



## UNITED STATES DEPARTMENT OF EDUCATION

THE DEPUTY SECRETARY

November 1, 1999

## MEMORANDUM

TO: John Podesta  
White House Chief of Staff

FROM: Marshall S. Smith  
Deputy Secretary (A) *MS Smith*

RE: Conference Report for the Department's FY 2000 Appropriations Act

Having read the conference report for the Department of Education's FY 2000 appropriations act, I wish to call your attention to a serious problem. The conference report, which would appropriate \$1.2 billion to support "a class size/teacher assistance initiative," permits *but does not require* school districts to use such funds to carry out "class size reduction activities." Included in the report is the following proviso:

*Provided*, That, if the local educational agency determines that they [sic] wish to use the funds for purposes other than class size reduction as part of a local strategy for improving academic achievement, funds may be used for professional development activities, teacher training or any other local need that is designed to improve student performance.

This extraordinarily broad proviso appears to authorize the use of appropriated funds for vouchers or similar arrangements. This back-door effort to allow and promote vouchers comes just one week after the House voted against a voucher provision in Title I. No other Department program, including Titles I and VI of the Elementary and Secondary Education Act of 1965, contains such broad authority.

For reasons the Secretary and I have articulated on many occasions, I strongly oppose allowing federal funds to support private school vouchers. Contrary to the assumption of voucher advocates, there is no parallel universe of private schools ready, able, and willing to take on the job of educating 48 million public school students. Moreover, research does not confirm that private schools offer a better education than public schools; indeed, there is evidence that once family educational background and income are taken into account, students in public schools perform as well or better than students in private schools. Finally, precisely because private schools are designed to provide alternatives (in purpose, student composition, and curriculum) to publicly supported education,

voucher programs present enormous difficulties with respect to ensuring public accountability for educational results. A more sensible approach to increasing competition within school systems—one that we have supported with federal funds for several years—is the development of public charter schools. Such schools remain accountable for public funds, even as they help stimulate school improvement.

The main point is that the only way to fix the public schools is to fix the public schools, not to abandon them. The class size reduction initiative is an important step in this direction, as a recent report of the Council of Great City Schools confirms. This report found that 3,558 teachers have been hired in 40 of the nation's largest urban school districts under the class size reduction program enacted by Congress last year; that these teachers are working in areas of highest need; and that the program is enhancing teacher quality. Strong experimental research shows that class size reduction in the early grades is an effective way to boost student academic achievement and to build a solid foundation for further learning. The conference report completely undermines the purpose of this program, which is to target federal funding to class size reduction. Congress should keep the focus of this program on smaller classes in the public schools and not divert the funds to private school vouchers.

I appreciate your attention to this matter. Please let me know if you would like to discuss it further.

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO	1750	
CONNECTION TEL		92284538
CONNECTION ID	NORTH POLE	
ST. TIME	11/01 18:57	
USAGE T	01'12	
PGS.	3	
RESULT	OK	

THE WHITE HOUSE  
WASHINGTON

DOMESTIC POLICY COUNCIL

FACISMILE FOR: JOAN HUPFER

DATE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

FAX: 8-4538

FACISMILE FROM: ANDREW ROTHERHAM

TELEPHONE: (202) 456-5575

FAX: (202) 456-5581

NUMBER OF PAGES INCLUDING COVER: 3

COMMENTS: Rg mt cm  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO	1756	
CONNECTION TEL		913012803200
CONNECTION ID		
ST. TIME	11/02 14:19	
USAGE T	01'38	
PGS.	3	
RESULT	OK	

THE WHITE HOUSE

WASHINGTON

DOMESTIC POLICY COUNCIL

FACISMILE FOR: Eric Robelen

DATE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

FAX: 301-280-3200

FACISMILE FROM: ANDREW ROTHERHAM

TELEPHONE: (202) 456-5575

FAX: (202) 456-5581

NUMBER OF PAGES INCLUDING COVER: 3

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO	1751	
CONNECTION TEL		94791199
CONNECTION ID		
ST. TIME	11/01 19:31	
USAGE T	01'05	
PGS.	3	
RESULT	OK	

THE WHITE HOUSE  
WASHINGTON

DOMESTIC POLICY COUNCIL

FACISMILE FOR: Bob FRANKEN

DATE: \_\_\_\_\_

TELEPHONE: 479-1195

FAX: \_\_\_\_\_

FACISMILE FROM: ANDREW ROTHERHAM

TELEPHONE: (202) 456-~~5575~~ 5372

FAX: (202) 456-5581

NUMBER OF PAGES INCLUDING COVER: \_\_\_\_\_

COMMENTS: Re: ex conv. w/ BAE Kees

*Podesta  
Memo*

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO	1752	
CONNECTION TEL		917035242803
CONNECTION ID		
ST. TIME	11/01 19:53	
USAGE T	01'24	
PGS.	3	
RESULT	OK	

THE WHITE HOUSE

WASHINGTON

DOMESTIC POLICY COUNCIL

FACISMILE FOR: Kate Mattas

DATE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

FAX: 703-524-2803

FACISMILE FROM: ANDREW ROTHERHAM

TELEPHONE: (202) 456-5575

FAX: (202) 456-5581

NUMBER OF PAGES INCLUDING COVER: 3

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO	1753	
CONNECTION TEL		65542
CONNECTION ID	DOMESTIC POLICY	
ST. TIME	11/01 20:12	
USAGE T	01'13	
PGS.	3	
RESULT	OK	

THE WHITE HOUSE  
WASHINGTON

DOMESTIC POLICY COUNCIL

FACSIMILE FOR: Anna

DATE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

FAX: 6-5542

FACISMILE FROM: ANDREW ROTHERHAM

TELEPHONE: (202) 456-5575

FAX: (202) 456-5581

NUMBER OF PAGES INCLUDING COVER: \_\_\_\_\_

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*\*  
 \*\*\* TX REPORT \*\*\*  
 \*\*\*\*\*

