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NATIONAL GOVERNORS' ASSOCIATION

PLENARY SESSION:
ACHIEVING THE NATIONAL EDUCATION GOALS

TUESDAY, AUGUST 4, 1992
PRINCETON, NEW JERSEY
GOV. ASHCROFT: Ladies and Gentlemen of the National Governors' Association, friends and families, it's a pleasure to welcome you to the plenary session of the 1992 Annual Meeting of the National Governors' Association. This morning we have a tight agenda. It's necessary for us to work with expedition, so I thank you very much for your attention to these matters. We'll hear from distinguished Americans on strategies for achieving the national education goals. We'll discuss reports of our three action teams. We'll consider the National Governors' Association policy statements. We'll present NGA awards for distinguished service and we'll elect the NGA officers and executive committee for the 1992-1993 year.

A year ago I created three action teams on which governors and business leaders would cooperate in addressing the urgent issues facing education and training in this nation, namely how to improve achievement productivity and enhance the capacity of all Americans. Today I'm extremely grateful for the work of these three action teams, an action team on school readiness, an action team on the school
years and the last action team on life long learning. They have helped us redefine what is meant by education, to understand that education is indeed a life long process, that it is a habit which must be acquired and it must be practiced so long as we continue to want to be productive and to improve. Our action teams have shown us the power results when committed leadership from both the public and private sectors work together as partners. The action teams on school readiness, the school years and life long learning met Sunday. Governors were joined by corporate executives, policy experts as well as educators. In each action team the comments of the private sector leaders were incisive, drawing on their experiences as managers of complex organizations, they talked about implementing a system oriented towards performance. The educators who participated were very forceful in their call for high standards and for performance assessment that truly gauges achievement levels. George Voinovich has ably led the action team on school readiness with Governor Bruce King serving as vice chairman. John Pepper the president of Proctor & Gamble and Jim Renier of Honeywell
both have devoted considerable time and effort to this initiative.

The action team on school readiness raised the debate about the trade-offs between supporting families and preventing problems at early stages in the lives of youngsters versus the high cost of remediating problems down the road, either remediating them through prisons or welfare rolls or substandard performance. These individuals have helped us better understand the critical importance of supporting families as well as the need to begin early in the training and development of the human resources which we find in our states.

I want to thank the members of the school readiness action team for their outstanding work led by Governor King and Governor Voinovich.

The school year's action team thrived under the capable leadership of Mike Sullivan as chairman and Fife Symington as vice chairman. CEOs Roger Hirl of the Oxidental Chemical Corporation and Kenny Whitmore of Eastman Kodak were integral parts of the success of this action team. The lessons learned from
business demonstrated that the public and private sectors are not that far apart, and that as governors we have much to learn from our business partners. Collaboration fosters better results in our schools.

The Life Long Learning Action Team effectively chaired by governor Tommy Thompson with the assistance of Indiana Governor Evan Bayh considered how to improve education and training beyond high school. They along with their five corporate partners gave visibility to issues that have not been part of our traditional education agenda. These issues of training and retraining our work force for greater competition in the world market place, together with enhanced higher education will continue to stay on the agenda of this Association.

I am grateful to the business leaders who gave their time and energy to this initiative. Loyd Reuss of General Motors, John Skully of Apple Computer, Carl Weigel of Motor Castings Corporation, Hans Decker of Siemans Corporation, and Carl Scone of Michelin North America, all made substantial contributions to our understanding of how to improve the education
and training of our citizenry beyond high school, 
and beyond the traditional school years. I 
appreciate the work of the three dozen or so 
governors who have been involved in these action 
teams. Their endeavor has made our opportunity 
to serve Americans through our states a much 
better opportunity. We are redefining the 
possible. We have learned that we can do more 
than we thought we could do and we must do it 
again and again in order to achieve the national 
education goals. This is the challenge for our 
society.

American education is already 
changing in many ways. Especially significant is 
the energetic response of individual citizens who 
are taking up the challenge to break new ground 
in education. We're fortunate this morning to 
have one of these citizens with us as a 
participant in a part of our program in which we 
welcome guests. Mr. Chris Whittle is Chairman of 
Whittle Communications. Whittle Communications 
founded in 1970 with a guide for freshman students 
has now grown into one of the largest publishers 
of educational materials in the United States.
Mr. Whittle and Dr. Benno Schmidt, former
president of Yale University have announced that they will lead a national effort to design and build new American schools. This is called the Edison Project and it’s a pleasure to hear from Mr. Whittle here today and I invite you to give him your attention as he shares with us his vision for what is possible and how to redefine the possible in improving education through his project called the Edison Project. Mr. Whittle.

MR. WHITTLE: Thank you, Governor and thank all the other governors.

Three years ago there was a network special done that you may have seen. I think Barbara Walters was the host of it, and it was on the topic of what our teenagers know. And I would like to give you some examples of that particular program. I remind you, this was quizzing students on their knowledge of current events.

One teenager was asked what’s Chernobyl. They’re confident it was that’s Cher’s full name.

The gross national product was identified by one senior student as the worst product the company makes.
Geraldine Ferraro you'll be pleased to know is a national talk show host. The Ayatollah a Russian gymnast. The Holocaust, an annual Jewish holiday.

As we all know, this is a form of dark humor and our laughter helps us reduce the kind of underlying educational crises that these comments depict. But this same kind of information inspired our company to act and took us on an educational odyssey that has led me here today that I would like to discuss with you.

How we got here is that in response to some of that information, three years ago it caused us to develop a new national television news show for America's teenagers that we wanted to beam directly to America's high schools. Many of us when we were students in the 50's or 60's or 70's had a thing called the weekly reader, and we said why not develop a 90's version of that which is essentially a daily electronic weekly reader which we call Channel 1. What we discovered shocked us and that was that America's schools couldn't receive Channel 1. The typical American high school classroom did not have a television set much less the satellite dish that was required
to receive what we did. So, not only did we
have to do the news show but we had to build an
electronic infrastructure which didn’t exist,
which is exactly what we did do in the last 24
months. We laid 6,000 miles of cable down the
hallways of America’s schools. We installed
10,000 satellite dishes. We bought and installed
over 300,000 television sets, quadrupling the
number in use in America’s high schools today.
Today, if we were in school today, 40 percent of
America’s middle and high school students would
tune into Channel 1 and receive their daily dose
of world news. And, by the way, today 40 percent
of America’s schools have an electronic
infrastructure that they didn’t have two years
ago.

Since schools couldn’t afford this, we -- we had to fund it, and at a cost of over
200 million dollars. And there was only one way
that we could do that, which was to sell two
minutes of commercials a day. As I’m sure many
of you know, some disliked that notion and there
were attempts to ban our news system and our
electronic package in some states.

Interestingly, America’s schools
strongly disagreed with those that didn't like it. 12,000 schools have now contracted the Channel 1, 70 percent of the ones that we have actually contacted. Over a thousand schools in Texas alone are in this system. 65 percent of all catholic high schools in the United States are on line today.

And in fact we are very pleased to announce that Channel 1 is now either airing or cleared to air in every State's public schools except one, which is New York. And there are only two states remaining with pending legal challenges: California and New Jersey, both of which we hope to favorably resolve.

By the way, it is helping. In a world of almost relentlessly declining educational scores, the University of Michigan reported that the 6 million students watching Channel 1 actually improved their awareness of current events about four points last year.

