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Education - Cabinet Retreat

THE WHITE HOUSE
WASHINGTON

January 9, 1996

MEMORANDUM FOR THE PRESIDENT
THE VICE PRESIDENT

FROM: BRUCE REED
GENE SPERLING

SUBJECT: CABINET RETREAT BRIEFING:
EDUCATION ISSUES

I. Overview

The most important thing this Administration can do to prepare America for the 21st century is to raise the level and quality of education for all our people.

Twice before in the 20th century, America led the world in expanding education opportunity for its citizens: first, by making high school universally available in the first great transition from farm to factory; and second, by expanding access to college through the G.I. Bill during the second great transition to a booming industrial economy. These great commitments built the broad American middle class and enabled this country to enjoy the most prosperous century the world has ever known.

We are now in the midst of another great transition to an information age and a global economy -- and once again our success in this transition depends on education. All Americans deserve the opportunity and the challenge of an education that gives them the tools to make the most of their God-given potential.

II. Key Legacy Objectives

Education is at the heart of your strategy for economic growth and national unity, as well as your fundamental governing philosophy: that all Americans should have the opportunity to get ahead and take responsibility to make the most of it. The depth of your experience and commitment to education, the amount your Administration has already accomplished, and the sweep of your agenda give you the chance to leave a lasting legacy as the Education President.

The Administration has already established Direct Lending and National Service programs which make it easier to borrow or earn the money to pay for college, and has launched a nationwide effort to build new paths from school to work. It will make a difference in ensuring that schools of the future strive to meet high standards and use 21st century technology. And it will help guarantee that parents can send their children to the public school of their choice, including charter schools. The following areas of education stand out as key elements of your education legacy:

A. Standards of Excellence for All

American students are making progress in reading, science and math, but still don't measure up to the standard they will need to compete in the next century. Our goal is that one day America's grade schools and high schools are the envy of the world, not just our colleges and universities.

You already have an ambitious agenda to raise the quality of elementary and secondary education: public school choice and charter schools to increase accountability; an army of tutors and volunteers to teach reading; education technology and school construction to modernize our schools for a new century; school uniforms, truancy enforcement, safe and drug-free programs, religious expression, and character education to promote our basic values. As you set out to build and secure that legacy, the greatest remaining challenge is what to do next to advance the standards movement that began with Goals 2000.

The need for higher standards in core subjects is clear. On the most recent National Assessment of Educational Progress (NAEP), 42% of the 4th graders did not attain the "basic level" of proficiency (this finding is an important basis for your America Reads initiative); and on the Third International Math and Science Study (TIMSS) of 41 nations released last fall, U.S. 8th graders performed below the international average in math and slightly above the international average in science. According to the TIMSS study, one major explanation for the continuing low performance in math is that neither teaching nor textbooks in the U.S. reflect high standards.

While there has been considerable activity at the national and state level to develop standards in a variety of academic subject areas since 1991, the results have been quite mixed. Voluntary national standards have been developed by subject area specialists in virtually every discipline. Some, such as those in math, science, geography and civics, have been well received in the education community, have received at least tacit public support, and have been valuable tools to state and local officials developing their own academic standards. Others, most notably in history and English/language arts, have been highly controversial and are little used.

State experience with the development of standards has been mixed as well. Forty-eight states are developing, or have developed, standards in core academic subjects (Iowa and Wyoming have left this task entirely to the local level). This is powerful evidence that the standards movement is taking hold on a large scale. However, almost every knowledgeable observer believes that the quality of these state standards is highly varied. For example, an AFT survey released last summer indicated that fewer than fifteen states had developed clear

and specific standards, while the others were too vague and general. A report to be released next week by Education Week affirms these basic findings.

Public support for raising academic standards and measuring progress is broad and deep. This is especially true for national standards and tests. At the same time, the political obstacles to setting challenging standards have been considerable. The bipartisan Congressional support that led to the enactment of Goals 2000 is much more polarized now, in particular around the issue of standards. As was evidenced at the National Education Summit between governors and business leaders last spring, state political leaders are also less united than at the 1989 Education Summit, and less sure about how best to proceed.

