matching contribution equaling at least one-third of the FCC; (3) school-level collections on prior year student loans; and (4) Federal payments for loan cancellations granted in exchange for specified types of teaching, or military or public service.

FY 1995 allocation for non-collegiate recipients - \$10.2 million  
Number of non-collegiate recipients - 30,000



## Vocational Education--Basic State Grants

Basic State Grants provide formula grants to States and Outlying Areas to expand and improve their programs of vocational education and provide equal access in vocational education to special needs populations. States use Basic Grant funds to support a variety of vocational education programs developed in accordance with a State plan.

Approximately 68 percent of the participants are secondary school students who do not go on to college immediately after graduation.

FY 1995 allocation for non-collegiate recipients - \$300 million

Number of non-collegiate recipients - 3,100,000

## School-to-Work Opportunities Grants

The School-to-Work Opportunities initiative, operated through a partnership with the Departments of Education and Labor, establishes a national framework within which every State has access to seed money to design and implement a comprehensive school-to-work transition system. These systems integrate academic and vocational education, link secondary and postsecondary education, provide learning opportunities at the work site, and fully involve the private sector. School-to-work systems will address the needs of all students, but particularly those who do not go on to a four-year college immediately after completing high school.

FY 1995 allocation for non-collegiate recipients - not available

Number of non-collegiate recipients - not available

1199 asking for outcomes based evaluations on all of our major  
1200 programs, and we have provided several years of funding to  
1201 evaluate the TRIO programs. Page 052 of the justification  
1202 describes the purposes of the student support services, a  
1203 TRIO program, as increasing college retention and graduation  
1204 rates of eligible students and increasing transfer rates from  
1205 two year to four year schools.

1206 Funding for this program is awarded to institutions, not  
1207 to students. First, how long has this program been in  
1208 operation, and what is the average increase in retention,  
1209 graduation and transfer rates for eligible students at  
1210 schools receiving student support services grants?

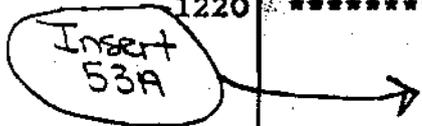
1211 Mr. LONGANECKER. The program began in, ~~was it 1972 or~~  
1212 1965. <sup>Student Support Services was one of</sup> Actually, the ~~EEO programs,~~ which were the first parts  
1213 of the TRIO programs, <sup>authorized by</sup> ~~were part of~~ the original Higher  
1214 Education Act of 1965. So the core of this concept has been  
1215 around since the Higher Education Act passed.

1216 I do not have the specific information on the  
1217 effectiveness, but I will get it and get it to you, Mr.  
1218 Chairman.

1219 [The information follows:]

1220 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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**EFFECTIVENESS OF STUDENT SUPPORT SERVICES PROGRAM**

Preliminary findings from the Department's current evaluation of the Student Support Services (SSS) program show that the program is having a positive impact. These findings indicate that:

- The effects on retention and grade point average (GPA) for SSS participants remain positive and significant three years after students enter college.
- Of the types of services that can be received, peer tutoring and exposure to cultural events appear to have a particularly strong and positive effect on retention and GPA.
- In general, the greater the time spent utilizing SSS activities, the more positive retention and GPA outcomes.

1446 question about HSIs and Hispanic serving institutions. Are  
 1447 we going to have to include language again this year to fund  
 1448 HSIs, since the funding level for strengthening institutions  
 1449 is under \$80,<sup>million</sup>~~000,000~~? And will the Department be providing  
 1450 us with the proposed language?

1451 Ms. CHRISTENSEN. Yes, Mr. Bonilla, in fact we do have the  
 1452 proposed appropriations, <sup>language</sup> what it does is overcome the <sup>statutory language</sup> ~~price~~  
 1453 <sup>which states</sup> ~~that~~ the \$80,<sup>million</sup>~~000,000~~ must be funded under the Part A  
 1454 program <sup>in order for the HSI authority to be able to be</sup>  
 1455 funded. This overcomes that.

1456 Mr. BONILLA. I look forward to working with you on that  
 1457 particular point, then.

1458 <sup>EFFECTIVENESS OF HSIs</sup>  
 And on the same subject, David, if I could ask you just  
 1459 overall how the HSI program is doing, what are the strengths  
 1460 and weaknesses, and whether or not you think the program is  
 1461 overall effective?

1462 Mr. LONGANECKER. Well, we think it's effective. ~~This is~~  
 1463 ~~you know~~ <sup>the</sup> HSI component is a relatively new piece to the  
 1464 law <sup>And</sup> ~~so~~ it will take us a while before we have a firm  
 1465 evaluation process. But ~~it's~~ <sup>yes</sup> we wouldn't have asked  
 1466 for additional funding if we didn't think it was a good  
 1467 investment.

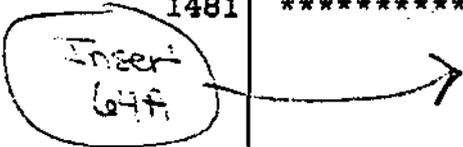
1468 Mr. BONILLA. What reporting requirements, David, are  
 1469 placed on the 36 grantees to show that they are using the  
 1470 money properly under the HSI program?

1471. Mr. LONGANECKER. What I'll do is provide to your office  
1472 the requirements that are part of the evaluation. But the  
1473 institutions must provide us with an evaluation plan and  
1474 evidence of the effectiveness of the program to participate  
1475 in the program. Though remember, this program is a ~~part of~~<sup>2</sup>  
1476 ~~Part A of Title III, which is, it's a~~ special section of Part  
1477 ~~A~~<sup>of Title III,</sup> and so the institutions have primarily the same  
1478 requirements that other Title III developing institutions in  
1479 Part A have.

1480 [The information follows:]

1481 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

Insert  
64f.



64A

## HISPANIC-SERVING INSTITUTIONS

Once an institution has been awarded a grant under the Hispanic-serving Institutions program, the institution is required to submit an annual progress report focusing on program outcomes and problems related to program implementation and service delivery. This report includes data and information that demonstrate the institution's progress toward meeting the objectives of the project activities. The report also includes budget data for our review.

## HSIs - COMPETITIVENESS GRANT PROCESS

1482 Mr. BONILLA. Of the 85 institutions that applied, 36 were  
 1483 funded. How were the grantees chosen, by total score? Did  
 1484 they have a total score or how did that work?

1485 Mr. LONGANECKER. They were selected <sup>through</sup> ~~on the~~ we do a  
 1486 competitive grant <sup>process,</sup> ~~it's part of a competitive grant process,~~  
 1487 where they receive scores based on their compliance with the  
 1488 requirements that are laid out for them <sup>in</sup> the requests for  
 1489 proposals that go out. <sup>As the proposals come back,</sup> ~~And they bring back those,~~ we use a  
 1490 panel of raters to help us evaluate <sup>them against</sup> ~~those,~~ all of those  
 1491 criteria, and then we ~~take the average~~ <sup>the</sup> scores of ~~those~~ and  
 1492 ~~they are basically~~ <sup>the</sup> the highest scores are the winners.

1493 Mr. BONILLA. Was any consideration given to the overall  
 1494 population of Hispanics to a State or region in your  
 1495 evaluation?

1496 Mr. LONGANECKER. I will get back to you on that. I'm  
 1497 confusing some of my programs here. There are some that have  
 1498 regional geographic requirements, and I cannot remember if  
 1499 Title III Part A has that. I'm being advised it doesn't, <sup>but</sup>  
 1500 ~~I don't believe that was the case.~~ We took strictly their  
 1501 competitiveness in the pool of institutions that came in for  
 1502 this competition.

1503 [The information follows:]

1504 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

Insert  
65A

## HISPANIC-SERVING INSTITUTIONS

Awards are made to Hispanic-serving Institutions based on the percentage of enrolled Hispanic students. The 36 HSIs receiving grants in fiscal year 1995 were located in seven states and Puerto Rico. Both California and Puerto Rico each had 10 HSIs receiving grants. This represents 55.6 percent of the total grants. In addition, 8 HSIs in Texas received grants, 4 HSIs in New Mexico received grants, 2 HSIs in Colorado received grants, and both Illinois and New York each had 1 HSI receiving a grant. The following table specifies the breakdown of grant distribution by State/entity for the fiscal year 1995 grants.

**HSI Program Grant Distribution by State/Entity**

State/Entity	Number public/private HSIs	Number HSIs Eligible	Number HSIs Applied	Number HSIs Funded	% of applicants Funded	% Total HSIs Funded
Arizona	5	3	2		0.0	0.0%
California	41	27	24	10	41.7%	27.8%
Colorado	4	3	4	2	50.0%	5.6%
Florida	9	2	3		0.0%	0.0%
Illinois	9	8	3	1	33.3%	2.8%
New Jersey	2	2			0.0%	0.0%
New Mexico	13	10	6	4	66.7%	11.1%
New York	9	9	6	1	16.7%	2.8%
Puerto Rico	48	34	26	10	38.5%	27.8%
Texas	25	19	13	8	61.5%	22.2%
<b>TOTAL</b>	<b>165</b>	<b>117</b>	<b>87</b>	<b>36</b>	<b>41.4%</b>	<b>100.0%</b>

Source: U.S. Dept. of Education, Division for Institutional Development, FY1995; National Center for Educational Statistics, 1993 IPEDS

1505 Mr. BONILLA. The reason I ask that is that California had  
1506 ten grantees, Texas had seven, but Puerto Rico had ten as  
1507 well. And I understand that Puerto Rico is probably 99  
1508 percent Hispanic. But I was wondering why such a large  
1509 concentration of grantees in Puerto Rico.

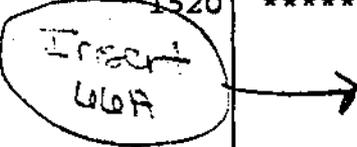
1510 Mr. LONGANECKER. I didn't review the proposals. My  
1511 suspicions would be that under the criteria we used, they  
1512 probably fared quite highly in terms of the competitive  
1513 scoring process.

1514 Ms. CHRISTENSEN. I was just going to say ~~it's true~~ that  
1515 these same institutions can apply under the regular Part A  
1516 program. I don't know to what extent the existing grantees  
1517 represent those same types of institutions, but we can get  
1518 that for you for the record.

1519 [The information follows:]

1520 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

Insert  
W6A



66A

## HISPANIC-SERVING INSTITUTIONS

All applicants eligible for the Hispanic-serving Institutions program must first meet the eligibility requirements of the Title III, Part A program (Strengthening Institutions). Since there is no statutory provision limiting their application to only one program, these institutions are eligible to apply to both the Part A (Strengthening Institutions) and Section 316 (Hispanic-serving Institutions) programs. However, the statute has a specific rule that no Hispanic-serving institution that is eligible and receives funds under the HSI program may concurrently receive other funds under either part A or part B of title III.

Grantees must also meet the following additional statutory requirements: 1) Have an enrollment of undergraduate full-time equivalent students that is at least 25 percent Hispanic; 2) Have not less than 50 percent of its Hispanic students be low-income individuals and first generation college students; and 3) Have an additional 25 percent of its Hispanic students be either low-income or first generation students. As a result, some institutions considered HSIs under the most general and inclusive definition delineating HSIs as institutions of higher education with at least 25 percent Hispanic enrollment, would not necessarily be eligible for the HSI program.

Of the 121 HSIs eligible for both Strengthening Institutions programs during our fiscal year 1995 competition, 23 applied for new grants under the part A program and 87 applied for grants under the HSI Strengthening Institutions Program. Only one HSI was awarded a new grant under the Part A program and 36 HSIs were awarded grants under the HSI program.

1796           So those are the kinds of additional services that our  
1797 colleges are starting to come up with. We had some very  
1798 creative work after the floods in the Midwest, where college  
1799 work study was used both to help clean up communities and the  
1800 colleges, after the devastating damage that was done, and  
1801 additional funds were made available through college work  
1802 study to help out in that regard.

1803           Mr. PORTER. Thank you, Mrs. Lowey.

1804           Mr. Riggs? Mr. Bonilla will take the Chair.

1805           PRESIDENTIAL HONORS SCHOLARSHIPS PROGRAM  
1805           Mr. RIGGS. Mr. Secretary, I'm told that at one point in  
1806 time, I don't know how far back, the President expressed, if  
1807 not by opposition, skepticism about the idea of a  
1808 Presidential honors program. Am I correct, and if so, what  
1809 caused him to change his thinking?

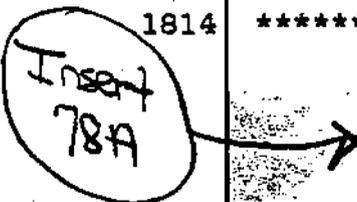
1810           Mr. LONGANECKER. ~~I do not~~<sup>2</sup> I don't know the answer to  
1811 that. I will research that and get back to you.

1812           Mr. RIGGS. I'd like to know, because I understand that--

1813           [The information follows:]

1814           \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

Insert  
78A



## PRESIDENTIAL HONORS SCHOLARSHIPS

The Administration firmly believes in motivating students to strive for academic excellence in school and the President has proposed rewarding such meritorious achievement. The Presidential Honors Scholarship would reward high school seniors in the top five percent of their class.

This one-year, merit award is different from both the Byrd Scholarship program (which rewards very high academic achievement for a small number of students over four years), and the previous administration's Presidential Achievement Scholarships (which were limited to Pell Grant eligible students and represented an approach based on injecting a merit element into a need-based program, a position never favored by the President).

The President is committed to universal access to postsecondary education. His fiscal year 1997 budget request for postsecondary education, which includes substantial increases in need-based aid as well as his proposal to reward achievement separately, reflects this commitment.

Competition

1865 | problem. And direct loans force that. ~~There are some things~~  
 1866 | ~~that have~~ the FFEL program <sup>it's</sup> that's been called different  
 1867 | things over the years <sup>is</sup> probably 25 years old. And some of  
 1868 | the most significant improvements have occurred in that  
 1869 | program since direct loans came along.

1870 | Mr. RIGGS. Could you provide me with the total  
 1871 | administrative costs on a per student basis for both the  
 1872 | direct lending program as well as FFEL?

1873 | Mr. KORNFELD. I'd be very happy to.