By the way, thanks to many of you in this room, the governors and their staffs, for the efforts that you made on behalf of Channel 1 in your state. We and the students in your state appreciate it.
While I am on that point, as a caring citizen in regards to education, and as a father of two youngsters that will soon be in school, I'd like to thank personally the governors of this country for the tremendous work that you've done on behalf of educational reform. Many of you have actually risked your post in taking on entrenched interests, and I think that the work that you have done has set the stage for much of what you're going to see in the 90s, including what I'm about to discuss with you.

In the past two years our company attended 30,000 local school meetings across the country, so we have some idea of what the agenda is, because we were typically at the end of the agenda on most of those meetings. What became clear to us in those meetings is something that is well known by the group that's assembled here today, and that is that our schools public and private are in serious trouble.

It has been almost ten years since the report "The Nation at Risk" was published. Children who were in the first grade when that report was published will soon graduate, the
lucky ones; and I think none of us are pleased to be sending them into the world not as well prepared as we would like.

A couple of years ago we asked ourselves what could we, one small, relatively small company in America, do, not say, but do, to help the crisis that we all confront. And we decided rather than stay in the bleachers and criticize education, as some businesses have done, we decided to get deeply involved in it.

A year ago we announced a new completely private 2.5 billion dollar plan called the Edison Project. If it works -- and even some of our critics believe that it will -- it could be a watershed event in American education. The Minneapolis Star tribune said, "Its impact could equal that of Sputnik in terms of its impact on public schools." We hope they are right.

What is this Edison Project? What are some of the misconceptions that surround it? Why should you care about having some of it in your state? And if so inclined, how might you help us?

Regarding what it is: When Thomas
Edison invented the light bulb he did not simply hot wire a candle. None of the ingredients of a candle are even in a light bulb. Try as you might, you can’t make a light bulb out of a candle. The dynamics are totally different. The power sources are not the same. And, by the way, interestingly, a light bulb is cheaper than a candle.

What Edison did was to start completely over. He wanted to achieve the same thing, light, but he wanted to do it in a different way. And he invented not only the light bulb but the entire infrastructure that services the light bulb.

The Edison Project is of a similar mind about education. We want to start over. If there’s two words to describe what we are doing, those are the two words.

We want to redesign pre-K through 12 education from scratch, including the system around it. And most important we want to develop a design in such a manner that it can impact either directly or indirectly on every child rich or poor, black or white, throughout America. We are not simply interested in authoring a
redesign. We're not interested in a document that lies in space on a shelf and we are not interested in one small site that acts as a model. We have had a lot of that, as I think many of you know. America has been Christmas wrapped in blue ribbon commissions on educational reform over the last 20 years.

Instead, what we want is a large scale undeniable example that this new approach works similar say to how West Berlin stood in high relief to East Berlin. We want to demonstrate that in cities throughout the United States this particular concept can work, which is why our plan is to build a hundred completely new campuses, each containing what we think of today as four schools: Day care, elementary, middle and high, throughout the United States, opening to 200,000 students in the fall of 1996.

What will those schools be like? Part of them will be quite familiar to you. They will have a broad based liberal arts education in the finest traditions. Great teachers will be a central part of their design. But there will be aspects that will be radically unfamiliar. How they are organized, the methods of construction,
the introduction of technology, the way they are
governed will be completely different than
schools that we now know today.

Though these schools will be
privately operated, they will be very different
from the private schools that you know. These
schools will be built to be copied. And I can
dare say that we're the only business in America
that is building in a desire for shoplifting of
what we do. Our designers must build these
schools using the same funds that a typical public
school has city by city. There will be no
admission requirements to these public schools.
Anyone applying will be accepted just like in
public schools. In an attempt to show that these
schools and this design will work with children
from all back rounds. 20 percent of our funds
will be set aside for scholarships. We'll be
building campuses not just in middle class
suburbs but in the most desperate inner city
areas of this country. And in those particular
campuses perhaps 90 to 100 percent of students
there would be on scholarship while in the middle
class suburb perhaps only one percent would be.
Interestingly we can move funds across political
boundaries in a way that a typical system can not.

Last, these schools will be for profit, that being the only way that we can raise the 2.5 billion dollars in capital that will be required to launch them.

The support for this effort and the attention surrounding it has been remarkable. It is already supported by 60 million dollars in seed capital from four corporate entities. Time Warner, Phillips Electronics of Holland, Associated Newspaper, one of Britain’s largest newspaper publishers and on a much smaller scale my own company, Whittle Communications. It has a distinguished team of individuals that have left important and secure positions to run it, including Benno Schmidt who resigned his six year presidency of Yale to become the CEO of this project. In the last eight weeks, 2,000 articles have been written about it since Schmidt announced his plan to run it. And just two months after that announcement, the Gallup Poll said that 33 percent of American parents would consider paying $5,500 to send their children to a school of this type. It stunned us.

But what do the critics say? What
are the skeptics saying about this particular effort? Some say that more private schools will extend the already perilous gap between the haves and have-nots in our societies. In all due respect they are missing the point of what we are trying to do. We are not saying that all schools in America should be privatized. We are not saying that we believe all parents could possibly pay tuition to go to these schools. And we're not even saying that private schools are better than public schools. In fact, we believe that bad design and old design exists in equal measure in both public and private schools throughout the United States.

What we are saying is that rather the change is more likely to come from a private effort completely free of political boundaries and infused with a certain urgency. That is what the Edison Project is about. If we succeed, every public school that wants to learn from the lessons that we have spent to find the answers to can do so.

Another way to think about it is not every family will be able to afford to go to an Edison School. We know that. But not
everyone could go on the moon mission, yet we all
profit from the discoveries that were made in
that project.

Some fear that we will hurt public
schools by draining their best students, their
teachers and their resources. First, we are
using no public dollars in this effort. Zero. It
is completely private funds. And in that respect
we are in fact relieving public systems of the
burden of educating the particular students that
will go to our schools. And those savings could
be plowed back to provide even better education
to the students in public schools.

It is true that we will pull some
students and some teachers from the public
schools, but I think we need to keep that in
perspective. There are 60 million children under
the age of 18 in America. If we are wildly
successful, a million of those will go to our
schools over the next two decades. To say that we
are a threat to America’s public schools would be
the equivalent of saying that Lithuania was a
military threat to the Kremlin. I don’t think
so.

Some critics confuse our effort
with those of the educational choice movement.

And I cannot say this strongly enough: We are not about choice. When I first envisioned this effort, I knew nothing of vouchers. I had never heard that word applied to schools. I didn't know anything about the educational choice movement, and I am still a relative novice at it.

On the surface to me, it seems to be an intriguing idea, that every parent in America could receive a ticket, an educational ticket, if you will, and send their child to any school of their choosing. But I have not investigated it and I am sure there are serious issues surrounding it.

There are those on the Edison Project team, specifically Jennifer Finn and John Chubb, many of them you know, who are experts in this area, but I want to let you know that vouchers are not our agenda, and we are not going to get institutionally engaged in that battle. We are about creating radical new choices, not about choice.

Finally, some of our critics say that profits and education don't mix. If that is so, then there is already a lot of mixing going
on out there. I was not aware that text book
publishers or school construction firms were
philanthropists.