In short, the progress in the movement to raise standards has been considerable over the past four years, but the pace is slowing, the quality uneven, and the time is right for bold leadership to spur additional action.

One bold approach would be to promote national tests in the core subjects of 4th grade reading and 8th grade math, based on the existing NAEP and TIMSS tests.

The essence of this proposal is to transform each of these assessments into tests that will produce individual scores, and then actively challenge states and school districts to adopt them as their own. This would be the fastest way for states to put into place high quality tests aligned with rigorous national and/or international standards, and to enable students and their parents to learn how well students and schools are performing compared to state and national standards, to students and schools throughout the nation (in reading) and to international benchmarks (in math).

We could also promote the development of a high school level test and/or promote state graduation exams and policies requiring students to meet standards before moving from one school level to the next. At the same time, we could highlight a combination of successful national, state, and local efforts to raise standards and measure student performance.

This approach provides bold leadership, and can transform the debate about national standards by focusing it on concrete issues of reading and math. It holds the promise of providing parents and students with accurate information about student performance against challenging standards more quickly than most states would if they continue on their current paths. The main downside is that it has the potential to reignite a debate about federal intrusion in education, especially since both tests have been developed with federal funds and with a federal imprimatur.

B. 21st Century Schools

A second, complementary approach to the national standards proposal is to continue the effort to build 21st Century schools and classrooms for all -- so that every school and classroom provides a modern, safe environment and is equipped so that all students and teachers can learn interactively in school and at home through engaging software and

discovery learning on the internet. Two major themes that you can consider are the following:

- Modernizing the Classroom of the 21st Century: Few institutions have changed as little during the past century as the classroom. Our combined emphasis on education technology, school construction, making our schools environmentally sound and after-school care is a comprehensive effort to modernize the classroom for the first time in generations so that we are ready for the 21st century. This theme provides a broader thematic structure that various sub-proposals.
- Bringing the Nation Together by Ensuring Universal Access to Information Technology: Without care, access to information and educational technology could divide the nation the way that race and income have in the past, with children who have early access to the internet and the world of education technology getting ahead and those who do not falling hopelessly behind. It would be a legacy of considerable significance if the President helped ensure that every child was technology literate and had access to the information age. For the first time in our history, every child -- regardless of income, race or background -- could have the same access to information everywhere. The internet can put millions of computers and thousands of libraries on even the poorest child's desk.

The attached memo by Greg Simon and Jim Kohlenberger gives a good overview of our initiatives and objectives. We should continue to look for bold goals to mobilize the private and public sector. One idea -- that fits our goal of every child reading by 8 years old and being on the internet by 12 years old -- is to ensure that every 6th grade teacher has solid education technology and internet training by the summer of 1998. We could call for summer sessions in universities in all 50 states in 1998 for 6th grade teachers and ask our new private sector CEO group to help mobilize it.

C. Universal Access to College and Lifelong Learning

In the last four years, you have done an enormous amount to open wide the doors of college. With the agenda you have spelled out for the next four years, you can secure a formidable legacy in expanding access to college and lifetime learning.

1. Two Year, 1997-1998 Push for Guaranteed College Education: Between the improved student loan program, income contingent loans, national service, our increases in the Pell Grants -- and the new education tax cuts we are proposing -- we will have a structure that ensures that through loans and grants, every young person who wants to can be guaranteed a higher education. Stressing this idea this year, however, could actually undermine our push for the Hope Scholarship, our \$10,000 education tax cut, and our major increase in Pell Grants. Therefore, we could spend 1997 on the theme of making 13th and 14th grade universal, and set out to enact those proposals as well as the IRA for education. We could also make a communications effort in 1997 to promote:

- **College Free Savings:** We can better promote the notion that with IRA and \$10,000 education deduction, working families can engage in tax-free savings for college education.
- **Pay-as-You-Earn/Direct Lending Campaign:** We must continue to support and fight for our direct lending proposal, but we could also start a more explicit campaign to promote our new innovation: pay-as-you-earn.