1874 | [The information follows:]

1875 | \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

Insert  
81A



### COMPARING STUDENT LOAN ADMINISTRATIVE COSTS

Of the costs we can measure at the Federal level, the administrative costs on a per loan basis are larger for Direct Loans than for the FFEL program. However, the Direct Loan program also generates interest revenue for the Government in years when the Government's borrowing costs are lower than the interest rate paid by the borrowers. In the FFEL program, the Government does not receive any interest revenue. Thus, while the Federal administrative costs of Direct Loans are greater, the interest revenue from Direct Loans is also greater. As long as services to students and schools can be provided at a similar net cost to the Government as under the FFEL program, the Government is justified in using Direct Loans as a means of student loan delivery.

We can count up the costs of Direct Loans based on negotiated amounts in competitive contracts for servicing and systems. We can add estimates for a relatively small number of employees and related expenses, and then we can compare this to the number of loans to get a per loan figure. Although it is not precise, each student borrower gets approximately 1.4 loans per year.

We cannot estimate all the administrative expenses of lenders, guarantee agencies, and servicers in the FFEL program. There is no reason to believe that they spend more than the Federal Government, especially on contracts for servicing that account for most costs, because we tend to use the same kind of large companies. However, we have no control over how much lenders and guarantee agencies spend on administration, and the Federal costs are just one small part of the total FFEL administrative costs.

Based on a total of 4.3 million Direct Loans made in 1994, 1995, and estimated for 1996, the Federal administrative cost for 1996 per Direct Loan is approximately \$41.86, based on fiscal year 1996 administrative funding of \$180 million. In later years the servicing costs will increase because the monthly billing and payment activity will increase. Because we do not know what the administrative costs are for lenders and guaranty agencies under the FFEL program, we cannot give you a comparable administrative cost per loan for the FFEL program.

We can provide an estimate of the Federal administrative costs per outstanding loan in 1996, but it is not comparable to the Direct Loan administrative costs of \$41.86 per loan because it includes outstanding loans going back many years and excludes the comparable lender and guaranty agency costs. The FFEL non-comparable number is \$13.10 per loan based on all outstanding loans and total Federal administrative costs for 1996 of approximately \$655 million, which includes \$132 million for Department default collection contract commissions, \$277 million in guaranty agency retention of collections at 27 percent of collections, \$176 million in administrative cost allowances to guaranty agencies, \$30 million for the Federal administrative discretionary account, and approximately \$50 million for Section 458 costs attributable to the FFEL program.





**California  
Teachers  
Association**

1705 Murchison Drive  
P.O. Box 921  
Burlingame, California  
94011-0921  
Phone 415-697-1400

**M E M O R A N D U M**  
Research & Finance Department

April 11, 1996

**To:** Executive Management Staff  
Ernie Ciarrocchi  
Tommye Hutto  
→ Bob Nelson

**From:** Dick Odgers *DO*

**Subject:** PACE Opinion Poll on Public Education

Last month the media carried stories about this poll. Enclosed is the entire poll. It covers many more topics than were mentioned by the media, bills before the Legislature, and our potential 1998 funding initiative.

DO:ke

To: Marsha Scott  
From: Bob Nelson

# PACE Poll: Californians' Views on Education

## Questions and Poll Results

March 1996

### Question 1

Does anyone in this household work for a radio station, a television station, a newspaper, or an advertising agency?

No.....	100%
Yes.....	0%

### Question 2

Generally speaking, do you feel that things here in California are going in the right direction these days, or do you feel that things are pretty seriously off on the wrong track?

Right Direction.....	30%
Wrong Track.....	54%
Not Sure.....	16%

### Question 3a

When it comes to important issues and problems facing California these days, which one of two of the following would you say are the most important issues or problems facing the state?

Reducing crime and violence.....	45%
Creating jobs and economic growth.....	39%
Improving the quality of public schools.....	38%
Holding down taxes and state spending.....	14%
Reforming the health care system.....	11%
Maintaining programs for people in need.....	7%
All.....	11%
None.....	1%
Not sure.....	--

### Question 3b

Thinking now just about the public schools in California, I'd like you to rate how important you personally feel it is to improve the quality of public education. We'll use a ten-point scale on which a "10" means you feel it is absolutely essential to improve the quality of public education in California, and a "1" means it is not that important. You may use any number between one and ten, depending on how important you feel it is.

(10).....	56%
(8-9).....	25%
(1-7).....	17%
Cannot rate.....	2%

**Question 5b**

Compared to five years ago, would you say the public schools in California have been getting better, getting worse, or staying about the same? And would you say the public schools have been getting somewhat (better/worse), or a lot (better/worse).

A lot better .....	1%
Somewhat better.....	10%
Staying the same .....	35%
Somewhat worse.....	26%
A lot worse.....	18%
Not sure.....	10%

**Question 6**

Let me read you a few ways in which the quality of education in California's public schools might be improved. Please tell me which one or two you feel would do the most to improve the quality of public education in California?

Encouraging parents to be more involved.....	37%
Improving student discipline in schools.....	34%
Reducing the size of classes.....	34%
Improving the quality of teaching .....	22%
Setting higher goals and expectations for students.....	21%
Emphasizing job skills in the curriculum.....	13%
All.....	9%
None.....	1%
Not sure.....	--

**Question 7a**

Which of the following do you feel is the most important thing for the California public schools to teach?

Academic skills, like science, history, and literature.....	21%
Vocational skills, like electronics and mechanics.....	8%
Personal values, like respect and responsibility .....	13%
Basic skills, like reading, writing, and math .....	46%
None of them .....	--
All of them.....	11%
Not sure.....	1%
None/All/ Not Sure.....	12%

Question 10b

Would you tend to favor or tend to oppose a program that would use some of the money now spent on public education to help parents pay for the cost of sending their children to the private or parochial school of their choice?

Definitely Favor.....	25%
Probably Favor.....	14%
Probably Oppose.....	14%
Definitely Oppose.....	42%
Not Sure.....	5%

Question 11a

Let me focus for a few minutes on the way public schools—kindergarten through high school—are financed here in California. Do you feel that the current way in which public education is funded in California is working very well, working fairly well, not working that well, or not working well at all?

Working very well.....	3%
Working fairly well.....	34%
Not working that well.....	34%
Not working well at all.....	19%
Not Sure.....	10%

Question 11b

Let me read you a few ways in which people might judge the way public schools are funded here in California. For each one, please tell me whether you feel the current system for funding California's public schools is working very well, working fairly well, not working that well at all?

1. Providing adequate funds for public education:

Working very well.....	3%
Working fairly well.....	37%
Not working that well.....	35%
Not working well at all.....	19%
Not Sure.....	6%

2. Making sure that everyone pays their fair share:

Working very well.....	6%
Working fairly well.....	33%
Not working that well.....	28%
Not working well at all.....	18%
Not Sure.....	15%

Question 13a

Thinking about the level of funding for the public schools in California, which do you feel is most important—to increase the current level of funding, to maintain the current level of funding, or to decrease the current level of funding for the public schools? Do you feel the current level of funding should be increased somewhat, or increased a lot?

Increase level of funding:

A lot.....	34%
Somewhat.....	32%
Maintain level of funding.....	26%
Decrease level of funding.....	3%
Not sure.....	5%

Question 13b (Form B)

Why do you feel that way about funding the public schools in California?

1. Net best reasons to increase funding:..... 62%

More, better equipment, materials, supplies.....	17%
Because children are our future, we need to take care of them.....	14%
Better programs, activities for children.....	14%
Teachers need a raise.....	10%
More qualified staff, need to hire better teachers.....	9%

2. Net best reasons to decrease funding:..... 26%

Money is usually not well spent, improper allocation of funds.....	15%
Things working fine with funding they have.....	8%
Lack of funding not the problem.....	3%
Taxes will go up.....	2%
Don't know; no response.....	15%

Question 14

From what you know, do you think the state's share of funding for public education has gone up significantly in the past few years, gone up a little, stayed about the same, gone down a little in the past few years, or gone down significantly?

Gone up significantly.....	6%
Gone up a little.....	20%
Stayed about the same.....	24%
Gone down a little.....	20%
Gone down significantly.....	11%
Not sure.....	19%

Question 16

Thinking now just about students who do not speak English, would you favor a system in which each local school district decided for itself how best to teach English language skills to its students, or would you favor a system in which there was a uniform statewide policy regarding the way non-English-speaking students are taught English language skills?

Favor each local school district deciding for itself .....	47%
Favor uniform statewide policy for teaching non-English-speaking students.....	46%
Not sure.....	7%

Question 17a

Overall, how would you rate the core subjects in the public schools in California when it comes to preparing California students to compete successfully in college and in the job market with students from across our country and from other countries—excellent, good, satisfactory, not so good, or poor?

Excellent.....	3%
Good.....	16%
Satisfactory.....	32%
Not so good.....	28%
Poor.....	15%
Not sure.....	6%

Question 17b

Now, let me read you two statements about academic standards for students. Please tell me which one comes closer to your own point of view.

Statement A: Raising academic standards in the public schools would improve student performance and increase what the students learn

Statement B: Raising academic standards in the public schools would lead to higher dropout rates and discriminate against students from culturally disadvantaged backgrounds.

Which statement comes closer to your own point of view - Statement A or Statement B?

Statement A/Raising standards increases what students learn.....	73%
Statement B/Raising standards would increase dropout rates.....	18%
Some of both.....	6%
Not sure.....	3%

Question 17c

Do you think it is a good idea or a bad idea to test students in California using standardized tests to measure their level of achievement and knowledge?

Good idea.....	74%
Bad idea.....	20%
Not sure.....	6%

**Question 19b**

Let me read you two statements about student discipline policy, and after you hear them, please tell me which one comes closer to your own point of view.

Students who repeatedly disrupt classes should be placed in alternative settings, so that schools can continue trying to educate them without their disrupting the education of others..... 75%

Students who repeatedly disrupt classes should be suspended from school as punishment for their behavior and to keep them from disrupting the education of others..... 21%

Neither.....3%

Not sure.....1%

**Question 20a**

Would you tend to favor or tend to oppose a "zero tolerance" policy that would automatically expel students who bring drugs, guns, or other weapons to school? Do you feel strongly about that, or not?

Tend to favor—feel strongly ..... 75%

Tend to favor—do not feel strongly.....6%

Tend to oppose—do not feel strongly.....6%

Tend to oppose—feel strongly ..... 9%

Not Sure ..... 4%

**Question 20b**

How safe do you feel the schools are in your local community for the students who attend them—very safe, fairly safe, somewhat unsafe, or very unsafe?

Very safe..... 15%

Fairly safe..... 43%

Somewhat unsafe..... 28%

Very unsafe..... 11%

Not Sure..... 3%

F. Giving teachers more authority in deciding what to teach and how to teach it:

Would improve (10) .....	21%
(8-9) .....	25%
Would not improve (6-7).....	20%
Would not improve (1-5).....	31%
Cannot rate.....	3%

Question 22 (Form A)

Let me read some of the decisions that have to be made in running the public schools. For each one, please tell me who you trust the most to make that kind of decision - the state legislature, the SPI, the Department of Education, the teachers, or the parents.

A. Set student discipline policies:

State Legislature .....	5%
SPI/CDE.....	25%
Teachers.....	36%
Parents .....	28%
None.....	2%
Not Sure .....	4%

Decide on what textbooks to use:

State Legislature .....	7%
SPI/CDE.....	35%
Teachers.....	47%
Parents .....	7%
None.....	--
Not Sure .....	4%

C. Set Promotion and Graduation Standards

State Legislature .....	12%
SPI/CDE.....	52%
Teachers.....	24%
Parents .....	6%
None.....	--
Not Sure .....	6%

D. Determine Competency Standards for Teachers

State Legislature .....	20%
SPI/CDE.....	60%
Teachers.....	0%
Parents .....	5%
None.....	--
Not Sure .....	5%

E. Maximum class sizes:

Statewide policy .....	45%
Made by each school district .....	26%
Made on a school-by-school basis.....	25%
Not Sure .....	4%

F. What teaching methods to use:

Statewide policy .....	35%
Made by each school district .....	31%
Made on a school-by-school basis.....	31%
Not Sure .....	3%

Question 23 (Form A)

Suppose you were able to choose an elementary school for your child or grandchild, depending on whether it was close to home, had good teachers, the right kind of curriculum, up-to-date books and equipment, good discipline, small enough classes, and actively involved parents. Let me read this list again, and please tell me which one or two factors would be more important in choosing a school for your own child or grandchild.

Good teachers .....	57%
The right kind of curriculum .....	31%
Small enough classes.....	18%
Actively involved parents.....	18%
Up-to-date books and equipment.....	15%
Good discipline.....	14%
Close to home.....	12%
All.....	11%
None.....	--
Not sure.....	1%

Question 23 (Form B)

Suppose you were able to choose an elementary school for your child or grandchild, depending on whether it was close to home, had good teachers, the right kind of curriculum, up-to-date books and equipment, good discipline, small enough classes, and actively involved parents. Let me read this list again, and please tell me which one or two factors would be more important in choosing a school for your own child or grandchild.

Good teachers .....	50%
The right kind of curriculum .....	30%
Actively involved parents.....	19%
Small enough classes.....	16%
Good discipline.....	14%
Up-to-date books and equipment.....	13%
Close to home.....	11%
All.....	16%
None.....	--
Not sure.....	1%



*Handwritten signature: Andy [unclear]*

March 14, 2000

TO: Gene Sperling  
Assistant to the President for Economic Policy

Bruce Reed  
Assistant to the President for Domestic Policy

FR: Carol H. Rasco *CHR*  
Director, America Reads Challenge

RE: America Reads Challenge and Federal Work-Study Program

The Federal Work-Study (FWS) component of the America Reads Challenge is preparing to undergo a significant change. The Higher Education Act Reauthorization calls for every institution of higher education receiving Federal Work-Study dollars to have at least one tutor in a children's literacy program and/or a family literacy program starting with the July 1, 2000 award year. We are, therefore, transitioning our work from recruiting of colleges to providing technical assistance in a pro-active way to all institutions not yet participating in a tutoring program.

The enclosed letter to the College Presidents' FWS Steering Committee for America Reads\*America Counts explains the current status of our activity in this area. Also enclosed for you as described in the letter are three handouts we are using as we actively work not only with the institutions of higher education but also community, regional and national groups serving children who wish to utilize the tutors' services.

Please contact me if there are questions we can answer on this issue for you.

Thank you.

Cc: Ann O'Leary, DPC  
Julie Anderson, OPL

March 13, 2000

Dr. Robert A. Corrigan, President  
Steering Committee Chair  
San Francisco State University  
1600 Holloway Avenue  
San Francisco, CA 94132

Dear Bob:

I am writing to thank you for your ongoing commitment and support to the America Reads Challenge. It has been my pleasure to work with you in moving the Challenge ahead.