More to the philosophical point,
critics argue that no one should ever be in a
position to weigh making a profit with the well
being of a child. It is seemingly an inescapable
point. But the retort is as well. We will never
make a profit unless we do an absolutely superior
job of educating and serving children. Remember
that a parent sending their child to an Edison
school has to pay twice, once to us and once at
tax time. Why would they ever do that unless
they, the individuals that are really closest and
in a better position to judge what is best for
their children, why would they do that if they
thought we weren’t making the right decisions?

To close, what does this mean to
Texas, New Jersey, Oregan and the other 47 states
out there? Let’s start with the secondary
benefits which are of an economic development
nature.

Over the next four years we will be
investing 2.5 billion dollars in new educational
infrastructure around the United States. Now, I
think that may be something that you want to compete for. It includes over 20,000 construction jobs alone, and more than 5,000 ongoing educational positions in the schools that we would be developing. If we just divided it up evenly, on average each state in America would receive 50 million dollars in new investment, in campuses and educational facilities. But we could be persuaded to invest that in just ten states, say at the rate of 250 million dollars each. And I hope that you will be in touch with us to discuss that with your various staffers.

There is a second secondary benefit and that has to do with prestige. We think it will be a good idea do have these campuses in your particular states. Consider them, if you will, the educational equivalence of airline hubs. Cities without them will be missing something. But those are the minor economic development aspects of this, and the real reason we think the state should want Edison schools is the real reason that we’re doing this in the first place, and that is as a change agent that can help the larger educational fabric in each of your states. If we should achieve a break through, I
would think that you as the chief educational officers of your states would want these large scale well publicized operating examples of what the next era of schools might look like. I think it would be something that the closer that they are to your schools, the better that you will be able to move your schools in the directions that you want. It could be contagious.

Finally, we need your help. First of all, we hope that you will do all that you can to keep your state environment open to change. There will be those that want all schools to be the same and that will be restricted in nature, and we hope that you'll fight the soldiers of the status quo in that regard.

Second, we would encourage you to create a team from both your economic development and educational departments to work directly with us, and we will happily appoint liaison officers for each state in the country that wants to do that. And then, finally, since you have been at this far longer than we, we would appreciate your advice and counsel in any way, in terms of how you think we should function.

The Edison Project may or may not
be an important part of solving our educational crisis. We won't know that for several years. But what we do know now is that we need something other than more of the same, and what we do know now is that the Edison Project is the boldest move yet by the private sector to help out. We're here to help and we hope you'll help us. And thanks for hearing me this morning.

GOV. ASHCROFT: Thank you very much, Mr. Whittle, for your vision, for your enthusiasm, for your personal commitment toward achieving the national educational goals.

We have with us this morning another visionary American. Many of you know Mr. Al Shanker, the president of the American Federation of Teachers. Mr. Shanker is the vice president of the AFLCIO. He serves on the President's Educational Policy Advisory Committee and began as an elementary school teacher. He comes to us from a life time committed to teaching, being a teacher and to children. It's a pleasure now to call upon him for remarks. Mr. Al Shanker.

MR. SHANKER: Thank you very much, governor. It's good to be back here again, a
chance to spend a little bit of time talking about inventing new schools. And I'd like to begin by commenting on that title. I share with you, as many have, that we need to work on developing a new type of school, and we need it because historically we know that the school, the schools that we have today, the schools as we have known them, have throughout history not been created as an institution designed to educate all youngsters. They have been essentially an institution designed to select those youngsters who are able to succeed in the schools as they are now structured. That is, if you have trouble sitting still for five or six hours, if you have trouble listening to someone talk and remembering in that particular way, if you are a lot faster or a lot slower than the other youngsters around you, chances are you're not going to do very well in this institution. So throughout the years those who made it were those who were able to adjust to schools as they're now organized. And we know that lots of those who didn't adjust were really very good people and very smart people, because they went on to make it in life in spite of the fact that they didn't do well in school.
There are a lot of people like that. So one of the things that we need is to develop a school where there are different ways of reaching the same goals, and we need to do that.

But I'd like to caution -- to give a word of caution, because if you look around the world, if you look in Germany and Japan, France, across the borders here in Canada, Sweden, Norway, their youngsters are achieving much more than ours are, much more, and not just the youngsters who are at the top achievement levels but their bottom youngsters are doing a lot better and the ones in the middle. And by in large if you went over there, you would see youngsters sitting and listening to teachers and looking at the blackboard, reading text books and their schools look very much like ours. So when we talk about new schools, inventing new schools, I think we've got to be talking about two things at the same time. One is how can we get our schools that look fairly traditional, how can we get them to produce results that are comparable to those of most other countries? And at the same time how can we produce a new type of school in which we use technology, in which we use many things in
different ways, use time as to the way to improve students. So these are two issues.

In a way there's been a lot of comparisons between inventing a new type of school and the recent Saturn automobile, General Motor's automobile. And I think it's important to note that while Saturn has been a success, we ought to look at that, that General Motors did not stop manufacturing its other models or stop trying to improve its other models. It invented the new one while improving the ones that they already had. And I therefore think that in talking about improving and inventing new schools, that we don't abandon what we have and assume that it can't be an awful lot better than this, and go to something which is totally untried. This new think is going to take a long time maybe. We certainly have no assurance that it's going to be developed and successful quickly. So I -- I think the second thing we need to examine is that in a lot of our -- Saturn had an awful lot of lead time. Union people and management people went to Sweden, They went to Japan, they went to Korea, they went all over the world. They talked to people in leading
industries in the United States and they had a lot of time and money to develop a new production facility and new design.

Very often we expect principals and teachers an superintendents to redesign the airplane while they're flying it. Kids come in every morning, parents are there. Here they are and we want you to develop a new school while you've got -- that won't happen. And in that sense, what Chris Whittle and his group are doing is promising, because they haven't -- they didn't take the kids in. They're spending a period of time, and they have great resources. The other thing they have is they have freedom from the usual political pressures that let's say a school board or state board of education or a governor would have.

If a school board started thinking about making drastic changes in the way youngsters are educated, not only are educators conservative, but so are parents. You bring about -- propose a big change and the first thing that happens is a lot of parents come forward and say that's not the way school was when I went there. And even if they didn't get a very good
education, they're sometimes defending that particular system. So that it may very well be that a private operation is able -- is free of certain pressures which exist within the public system.

Now I'd like to deal with the issue of how we -- how we get new and improved schools, whether it's improving the schools that look like the ones we've got and continue to look like that so that they can produce on a world class level, or produce new ones. And in mentioning the view points that are necessary to do this, I will also comment on where these touch on what the Edison Project is doing.

I think the first thing that we need if we want schools to be effective is we have to know where we're going. We have to know what we want students to know and be able to do in let's say 18 years old. Now, every other country in the world has done that, and they can show you the kind of exit examinations, let's say, in high school or college entry examinations, many of which are national. There it is. That's what we expect. Once you know what you expect of an 18 year old youngster, then
you can say, well, how much of this should he
have known at 17 or 16 or 15, and how much of it
in the fourth grade and fifth grade?