In 1998, we could launch a national campaign on the theme that every American child is guaranteed financing for a college education. This would include a clear booklet showing how everyone now can obtain financing for college, and major joint campaigns with high school counselors, parents groups, etc.

Additional ideas that could be considered would be to officially make Pell Grants an entitlement to build on this message, or to more explicitly look for ways to encourage many states to imitate the Georgia Hope Scholarship. Pell Grants already function as an entitlement on the discretionary side, yet putting it on the mandatory side could be joined with possible GI Bill Proposals to make the notion of a "guarantee" or "entitlement" more explicit. The downside is that some fear that the perceptions of "entitlement" could be negative even in the college education perspective.

2. **All-Out Push For GI Skill Grant Proposal:** One of our best chances for lasting structural change is in the area of job training. While many Republicans insist on reforming training programs through a cut and block grant approach, several Republicans -- including Jack Kemp and John Kasich -- have shown real interest in the notion of consolidating programs and then creating a more market-oriented training system in which we use skill grant/vouchers to empower people directly. In 1995 and 1996, we laid relatively low while we worked to get the bill passed. This year, we need to more publicly call for the GI Skill Grant proposal, and a more clear presentation that we are the ones seeking to empower individuals directly, while those calling for block granting are simply seeking to shift the program from one bureaucratic structure to another.

III. Executive Action or Legislation

A. Standards of Excellence -- 21st Century Schools

The America Reads Challenge, the school construction initiative, and the youth portion of the GI Bill all require Congressional authorization and funding. The Technology Literacy Challenge requires additional funding. The testing and standards initiative can be carried out primarily through executive action and Presidential leadership.

B. Universal Access to College and Lifelong Learning

The Hope Scholarships, education and training tax deduction, expanded IRA, and basic agreements on student loans must be achieved in budget reconciliation. The Pell Grant increase may be achieved through appropriations this year, or reauthorization of the Higher Education Act next year. The GI Bill requires authorization and funding. Federal Skill

Grants (at least for dislocated workers) might be achieved as a part of a larger mandatory package in budget reconciliation or as an amendment to JTPA directed as a part of the final budget agreement.

IV. Competition with Legacy Priorities

A. Standards of Excellence -- 21st Century Schools

Republicans will press for vouchers. A few Republican governors and some congressional Republicans will seek to make standards, tests, and all K-12 school reform solely a matter of state and local prerogative and responsibility.

In addition to pressing for standards, you will also be taking the lead (1) in supporting safe and drug-free schools and a disciplined environment conducive to student learning, with mutual respect among and between teachers, students, and parents; (2) in fostering high quality teaching by encouraging over 100,000 teachers to attain National Board Certification and by calling on states, school boards and representatives of teachers to work cooperatively to get rid of incompetent teachers; and (3) calling for parents and communities to become more actively involved in schools and their children's learning, national service participants, work-study college students and 1 million volunteers to help tutor children to learn to read, and the V-chip, educational children's television, citizenship education, freedom of religious expression, and interactive educational games to engage children in the excitement of learning by doing rather than watching TV.

B. Universal Access to College and Lifelong Learning

Republican governors, Senators and Representatives will call for block-granting all DoL training resources to states to do as they please, including particularly to provide training to help states make welfare reform work.

V. Timeline

The timeline below provides a preliminary schedule of opportunities for using the bully pulpit to advance the objectives discussed above. Additional opportunities and events can be developed as needed, and as the legislative process requires.