As you may know, the new Federal Work-Study regulations will go into effect on July 1, 2000. The requirements, passed by Congress, stipulate that all higher education institutions receiving Federal Work-Study (FWS) funds will be required to use at least seven-percent of their total FWS allocation to employ students in community service jobs, this is an increase from the current five-percent requirement. Additionally, institutions must employ at least one work-study student as a reading tutor for preschool or elementary school children, or in a family literacy project. Work-study students who serve as reading tutors or in family literacy projects support the university in fulfilling the seven-percent community service requirement.

In November, a recruitment video was sent from the America Reads Challenge to presidents of colleges/universities who were not participating in America Reads. The *We Want You* video generated much interest among colleges and universities and as a result, 160 new institutions signed-on. Presently, 1,430 colleges/universities participate in the America Reads Challenge and 480 institutions have signed-on to America Counts.

The America Reads Challenge has begun to shift its emphasis from recruitment to providing technical assistance to the nearly 2000 higher education institutions that receive Federal Work-Study funds and have not signed-on to the America Reads Challenge.

We have met with a number of community and organizational leaders, that could effectively utilize tutors in their programs, to inform them about how they can become proactive in contacting colleges and universities for work-study tutors and how they might contribute to the training and transportation of tutors. On March 16, we are co-

sponsoring a conference with the Rutgers Graduate School entitled, "Tutoring Programs for Struggling Readers: The America Reads Challenge." One-month prior to the conference, enrollment had reached its full capacity. Participants include teachers, librarians, school administrators, higher education administrators and financial aid officers.

By the end of March, we will be sending a letter to financial aid administrators of the 2000 non-participating colleges. Included with the letter will be information and materials that will assist them in beginning a reading and/or family literacy tutoring program utilizing work-study students. During the summer, we will follow-up our correspondence to the financial aid officers with a phone call to inquire if they need additional assistance that we can provide.

Several colleges and organizations, such as Campus Compact, have notified us that they are planning to host one-day regional meetings to assist institutions that will be incorporating literacy tutoring into their Federal Work-Study program. If you would like to host a meeting in your region, please feel free to call on us for assistance.

Since all colleges/universities will be required to participate in a reading or family literacy project, after July 1, we will no longer add the names of colleges/universities participating in the America Reads Challenge to our website listing. We will, however, continue to list the institutions that sign-on prior to July 1 as a way of recognizing their voluntary participation.

The America Reads Challenge will offer the following services to all colleges receiving federal work-study funds: access to an updated website, recruitment materials, including posters and brochures, tutor training materials, an on-line directory, an interactive listserv, and electronic *Federal Work-Study Updates*. We are enclosing, for your information, three fact sheets that we have distributed to colleges, schools, and community organizations.

Again, we thank you for your commitment and support of the America Reads Challenge. Please do not hesitate to contact us if you would like additional information.

Sincerely,

Carol H. Rasco  
Senior Advisor to the Secretary  
Director, America Reads Challenge

Enclosures



**FEDERAL WORK-STUDY AND COMMUNITY SERVICE**  
**Award Year 2000-2001**  
**THE AMERICA READS CHALLENGE**

**HISTORY OF THE AMERICA READS CHALLENGE**

- In an effort to increase the reading proficiency among America's youth, the Administration in 1996 launched the America Reads Challenge with one major objective: to have all children reading well and independently by the end of the third grade.
- During the first full year of the program, in award year 1997-98, 790 postsecondary institutions participated in the America Reads Challenge. As of January 2000, nearly 1,300 postsecondary institutions are participating in the America Reads Challenge.

**FEDERAL WORK-STUDY WAIVER**

- Currently, there are 3,300 institutions receiving Federal Work-Study (FWS) Program funds. The FWS Program funds provide part-time employment to approximately 942,000 students, as part of their financial aid package, to help pay for their education.
- In 1997, as one response by the federal government to the Challenge, the Secretary of Education initiated the America Reads Federal Work-Study Waiver. FWS Program funds could be used to pay 100 percent of the wages for any FWS student who was tutoring preschool age or elementary school children in reading. Higher education institutions do not have to make a request to the U.S. Department of Education to use this waiver.
- Beginning with the 1998-99 award year, the FWS waiver of the institutional matching requirement was extended to tutoring in Family Literacy Programs. Family Literacy Programs offer opportunities for FWS students to tutor preschool age and elementary school children, as well as their parents and caregivers.
- Effective October 28, 1999 (the date of publication of the FWS regulations) Family Literacy services were expanded to activities beyond tutoring. Institutions may pay a Federal share of up to 100 percent for a FWS student employed in a Family Literacy Project that provides services to families with preschool age or elementary school children. In addition to tutoring, family literacy activities may include training tutors, performing administrative tasks such as coordinating tutors' schedules, working as an instructional aide or preparing family literacy materials.

- Beginning with the 1999-2000 award year, the waiver of the institutional matching requirement was extended to FWS students employed under America Counts. America Counts provides mathematics tutors for students in elementary through ninth grade.

### **COMMUNITY SERVICE REQUIREMENT**

- Institutions receiving FWS funds for award year 1994-95 through 1999-2000 were required to use at least five percent of their total annual Federal allocation (initial and supplemental) to pay the wages of FWS students employed in community service jobs.
- Beginning with the fiscal year 2000-2001 award year, an institution will be required to use seven percent of the total amount of the FWS funds to compensate students employed in community service activities.
- Beginning with the 2000-2001 award year, in meeting the seven percent community service requirement, an institution must ensure that one or more of its FWS students is employed as a:
  - ★ Reading tutor for preschool or elementary school children, or
  - ★ In a Family Literacy Project

### **TRAINING FOR TUTORS**

- It is recommended that FWS students employed as reading or mathematics tutors be given high quality training prior to and during their service. Training may be provided by the school district, by the university, by a literacy organization or coalition of organizations or agencies receiving tutors. The FWS student may be paid for a reasonable amount of time spent in training.

### **SUPPORT FROM THE AMERICA READS CHALLENGE IN THE U.S. DEPARTMENT OF EDUCATION**

- The America Reads Challenge in the U.S. Department of Education will continue to assist universities by providing the following services: an updated website, recruitment materials including posters and brochures, tutor training materials, an on-line directory, an interactive listserv, and electronic *Federal Work-Study Updates*.
- Access to the America Reads Challenge may be made through the website at [www.ed.gov/americanreads](http://www.ed.gov/americanreads) or phone (202) 401-8888 or 1-800 -USA -LEARN, or fax (202) 260-8114 or e-mail [americanreads@ed.gov](mailto:americanreads@ed.gov)



## How to Implement an America Reads Tutoring Program and a Family Literacy Project at Your College

- **First visit the America Reads website at [www.ed.gov/americanreads](http://www.ed.gov/americanreads)**
  - Link to "Resources and Research"
  - Helpful resources on this page include:
    - ◆ [The America Reads Challenge Resource Kit](#)
    - ◆ [Reading Helpers: A Guide for Training Tutors](#)
    - ◆ [Read\\*Write\\*Now! Tutoring Manual](#)
    - ◆ [So That Every Child Can Read](#)
  
- **Contact a colleague at one of the participating universities to talk with them about their America Reads program.**
  - For an updated list of participating colleges and universities, link to [http://www.ed.gov/americanreads/couniv\\_fws.html](http://www.ed.gov/americanreads/couniv_fws.html)
  
- **Identify and contact potential partners where America Reads and Family Literacy work-study tutors can be placed.**
  - Talk with someone from the local school district, the state department of education, or the school of education at your university to inquire about the preschools or elementary schools in your area where partnerships may already exist.
  
  - Call the toll-free family literacy hotline at (877)-FAMLIT-1 for locating family literacy programs in your community or for general information about family literacy.
  
  - Contact community organizations that have an interest in children's literacy also look into working with youth groups, boys and girls clubs, bookstores, PTAs, childcare centers, religious organizations, or libraries to find potential sites for tutors.

- **Advertise tutoring opportunities to the work-study students at your institution.**
  - Send a personal letter and a free brochure to all work-study students informing them about the tutoring options as part of their work-study employment.
  - When students are notified of their federal work-study award, send them information about tutoring opportunities.
  - Display the WE WANT YOU poster in the Financial Aid Office, library, and the service learning office.
    - ◆ Multiple copies of the WE WANT YOU poster are available for free by calling EDPUBS at (877)-4ED-PUBS.
- Send copies of the WE WANT YOU brochure, also available through EDPUBS, to administrative offices on campus, such as the school of education, the provost's office, the office of student life, the service learning office, and the office of student affairs, to inform them about tutoring opportunities.
- Prepare an article for the campus newspaper that describes the America Reads Challenge, the Family Literary Program, and the Community Service requirement. The America Reads office (202) 401-8888, will be happy to assist you with anecdotes as well as descriptions of programs on other campuses.
- Plan for tutor training. Faculty in your school of education, school district, or community literacy organizations may assist with training.
  - FWS students may be paid for a reasonable amount of time spent in training.
  - In addition to the America Reads website, view the training materials at the National Service Resource Center website at: <http://www.etr-associates.org/NSRC/pub/rh/readinghelper.ht>
  - A free tutor training video, "Delivering Effective Tutor Training" is available through EDPUBS.
- The federal government does not require additional paperwork for meeting the tutoring requirement. Information about the number of tutors and the community service requirement is recorded on the FISAP annual report.

**For additional information contact the America Reads Challenge**

**U.S. Department of Education**

**400 Maryland Avenue SW**

**Washington, DC 20202-0107**

**or call: (800)-USA-LEARN**

**e-mail [americareads@ed.gov](mailto:americareads@ed.gov)**

**or visit the website at**

**[www.ed.gov/americareads](http://www.ed.gov/americareads)**

**Publications available by calling (877) 4ED-PUBS**



# How to Find Federal Work-Study Tutors



This financial aid program can provide up to 100 percent of the wages for college and university work-study students who tutor in reading and math. Students may tutor at your preschool, elementary school, community center, family literacy or after-school program.

**FIRST** find out if a college or university in your area is signed on to the America Reads\*America Counts Challenge by visiting our Web site at [http://www.ed.gov/americanreads/couniv\\_fws.html](http://www.ed.gov/americanreads/couniv_fws.html) or contact an institution's financial aid office.

## If the higher education institution IS signed on to the Challenge:

- ① **Phone** the financial aid office to find the contact person for the program.
- ② **Inform** the person about your need for reading and/or math tutors.
- ③ **Establish** a partnership with the institution.
- ④ **Assist** in training for the tutors.

## If the institution IS NOT signed on to the Challenge:

- ① **Make** contact with the appropriate person at the institution. For example:
  - Financial Aid Officer
  - Service Learning Officer
  - Dean of the School of Education
  - Provost
  - Community Service Officer
  - A friend who is an administrator
- ② **Discuss** with this person the benefits of participating in the America Reads\*America Counts Federal Work-Study opportunity. America Reads helps children learn to read and America Counts helps children master the fundamentals of mathematics. (Learn more about the benefits by visiting the above Web address or by calling 1-800-USA-LEARN.)
- ③ **Share** the following information with the contact person:
  - ⊛ America Reads\*America Counts is an excellent way for a higher education institution to serve community needs.
  - ⊛ All institutions that receive Federal Work-Study funding must spend 5 percent of the funding on community service. Tutoring is included in this 5 percent.
  - ⊛ As of July 2000, all institutions that receive Federal Work-Study funding will be required to spend 7 percent of their funding on community service.
  - ⊛ As of July 2000, every institution that receives Federal Work-Study funding will be required to have a literacy tutoring program.
- ④ **Establish** a partnership with the institution.
- ⑤ **Assist** in training for the tutors.

**More answers and information at:**

[americanreads@ed.gov](mailto:americanreads@ed.gov)

1-800-USA-LEARN

# A Call to Action For American Education

In the 21st Century

## **PRESIDENT CLINTON'S CALL TO ACTION FOR AMERICAN EDUCATION IN THE 21ST CENTURY**

To prepare America for the 21st century, we need strong, safe schools with clear standards of achievement and discipline, and talented and dedicated teachers in every classroom. Every 8-year-old must be able to read, every 12-year-old must be able to log onto the Internet, every 18-year-old must be able to go to college, and all adults must be able to keep on learning.

We must provide all our people with the best education in the world. Together, we must commit ourselves to a bold plan of action:

- ✓ **Set rigorous national standards, with national tests in 4th grade reading and 8th grade math to make sure our children master the basics.**
- ✓ **Make sure there's a talented and dedicated teacher in every classroom.**
- ✓ **Help every student to read independently and well by the end of the 3rd grade.**
- ✓ **Expand Head Start and challenge parents to get involved early on in their children's learning.**
- ✓ **Expand choice and accountability in public education.**
- ✓ **Make sure our schools are safe, disciplined and drug-free, and instill basic American values.**
- ✓ **Modernize school buildings and help support school construction.**
- ✓ **Open the doors of college to all who work hard and make the grade, and make the 13th and 14th years of education as universal as high school.**
- ✓ **Help adults improve their education and skills by transforming the tangle of federal training programs into a simple skill grant.**
- ✓ **Connect every classroom and library to the Internet by the year 2000 and help all students become technologically literate.**

## PRESIDENT CLINTON'S CALL TO ACTION FOR AMERICAN EDUCATION IN THE 21ST CENTURY

In his State of the Union address tonight, the President will make clear that his number one priority for the next four years is to ensure that Americans have the best education in the world. He will issue a 10-point call to action for American education in the 21st Century to enlist parents, teachers, students, business leaders, local and state officials in this effort:

- ✓ **Set rigorous national standards, with national tests in 4th grade reading and 8th grade math to make sure our children master the basics.** Every 4th grader should be able to read; every 8th grader should know basic math and algebra. To help make sure they do, the President is pledging the development of national tests in 4th grade reading and 8th grade math, and challenging every state and community to test every student in these critical areas by 1999. These tests will show how well students are doing compared to rigorous standards and to their peers around the country and the world. They will help parents know if their children are mastering critical basic skills early enough to succeed in school and in the workforce. Every state and school should also set guidelines for what students should know in all core subjects. We must end social promotion: Students should have to show what they've learned in order to move from grade school to middle school and from middle school to high school. We must make sure a high school diploma means something.
- ✓ **Make sure there's a talented and dedicated teacher in every classroom.** In addition to the talented and dedicated teachers already in the classroom, two million new teachers will be needed over the next ten years to replace retirees and accommodate rapidly growing student enrollments. We must take advantage of this opportunity to ensure teaching quality well into the 21st Century by challenging our most promising young people to consider teaching as a career, setting high standards for entering the teaching profession, and providing the highest quality preparation and training. We should reward good teachers, and quickly and fairly remove those few who don't measure up. The President's education budget will make it possible for 100,000 master teachers to achieve national certification from the National Board for Professional Teaching Standards over the next ten years.
- ✓ **Teach every student to read independently and well by the end of the 3rd grade.** Reading is the key to unlocking learning in all subjects. While America's 4th graders read on average as well as ever, more than 40 percent cannot read as well as they must to succeed later in school and in the workforce. Research shows that students unable to read well by the end of the 3rd grade are more likely to become school dropouts and truants, and have fewer good options for jobs. The President's "America Reads" challenge is a

nationwide effort to mobilize a citizen army of a million volunteer tutors to make sure every child can read independently by the end of the 3rd grade. Parents, teachers, college students, senior citizens, and others can all pitch in to give children extra help in reading during the afternoons, weekends, and summers. At the same time, schools must strengthen the teaching of reading in the school day, and the President's budget invests more in programs that address reading achievement in school.