There's a curriculum that's been
established and there is an assessment system to
figure out how many and which youngsters have
made it. Now, until we know where we're going in
the United States, we're not going to get there.
And if we have 15,507 boards of education, each
deciding where we're going, or 50 states each
deciding where we're going in a society where
people have the mobility that we have in our
society, we're not going to get anywhere. And,
therefore, I think that one of the most important
efforts in recent years is one that Governor
Romer has been a great leader in, and I was
privileged to be able to participate in. It is an
effort to voluntarily bring about agreements by
professionals as to what it is that youngsters
should learn in mathematics, or English or in
history, or in geography or other fields and to
create a curriculum framework that is so good
that states and school boards will voluntarily
want to say, hey, that's so good, it's better
than what we have, we're going to adopt it.
Now, without that, I have some great doubts as to whether our schools are going to improve, because without knowing where we're going, every political pressure to add this onto the curriculum or to add that -- or I read an article yesterday in Newsday, somebody wrote a very long piece -- this is a very tired mathematics professor criticizing the City University of New York for raising it's standards. And this professor wrote a half page piece saying it was not important for most students to learn mathematics. Well, if we think it's not important for most students to learn mathematics or to be able to read well, or to be able to write well or do other things, it's not surprising that if educated people, people who are in positions of authority believe that way, why the students don't get there. So, that's really the first thing. And I -- and I would say this is something that Chris Whittle is not going to be able to solve with the Edison Project. He may define a set of goals for his own schools or his group. But whether parents of youngsters are going to want to get their kids to work hard, that gets me to the second point.
Once I've got these -- once you decide what you want the kids to know and be able to do, how do you get the youngsters to do it? Why is it that youngsters in these other countries achieve so much more than ours? Well I think the reason is very simple. They work harder. You can not learn anything unless you work at it, and a lot of school work is not innately interesting. I don't know of anyone who first opened a book by Shakespeare and looked at it and said, oh, boy, I can't wait to get into this, this looks fascinating.

A lot of what you do in school is like practicing piano. It's not inherently interesting, and you work hard because you have to work hard in order to achieve certain things that you want to achieve.

In Germany every parent, every teacher and every youngster, they all know that if they don't learn or achieve at a certain level, they will not get into any university in the country, or they won't get -- if they don't achieve at another level, they won't get into an apprenticeship program, or another level, they won't get into technical school. People work
because they have to. Adults do that and so do youngsters. And so unless we have clear and visible consequences, unless we have -- unless we can say to Johnny, Mary, "Look, your cousin, your uncle worked hard, did this, and look what he was able to do, look what she was able to do, and look at what this other person who did not work hard, what happened to them." Unless that's very clear to youngsters, they're not going to work hard.

And so this is another one that I sort of have a big question mark in terms of the Edison Project. Kids in the Edison schools, in order to learn, will have to work hard. And I think that with the use of technology and more interesting grouping, if they make learning more intrinsically interesting, then that's great. But they're not going to make all learning intrinsically interesting. A lot of it is still going to be piano practice. And why would kids want to go to schools where they have to work two or three or four times as hard as kids in these schools out there if the kids in the schools out there can get into the same colleges or get into the same jobs as the youngsters here? Why spend
all these years working harder if there's "nothing in it for you," or seems to be nothing in it for you. So I think that's a second issue.

That's also the reason why we have some great schools here and there. You might ask you yourself why is it that we've got District 4 in New York City, a very interesting program, why is it that no other schools are copying? And this also brings me to a point that Chris Whittle brought out.

He is going to develop certain things. Some of them may be terrific. They may be very interesting. They may be very worth while and he generously says, "Well, it's going to be there. We're inviting people to steal this stuff." What makes -- how many of us have seen people in education try to steal good ideas? Not many. There are some but not much. And again the reason is there aren't any incentives. And we need incentives. We need incentives for students. We need them for adults as well.

Now, I would like to just add one other item, and that is that unless we develop substantial deregulation in education, that what the Edison Project does is not going to be very
applicable to public schools, because a lot of what a private outfit can do may very well be prohibited in the public sector. And if we talk about competition being healthy, competition is healthy if you have competitors who are equally free to compete. But if you've got one institution that is unregulated, and another that's heavily regulated, and you send those two institutions out to compete against each other, is there anybody here who would want to place a bet on the regulated institution to be the winner? I certainly wouldn't.

So, the competition notion, we either have to -- if we want a competitive system -- and there is a certainly a lot of advantages to a competitive system -- in order to make the competition fair, you either have to throw all the regulations that we think are good for kids and the general public, and that we now require our public schools, put them on to the Edison Project or the other way around and say, well, if the Edison Project is able to do a good job with kids without all these regulations, then remove them from the public schools that are there.
I'd like to close on one note, something that bothers me, and I hope that I've indicated that I think that in terms of educational ideas, the ideas that Chris Whittle and the Edison Project put forward are not new. There is a laundry list of things that educators have talked about for a very very long time. I think what the Edison Project has the opportunity to do with all the resources that they have, and the freedom from regulations is to try it out and to make it work and to put something together which has not been put together before, and I think that that's a big plus.

The big minus, the thing that I'm worried about, is that we -- I hope that we in America never begin to think of education of our children as a consumer good which each parent buys individually for his or her child. I want my kid to have a nice house, and a nice car, and a something else. But to think of education as something I buy for my own youngster, without caring about whether all of the other youngsters get a good education is socially destructive, and that bothers me about a good deal of the talk today.
Many years ago, when this country was first starting, and we had systems of protecting your house against fire, where individual home owners would try to contract with a company so that if your house was on fire, they'd come and put the fire out in your house. Pretty soon we found out it wasn't very much protection if the guy next door didn't have the same policy. If his house went up, yours went up. We decide that this is something that a community had to do for anybody, because this is the kind of thing that would catch on. And education is very much like that. It's not going to do my kid very much good if he's educated or she's educated if that's a privilege, and if my child is living in a society where the others around him or her are not educated.

I think we have to continue to think of this as a public good which we provide for all of our children and not as something which individual parents buy for their home.

Thank you very much.

GOV. ASHCROFT: Thank you very much, Mr. Shanker, for your participation with us this morning. It would be my pleasure
now to invite governors to make inquiries of these two distinguished individuals, who each have an interesting and important perspective for us to consider.

Are there those of you who would like to ask a question or begin some discussion here? We have several minutes in which we could have questions.

Governor Romer?

GOV. ROMER: Since I have attended this meeting, there has been a ballot initiative formalized in Colorado to go for vouchers. Now I will oppose that, but I want to make the distinction between that and Mr. Whittle. I believe, and my first impression and cut at his effort, is that it is a meritorious effort, because I view it to be privatizing radical change rather than privatizing public schools, and I think that's a critical distinction, and I, just as one who opposes vouchers, want to say that I view this challenge to be very interesting.

One more comment. During our terms, we will not really see the product of this in terms of a completed institution. Four to
seven years. Four years it may start. But I think it is a very interesting question it poses to us because we're going to have a very strong emphasis upon educational redesign in the next 12 months, and I think all of us as governors ought to think about, well, if this is a real issue that we are going to have in our world, how then do we respond to change our public institutions anticipating this private entrepreneurial enterprise being created. I think he's holding our feet to the fire, and I think that's healthy.

GOV. ASHCROFT: Governor Fordice?

GOV. FORDICE: Mr. Chairman, I'd like to ask Mr. Whittle, you mentioned that scholarships would be a substantial part of the program, particularly in inner cities. Will those be generated by your 2 1/2 billion dollars worth of capital that would be invested or external sources?