January

Announcement of Chicago charter schools and release of ED charter schools report

February

State of Union Address -- (1) launch national standards/testing initiative; (2) announcement on college student reading tutors

Radio Address -- highlighting Chicago-area school districts reporting results from participation in TIMSS

American Council on Education speech, linked to higher education initiatives

Release of NAEP mathematics results

Release of survey of schools access to advanced telecommunications, and announcement of Technology Literacy Challenge state grants

March

Announcement of America Reads National Coalition, and release of ED kit on reading

Announcement of new board-certified teachers from National Board for Professional Teaching Standards

April-May

Several announcements highlighting promising local accountability practices for schools, teachers and students

June-July

Additional releases of TIMSS and NAEP national and state-by-state data

KEY FACTS ABOUT EDUCATION AND THE ECONOMY

1. The returns to learning are increasing -- as we move from an industrial age in which machine power leveraged human muscle to an information age in which human minds leverage knowledge and innovation through networks never before possible to add more value to goods, services, distribution, and communication:

- Each year of post-secondary education and training already adds 6%-13% to an individual's annual earnings.
- The median full-time worker with at least a bachelor's degree earns almost 75% more per week than the median full-time worker with only a high school degree, double the gap from just 1979.
- Increasing the level of education attainment by one year in a firm's workforce raises the firm's productivity by as much as 8.5% in manufacturing plants and almost 13% in non-manufacturing establishments.

2. The U.S. has a remarkably decentralized system of education, not a national system:

- Education is the largest and most costly function of the 50 states and their local school districts and higher education institutions. The federal government contributes approximately 7% of the costs of elementary and secondary education. While the federal government provides almost 2/3 of student financial aid for post-secondary education, its contribution (including research funding) is still less than 25% of the total cost.
- In elementary and secondary education, there are over 2.5 million teachers and over 50 million students, almost 90% of whom are in nation's 81,000 public schools. The public schools are governed by 14,000 local school boards and the 50 states.
- At the post-secondary level over 14 million students of all ages are served by 10,000 post-secondary public and private institutions, which are governed by a mix of autonomous public and private boards, state higher education authorities, local college districts or authorities, and 50 state legislatures.

3. In the first third of this century, the country made a commitment to universal access to high school:

- The high school graduation rate soared from less than 10% of all 18 year-olds in 1900 to almost 50% in the mid-1930's. By way of comparison, Great Britain with its national system of education did not make a similar commitment until 1944 when Prime Minister Churchill announced full public support for secondary school.
- Over the rest of the century, the high school graduation rate has risen steadily to almost 87% of all persons under 30. From 1982 to 1995, the drop-out from high school for persons 16-24 years old fell from 13.9% to 12.9%.

- Although the achievement in reading, science, and math of American students may be the same or slightly higher than a generation ago, today's children and youth are not learning to the higher standards of excellence essential to thriving in this new information age: on the most recent National Assessment of Educational Progress (NAEP), 42% of a representative sample of fourth graders did not attain the "basic" level in reading (although the U.S. does rank near the top of the world in reading for children at this age level); and, on the Third International Math and Science Study (TIMSS) of 41 nations, a representative sample of 8th graders ranked only slightly above average in science and below average in math.

4. Immediately following World War II, the nation made a commitment to increasing access to college.

- Presidents Roosevelt and Truman signed into law and implemented a G.I. Bill of Rights that directly financed the college education of a total of 3.5 million veterans of WWII and the Korean War.
- This national commitment helped catalyze the rise in college-going rates of young adults, from less than 10% in 1940 to almost 25% in 1960.
- Today, the growing supply of colleges and universities, state and local support, family investment and private endowment, and a package of federal financial aid assists almost 50% of high school graduates to benefit from college education.
- In 1994, 24% of all persons age 25 to 64 years of age in the U.S. had completed college -- almost twice the rate of our major European and Pacific Rim competitors.

5. The lesson of the two prior economic transitions in the twentieth century is simple: America will continue to be the leading force for democracy and prosperity in the world if advances in technology and innovation are matched by a real commitment to advances in education for all. Advances in both serve two key functions:

- First, they are the engines of economic growth.
- Second, they are the levers of opportunity that empower all families and workers and succeeding generations of children and youth -- who are willing to learn and to work for it -- to earn a share in the increasing prosperity and to renew the civic fabric of the world's longest running democracy.