- ✓ **Expand Head Start and challenge parents to get involved early in their children's learning.** A child's learning begins long before he or she goes to school. That's why the President's budget expands Head Start to cover one million children by 2002. Parents are their children's first teachers, and every home should be a place of learning. The President and First Lady will convene a Conference this spring to review recent scientific discoveries on early child learning and to show how parents, teachers, and policymakers can use this new knowledge to benefit young children. And in June, the Vice President and Mrs. Gore will host their sixth annual family conference, and focus on the importance of parents' involvement throughout a child's education.
- ✓ **Expand choice and accountability in public education.** The President has challenged every state to let parents choose the right public school for their children. Innovation, competition, and parental involvement will make our public schools better. We must do more to help teachers, parents, community groups, and other responsible organizations to start charter schools—innovative public schools that stay open only as long as they produce results and meet the highest standards. The President's budget doubles funding to help start charter schools so that there will be 3,000 charter schools at the dawn of the 21st Century, providing parents with more choices in public education.
- ✓ **Make sure our schools are safe, disciplined and drug-free, and instill American values.** Students cannot learn in schools that are not safe and orderly and do not promote positive values. We must find effective ways to give children the safe and disciplined conditions they need to learn, such as by promoting smaller schools, fair and rigorously enforced discipline codes, and teacher training to deal with violence. We should continue to support communities that introduce school uniforms and character education, impose curfews, enforce truancy laws, remove disruptive students from the classroom, and have zero tolerance for guns and drugs. We should also keep schools open later as safe havens from gangs and drugs, expanding educational opportunities for young people in the afternoons, weekends, and summers, and providing peace of mind for working parents.
- ✓ **Modernize school buildings and help support school construction.** Just as we face unprecedented and growing levels of student enrollment, a recent report by the General Accounting Office shows that a third of our nation's schools need major repair or outright replacement. To keep children from growing up in schools that are falling down, the Administration has proposed \$5 billion to help communities finance \$20 billion in needed school construction over the next four years.

- ✓ **Open the doors of college to all who work hard and make the grade, and make the 13th and 14th years of education as universal as high school.** To prepare ourselves for the 21st Century, we must open the doors of college to all Americans and make at least two years of college as universal as high school is today. The President's HOPE scholarship, a \$1,500 tax credit for college tuition, would be enough to pay for a typical community college tuition or provide a solid down payment for four-year colleges and universities. The President also is proposing a \$10,000 tax deduction for any tuition after high school, an expanded IRA to allow families to save tax-free for college, and the largest increase in Pell Grants for deserving students in 20 years.
  
- ✓ **Help adults improve their education and skills by transforming the tangle of federal training programs into a simple skill grant.** Learning must last a lifetime, and all our people must have the chance to learn new skills. Adults should take on the responsibility of getting the education and training they need, and employers should support their efforts to do so. The President's G.I. bill for workers would provide a simple skill grant that would enable eligible workers to get the education and training they need.
  
- ✓ **Connect every classroom and library to the Internet by the year 2000 and help all students become technologically literate.** Our schools must now prepare for a transition as dramatic as the move from an agrarian to an industrial economy 100 years ago. We must connect every classroom and library to the Internet by the year 2000, so that all children have access to the best sources of information in the world. The President is proposing to double the funding for America's Technology Literacy Challenge, catalyzing private-public sector partnerships to put the Information Age at our children's fingertips. CEOs of some of America's most innovative technology and communications firms have already responded to the President's challenge to work with schools to get computers into the classroom, link schools to the Internet, develop effective educational software, and help train our teachers to be technologically literate.

## NATIONAL STANDARDS OF ACADEMIC EXCELLENCE

***Student achievement is not improving fast enough.*** Across our nation—in our cities, suburbs, and rural communities alike—far too many students are still not meeting the standards that will prepare them for the challenges of today and tomorrow. What the top 20 percent of our students typically learn in math in the 8th grade is learned by most students in Japan in the 7th grade. And while America's 4th graders today on average read as well as ever, 40 percent cannot read as well as they should to hold a solid job in tomorrow's economy.

***As a nation, we do not expect enough of our students.*** Strong schools with clear and high standards of achievement and discipline are essential to our children and our society. These standards of excellence are important to help instill the excitement, knowledge and basic values, such as hard work, that will set our children on the right track. Unfortunately, we currently give far too many of our students a watered-down curriculum inadequate to prepare them for the challenges of the global society and information age. For too many of our children, we create a tyranny of low expectations. A watered-down and boring curriculum and low expectations are the surest way of turning a child eager to learn into an angry, high school dropout who can't read.

***Every child can learn.*** We know that every child in America can meet higher standards, if we have the courage and the vision to set the standards, to teach up to them, and to test whether children have learned what we taught. Every state and every school must establish meaningful standards for what students should master in the core subjects. Only with a standard measure of excellence can parents hold schools accountable for improved performance, teachers and principals improve curriculum and instruction, and students have a guide for charting their own progress.

### **Mastering the Basics: High National Standards in Reading and Math**

Every 4th grader should be able to read independently; every 8th grader should know algebra. To help make sure they do, we are going to provide states and local schools the opportunity to participate in rigorous national tests based on these widely accepted standards for reading and math. By 1999, every state should test every student in the 4th and 8th grades to make sure these standards are met. No matter where they live and no matter their background, all our students must master the basics.

- ***Reading and math are critical starting points in our drive toward higher standards.***

It is essential that our students master the basics of reading by the end of 3rd grade. At 4th grade, students are expected to read so they can learn science, history, literature and mathematics. If they can read by then, they can read to learn for a lifetime. Students who

fail to read well by 4th grade often have a greater likelihood of dropping out and a lifetime of diminished success.

It is also important that our students master the basics of math and the essentials of algebra and even geometry by the end of 8th grade. They will then have the foundation to take college prep courses in high school and compete in the world arena. The United States ranks below average internationally in 8th grade math. We must do better.

### **A New National Test in 4th-Grade Reading and 8th-Grade Math**

- ***The Clinton Administration will support the development by 1999 of rigorous national tests for use by individual students based on the widely accepted 4th-grade National Assessment of Educational Progress (NAEP) reading test and the 8th-grade Third International Math and Science Study (TIMSS) test of mathematics.***

Although the national reading and math tests will be based on existing tests (National Assessment of Educational Progress (NAEP) in reading and the math portion of the Third International Math and Science Study (TIMSS)), new tests must be developed. NAEP and TIMSS test a random sample of students to produce estimates of overall statewide and nationwide student achievement; no one student takes the entire test. In contrast, the new tests will be expressly designed to produce individual student scores that will be useful for parents and teachers.

The new tests will be developed during 1997 and 1998, with a pilot test in the spring of 1998 and the first full administration in the spring of 1999. They will be updated annually. The US Department of Education will provide ongoing funding for the development of the test, and funding for administering and scoring it during the first year. Guidance for test development will come from the most successful math and reading teachers across the country, as well as from parents, governors, and local and state education, civic and business leaders.

- ***The Administration is challenging every state and local school across the country to participate in these tests so students, teachers, and parents will know how they are progressing.***

States and school districts can administer the test as part of their local testing program. After each test's administration, the entire test (along with answers and scoring guides) will be released, placed on the World Wide Web, and widely distributed with supporting materials, so students, parents and teachers can know what is necessary to reach standards of excellence. A new test each year will keep the content of the test current.

We need a national effort to ensure our students learn the basics and achieve world-class

standards of excellence in America's schools. These tests will help show us who needs extra help and which schools need to be improved.

- *The Administration urges schools and teachers to work over the next two years to improve instruction and prepare their students for these tests by 1999.*

Preparing students for the national tests in 1999 means providing students the instruction they need to read independently and well by the end of 3rd grade. And it means ensuring that every student by the end of 8th grade has mastered the basics of mathematics and has had a good introduction to algebra and even geometry. While this will require parents, schools, communities and states to take a hard look at what teachers are now teaching and children are now learning, we know it can be done.

For example, the results on the 8th Grade Third International Mathematics and Science Study (TIMSS) test showed that the United States is below average in mathematics achievement when compared with other countries. TIMSS also showed that U.S. students receive a less demanding and less focused curriculum, and instruction focused more on teaching mathematical procedures and less on helping students understand mathematical concepts. However, the **First in the World Consortium**, a group of 20 Chicago-area school districts that joined together to try to become the best in the world in math and science, defied these data, scoring among the top nations in science and second only to Singapore in math.

### **Developing Challenging Academic Standards in All Core Academic Subjects**

Many states and school districts—along with thousands of educators, parents and business and community leaders—have been working to develop better academic standards for students. In almost every core subject, we are better off today because of their efforts in defining essential knowledge, skills and understanding in a range of subjects. But the work is not yet done.

### **Places that Set High Standards Have Shown a Difference In Student Achievement**

In 1993, the chancellor of the **New York City Schools** required all students to take math and science courses at the level of the state's Regents honors exam. In 1995, State Education Commissioner Richard Mills announced that all students would be required to take Regents-level classes starting with that fall's freshman class (the graduating class of 2000). Since the City University of New York (CUNY) began its College Preparatory Initiative with the district, the number of New York City freshman with four years of English has risen by 59 percent, the number of students passing CUNY math entrance exams has increased by 7.5 percent, and the number of Hispanic and black students who passed the science test has more than doubled. Entering freshman at the City University of New York are reportedly the best prepared academically in two decades.

Several important pieces of legislation developed by the Clinton Administration together with Congress support the efforts of local schools, communities and states to develop challenging standards and high-quality assessments and improve their teaching and learning to help all children reach those standards:

- The **Goals 2000: Educate America Act**, passed in 1994, is helping communities across the country raise academic standards, improve teaching, increase parental involvement and expand the use of technology in the classroom. Communities in all 50 states and thousands of schools have decided to participate in Goals 2000 and many more than the program currently has money to support want Goals 2000 funding to raise standards.
- The **Improving America's Schools Act of 1994** fundamentally reformed Title I—a \$7 billion program for teaching basic and advanced skills in high-poverty schools—to get rid of lower educational expectations for poor children and ensure that disadvantaged students are held to the same standards as other children. The Improving America's Schools Act also expands professional development focused on preparing teachers to help students reach the new standards, provides opportunities for waivers of federal requirements for the first time, and offers start-up funds for charter schools.
- The Clinton Administration's proposal for the **reauthorization of the Individuals with Disabilities Education Act (IDEA)** reinforces the importance of higher standards for *all* children, including children with disabilities.

While the federal government can provide support and leadership through its programs, the success of this drive toward high standards rests in the hands of teachers and parents, business, community and religious leaders, and others at the grassroots level. Every community, school,

and state needs to continue its work to develop challenging standards and high-quality assessments, measure whether schools are meeting those standards, cut red tape so that schools have more flexibility for grassroots reforms, and hold schools, teachers, and students accountable for results.

### **States Are Making Progress in Developing Standards and Improving Achievement in Critical Areas**

Since the early 1980s, the United States has made significant strides in raising standards and improving student achievement. Across the country, 48 states are developing common standards in core academic subjects, and 42 states either have or are developing assessments to measure student progress towards those standards. The proportion of students taking the core courses recommended in *A Nation at Risk* (4 years of English, 3 years of social studies, 3 years of science, 3 years of math) has increased from 14 percent in 1982 to 52 percent in 1994. These efforts are beginning to pay off. The number of students passing advanced placement (AP) exams has more than tripled since 1982. Combined math and verbal Scholastic Aptitude Test (SAT) scores are at their highest since 1974, while the number and diversity of students taking the SAT has increased dramatically. American College Testing (ACT) scores have increased or held steady in each of the last four years. Math and science achievement on the National Assessment of Educational Progress (NAEP) has risen since the early 1980s. And in states like Kentucky, which established comprehensive school improvements six years ago, student achievement is on the rise: more than 92 percent of Kentucky's schools posted achievement gains in 1995-96, and 50 percent of schools in the state met or exceeded their performance goals.

### **Holding Students and Schools Accountable for Reaching High Standards**

It is not enough to set high standards; we must be willing to hold people accountable for meeting them. Our schools and teachers must give all children the help needed to meet high expectations. But we must also say: no more free passes. Today, only a handful of states in the country require young people to demonstrate what they've learned in order to move from one level of school to the next. Every state should do this and put an end to social promotion. No one in America should graduate with a diploma he or she can barely read.

Not only students should be held to high standards. Schools must also be held accountable for results. Despite the central importance of a school principal in leading a successful school, few states hold their districts accountable for having good principals in every school and then give the principals the authority they need to do the job. Too many school districts spend much too much money on central administration and too little money on education and instruction. It is time to

hold administrators, as well as educators, accountable for results.

- **Every diploma must mean something, and students should pass tests to move from one level of schooling to the next.**

Once we set high expectations for students, we must help them believe they can learn, challenge and motivate them so they want to learn, ask them to grasp challenging subjects, assess whether or not they're learning, reward them when they succeed and hold them accountable when they fall short. Every state should require a test for students to move from elementary school to middle school, or from middle school to high school or to receive a high school diploma. These tests should measure mastery of the basics and the rigorous material expected in these tough new standards.

Some children may not measure up at first and may need extra help to lift themselves up. Give them the extra help in afternoons, weekends and summers, keep schools open as homework centers, involve their parents more—do whatever it takes to encourage and help them master the basics and perform to the challenging standards we expect of them. If we believe all students can learn, we have to give them a chance to demonstrate it. Students, teachers, and schools will all perform better once we do.