MR. WHITTLE: Actually, the scholarship funds come from other parents, and in effect there is a redistribution built into the system so that 80 percent of the parents are paying full rate and 20 percent are on
scholarship and the scholarship is built into the
tuition of the other parents. In that respect
it's not too different than many progressive
private schools. It's a somewhat more
significant amount. And the way we're going to
execute it is different in that in some of our
campuses we might have one percent of the kids in
scholarship and the others we might have 95
percent.

GOV. ASHCROFT: Governor
Engler of Michigan?

GOV. ENGLER: I think this is
for Mr. Shanker and for Mr. Whittle as well
but Mr. Whittle didn't really talk about the
condition of teaching and the status of teachers,
and I'm assuming in the new schools that he
envisions which are very different, that he would
still seek to use the regular teacher that we
have today as we know it, a certified teacher by
a state institution, state agency or organization
or national, and if that's so, I guess I'd like
to comment on your thoughts on the condition of
teaching itself. In other words it's the
structure, not the teacher that is much the
barrier according to the look you've done.
And, Mr. Shanker, if we want to take the schools as we have them today and free them, is it your view that teachers of America are ready to say strike out on their own and to organize a school that might be free from the regulatory burden to compete with a new school where teachers or the teachers' unions, for instance, would be willing to take that kind of a leadership step to in effect become the teachers and the administers for adopting a new path?

MR. SHANKER: Well, I for one am willing to take that step and am willing to recommend it to our members, because I think that public education in this country today is in a situation that's perhaps analogous to the automobile industry of a couple of years ago, and it's that which led GM and UAW to engage in a rather unprecedented partnership. There is a tremendous amount of employee involvement in Saturn. Regular salaries are actually lower than they are in other GM plants. And there is an incentive program so that if the car sells well, then the employees get more money. So that there's a great interest on the part of each employee to make sure that the product is one of
excellence and does sell. And I think that a system which would give everyone a stake and a voice in terms of outcomes would be much superior to the system that we have today, which is just very bureaucratic and rule oriented and has very little to do with outcomes.

MR. WHITTLE: Governor, we expect there will be more teachers in the schools of the future than we have today. But we think they'll come from many different places and we think there will continue to be great professional teachers, but we think that there will be very large volunteer corps that are largely made up of parents and of other students within the schools, and that when you combine them, the ratio of teachers to students should be much better than what we currently know today.

GOV. ASHCROFT: Governor Miller of Nevada.

GOV. MILLER: Mr. Whittle, in your outline you indicate that you're going to explore innovative approaches. And maybe you touched on that a little bit. Have you identified any innovative approaches? How would you be different than you've already outlined?
MR. WHITTLE: If we knew that whole answer, we wouldn't need to spend, as you can image, the next three to four years working on it. We won't open the school until the fall of 1996. And in what Mr. Shanker said, that taking time on this issue is critical, and that we shouldn't try to reform our students overnight, I think is a big part of what we're doing. We have a long list of possibilities in that regard. Some of them we know will likely be included. Example: Should a school day be more flexible than it currently is, starting earlier, ending later, different for different parents and different child's needs? Yes, we expect that will be one of the things which will be incorporated. But we could spend the morning on other things. We plan probably within a year to present a blue print of what these will be and that will be a long discussion.

GOV. ASHCROFT: Governor Symington of Arizona and then Governor Richards of Texas.

GOV. SYMINGTON: Mr. Shanker -- Mr. Shanker, I'm interested in your discussion about deregulations. First of all, do
you favor deregulation for public schools? I wasn't clear on that point. And if you do, how would you see that occurring? At what level would you empower the public schools to make many of the decisions that a lot of legislators have been making over the years? Where exactly would the authority rest? How would you see that happening conceptually.

MR. SHANKER: Well, I guess there are two ways of running an organization, one is to decide what you want to do and then to stand over people and tell them what to do all the time. That's sort of what our schools are like in an indirect way in terms of the things that are handed down. That does not work very well for us. I think the other way is to define what the outcomes that you want are, and to put incentives into place, get a good measurement system so that you know whether or not you're getting what you want to get, whether you're getting improvement or not, and then have systems of incentives and positive and negative incentives in terms of the achievement of those things. Give people a very wide latitude in terms of finding better ways of reaching those goals. So
you don't tell them how to do it. You do --

Now, everything in this would hinge on how broad or how narrowly you define your goals. If you're going to end up measuring people on a standardized multiple choice test, then chances are that you're going to have lots of people working all day long getting kids to figure out these things. On the other hand, if you had a final assessment which had youngsters writing essays and dealing with questions that involved the ability to express themselves and to persuade, to exercise judgment, to weigh arguments, you need a pretty sophisticated system.

Yes, I'm very much in favor of deregulation. I'm very much in favor of defining what the goals are and putting the incentives in place and giving people the opportunity to find the best way of getting there rather than telling them what to do and how to do it every minute of the time.

GOV. ASHCROFT: Governor Richards?

GOV. RICHARDS: Mr. Whittle -- I don't know whether this is on or not.

There it is.
Mr. Whittle, I want to say out loud what's on everybody's mind.

When the announcement was first made, I think we were all so struck by the fact that Benno Schmidt, a man of that stature and credibility was going to head up the schools, it dawned on us that this was something that was probably very serious and probably worthwhile. And I really examine my own immediate reaction with one of fear. It was, oh, my God, they're going to come in with something that's going to succeed, and they're going to further dilute the quality of kids in my public school system. It's going to mean they're going to with their scholarships strip off the African American kids that are the smartest and the brightest. They're going to strip off the Mexican American kids that are the role models in the public schools in South Texas, and, you know, we really needed there.

They're not going to take our kids that are so disabled that they are literally diapered by the teachers because by law that's who we've got to -- got to teach. And I don't know how to deal with that. We've seen it happen already in that whether it is in the form of
white flight or urban flight, that the kids who
really have every advantage and the kids who are
going to excel, a lot of their parents for
legitimate reasons have put them in private
schools. So, how do I deal with my fear here,
that the public school system is going to be left
with those you don't want?

If you have a discipline problem
with a kid in school, it doesn't matter how much
money his parents have, you're not going to keep
him. You're going to send him back to us to
educate. And in the long haul schools are going
to cost us a lot more, because we're going to be
educating nothing but the most difficult to
educate.

All of this is to say -- not to
say that I don't wish you well, because I think,
you know, I think everything we can do for our
kids in education has got to be done. But as
someone who is really concerned about what's
going on in education in my state, I'm worried to
death that I'm going to be left educating with
the hardest to educate, the most expensive to
educate, and as a consequence my public school
system is not going to look very good when it's
compared with the opportunities you’re going to have to reject the kids we can’t reject.

MR. WHITTLE: Governor, I think your fears are eloquently stated and I hope that I can reassure you on them very quickly.

Not one of us would be involved in this effort, not one of us, me, Benno Schmidt, the entire team, if what we were trying to do is design another private school system that is an elitist answer. That’s not an answer. That in fact would be hurting you and hurting every public school in America. It’s not why we’re doing this.

We are saying we want to create a design that constant confronts as many of the problems that a typical public school confronts, the same dollars, no admission requirements, and, yes, we can’t turn away handicapped kids. If we can’t deal with them within our facilities, we have to take dollars and set them aside, otherwise we’re not playing on a level playing field.