TRANSMISSION OK

TX/RX NO 1747  
 CONNECTION TEL 66210  
 CONNECTION ID WH PRESS  
 ST. TIME 11/01 17:56  
 USAGE T 01'01  
 PGS. 2  
 RESULT OK



UNITED STATES DEPARTMENT OF EDUCATION

THE DEPUTY SECRETARY

November 1, 1999

MEMORANDUM

TO: John Podesta  
 White House Chief of Staff

FROM: Marshall S. Smith  
 Deputy Secretary (A) *M. S. Smith*

RE: Conference Report for the Department's FY 2000 Appropriations Act

Having read the conference report for the Department of Education's FY 2000 appropriations act, I wish to call your attention to a serious problem. The conference report, which would appropriate \$1.2 billion to support "a class size/teacher assistance initiative," permits *but does not require* school districts to use such funds to carry out "class size reduction activities." Included in the report is the following proviso:

*Provided, That, if the local educational agency determines that they [sic] wish to use the funds for purposes other than class size reduction as part of a local strategy for improving academic achievement, funds may be used for professional development activities, teacher training or any other local need that is designed to improve student performance.*

This extraordinarily broad proviso appears to authorize the use of appropriated funds for vouchers or similar arrangements. This back-door effort to allow and promote vouchers comes just one week after the House voted against a voucher provision in Title I. No other Department program, including Titles I and VI of the Elementary and Secondary Education Act of 1965, contains such broad authority.

\*\*\*\*\*  
\*\*\* ERROR TX REPORT \*\*\*  
\*\*\*\*\*

TX FUNCTION WAS NOT COMPLETED

TX/RX NO	1746	
CONNECTION TEL		66210
CONNECTION ID		
ST. TIME	11/01 17:54	
USAGE T	00'01	
PGS.	0	
RESULT	NG	
	0	#001

THE WHITE HOUSE  
WASHINGTON

DOMESTIC POLICY COUNCIL

FACISMILE FOR:

*Ray J. IV*

DATE:

TELEPHONE:

FAX:

*6-6210*

FACISMILE FROM: ANDREW ROTHERHAM

TELEPHONE: (202) 456-5575

*5372*

FAX: (202) 456-5581

NUMBER OF PAGES INCLUDING COVER:

*3*

COMMENTS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**William F. Goodling, Committee on Education and the Workforce**

“This is a real victory for the Republican Congress, but more importantly, it is a huge win for local educators and parents who are fed up with Washington mandates, red tape and regulation. We agree with the President’s desire to help classroom teachers, but our proposal does not create big, new federal education programs. Rather, our proposal will drive dollars directly to the classroom and give local educators more options for spending federal funds to help disadvantaged children.” [The San Francisco Examiner 10/15/98]

**Gov. John McKernan, Hon. Mike Castle, Hon. Amo Houghton, Hon. Rick Lazio, Hon Fred Upton, The Republican Main Street Partnership Board of Directors**

“ Our agenda must be positive; it must be an agenda for governance. On education, we should champion communities and parents, reducing class size and increasing accountability” [Roll Call 2/22/99]

**Dick Armey, House Majority Leader**

“We are very pleased to receive the President’s request for more teachers, especially since he offered to provide a way to pay for them. And when the President’s people are willing to work with us so that we could let the state and local communities use this money, make these decisions, manage the money, spend it on teachers where they saw need, whether it be for special education or for regular teaching, with freedom of choice and management and the control; at the local level, we thought this good for America and good for the schoolchildren. We are very excited to move forward on that.” [The NewsHour with Jim Lehrer 10/15/98]

**Sen. Slade Gorton**

“On education, there has been a genuine meeting of the minds involving the President and the Democrats and Republicans here in Congress...It will go directly through to each of the 14,000 school district in the United States, and each of those school districts will make its own determination as to what kinds of new teachers that district need most, which kind should be hired. We’ve made a step in that direction that we like. We never were arguing over the amount of money that ought to go into education. And so this is a case in which both sides genuinely can claim triumph.” [Federal News Service, 10/15/98]

**Former Speaker Newt Gingrich**

“We said the local school board would make the decision, no new federal bureaucracy, no new state bureaucracy, not a penny in the bill that was passed goes to pay for bureaucracy; all of it goes to local school districts...” [The American Spectator, December 1998]

“...a victory for the American people. There will be more teachers, and that is good for all Americans.” [Washington Times, 10/16/98]

**Rep. Marge Roukema**

“Too many of our schools across the state have class sizes too large to be able to educate children whose skills are different. This is going to improve classroom instruction and give our children an opportunity to compete in the next century.” [The Record (Bergen County, NJ), 10/16/98]

THE WHITE HOUSE

WASHINGTON

DOMESTIC POLICY COUNCIL

FACSIMILE FOR:

BOB FAUBEN

DATE: \_\_\_\_\_

TELEPHONE:

479-1125

FAX: \_\_\_\_\_

65542

FACISMILE FROM: ANDREW ROTHERHAM

TELEPHONE: (202) 456-5575

5372

FAX: (202) 456-5581

NUMBER OF PAGES INCLUDING COVER: \_\_\_\_\_

COMMENTS:

Req of conv. w/ BAE Korea

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE WHITE HOUSE

WASHINGTON

DOMESTIC POLICY COUNCIL

FACSIMILE FOR: Kate Mattos

DATE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

FAX: 703-524-2803

FACSIMILE FROM: ANDREW ROTHERHAM

TELEPHONE: (202) 456-5575

FAX: (202) 456-5581

NUMBER OF PAGES INCLUDING COVER: 3

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_