- **We must begin holding schools and their states or school districts accountable for results.**

We must insist that schools and districts have good principals, recruit and hire talented teachers, reduce administrative costs, and provide more options for parents. Moreover, we should overhaul or shut down schools that fail, and allow new charter schools to start over in their place. The Clinton Administration is urging states and districts to use their authority under the reformed Title I program to hold schools accountable for the assistance they receive, including reconstituting chronically failing schools.

## TALENTED TEACHERS IN EVERY CLASSROOM

Every community should have a talented and dedicated teacher in every classroom and at least one master teacher certified by the National Board for Professional Teaching Standards in every school. Our most promising young people also must get encouragement and support to become teachers.

This nation faces several challenges in sustaining and upgrading the quality of our teachers. Two million teachers will be needed over the next ten years to replace retirees and accommodate rapidly growing student enrollment. This presents an enormous opportunity for ensuring teacher quality well into the 21st Century, if we recruit promising people into teaching and give them the highest quality preparation and training.

As we demand higher levels of knowledge and skills from our students, we must honor and support our teachers in the classroom today, equipping and expecting them to help our students master the basics and be prepared for college, employment, and good citizenship. Without quality teachers and teaching, our most serious efforts to raise standards and improve schools will not succeed.

Everyone has a role to play in helping our teachers become the best in the world. Parents, schools, community leaders, universities, state leaders—and most important, current and future teachers themselves—can take many steps to address this challenge.

- **Identify and reward our most talented master teachers.** For many years, many educators, led by North Carolina Governor Jim Hunt and the National Board for Professional Teaching Standards, have worked hard to establish nationally accepted credentials for excellence in teaching. More than 400 of these master teachers have been certified since 1995. Under the President's budget, 100,000 more teachers will be able to seek certification from the National Board as highly accomplished master teachers—enabling at least one teacher in every school to get certification from this board. States, school districts, and the private sector can also establish rewards for master teachers and other excellent teachers they identify in such ways as through teacher-of-the-year competitions. School districts can call on these master teachers to become mentors for other teachers.
- **Do more to challenge talented young people and mid-career professionals in other areas to become teachers and help them make the transition into a teaching career.** Communities can start middle and high school academies for future teachers, and states can establish centers for teacher recruitment that bring promising students into teaching. States can make it financially easier for young people to teach in high-need areas through fellowships and loan forgiveness programs. School districts can make sure that beginning teachers get support and mentoring from experienced teachers. The Clinton

Administration will continue working to make college and teacher preparation more affordable for young people who go into teaching.

- **Reinvent teacher preparation for beginning teachers and professional development for more experienced teachers so they get the training they need to help students master the basics and reach high standards in the core academic areas.**

Colleges, universities and school districts must provide current and future teachers ongoing, sustained opportunities to learn how to be more effective and upgrade their skills. The Clinton Administration has supported their efforts by increasing funding that may be used for sustained professional development, stronger teacher standards, and performance evaluation for teachers. The Eisenhower Professional Development program, Goals 2000, and the National Science Foundation's Teacher Enhancement Program also provide substantial support for high-quality professional development.

#### **Teacher Recruitment—Starting Early**

School districts and universities can work together to create middle and high school programs that expose young people to the teaching profession. For example, the South Carolina Center for Teacher Recruitment has reached thousands of academically talented high school juniors and seniors through its Teacher Cadet Program, offered in more than 140 schools statewide. Teacher Cadets study education and have the opportunity to teach younger students under the tutelage of both school and university faculty. The center also targets minority middle school students, encouraging them to take rigorous courses in school and aspire to a career in teaching.

- **Expand efforts to help teachers become technology literate and to use technology to improve training available to teachers.** The President's technology initiatives will play a major role in helping teachers to become technology literate. For example, the President's Technology Challenge Grant program supports private-public sector partnerships to develop models for using technology in education, such as providing "electronic field trips" for new teachers to learn from expert teachers and mentors around the country. Moreover, the Technology Literacy Challenge Fund will leverage public funds to target school districts and schools committed to helping teachers integrate technology into the classroom. Finally, the Clinton Administration's 21st Century Teachers initiative will recruit thousands of technology literate teachers to upgrade their knowledge and help at least five of their colleagues learn how to use technology in the classroom.
- **Set high standards to enter teaching and find ways to help—or quickly and fairly remove—teachers who don't measure up.** School districts and teachers can help start and participate in peer assistance programs where they help identify, and then provide intensive assistance to, burnt-out or low-performing teachers. School districts can

develop fair and faster processes for holding teachers accountable and assisting or removing teachers who are not making the grade. Educators and communities should not look the other way if a teacher is burned out or not performing up to standard. The Clinton Administration will share promising strategies for recruiting talented young people and others into teaching, rewarding good teachers, and quickly and fairly improving or removing teachers that don't make the grade. The Administration also will provide guidance to schools, districts, and states on how existing federal funds can be used to address these challenges.

**Upgrading Teacher Skills: An Award Winning School**

The Woodrow Wilson Elementary School, in Manhattan, Kansas, was established as a "professional development school" where current and future teachers can go for assistance in upgrading their skills and knowledge in math, science, and technology. The school helps teachers understand the widely acclaimed math standards developed by the National Council for Teachers of Mathematics, and prepares them to help students meet or exceed these standards. At the school, student test scores on the Kansas Mathematics Assessment Test have improved for the past three years, including especially strong gains for girls. The school recently was one of five schools to win a national award from the U.S. Department of Education for its efforts to give teachers the skills they need to help students succeed.

## AMERICA READS CHALLENGE

*"We ought to commit ourselves as a country to say that by the year 2000, 8-year-olds in America will be able to pick up an appropriate book and say 'I can read this all by myself.'"*

Remarks by President Clinton to the Community of  
Fresno, California, September 12, 1996

According to the National Assessment of Educational Progress, 40 percent of America's 4th graders are reading below the basic level—not nearly as well as they must to keep up with the complexities of today's jobs and society. We need to do a real push toward improving our efforts to help all children read.

While teachers and schools have the critical responsibility for making literacy and the basics a top priority, study after study finds that sustained individualized attention and tutoring after school and over the summer can raise reading levels when combined with parental involvement and quality school instruction. Reading with children at the youngest age, quality pre-school, and tutoring from pre-school to 1st, 2nd, and 3rd grade can work to help all our children read at an early age—but certainly by the end of the 3rd grade. If families, schools, community groups, employers and religious groups make improving the reading skills of children and adults a top priority from the earliest years of a child's life at home until he or she becomes a successful reader, then America can attain the goal of being a reading, literate society.

For this reason, in August 1996, President Clinton announced the **America Reads Challenge** to ensure that every American child can read well and independently by the end of 3rd grade. And he called on all Americans—parents, teachers, libraries, religious institutions, universities, college students, the media, community and national groups, business leaders, senior citizens—to join the effort to meet this challenge. Already, groups from JumpStart in Boston to the Reading One-One program in Richardson, Texas, have responded enthusiastically to the President's challenge.

The President has pledged \$2.75 billion over 5 years toward the America Reads Challenge which includes:

- ***America's Reading Corps*** of 1 million tutors to provide individualized after-school and summer tutoring for more than 3 million children in pre-K through 3rd grade who want and need extra reading help. Thirty thousand reading specialists and tutor coordinators, including Americorps volunteers, will mobilize and support this corps of 1 million volunteer tutors who will work with teachers, principals and librarians to help children succeed in reading.
- ***Parents as First Teachers Challenge Grants*** that invest in success by supporting

effective and proven local efforts, as well as regional or national networks, that assist parents who request help for their children to become successful readers by the end of 3rd grade. Research shows that reading to children in their first three years helps children learn words and concepts and actually stimulates physical development of the brain.

- ***Expansion of Head Start.*** The President's balanced budget will expand Head Start to reach one million 3- and 4-year-olds by the year 2002, while continuing the new 0-3 year-old Head Start initiative. The priority of providing all children with high-quality preschool responds to studies stressing that literacy problems are best averted with the earliest intervention possible, including pre-school.
- ***Support for 100,000 College Work-Study Students to Serve as Reading Tutors.*** Last year, the President signed into law a budget that increased the number of work-study jobs for college students by a third—enabling an additional 200,000 young people to work their way through college while serving their communities. The President has called for half of all new work study funds to support 100,000 college students to serve as reading tutors, thereby providing a unique opportunity for college students to be involved in helping young children learn to read. To encourage this activity, the Secretary of Education has waived the matching fund requirement for those students who perform work study through the America Reads project. Also, the President has called upon college presidents to rally other students and college resources to help America read.
- ***Accountability for Results.*** The Administration will use the improvements in the National Assessment of Educational Progress (NAEP) to provide an annual measure of the reading performance of 4th graders and their progress toward meeting the reading challenge.

### **A challenge to every parent, teacher, principal, and community member**

The success of the America Reads Challenge depends on the involvement of all Americans—parents, teachers, principals, libraries, religious institutions, universities, college students, the media, community and national groups, cultural organizations, business leaders, and our senior citizens.

- ***Parents should read to their children 30 minutes a day.*** Even as babies, children are learning about language from their families. Parents need to turn off the TV, take their child to the library and get a library card, talk with teachers about their child's progress, and take time to read with their child at home. Parental involvement makes a real difference. According to a recent study, 4th-grade average reading scores were 46 points below the national average where principals judged parental involvement to be low, but 28 points above the national average where parental involvement was high.

- ***Schools should provide a high-quality reading program for all students***, including making sure teachers know how to teach kids to read and have the support they need to do so. They must also identify those students who need extra help. The America Reads Initiative is not a substitute for in-school reading programs. Instead, it is designed to build on the work of teachers and schools to improve their in-school reading programs, as well as on the Administration's investments in Title I, Even Start and other in-school programs to strengthen in-school teaching and learning.
- ***Community members*** should start an America Reads Challenge reading tutoring program at the local school, library, or community center or become a reading tutor after school, on weekends, and in the summer. The Clinton Administration, through the summer Read\*Write\*Now! effort, already has begun working with organizations like the Boys and Girls Clubs, the American Association of Retired People, and Reading is Fundamental to mobilize reading partners for children during the summer months.
- ***Businesses should work with schools and libraries***. The Administration also is working with the private sector in helping parents help their children learn to read, through the Partnership for Family Involvement in Education. Employers can help start a summer reading program in their community as part of the Read\*Write\*Now! effort to avoid the summer drop-off in reading.
- ***Colleges and universities*** should use half of their new funds for work study to provide reading tutors, and if all colleges meet this challenge, 100,000 work-study students in 1998 would be tutoring young children in reading. Already 60 college presidents have pledged almost 10,000 work-study slots in support of this goal, as well as thousands of other students to do community service as reading tutors.

### **AmeriCorps SLICE Corps, Simpson County, Kentucky**

In this program, 25 AmeriCorps members provided intensive tutoring in reading to 128 2nd graders, helping the students improve their reading comprehension by an average of 2.8 grade levels over nine months. One-third of the students improved by more than three grade levels. Members visited each student's home every other week to show parents their children's reading materials, update them on the child's academic progress and offer tips on how to help their children read. The key is consistency. AmeriCorps SLICE members tutor students for the entire school year. As a classroom teacher said about one student: "[The student] is in his second year of being tutored by a SLICE Corps member. Last year he was very shy and withdrawn. He was very adept verbally but not so at reading and writing. This year his reading is better and he really enjoys writing. He's a real worker and seems to enjoy school much more. [The student's] parents are very interested in his school progress. They are willing to come whenever you call them and they spend time working with him on his school work. He has thrived on the individual attention that only a SLICE Corps member could give him."

### **Samuel W. Mason Elementary School, Boston, Massachusetts**

Mason School, once cited in a 1990 *Boston Herald* article, with its then enrollment of 133, as "The Least Chosen Elementary School In The City", turned itself around through a variety of innovative approaches. The school has 296 students (43 percent African-American, 23 percent Cape Verdian, 14 percent Latino, 13 percent white, 3 percent Asian-American, 2 percent Native American). Twenty-four percent of the homes are non-English speaking. Reading has been a primary emphasis of Mason's improvement efforts. Teaching teams include Reading Recovery and Resource Room teachers. These teachers work with grade-level clusters in the morning to reduce the student-teacher ratio from 26:1 to 13:1. In the afternoon, the team works with the kindergarten and early childhood teachers in the early literacy program, "Bright Start," in groups of nine students. Title I reaches all students and doubles the time in reading instruction. Special attention is paid to learning styles, with emphasis on accelerated reading instruction and problem-solving activities. In 1995, Boston College's Urban District Assessment Consortium Project found that Mason's reading performance exceeded the average score for the City of Boston and for the other 11 urban school systems in the project.

### What It Means to Read Well by 4th Grade

The National Assessment of Educational Progress (NAEP) defines three main levels of 4th-grade reading: basic, proficient, and advanced, and they help explain what it means to read well by the 4th grade. The following sample passage is from *Charlotte's Web*, by E.B. White. While not from the actual NAEP, it helps illustrate the kinds of skills expected of students at each level of comprehending a work of fiction:

Having promised Wilbur that she would save his life, she was determined to keep her promise. Charlotte was naturally patient. She knew from experience that if she waited long enough, a fly would come to her web; and she felt sure that if she thought long enough about Wilbur's problem, an idea would come to her mind. Finally, one morning toward the middle of July, the idea came. "Why how perfectly simple!" she said to herself. "The way to save Wilbur's life is to play a trick on Zuckerman. If I can fool a bug," thought Charlotte, "I can surely fool a man. People are not as smart as bugs."

- Students at the **basic** level are able to read the passage and tell what Charlotte promised Wilbur.
- Students at the **proficient** level are also able to describe why Charlotte thought she could fool Zuckerman.
- Students at the **advanced** level recognize that Charlotte compares waiting for ideas to entrapping a fly.

The following sample item from the 1992 NAEP exam helps illustrate the kinds of skills expected of students at each level in a text that presents information. The passage is from *Amanda Clement: The Umpire in a Skirt*, by Marilyn Kratz.

It was a hot Sunday afternoon in Hawarden, a small town in western Iowa. Amanda Clement was sixteen years old. She sat quietly in the grandstand with her mother, but she imagined herself right out there on the baseball diamond with the players. Back home in Hudson, South Dakota, her brother Hank and his friends often asked her to umpire games. Sometimes she was even allowed to play first base. Today, Mandy, as she was called, could only sit and watch Hank pitch for Renville against Hawarden. The year was 1904, and girls were not supposed to participate in sports.