If we were just trying to build a private school, we’d raise our prices. Why should we work with the same dollars that a
typical public school of South Texas has to work with? The only reason we're doing that is to try to be of help to that school, to try to set an example that they can follow. If we were selective in our admission policies, the same problem.

So I think you'll have to ultimately judge us by what we do. But I can tell you that our intent here is to help and is to confront those problems, not run away from them.

GOV. ASHCROFT: I would note that Governor Sinner, Governor Stephens, Governor Branstad, Governor Thompson and Governor Bayh and Governor Campbell have all asked for an opportunity to make remarks or ask questions. We're going to run into a time problem. So if we could do our best to compress what we're doing, and also, if you have -- by the time we get to you, if something has already been answered, waive your opportunity.

Governor Sinner?

GOV. SINNER: I'll waive it.

GOV. ASHCROFT: Waive it.

Stan Stephens of Montana?
GOV. STEPHENS: Thank you, Mr. Chairman. I'll try to be brief. Yesterday we had a very interesting meeting at this convention in which we discussed telecommunications and its application to education. A number of states recited very positive things that are happening with satellite transmission and with fiber optics. It seems that we're very excited about the use of telecommunications. We see a broad opportunity in our states for its application, and then we turn around and want to restrict its use.

Now Mr. Whittle has talked this morning somewhat about resistance his program encountered in some states because children would be exposed to of all things a television commercial. They see two on Channel 1. They see probably 800 a week in their everyday life.

The movement Mr. Whittle is behind with the Edison Project is going to require enormous change in attitude, attitude on the part of the education establishment that to date has been somewhat resistant to the educational choice and report cards for schools and more parental involvement.
I would like to ask Mr. Shanker, who touched on it somewhat in his remarks, if we're going to have a revolution, if you will, a positive resolution -- revolution for education in this country, and be willing to try new concepts and new attitudes, it's going to take leaders of important groups to come on board. The AFT is certainly one of them. At this point, Mr. Shanker, how would you see the AFT being a positive player in the role that Mr. Whittle has unfolded here this morning? What is the AFT would do and how would you participate? How might it change the policies of the AFT as they are implemented today?

MR. SHANKER: Well, for one, I had breakfast with Chris this morning and he invited me to come out to his facility, spend some time with his people while sharing some ideas about teachers and schools, and I have agreed to do that. But for time constraints, I wanted him to speak at our convention next week. It won't work, but we're going to introduce him next year to a group of 3,500 of our people who basically work on educational issues. When he's got some new ideas that are out there, we'll be
the first to steal them. I mean, I don’t know how
else we can --

But I want to say that I share with
Governor Richard’s concerns. I was glad to hear
Chris Whittle’s response, but I certainly share
the concerns. I find it -- I mean there’s no
question that one of the reasons that parents pay
for a school education is to make sure that their
kids don’t sit next to kids who have problems
that they don’t want their kids to share. And
how that’s going to be handled remains to be
seen.

But I -- as far as the -- I want
to underline that their kids can still get in --
95 percent of the colleges in the United States
admit youngsters no matter what they have or are
not learned in school, and I am waiting to see
what magic can be created which will get
youngsters to work three or four times as hard,
learn a lot of mathematics and to write essays
and to learn history and geography and everything
else, when they know that the youngsters down the
road who aren’t learning those things will be
able to get into college as well. That is, what
will be the incentive for youngsters? Will the
youngsters that -- will they turn on their parents and say,

"Why are you forcing me to go to an Edison school, and I have to be at home doing homework for three or four hours when there seems to be nothing at the end?"

So, I still have questions. But as far as the educational piece is concerned, whatever ideas we have to attribute, we will. Whatever educational ideas are generated in this that are good, we will certainly be happy to share with our people and to urge them to adopt them. We have no problem with that.

GOV. ASHCROFT: Governor Branstad of Ohio.

GOV. BRANSTAD: Mr. Whittle, I want to ask --

GOV. ASHCROFT: Iowa.

Pardon me.

GOV. BRANSTAD: Thank you, neighbor.

GOV. ASHCROFT: George, I don't know whether you're offended or flattered. Iowa.

GOV. BRANSTAD: At least you
didn't ask how the potato crop is doing. We appreciate that.

GOV. ASHCROFT: Go ahead with your question.

GOV. BRANSTAD: I want to ask Mr. Whittle how you envision the use of telecommunications. Governor Stephens just mentioned the discussion yesterday. You're looking at inventing new schools. And also do you foresee that some of these schools will be in rural areas or just in cities and suburbs?

MR. WHITTLE: On the point of rural, yes. And just as we plan to build some schools in inner cities to show that it can work in those settings, we do plan on rural campuses as well.

On the role of telecommunications and technology in the schools, how will it be used: In a word, wisely. We don't think that technology is the primary answer to America's educational problems. We think it is one of the answers, perhaps 15 or 20 percent. And these schools will be technological marvels as compared to the ones that we know today. But that's got to be kept in perspective. For example, the idea
that there are a hundred teachers in the world
that are brilliant at particular topics in
curriculum, why would we not want to bring those
to every school in America, both Edison and
otherwise? And we will try to do that. But we
know that that is one part, and that the idea of
children spending 6 hours a day in front of a
computer or a television set or a CD Ram,
whatever it is, that doesn’t make sense, but
selectively use does.

GOV. ASHCROFT: Governor Thompson of Wisconsin.

GOV. THOMPSON: Thank you very much, John. It’s a pleasure to hear both Mr.
Shanker and Mr. Whittle. I thought it was an
excellent program and I compliment you, John
and the speakers for being here.

Education is by far the most
important thing of us as governors can really be
involved in for our states and our people. I am
eextremely excited about your proposition, Mr.
Whittle. As Governor Richards pointed out, I
think all of us share and hope in your success.
My question is basically one of more practical
terms. How are you going to site your schools?
How are you going to -- what are you going to expect from states? How do states really buy into this? Have you got a plan set up? Is it going to cost us money, or are you going to be looking for corporate sponsors in respect to states? How can I as a Governor from the State of Wisconsin get you enthused about coming to Wisconsin or any other state?

MR. WHITTLE: We will not be looking for corporate sponsors. We will be funded strictly by capital as any other business. What we plan to do is meet with every state of the country and say, "We plan to build a hundred of these particular campuses and we'd like to work with each one of you on how you think we can do best in Wisconsin and how it would work best in Kansas City." and I have a feeling that every one of those answers will be different, and I think they should be.

In some states you're going to say we want them in our inner cities. In other states you're going to say we want them in our rural areas.

And we will work with each state to determine that. If you can help us, great, just
like you would help any other business that comes
it Wisconsin. But that's a decision you'll have
to make.

GOV. ASHCROFT: Governor
Campbell of South Carolina.

GOV. CAMPBELL: Thank you
very much, Mr. Chairman. I think this is a most
interesting discussion. The project that has been
mentioned for the schools, Chris, is going to be,
I think, a great challenge and something we can
learn from, but I think Al Shanker said something
that bears repeating, and I think it's important
in expanding on it just a little bit.

He talked about outcomes, and he
talked about having standards that we can deal
with in a world market place, because that's what
we're a really doing, we're producing students
that are going to have to compete. If we don't
provide them the educational background, they
can't compete.

And he talked about measuring the
success, that this is an output oriented system.
And I heard Ann Richard's very eloquent statement
about the concern for students in the schools. I
want to give you some examples that I think are
worthwhile.