6. A real commitment now to two advances in education offers the key to making a successful crossing to the greater possibilities in this new information age:

- A standard of excellence in learning for all children and youth
- Universal access to college for each succeeding generation and to lifelong learning for all adults.

Improving American Education During the President's Second Term

Draft -- January 3, 1997

In President Clinton's second term, this Administration will have an unprecedented opportunity to improve education in the U.S. This paper provides a brief overview of the structure of and trends within the U.S. education system, outlines some of President Clinton's major education accomplishments to date, and describes some key goals for the next four years.

Background on the Structure of the U.S. Education System

The U.S. has a remarkably decentralized education system. In elementary and secondary education, there are over 2.5 million teachers and over 50 million students -- almost 90% of which attend one of the nation's 80,000-plus public schools. Public schools, in turn, are governed by 14,000 local school boards and the 50 states. At the postsecondary level, over 14 million students are served by over 10,000 postsecondary institutions, public, private, and nonprofit.

While education is primarily a state responsibility under local control, it is also a national priority. Education is critical to sustaining a vibrant democracy and to ensuring economic opportunities for all Americans. Therefore, the federal government has evolved a limited, though significant set of responsibilities in education, including serving as a clearinghouse for statistics and good ideas, insuring full access to education for all Americans, providing support to states, communities and schools to enhance quality and equality, and providing a national voice for excellence and high standards in education. The federal government provides about 7% of all education funding at the K-12 level, but about 25% of all technology funds. At the postsecondary level, the federal funds represent about 2/3 of all student financial aid.

The President has reaffirmed the federal role in education and has established a new level of national leadership, challenging states and communities to upgrade educational opportunities for all students.

Recent Trends

Since 1983, when the Department of Education issued the report A Nation at Risk, continuing through the 1989 education summit in Charlottesville, Virginia, and intensifying during the first four years of the Clinton Administration, there has been a growing effort to improve American education. During this time, there have been some encouraging developments.

Combined math and verbal SAT scores are at their highest since 1974, while the number and diversity of students taking the SAT has increased dramatically. ACT scores have increased or held steady in each of the last four years. The proportion of students taking the core courses recommend in A Nation at Risk has increased from 14 percent in 1982 to 52 percent in 1994. Math and science achievement on the National Assessment of Educational Progress has risen

since the early 1980s and U.S. students have scored near the top on the latest international assessment of 4th grade reading. At the same time, the dropout rate has declined since 1982 (though it has been relatively flat during the 1990s), and over the past decade, dropout rates for whites and blacks have fallen substantially.

Meanwhile, in postsecondary education, over half of all high school graduates enter college right after graduation, and college enrollments are at an all-time high. In 1995, the proportion of persons age 25-29 who have completed four or more years of college reached an all-time high of 24.7 percent.

While there have been some positive trends, the new economy has placed dramatically greater demands on skills and knowledge than ever before, and we remain far from where we need to be as a nation. For example, on the most recently released National Assessment of Educational Progress -- the Nation's Report Card -- 42% of U.S. 4th graders did not attain the "basic" level in reading. Meanwhile, on the 41-nation Third International Math and Science Study (TIMSS) released in November, the U.S. ranked just slightly above average in 8th grade science and below average in 8th grade math. For both subjects, the U.S. is well below its goal of being first in the World. And recent reports indicate that the gap in minority achievement is growing.

As the nation works to raise student achievement, we also need to address other challenges facing our educational system. Public school enrollment is at an all-time high of 51.7 million, and the "Baby Boom Echo" is projected to add an additional 51.7 million additional students by the year 2006. Thirty-three states face rising enrollments in K-12 and college enrollment is expected to increase by 14%. Schools throughout our nation are deteriorating, just as they need to be modernized and connected to the information superhighway. And rising college costs give many families the impression that a postsecondary education is out of reach.