- Students at the **basic** level are able to read the passage and tell what Mandy wanted to do.
- Students at the **proficient** level are also able to describe what was getting in the way of Mandy's dream.
- Students at the **advanced** level are able to generalize about how Mandy's experience might differ from a girl's experience today.

President Clinton's America Reads Challenge asks all Americans to pitch in and help children read so that by the time they reach the 4th grade, they can at least read at the "basic" level and many more than now are reading at the "proficient" level.

## EARLY LEARNING

The latest research on the human brain and its development confirms what we have known for decades -- that the early years of children's lives are critical to their cognitive, emotional and physical development. Parents need to be their children's first teacher if their children are to start at school ready to learn.

Since the beginning of the Clinton Administration, early childhood investment has been a top priority. Over the last four years, the federal government has invested heavily in effective programs, increasing funding for Head Start by 43 percent. The Clinton Administration is committed to building on this progress to ensure that every parent is their child's first teacher and every child arrives at school ready to learn.

### Expanding Head Start

- ***Head Start Helps Children Get Ready to Learn and Ready to Read.*** For more than 30 years, Head Start has been one of our nation's best investments in helping low-income parents be their children's first teacher, and in making sure that children start school ready to read and ready to learn. Head Start provides hundreds of thousands of three- and four-year old children cognitive, social and language development, comprehensive health services and healthy meals and nutrition. Head Start offers parenting skills, support, education and training to parents seeking to improve their circumstances and their children's chances of success.
- ***President Clinton's Budget Expands Head Start Participation to 1 Million Three and Four Year Olds.*** Today, 800,000 low-income children and their families -- but not all of those who are eligible -- have a chance to benefit from Head Start. The President's budget plan continues to expand enrollment so by the year 2002, one million of this nation's most disadvantaged children and families will have the chance for a Head Start.
- ***Head Start Works.*** Research findings overwhelmingly show that Head Start works. Last year, a Packard Foundation study reviewed nearly 150 separate studies of the Head Start program and concluded that it not only had the immediate impact of raising reading scores, but had the lasting effect of making students less likely to be held back a grade, less likely to be placed in special education classes, and more likely to graduate from high school. Even later in life, former participants were less likely to go on welfare or enter the criminal justice system.

- ***Parental Involvement Is The Bedrock of Head Start.*** Last year more than 800,000 Head Start parents demonstrated their commitment by volunteering in their local program. And they get a great deal in return: Head Start staff work closely with parents to help them build their skills, not only to become better parents but also to become contributing members of their community. Parents are taught the importance of reading to their children. When parents have difficulty reading, Head Start programs work with them to improve their literacy skills.
- ***Early Head Start and Quality Improvements Under the Clinton Administration.*** In 1994, the Clinton Administration established the **Early Head Start** program, providing tens of thousands of children ages zero to three and their families with family-centered and community-based services. Over the last three years, the Clinton Administration has also invested significantly in improving program quality, providing local programs with the resources they need to attract and retain high quality teachers and to improve the quality and safety of the Head Start centers.
- ***Family Literacy is a New Priority in Head Start.*** Under new standards developed by the Clinton Administration, family literacy is a new priority in Head Start -- all parents will be offered training to help them be involved in their children's education and to help them be their children's first teacher.
- ***The America Reads Challenge Will Build on the Strong Foundation Provided by Head Start.*** After-school and summer tutoring for young school-age children and for their older siblings and parents builds on what Head Start begins. Through the Head Start Transition Initiative, Head Start programs will dedicate at least one part-time staff person to work with local school systems, parents, child care providers and other members of the community to make sure children successfully make the transition from Head Start to public school.

#### **Other Early Learning Opportunities**

- ***America Reads Parents As First Teachers Challenge Grants:*** To make sure that every child can read well by the end of 3rd grade, the President's America Reads Challenge includes Parents as First Teachers Challenge Grants that will invest in proven efforts to provide assistance to parents who want to help ensure their children will read well. The grants will fund national and regional networks to share information on how parents can help children to read, and fund the expansion of successful local programs, such as the Home Instruction Program for Preschool Youngsters (HIPPO) or the Parents as First Teachers (PAT) program. The President's proposal includes \$300 million over 5 years for these grants.
- ***White House Conference on Early Learning and The Brain.*** Thanks to the latest scientific research and discoveries, we now know much more about a child's cognitive, emotional and physical development in the first few years of life. For example, we now

know that reading to children in their first three years not only strengthens the emotional bonds between a parent and a child and helps children learn words and concepts, but that it actually stimulates their brain growth. The President and First Lady will convene a White House conference this spring to explore the implications of these scientific discoveries and research for parents and policy makers.

- ***National Prescription for Reading Campaign.*** In December 1996, the First Lady announced, along with representatives of the American Academy of Pediatrics, the American Booksellers Association, the American Library Association, and the Reach Out and Read program a national campaign to put books in the hands of parents who bring their young children to the doctor, and to get doctors to prescribe daily reading. Doctors and nurses across the country are beginning to “prescribe reading” to infants and young children because they know the impact reading has on babies and young children, and they have a unique opportunity at every check-up to encourage parents to read to their children daily.
- ***Vice President’s Conference on Family and Learning.*** In June, Vice President and Mrs. Gore will hold their sixth annual family conference, this time on families and learning. We know that children learn best when their parents are active partners in the process. The conference will bring together leaders in the field of education, parents, teachers, and policy makers to build on successful examples of partnerships between families, schools and communities, including those that help children learn before they start school.
- ***Partnership for Family Involvement in Education:*** Over 2,000 family, school, community, employer and religious groups have joined with Secretary of Education Richard Riley to create the Partnership for Family Involvement in Education. The Partnership’s activities include strengthening at-home activities that encourage reading, promoting and adopting family-friendly business practices such as providing leave time to attend parent-teacher conferences and volunteer in schools, and supporting learning communities through organized before- and after-school and summer activities.
- ***Goals 2000 Parent Resource Centers:*** In addition to involving parents in the development of state and local Goals 2000 education plans, the President’s Goals 2000 program provides funding for each state to establish parent resource centers that help parents learn how to help their children achieve high standards. The centers coordinate existing programs, provide resource materials, and support a variety of promising models of family involvement programs. In fiscal year 1997, \$15 million in funding is available for support centers in 42 states, 14 more than in 1996.

## CHOICE AND ACCOUNTABILITY IN PUBLIC EDUCATION

One size does not fit all in American education. All students and their families need to be able to choose a public school that meets their needs, and schools must be given more flexibility in return for greater accountability to parents and the public for high standards. Public school choice and public charter schools are especially promising strategies for expanding options and accountability in public education.

### Public School Choice

- ***States and school districts should provide public school choice plans*** that give every parent the ability to choose their child's public school. States and communities can provide parents with their choice of school within a district, state, or even of smaller schools-within-schools at their neighborhood public school. Local and state boards of education can encourage and support the development of charter schools, magnet schools and other choice strategies and undertake careful reviews of charter proposals to be sure they are of the highest quality. The President has challenged states to provide parents with more choice in their children's public education, and states and communities have been responding.
- ***Provide report cards on every school.*** States and school districts can publish in print and on the Internet report cards on every school, providing parents the information they need to choose their child's school. This can help parents compare things such as reading scores, graduation rates, class size, courses offered, number of teachers with advanced certification, safety records, and other key measures, with schools across the school district, state, and country.

### Public Charter Schools

- ***Every state should pass a charter school law that enables parents and teachers to start new public charter schools that stay open only as long as they do a good job.*** These schools can be created by teachers, parents, community groups, businesses, universities, museums, and others. Done right, they can be tailored to meet the needs of their students and promote healthy competition within public education. State legislatures must enact solid charter school laws to support the creation of a sizable number of high-performing public charter schools, providing these schools with real flexibility while holding them accountable for reaching high standards for all children. Five years ago, there was only one charter school in America. Today, there are more than 400, and half the states have charter school laws.
- ***To support these efforts, the Clinton Administration, together with Congress, is expanding start-up funding for charter schools.*** The Administration has proposed nearly

doubling the charter school start-up grant program to \$100 million in FY 1998. The President initiated this fund in 1994 to address the most commonly cited obstacle to creating these schools—lack of access to start-up funding. The President's budget plan sets aside enough funding to quickly bring more choices in public education to students and their families, helping to start 3,000 charter schools over the next several years. The funding requested for FY 1998 alone would support the development of about 1,000 charter schools by teachers, parents, community groups, and other responsible organizations.

### **The Nation's First Charter School: A Teacher's Vision Becomes Reality**

**City Academy**, in St. Paul, Minnesota, was the first charter school in the nation to open its doors. Founded by two teachers with assistance from many of the first year students, the school focuses on youth who have dropped out of school. City Academy, placing a heavy emphasis on student responsibility and decision making, is a small school with a personalized learning environment and has had significant success. Most of the students, all former drop outs, have graduated and gone on to some kind of postsecondary education. Like most charter schools in Minnesota, this school was started "from scratch," rather than converted from an existing school. The school's director is also helping teachers in other states to create charter schools.

- ***The Clinton Administration will assist local teams of parents, teachers, community leaders, and others to develop successful public charter schools.*** The Clinton Administration will support regional meetings, helpful guidebooks, summer institutes, and a World Wide Web site to help provide the information and assistance needed to start high-quality schools, including developing the rigorous performance benchmarks by which schools may be held accountable.

### **Accountability**

- ***Fix failing schools quickly and directly—even if it means closing them and then reopening them in a way that meets the needs of students, parents, and communities.*** Clear standards can be set to evaluate the success or failure of schools, and school districts and states can intervene when schools are not meeting these standards. These efforts should take advantage of the new approach to accountability in Title I of the Elementary and Secondary Education Act—the largest federal program in K-12 education—which now requires states and school districts to intervene in low-performing schools with such strategies as intensive technical assistance, mentoring, reconstituting failing schools, or

creating new charter schools.

School districts can support and reward principals and teachers who establish an atmosphere of learning, a system of accountability, and a spirit of adventure that help students learn. At the same time, school districts can find ways to improve or remove teachers or principals who are not making the grade. In return for greater accountability, principals and teachers, in turn, should be given the authority and support they need to do a good job.

### **Holding Schools Accountable for Results**

Maryland has held its schools accountable for results by putting in place a system for taking over schools with low student attendance rates and achievement on state assessments. Low-performing schools are first given the opportunity to improve based on a state approved plan. Though no schools have yet been taken over yet, the focus on accountability is making a difference. After being identified as low-performing, Patterson High School in Baltimore hired a new principal who focused her team on increasing student achievement by reorganizing instruction and the school day. As a result, attendance has risen, more students passed the state's graduation test, and more seniors graduated than in prior years.

### **Greater flexibility**

- ***In return for accountability, the Clinton Administration has pressed for greater flexibility and local decision making in the use of federal program funds.*** Drawing on their experiences as former governors, both President Clinton and Secretary of Education Richard Riley came to Washington strongly committed to increasing flexibility for states and communities, cutting red tape, and supporting states and communities in their own education improvement efforts. Since 1993, they have implemented the Goals 2000 program with no new regulations, cut nearly 80 percent of elementary and secondary education program regulations, approved over 140 waivers of requirements of major federal education programs, and cut the required paperwork to receive student loans. In addition, they have given nine states the authority to grant waivers of federal requirements for their own school districts and made over 20,000 schools eligible to combine most of their federal funds to support schoolwide reform, freeing them from most federal requirements.

## SAFE, DISCIPLINED, AND DRUG-FREE SCHOOLS

We cannot educate our children in schools where weapons, gang violence and drugs threaten their safety. For students to learn well, their schools must be disciplined and feel safe. While most schools do provide a secure learning environment, a growing number of schools in all types of communities—urban, suburban, and rural—are experiencing problems with violence and with alcohol and drug use.

Fortunately, schools, parents, and communities are finding practical ways to provide children the safe and disciplined conditions they need and should expect to find in school, such as by promoting smaller schools, respectful communities, fair and rigorously enforced discipline codes, teacher training to deal with violence, school uniforms, and after-school programs that keep kids productive and off the streets.

As a nation, we too must do everything possible to ensure that schools provide a safe and secure environment where the values of discipline, hard work and study, responsibility, and respect can thrive and be passed on to our children. We have a basic, old-fashioned bottom line. We must get drugs and violence out of our schools, and we must put discipline and learning back in them.

### Ensuring Safe, Disciplined and Drug-Free Schools

The Clinton Administration challenges all schools to have in place high standards of discipline and behavior with tough measures to keep guns and drugs out: a “zero tolerance” policy. In October 1994, the President signed into law the **Gun-Free Schools Act**, and issued a Presidential Directive later that month to enforce “zero tolerance” in our schools: If a student brings a gun to school, he or she does not come back for a year.

In last year’s budget, the President successfully protected the **Safe and Drug-Free Schools and Communities Program**, which now provides school security, drug and violence prevention and education programs in 97 percent of America’s school districts.

We must continue working to ensure that every child, every teacher, and the community can feel safe in and around the school building.

- *Schools should consider adopting uniform policies.* School uniforms are

In 1994, the Long Beach, California School District implemented a mandatory school uniform policy for nearly 60,000 elementary and middle school students. District officials found that in the year following implementation of the policy, overall crime decreased 36 percent, fights decreased 51 percent, sex offenses decreased 74 percent, weapons offenses decreased 50 percent, assault and battery offenses decreased 34 percent and vandalism decreased 18 percent.

one way to deter school violence, promote discipline and foster a better learning environment. The Administration sent a *Manual on School Uniforms* to the nation's 16,000 school districts last year. The manual is a road map for communities and schools that want children in their schools to wear uniforms and is a vital source of information about successful programs.

- ***Communities should enforce truancy laws.*** One of the most effective ways to reduce juvenile crime is to crack down on truancy. The Administration has also provided every school district in the country with a *Manual to Combat Truancy* to help communities establish fair and effective laws to reduce truancy and keep kids in school and off the streets.
- ***Keep schools open late.*** The President's budget includes a new initiative to provide additional safe havens and extended learning opportunities for children and their families at schools around the country. The initiative will help highlight how after-school, summer and weekend programs in Community Learning Centers can get us "back to basics" and foster active community involvement. Keeping schools open late can help give young people a safe haven from gangs and drugs, and provide peace of mind for working parents.

#### **Bringing in Parents to Increase Safety**

Fathers at Beech Grove City Schools in Indiana have joined together to be "Security Dads" attending school-sponsored sporting events, dances and other student activities. "Security Dads" ensure proper behavior, evict troublemakers when necessary, and generally keep the peace. As a result of this effort, parental involvement in their children's education has increased and student behavior has improved.