In our State we were not doing very well in math and science. We created a Governors' School for Math and Science, a hundred percent scholarship school. The only way the kids can get in is ability. They can't have a car, they can't have a television, and they all have to work a job while they're there. And we got a human cry from our public schools, saying, "Oh, you're going to take our best and brightest and it's terrible." But what really happened was there was a renewed effort in all of our schools to upgrade their math and science offerings to try to keep their best students in their schools. And as a result of that, when we had competing teams -- our teams in our schools in math go into competition, you know, national competition, and all have done extremely well in our public schools and going up, because the schools themselves started trying to say we don't want the brightest students to leave, but we're going to challenge them right here. And that competitive factor really had something to do with upgrading the excellence that we are seeking.
My predecessor created the Governors' School for the Arts. What happened? All the schools had a renewed interest in the arts and what they were offering, because there was something else out there.

Now, don't think that teachers don't care. You know, that's something that I've heard a lot of people say, "Well, the teachers, they're lethargic and all." They aren't. When we came out with these mass standards -- and Al was on that committee, and I served on it -- When they were published, the first thing that we had in our state, our teachers said, "Listen, we need a better mechanism through the higher education system to upgrade our skills now. So, we're scrambling and we're creating 13 different special schools on the weekends for teachers who voluntarily want to upgrade their skills because they said we need some help so that we can be better. And they solved it, but they solved it because they saw that there were some standards being set. They saw that things were going to change. And they were willing participants.

Al Shanker said something else, this idea that we tell people what to do, and
give them a little box to work in, that doesn’t work. If we challenge them, if we challenge these teachers and these students, they will respond. But they’ve got to be allowed to innovate. And I take the position, I don’t really care how the teacher gets the subject across. I care that they get the subject across. And that’s the -- that’s really what we’re talking about here, and, an innovation and challenge in finding new things. And it works. And everywhere it’s been tried, we have seen the system respond and the people in the system respond. And that’s what we’re trying to do in this whole education effort.

GOV. ASHCROFT: Governor Bayh of Indiana. I’m sorry. Was there a question?

I didn’t want us to snub any one of our guests.

Governor Bayh of Indiana?

GOV. BAYH: Thank you, Mr. Chairman. I have a brief comment, two specific, what I hope are practical questions I would like to direct to Al Shanker.

I agree with Al’s comment that
education is over regulated in our society. As a matter of fact, AI, General Motors is our State's largest employer and we've seen firsthand what happens when an organization gets too large and is overly regulated and is faced with competition. Obviously that's not good. At the same time I agree with your analogy with the situation with fire insurance and that being a communal responsibility. Our public schools are seeing the effects of what happens when individuals take that responsibility on themselves. And too often the only students that don't have educational choice are those who are trapped in the system without either the financial wherewithal or the motivation on the part of the parents to escape.

So my two specific questions are these: You have suggested that we try and infuse the public system with some attributes of the market place, for instance, standards that are market driven, incentives to try and meet those standards.

My questions are: First, could you discuss just very briefly the merits of positive incentives versus punitive incentives and which
you feel might be most successful? In our State we found that punitive incentives for obvious reasons tend to be a lot more controversial. And if you have seen positive incentives that have worked well in the community, could you, please, briefly describe for us what those are?

And secondly, setting standards is good and is essential. Rewarding those who attain those standards is critical. I think that the system that you applied here and I tend to agree with places a real emphasis on the assessments, the mechanism of assessment. That seems to be the controversial part. And have you seen in this country an example of an assessment mechanism that you feel is adequate enough to stand up to the kind of pressure that's going to be placed upon it when we start rewarding or punishing the failure to meet those standards?

MR. SHANKER: Well, it's a tough and very good question. Let me start with the last. I don't think we have any very good assessment devices around now. From the point of view of college entry, some years back there were college entrance examination boards which were very much like current European examinations
where you would sit for five days, each day on a
subject. Of course, there were not -- there
were some short answer questions, but there were
a lot of essays, problem solving. The old New
York Regents, until it got substantially watered
down, that was a very good examination system,
which acted as an incentive. We somehow -- to me
the problem it poses, in Germany they can give
all these youngsters these long essay
examinations, the United States if we gave them,
we would probably have a lot of lawyers in court
saying why did you give me a 68 instead of a 69
or something like that. So we have to somehow
get away from that. But the fact is the National
Endowment for Humanities last year published a
book where they contained the questions that are
asked of high school graduates in other
countries, those who are college bound. And it's
a book of questions in social studies and
humanities that's just fascinating. If you look
at that and ask yourself what percentage not of
our high school graduates but college graduates
could have handled some of these, it would give
some notion. But we can put one in place and it
wouldn't be very far removed from those of these
other countries.

We don't have incentive structures. Basically there are two things that you can offer youngsters that youngsters look at and their parents look at. In other countries the connections are very clear. There are two things that youngsters in high schools are thinking about: those who want to go to college are thinking of can I get into college and which college. And in the United States we now have only about 5 percent of our colleges and universities that are really selective. The rest of them are looking for customers.

So, basically if a youngster has decided that he does not want to compete for a selective school there is no reason -- there is no incentive to work hard.

Now, we can't do this immediately or we would shut down higher education but -- And I certainly don't think it should be done in such a way as to deny any individual the opportunity for ongoing education. But I think that over -- I think we've got to announce that ten years from now entry into a college or university of the United States will have the same
standards as it does elsewhere in the industrialized world. By the way, we'll have just as many college graduates as we have today. We've got the drop-out rate in high schools are scandalous but in higher education it's bigger.

Now, the other thing that youngsters want is they want to know they can get a job. And in other countries, if you've got a high school diploma which says that you're good at mathematics, good at whatever, French, German, you can walk into a Proctor & Gamble or an IBM or an Apple, the day you walk out of high school and say, "Look, I could have gone to college or almost. I'm a really good student." And you can get a job with a good corporation.

Now, for the most part good corporations who are bigger and more visible don't hire 18 year olds in the United States. They wait until the kid is 24 and then they find out how he did in these other places. Well, what does that mean? That means that the kid who worked hard, the kid who did a great job, the kid who learned everything ends up getting the same relatively poor job as the kid who didn't do any work and didn't learn anything at all. And about
90 percent of your employers never ask for your report card, never ask for a letter of reference from anybody in the school. The word gets around right away what you're doing here doesn't count, nobody's ever going to look at it.

Now those are the kinds -- now those are positive and negative obviously at the same time. If you did well, they're positive. If you didn't do so well, they're not so positive. But that is the connection. Every youngster has to know that what I am doing today is going to count to get me what I want. We don't have that now. And that means a change in the way employers behave and it also means a change in the way our ongoing continuing educational institutions behalf.

GOV. ASHCROFT: Let me just say how much I appreciate the contributions, substantial contributions of both Chris Whittle and Albert Shanker.

Chris, you've told us as the Christoplers (phonetic) sometimes say, it's better to light a candle than curse the darkness. But maybe the best is to invent a lightbulb.

But Albert Shanker tells us when
lighting the light bulb, go ahead and light
another candle. Albert tells us one other thing
which I think we sometimes misunderstand, that we
need to look at education as a whole, that the
best thing we could do to improve college
education is to deliver better elementary and
secondary students to the colleges. But also he
suggested this morning something very important,
that the way to improve colleges -- or the
elementary and secondary schools -- is to make it
clear you don't get into college unless you've
paid your dues and done your work.