The Clinton Administration Education Agenda: First Term

In light of our rapidly-changing international economy, and the constant need to revitalize our nation's democracy in an increasingly technological society, President Clinton has lifted education to the top of the nation's agenda. He has articulated and invested in a program of expanding preschool opportunities, raising standards for students and teachers, making schools safer and drug-free, preparing students for school-to-career transitions, providing more choice in public education, and expanding access to technology in every classroom in America. The President has also issued an important call for streamlining and improving student financial aid for college, making the dream of postsecondary education available to more and more citizens. At the same time, the President has addressed some of the most deeply held values and concerns of our nation's parents, through advocacy of school uniforms, speaking out on preventing truancy, supporting the V-chip and children's television, and protecting religious expression.

During the first two years of the Clinton Administration, we expanded Head Start and built a powerful framework for high standards-based elementary and secondary education improvements through passing the Goals 2000: Educate America Act, the Improving America's Schools Act, and the School-to-Work Opportunities Act. We also began to reform a cumbersome and costly

student financial aid system, with the enactment of Direct Lending in the Student Loan Reform Act and the reduction of the student loan default rate. During the second two years, education played a pivotal role in the budget battle with Congress, leading to strengthened public support for investing in improvements in K-12 education and in better student financial aid for college.

Second Term

Moving into the second term, we have a solid base for future progress. 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. In a single year -- from 1994 to 1995 -- the percentage of schools connected to the Internet increased by 43%, and, since 1992, the number of charter schools has grown from 1 to over 400. All 50 states have received grants to develop innovative school-to-career systems integrating high quality academics with work-based learning, and 37 states have made sufficient progress to receive 5-year grants to implement their plans. President Clinton was reelected based largely on his unprecedented level of commitment to improving education at all levels and his strong agenda for reform. And, across the country, the public is reaching consensus on some key priorities for improving education, in reading, math, and teacher quality.

Having consolidated this base, we can move forward aggressively: to challenge states and school districts to further intensify their efforts to improve teaching and provide a world-class education; to modernize deteriorating schools and respond to the demands of the baby boom echo; to address the gap in minority achievement and growing concerns about the quality of urban schools; and to help families meet the rising cost of college.

This Administration will improve education by:

- **Widening Access to Quality Pre-School Education**
 - Continue expanding Head Start to serve all eligible three- and four-year-olds, approximately 2 million students.

- **Helping Students Master World-Class Skills**
 - Recruit and train one million volunteers to make it possible for all four million eight year-olds to read independently by the end of third grade.
 - Raise academic standards in every school to internationally competitive levels, including the establishment of national standards of excellence in reading and math:
 - All fourth graders reach at least the basic reading level on NAEP.
 - All eighth graders learn algebra.

- Assist all 50 states to establish accountability systems based on challenging standards and assessments in core subjects
- Foster high-quality teaching: encourage over one hundred thousand master teachers to attain National Board Certification
- Encourage charter schools and other strategies to expand public school choice, such as magnet schools and schools-within schools:
 - By the year 2000, X% of families should be able to choose the public school their child attends, on the way to the President's goal of all children having this opportunity.
 - By the year 2000, spur the creation of 3000 public charter schools.
- **Helping Communities Develop 21st Century Schools**
 - Wire every American school to the Internet by the year 2000 to make it possible for every child to log on by age 12.
 - Generate \$20 billion of construction to build new schools or repair old ones, modernizing thousands of learning environments.
 - Help all 50 states implement school-to-work systems to increase options for moving from school to careers.
- **Widening Access to Postsecondary Education and Lifelong Learning**
 - Make the first two years of college universally accessible.
 - Make postsecondary education more affordable for all Americans.
 - Make it possible for all Americans to strengthen their skills and improve their earning power throughout their lives.
- **Strengthening the Best of Our American Values and Traditions in Education**
 - Support greater family and community involvement.
 - Make schools safe and drug-free.
 - Through promoting effective models, assist an additional thousand schools to remain open in the afternoons and summers.
 - Support continued expansion of national service opportunities.