#### **Making Schools Places for Values, Not Violence**

Schools are a place for values, not violence. They must teach the basic American values of respect, hard work, and good citizenship.

- ***Promoting character education as part of every curriculum.*** We cannot raise standards in every other subject if we fail to teach our children good values and how to be good citizens. Toward this end, the President has hosted two White House Conferences on Character Education and has encouraged the development of character education through the Improving America's Schools Act.

- ***Protecting the religious freedom of students and reaching out to America's religious community to support the learning of young people.*** With the support of a diverse group of religious and school leaders, Education Secretary Riley issued guidelines in August 1995 making clear that students' religious rights do not end at the schoolhouse door. As a result of these guidelines, the National School Boards Association has reported a dramatic drop in the need to help school officials clarify what is allowed in public schools when its students practice their religion. In addition, 33 religious communities representing 75 percent of religiously affiliated Americans signed onto the Partnership for Family Involvement in Education. Two successful religion and education local summits also brought together religious leaders, school officials, and the leadership of community organizations and businesses.
- ***Promoting greater parental involvement.*** Thirty years of research shows that greater parental involvement in children's learning is a critical link to achieving a high-quality education for every student. Through the Partnership for Family Involvement in Education, the Department of Education has played a critical role in helping schools to be more welcoming and inviting to families; encouraging employers to provide ways for parents and employees to be involved in education, including volunteering in their local schools; and expanding the support that youth, community, cultural and religious groups are giving to back greater family involvement in education. Over 2,000 employers, schools, religious, and community groups—including the Urban League, Hadassah and Pizza Hut—have joined the Partnership and have pledged to support the education of children and the involvement of their parents.

#### **Service in Support of Safety**

In Los Angeles, AmeriCorps members are working with thousands of students to reduce school violence. AmeriCorps members mentor and tutor 2,000 community youth, train them in conflict resolution skills, and help establish after school programs.

- ***Promoting community service by high school and college students through Learn and Serve and AmeriCorps.*** AmeriCorps is the new domestic Peace Corps that involves Americans of all ages getting things done to meet community needs. In just two years, AmeriCorps has given more than 50,000 Americans an opportunity to serve their country. The vast majority of AmeriCorps members are working on the critical problems of children and youth. They tutor, mentor, organize after-school programs, teach violence and drug prevention, and organize safe havens and safe corridor programs. National service promotes core values of hard work, self discipline, and personal responsibility. It

encourages people to give something back to their country. And it teaches its members to take responsibility for others, not just for a year, but for a lifetime.

Through Learn and Serve America, more than a half million students from kindergarten through graduate school are helping their communities and proving their academic skills in the process. They are learning citizenship in a direct and vital way, not by textbooks, but by service, by working on real problems in society. The skills and habits they develop—teamwork, self-discipline, initiative—will help them become productive workers as well as responsible citizens. We must spread and develop this idea in every school, college and university, to engage an increasing number of students in America.

The Clinton Administration challenges all students, schools, parents, communities, religious and other groups to do what they can to make all our schools safe, disciplined and drug-free environments to engage and motivate students to learn, and to teach the values of hard work and respect.

## SCHOOL CONSTRUCTION AND MODERNIZATION

American schools face the twin pressures of rising enrollment and deteriorating buildings. To be ready for the 21<sup>st</sup> Century, our children's schools should be safe and spacious places to learn. The schools of the future should be equipped with computers, new media and state-of-the-art science labs. Clean, well-maintained, up-to-date schools send every student a clear message: you are important to us. We take your education seriously. In order to keep faith with our children, we must ensure that our schools are prepared for the next century.

Distressingly, today our nation's schools, many built 50 years ago, are increasingly run-down, overcrowded and technologically ill-equipped. Too many school buildings and classrooms are literally a shambles. According to a report of the General Accounting Office, one-third of our schools need major repair or outright replacement; 60 percent need work on major building features—a sagging roof, or a cracked foundation; and 46 percent lack even the basic electrical wiring to support computers, modems, and modern communications technology. These problems are found all across America, in cities and suburbs and one-stoplight towns.

We have high expectations of our students, teachers and schools. But we cannot expect our children and our teachers to build strong lives on a crumbling foundation. In order to keep faith with our children, we must ensure that our schools are prepared for the next century. This is a matter of real urgency. This year our schools opened their doors to the largest number of students in the history of our republic—51.7 million. And enrollment is expected to continue to rise over the next ten years, breaking all previous enrollment records.

Because of the unique circumstance of record enrollments and often run-down school buildings, the President has proposed that the federal government for the first time join with states and communities to modernize and renovate our public schools. The President's budget calls for \$5 billion over the next four years to help pay for up to half the interest that local school districts incur on school construction bonds, or for other forms of assistance that will spur new state and local infrastructure investment. This financing assistance can help to spur \$20 billion in new resources for school modernization—a 25 percent increase above current levels over the next four years.

**The Broward County, Florida, Public Schools** already ranks among the largest school systems in the nation with more than 218,000 students, and it continues to grow at a phenomenal rate (the district estimates it is adding 10,000 more students a year). Although the district added 37 new schools and refurbished many existing schools over the past seven years, the district's projected capital needs over the next seven years total \$2.4 billion. Funding from identifiable sources to date totals only \$1 billion, leaving a shortfall of \$1.4 billion. The county's use of 2,144 portable classrooms has earned it the nickname "the portable capital of the world." Thousands of other students attend classes in areas intended to be music and science rooms, labs or auditoriums. Meanwhile, the space crunch is impeding the system's efforts to make greater use of technology in the classroom, including meeting the superintendent's goal of providing a minimum of four computers in every classroom for student use and one computer for teacher use.

This school construction initiative is flexible. It will give communities and states the power to decide how to use the new resources. It will help those who help themselves—requiring local communities to take responsibility for this effort. And it will focus on sparking new projects, not merely subsidizing existing ones.

The federal government will do its part by subsidizing the interest that communities incur on school construction bonds or other financing mechanisms—making it cheaper and easier for communities to finance school construction.

Communities—with appropriate assistance from states—must do their part by making a commitment in investing in their schools. They must approve and pay for local bond issues needed to repair old schools and build new ones. And they must provide adequate maintenance for today's schools so that they can continue to serve students into the next century.

## OPENING WIDE THE DOORS OF COLLEGE

Today, more than ever before in our history, education is the fault line between those who will prosper in the new economy and those who will not. Most of today's good jobs require more skills and training than a high school diploma affords. Over half the new jobs created in the last three years have been managerial and professional jobs requiring higher-level skills. Fifteen years ago the typical worker with a college degree made 38 percent more than a worker with a high school diploma. Today, that figure is 73 percent. Two years of college means a 20 percent increase in annual earnings. People who finish two years of college earn a quarter of a million dollars more than their high school counterparts over a lifetime.

One of the great challenges of our time is making the dramatic economic changes occurring all over the world benefit our young people and open opportunities for our older adults as well. While many people were managing to find education and training that prepared them for high-skilled jobs without a college degree, too many young people lost their way between high school and the world of work. And for those who are academically prepared for college, the cost limits access for many working families and middle-income families, just as it does for low-income families. The average cost of a public college increased from 9 percent of the typical family's income in 1979 to 14 percent in 1994.

We must make two years of college—the 13th and 14th years of education—as universal for young Americans as the first 12 are today. And, we must make college more affordable for all Americans. To support these goals, the President has already initiated an unprecedented college opportunity strategy that will make college more accessible and affordable to Americans than at any time in their lives, while also reducing fraud and abuse and reducing costs to taxpayers.

**Over the next five years, the President's budget will more than double the federal commitment to postsecondary education from the time he entered office—going from \$24 billion a year in 1993 to \$58 billion in 2002—opening up the doors to college for millions of students.**

### *The Direct Lending Program*

The Direct Loan program, signed into law by President Clinton in 1993, gives student loans directly to people who need them, with new flexible repayment plans. This dramatic change is making loans to students and their families more affordable and debt more manageable, providing borrowers and participating schools with a simple, more automated and accountable system, while saving taxpayers billions of dollars. In its third successful year, the program will provide \$10 billion in loans at over 1,600 schools. More than 2.1 million student and parent borrowers have received direct loans since the program began. During the 1996-97 academic year, it is expected that Direct Loans will make up approximately 36 percent of federal student loans.

An important aspect of the new Direct Loan program is that it provides students the ability to repay their loans as a percentage of their income -- **income-contingent repayment** -- to encourage community service, and to make debt more manageable and to reduce defaults. As of November 1996, nearly 100,000 borrowers with loans totaling \$1.5 billion have consolidated into direct lending. About three-quarters of these borrowers are selecting non-standard repayment options with 52 percent selecting income-contingent repayment.

Through the legislation that created the Direct Student Loan program we were able in 1993 to **reduce by 50 percent (from 8 percent to 4 percent) the student loan fees** that lenders and guarantee agencies were allowed to levy on student borrowers. But we need to do more. We propose to further reduce these fees in both the new Direct Student Loan and the older Federal Family Education Loan programs, cutting loan fees from 4 percent to just 2 percent on need-based Stafford loans, and to 3 percent on other loans for students and parents. Furthermore, because the Congressional Budget Office and other analysts have noted that lender costs are very low during the in-school period, when students are not required to make payments on their loans, we propose to reduce the interest rate paid to lenders during that period by one percentage point.

#### ***Increasing Grant Aid Available to Students -- Pell Grants***

The Administration has worked hard to increase funding for student financial aid programs. Aid available to students increased by \$12 billion between 1993 and 1997—an increase of 48 percent. This year, aid available to students will increase by an additional \$3.4 billion for a record total of \$36 billion (excluding consolidation loans) benefiting an estimated 8.1 million students in 1998.

**Pell Grants** are the most important form of student financial aid for the nation's neediest students. In the decade preceding 1992, funding for this critical program did not keep pace with inflation, which seriously eroded the Pell Grants' purchasing power. The Clinton Administration began immediately in 1993 to restore fiscal integrity to this program at a time when it had been allowed to accumulate a projected internal program deficit of over \$2 billion. After eliminating that program deficit, the President secured bipartisan support for the largest Pell Grant increase in recent history, a \$230 increase (9 percent) in the maximum grant to \$2,700 by FY97. This represents a full \$400 increase, more than 17 percent, in the maximum grant since 1993.

We now are proposing to increase the maximum award from \$2,700 to \$3,000, as well as greatly expand eligibility to older independent students. Increasing the maximum award to \$3,000 provides more aid to currently eligible students, and makes an additional 130,000 students eligible for the grants. The President's budget also expands the eligibility of low income students age 24 and older. This change will make an additional 218,000 students eligible for Pell Grants, and expand aid for over 890,000 students by an average of \$800. These changes, contained in the President's balanced budget, will increase Pell Grant funding by \$1.7 billion in fiscal year 1998, a more than 25 percent increase over current funding levels.

***HOPE Scholarship and Other Tax Benefits: Making the 13th and 14th years of education—at least two years of college—as universal in America as high school is today.***

The President's plan includes five tax benefits for middle-class students and families that accept the responsibility to pursue additional education for their children and themselves. We believe that not only will these students and families reap substantial personal and financial benefits from these education incentives, but these investments will also pay a huge long-term dividend to the country. For much of the 20th century, tax policies included incentives to invest in capital and equipment. At the beginning of the 21st century—the education and information age—we must create incentives to invest long term in education and human capacity.

**HOPE Scholarships.** A centerpiece of President Clinton's HOPE and Opportunity Agenda for higher education is the proposed **HOPE Scholarship tax credit**, which offers two years of tuition at the typical community college for any student enrolled at least half-time. It provides students with a maximum \$1,500 tax credit for tuition and required fees in their first year, and another \$1,500 in their second year if they work hard, stay off drugs, and earn at least a B minus average in their first year. This \$1,500 tax credit will pay the full cost of tuition at a typical community college—essentially making community college free or nearly so for every student. In 1998, this credit is expected to help 4.2 million middle-income students pay for college.

Although the HOPE Scholarship tax credit is priced to pay the full cost of two years of tuition at a typical community college, the credit can be applied to tuition at any college, including four-year public and private colleges. The credit would be a substantial down payment for parents sending their children to four-year colleges with higher tuition. Students receiving tax credits would still be eligible for other federal student aid, including student loans, Pell Grants, and Work Study. However, the maximum tax credit would be \$1,500 minus any federal grants awarded to the student.

The proposal builds on the enormously successful HOPE Scholarship program in Georgia, which guarantees any student in the state of Georgia free college as long as they have earned a B average and stay off drugs. This year the scholarships are helping 80,000 students—including 70 percent of the freshman class at the University of Georgia.

The HOPE scholarship tax credit will help open the doors of college opportunity to every American who works hard and makes the grade, regardless of that student's ability to pay, since education at the typical community college will now essentially be free. The program also makes it clear that with opportunity comes the responsibility to work hard and achieve at a high level. This benefit will initially be available without restrictions tied to previous academic performance but the continued benefit will be reserved for those people who, by definition, are willing to work for it. It's America's most basic bargain: we as a nation will help create opportunity if you'll take responsibility.

**\$10,000 Tax Deduction for Education and Training.** We have also proposed a tax deduction

of up to \$10,000 per family per year for tuition and fees (minus grants) for college, graduate school, community college and certified training and technical programs. In 1998, 8.1 million students stand to benefit from this proposal for tax relief in 1998.

Students eligible for both the tax credit and the tax deduction would choose one or the other, although students benefiting from the tax credit in the first two years would still be eligible for the deduction in later years. Because the tax proposals are meant to help working families and low- and middle-income students pay for college, eligibility for both the tax credit and the tax deduction would be phased out for joint tax filers with incomes between \$80,000 and \$100,000 and for individual filers with incomes between \$50,000 and \$70,000.

**Tax-Free Education Savings Accounts.** We have proposed greater flexibility in using Individual Retirement Accounts so that all funds saved in these accounts can be used for postsecondary education expenses free from early withdrawal tax penalties. In addition, our proposal makes more than 20 million families eligible for tax-deductible IRA contributions by substantially extending the income cutoffs for IRA participation. Currently, if an individual or spouse participates in an employer's retirement plan, eligibility is phased out for taxpayers filing a joint return with adjusted gross income between \$40,000 and \$50,000 (between \$25,000 and \$35,000 for single taxpayers). The proposal would expand the phase-out ranges to match the ranges described for the HOPE Scholarship tax credit and \$10,000 deduction. Families who save through an expanded IRA, and then use the savings for higher education, can deduct up to \$10,000 of their withdrawals a year, making savings for college virtually tax free for middle-class families.

**Tax-Free Forgiveness of Educational Debt for Public Service and Income-Contingent Student Loan Repayment.** We propose that the tax law be changed to allow that the forgiveness of a student loan extended by a charity or educational institution not be counted as income, if it is forgiven as part of a program that enables graduates to work in public service professions. We also plan to apply the same tax treatment to forgiveness provided through our income-contingent repayment plan.

**Extension of Tax Benefit to Employees Who Receive Employer-Provided Education Assistance (Section 127).** We propose reinstating through the year 2000 the current exclusion from an employee's income of up to \$5,250 per year of postsecondary educational assistance provided by an employer for undergraduate and graduate students. In addition, for 1998-2000, small businesses would be given a new incentive to provide educational assistance to their employees through a 10 percent tax credit for amounts paid under an employer-provided educational assistance program for education provided by a third party.

### *Other Forms of Aid*

**National Service Corps.** Through creation of the National Service Corps, more than 70,000

AmeriCorps members have been able to provide service throughout the country to work on projects to tutor children to read and learn and to improve the environment, health services, and community policing. This creative new program is helping to regenerate an ethic of community service in this country, particularly for a generation of young adults who were at risk of becoming further alienated from the powerful societal needs of a sense of community and commitment to those communities. The participants also receive scholarships or loan forgiveness for postsecondary education, in return for their service.

**Work-Study** helps students earn money while they are in school. The President proposed a multi-year plan to increase funding for this valuable federal program by 50 percent by the year 2002, so that 1 million students will be able to attain part-time employment. With strong bipartisan support from the Congress we received an exceptional one-year increase of 35 percent for FY 1997. This increase is substantial enough to allow an increase in the wages for student workers, an expansion of traditional work study opportunities, and, perhaps most important, to expand higher education's commitment to community service activities. To this end, the President has challenged the higher education community to use one-half of the college work study increase for community service, including to tutor young children in reading. Indeed, the Secretary of Education has issued regulations to waive the match for those who use work-study funds to help tutor young children to read.

**Presidential Honors Scholarship.** We propose a Presidential Honors Scholarship that further emphasizes the importance of student achievement. This program would award one-year, \$1,000 scholarships to the top 5 percent of graduating high school students in every high school in the nation. We need to send a message to every high school in America that we are serious about excellence.

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**Reducing Fraud and Abuse.** The Administration has made aggressive accountability and oversight efforts to remove ineffective schools from the student financial aid programs, both protecting students and ensuring accountability for taxpayer funds. The U.S. Department of Education's efforts, along with new statutory controls and lender and guarantor efforts, have cut the student loan default rate by more than *one-half*, from 22.4 percent for the FY90 cohort to 10.7 percent for the FY94 cohort. About 700 institutions have been eliminated from eligibility to participate in the federal student assistance programs, in an effort to assure that students benefitting from these valuable programs receive a good education as well. At the same time, the U.S. Department of Education has reduced the administrative burden on participating institutions by streamlining our regulations and by reengineering our administrative processes to make them less intrusive and more effective.

*A call to parents, schools, colleges and universities to help students take advantage of these expanded options.*

Although the federal government can expand options for paying for college, it will be up to students, parents, families, communities, colleges and universities, and states to make them work.

- **Students** must work hard, play by the rules, and assume responsibility for obtaining the education they will need to get a job and succeed in life.
- **Parents** must make sure their children have the classes they need to get into college and take advantage of the savings afforded by the tax policies to help support their children once there.
- **Schools** can make sure students (as early as in middle school) and their families understand the options available for paying for college and make sure students take the classes and obtain the skills they need to enroll and succeed in college.
- **Colleges and universities** must contain costs of postsecondary education to assure that the benefits of these increases in federal support accrue to the intended beneficiaries—students and their families.
- **States** can build on the HOPE Scholarship plan by making scholarships available for four years of college for students who maintain a B average.

## LIFELONG LEARNING

### *A G.I. Bill for America's Workers*

A centerpiece of President Clinton's G.I. Bill for America's Workers has been our proposal to fundamentally reform the current federal job-training system. We have proposed consolidating at least 70 separate job training programs, replacing them with an integrated system that minimizes red tape and maximizes individual choice in each local community. Unemployed workers and workers in transition from one job to another would receive Skill Grants of up to \$3,000 to use as they choose to learn new skills to find new and better jobs.

We would provide these workers access -- through computerized networks open to all and One-Stop Career Centers already operating in many states -- to reliable information on jobs, careers, skill sets required for those jobs, and the success records of various training institutions, so that they can make informed choices about how best to improve their futures.

For our youth, federal education, training, and employment programs will be reshaped to support the community-based school-to-work activities that have evolved in response to the innovative School-to-Work initiative we began in 1994. These programs enable high schools, colleges, and the private sector to offer all youth academically rigorous school- and work-based learning opportunities and so that all youth graduate with the skills and habits of mind to benefit from college education, lifelong learning, and rewarding careers.

### *Preparing Academically for College*

To get ahead and navigate these changing times, our middle and high school students today need to be preparing to go to at least two years of college and probably go back to college, postsecondary training programs, and universities, several more times in their lifetime to continually upgrade their skills and knowledge. That means our elementary and secondary schools need to raise their standards for promotion and graduation. They need to make mastering the basics universal and strengthen all of their core subjects from science to American history and from the arts to foreign languages. Students can get on the path to college by mastering successfully not only basic math but the essentials of algebra and geometry by the eighth grade. High schools need to eliminate their general track and replace it with advance placement and tech-prep classes. Students need to be preparing for college courses. That's why the President in his 1998 budget is supporting expansion of advanced placement courses, raising standards for students, teachers and schools and continuing support for tech-prep.

The **School-to-Work Opportunities Act**, signed by President Clinton in 1994, also creates a pathway for many young people who cannot see the relevance of what they're doing in the classrooms to the world of work and thus get bored and tune out. When the barrier between

academic learning and vocational education is broken, when work-based learning and school-based learning are linked, these students not only stay in school, but they become engaged in learning and do better and continue on to college.

Students at the **Oakland Health and Bioscience Academy in Oakland, California** learn all aspects of the health care industry. Their knowledge of health care includes planning, management, finance, technical and production skills, technology, labor issues, community issues, safety, and environmental issues. They gain this broad understanding through a variety of learning experiences and teaching techniques. Interactive career explorations and a 200-hour hospital internship in the 11th and 12th grades expose them to the business, administrative, and clinical departments of a health care facility. Students also create work-based learning portfolios, which include reflective journal entries and works samples keyed to health career standards. Projects offer an opportunity to explore different aspects of health care and their relationship. Projects may simulate the decision-making processes of a health care provider—for example, reading a case study of a lead-poisoned child, interpreting the results of lab tests, and creating a medical management plan. Student teams may explore health care delivery systems by planning a school-based clinic, and operating a student-run health education center.

All 50 states have received grants under School-to-Work to plan comprehensive training and education and apprenticeship systems. By late 1996, 37 states had made sufficient progress in their planning efforts to receive 5-year grants for implementing their plans. Over 500,000 young people in 1,800 schools throughout the nation are participating in school-to-work systems that integrate academic and vocational instruction and provide work-based learning, preparing them for one to two years of college or more and careers. Over 135,000 employers have been involved in these efforts.

The support of the business community and state and local governments is essential to maintain local and state school-to-work systems that will help ensure a pathway to the middle class for most Americans.

## TECHNOLOGICAL LITERACY

Just as 100 years ago the nation struggled with the transition from an agrarian to an industrial economy, today we confront the transition from an industrial to a global, technological economy. Technology — the World Wide Web, computer-aided design, word processing, data processing, electronic transfers — has become an engine of our economic growth and has fundamentally changed the ways we learn, how we do business, and the skills students in America need to flourish in the world of work. States, communities, business, families and teachers need to ensure that by the dawn of the next century every classroom in America is connected to the information superhighway with high-quality computers, creative software, and well-trained teachers.

Today, technological literacy—computer skills and the ability to use computers and other technology to improve learning, productivity and performance—is a new basic that our students must master. Preparing our children for a lifetime of computer use is now just as essential as teaching them to read and write and do math. Every major U.S. industry has begun to rely heavily on computers and telecommunications to do its work.

Technology also enriches education. Children with access to computers and trained teachers can learn faster and learn better. In some cases, scores on standardized tests of basic skills for children taught with computers rise by 10 to 15 percent compared to the scores of those taught using conventional instruction. With computers, students can learn at their own pace and practice as much as they need to. For students with disabilities, technology such as word processing and speech recognition can give them the tools they need to participate fully in challenging academic courses. Children master basic skills in 30 percent less time than would normally have been the case. Using technology, quality software and good teachers, students can also learn differently. For example, instead of reading about the human circulatory system in a book and seeing textbook pictures, students can use technology to see blood moving through veins and arteries, watch the process of oxygen entering the bloodstream, and experiment to understand the effects of cholesterol on blood flow, gaining a better understanding of these processes.

Despite the importance and promise of technology, America's schools are not yet prepared for the technological era. About half of all teachers have little or no experience at all with technology in the classroom. Only 4 percent of schools have a computer for every five students—a ratio that allows regular use by each student. Only 9 percent of classrooms have connections to the Internet.

The goal we have presented cannot be set and cannot be achieved unless we all work together. It can only be met with communities, businesses, governments, teachers, parents and students all joining together—in a sense, a high-tech barn-raising.

### **Technology in Support of Reform**

A partnership between the Union City, N.J. school district and Atlantic Bell turned around a failing middle school. Christopher Columbus Middle School demonstrates how technology can improve student performance. Every classroom has several computers and students and teachers have computers at home so that they — and parents — can communicate with each other, get assignments and do homework. As a result of intensive use of technology, reading, math and writing scores are up significantly. Moreover, the school, which had a high absenteeism rate, now has the best attendance record in the district.

Beginning in 1995, President Clinton challenged the nation's parents, teachers, government, community, and business leaders to work together to ensure that all children in America are technologically literate by the dawn of the 21<sup>st</sup> century—equipped with the communication, math, science, and critical thinking skills essential for the 21st-century economy. He established the four pillars of his technology literacy agenda:

1. Connect every school and classroom in America to the information superhighway;
2. Provide access to modern computers for all teachers and students;
3. Develop effective and engaging software and on-line learning resources as an integral part of the school curriculum; and
4. Provide all teachers the training and support they need to help students learn through computers and the information superhighway.

The response to the President's challenge was immediate and came from all parts of the American community. While much remains to be done, an enormous amount has already been accomplished and steady progress continues to be made.

**The Private Sector Response.** CEO's of some of the nation's largest and most innovative technology and telecommunication companies have responded to the President's challenge by contributing resources and energy to work in partnership with schools and communities in meeting all four of the President's goals.

In October, the President announced the U.S. Tech Corp, a volunteer organization which enables high-tech workers from the private sector to assist teachers and schools to put the information age at the fingertips of their students.

**America's Technology Literacy Challenge.** In his 1996 State of the Union Address, President Clinton asked Congress to fund a \$2 billion, five-year Technology Literacy Challenge designed to catalyze state, local, and private sector partnerships in each state to achieve the four educational technology goals and to spur substantial additional private, state and local investment in education technology. Congress supported the President's request for first-year funding and

appropriated \$200 million for grants to states to launch this challenge. States will develop a strategy for using the funds to achieve the President's four goals and for ensuring that no students—especially students in low-income areas and students with special needs—are left behind. The Challenge builds on the Secretary of Education's National Plan, *Getting America's Students Ready for the 21st Century, Meeting the Technology Literacy Challenge*. The President's FY 1998 Budget calls for more than double funding to \$425 million.

**The Global Learning and Observations to Benefit the Environment (GLOBE) program** is a national and international hands-on environmental science and educational program that officially started on Earth Day 1995. GLOBE uses scientific instruments and state-of-the-art technology to make science relevant to today's K-12 students. Through GLOBE, students conduct an array of measurements and observations at their schools and share their data via the Internet with other students and scientists around the world to detail an environmental picture of the globe. Vice President Al Gore articulated his vision of the GLOBE program in his book, *Earth in Balance*. He proposed a program "involving as many countries as possible that will use school teachers and their students to monitor the entire earth..."

**The Technology Innovation Challenge Grants.** This component of the technology literacy challenge invites school systems, colleges, universities, and private businesses to form partnerships to develop creative new ways to use technology for learning. These local innovation grants focus on integrating innovative learning technologies to improve teaching and learning. Each federal dollar is matched by more than 3 to 1 by local and private funds. The 19 consortia funded in FY95 out of 500 proposals are reaching schools with 1.2 million students and involve partnerships with businesses, museums, libraries, and parks in school systems around the nation. An additional 24 partnerships funded in FY96 will allow 24 school districts to work in partnership with a total of 153 other school districts and 130 businesses in 34 states. Another \$57 million will be available for the program in FY97 to support a third round of grants and FY98 will call for \$75 million -- a more than 30% increase.

**Universal and Affordable Access to Advanced Telecommunications.** President Clinton signed into law the Telecommunications Act of 1996 which ensures that all U.S. schools, libraries, hospitals, and clinics have affordable access to advanced telecommunications services. The President called on the Federal Communications Commission's regulators to ensure that every school and library has access to the information superhighway and in November 1996, the Federal/State Joint Board on Universal Service unanimously recommended that schools and libraries receive discounts for telecommunications services, Internet access, and internal connections. If approved by the FCC, the average discount would be about 60 percent, and one-third of all schools and libraries will receive discounts of 80 to 90 percent.

**NetDays.** The President and Vice President launched an historic effort to mobilize communities of volunteers to connect classrooms to the Internet. As a result, on March 9, 1996, the President and Vice President and more than 20,000 volunteers laid 6 million feet of cable connecting thousands of California schools with the technology needed to link classrooms, libraries, and laboratories to the information superhighway. This effort sparked an enormous response around the nation and in the fall of 1996 over 40 states organized and participated in NetDays, wiring over 25,000 schools, using over 250,000 volunteers. More NetDays are scheduled for this year.

**21st Century Teachers.** The new technology cannot make much of an impact on learning unless teachers help find creative new ways to exploit its power and make the new tools an integral part of their teaching. The teachers, and the organizations that support teachers, all stepped forward earlier this year to work together to meet the President's challenge. The National School Boards Association, the National PTA, the National Education Association, the American Federation of Teachers, and many other business and professional organizations have launched this initiative to recruit thousands of teacher volunteers who will improve their own understanding of how to use education technology and share their expertise with at least five of their peers during the coming school year.