I want to commended both of you and
all of you who have asked questions, who have
raised issues that are important to us, and thank
you for this outstanding session. Would you join
me in thanking these distinguished men.

I'm going to make a slight change
in the program. As you well know, I have allowed
this discussion to persist beyond what would
normally be the time limits as a result of your
interests and specifically as a result of my own
interest. There are a number of awards which we
will be giving this morning, and I would like to
invite Mr. John Akers to come to the podium at
this time. As we focus on specific efforts to engage in public and private actions to develop education reform, I am pleased to highlight the efforts that John Akers, chairman of the board of IBM is making towards achieving the national education goals. He is the chairman of the business roundtable education task force. He's led the business roundtable and the challenge to work with governors and the states to improve schools and to help our nation reach national education goals. We have all benefited immensely from the participation of individuals of the corporate community in our states, and I believe that's a result of the leadership of the corporate community, setting an example of commitment to the improvement of education and the elevation of human capacity in our jurisdictions. We express our appreciation to John Akers, and as a symbol of our appreciation of the corporate community across America, I am pleased to present this plaque recognizing you for redefining the possible. The plaque says: "The National Governors' Association salutes John F. Akers for your outstanding leadership as chairman of the business roundtable education task force."
and for your significant contributions toward
achieving the national education goals."

Johnn, thank you very much.

MR. AKERS: Good morning

Ladies and Gentlemen. I am very honored to
accept this award on behalf of the business
community. John, you're very nice to invite me
here to present it to me. I call you by your
first name because I think true partners should
be able to call each other by their first names.

Just a few words, if I might. If
America is really going to have a successful
school reform, in my opinion, the governors must
provide the primary leadership, and increasingly
you are doing that. A lot has happened in the
last three years on this subject in our nation,
and with Terry Branstad's leadership, you began a
new collective effort to improve the schools. And
Terry is one of many of your members who I think
deserve a lot of credit. The work you did to
lead up to the education summit with the
President in the fall of 1989 and the six
national education goals that came out of that
convocation are among the most significant
actions on education in this century.
The business roundtable has been involved, members of the business roundtable two hundred companies, the largest companies in the United States, have been involved in education activities for a very long time. It was also three years ago when President Bush came to our annual meeting and challenged us to do more in education and education reform than what we had been doing. And the challenge struck a chord with us and we responded with a decade long commitment to education initiative to work in partnership with the governors of the 50 states. And that work is now under way.

We asked the governors to accept us as full partners. You have done that. You have included our members in your meetings. You have included our members in your action teams, and I’ve had the pleasure of working with many of you personally, and I appreciate the cooperation and great help that you have given to me. Of course, there are now 178 chief executives of America’s leading corporations committed to this ten year long effort. It’s unprecedented, I think, on the part of business. It’s not just a large business membership but increasingly mid-sized and smaller
businesses are involved in it.

We have developed a nine point
public policy agenda which forms the basis of
reform efforts in many of our states. We
developed a gap analysis to close from where you
are to where you need to get to implement such a
vision. And coalitions are now operating in all
of the 50 states. And along the way we have
learned some important lessons.

Education reform obviously will
not occur overnight or in a year or two, maybe
not in a decade. And we must recognize it is
long, it is tedious and it is hard work and we
must be prepared for the inevitable intense
debates. Creating a vision in talking about
where we would like to have our nation and
state go in education is a relatively easy
assignment. Implementing that vision is
a very hard piece of work.

And in the business community, as
Al Shanker appropriately was saying here a minute
ago, we must also lead by example. Our policies
and practices must be consistent with the demands
we place on schools, and employee training and
retraining must be available. The employees must
be encouraged to be active with their schools and their children's education, and we must value education in our hiring policies and practices.

Three years down the road now in this effort with you as partners, I would give us the following report card: I would say that about a third of the states have a real head of steam under way in terms of true educational reform. I would say a third of the states have begun to do some real work, and about a third of the states are milling around trying to figure out how to get started. Part of that responsibility is yours, and part of that responsibility lies with the constituencies that you have to deal with, including particularly the business community. And we must hold ourselves accountable, and we will, and we'll be publishing on an annual basis over the next several years a report card on the progress we're making in partnership with you. The support of public opinion is critical. We together with you and many other partners will be launching a five-year multimillion dollar national advertising campaign to build public support for educational reform. And our ads will premiere during the American Educational Week in
late November of this year.

I am very proud of what the business community in partnership with you all have accomplished so far. We have barely scratched the surface. I'm excited my successor, chairman of TRW, Joe Gorin, is going to continue to lead this effort as aggressively as he possibly can in partnership with Roy Romer and -- and with all of you. Most importantly, we must keep our promise to the nation's children by providing them a quality of education. As we've heard this morning several times by many here, that it is the key to their future in our society and is key to our nation's status around the globe.

Thank you very much for recognizing our partnership with all of you.

GOV. ASHCROFT: It's now my pleasure to call upon the action team chairman to give brief reports on the achievements of the various action teams, and I will ask you to understand the compression in terms of our schedule as you make your reports. Would George Voinovich of Ohio, the chairman of the school readiness action team please come forward?

GOV. VOINOVICH: As John
Akers is leaving, I want to publicly acknowledge the leadership, commitment, time and money that the business roundtable has given to the state of Ohio. If it wasn't for the BRT, I don't know where we would be today. I am pleased to participate this morning and to thank John for his leadership as chairman of the NGA, and that leadership has been unrelenting in pursuit of educational reform. John, your initiative, "Redefining the Possible," has brought us together to continue to focus our efforts on systemic change, to achieve the national goals. And I want to publicly thank you for your participation in our action team.

Second of all, I want to recognize Bruce King of New Mexico and thank Bruce and his staff for the outstanding job that they have done. We were blessed with the participation of Governor Pete Wilson, Governor Roy Romer who participated and had a staff participate; Governor Mike Castle, Governor Jim Edgar, Governor William Donald Schaefer, Governor Arne H. Carlson, Governor George Sinner, Governor Booth Gardner, John Pepper, president of Proctor & Gamble; and James Ranier, chairman and CEO of
Honeywell Corporation, and an outstanding good job done by the NGA staff.

The School Readiness Action Team undertook a year long effort to identify and implement systemic change initiatives that would move our states forward in achieving the first of the national goals by the year 2000 all children will be ready to learn. Governors and our educational staff discussed progress on these initiatives at various times throughout the year. We learned from each other about what works and what doesn't and how to remove some of the barriers to systemic change, and a summary of those were included in our winter meeting report.

The NGA winter meeting provided us with an opportunity to hear from the business and teachers perspective on school readiness. From the winter meeting we began plans for the final report and, as you know, the National Educational Goals Panel has determined that there were no direct measures currently available for goal one. I know that Roy Romer is working on that right now.

While research group of the panel that works to develop direct measures, the School
Readiness Action Team chose to develop an interim tool for governors to use. The final report, "Every child to Learn," 14 benchmarks were identified to define services or outcomes that appeared to contribute most directly to readiness. Now, the benchmarks are listed under each of the three national objectives of goal one. These objectives focus on high quality preschool programs, parental involvement and health. And I want you to know what the work wasn't completed in a vacuum. It was developed to compliment and coordinate with the work of the goals panel.

The School Readiness Action Team collaborated with a distinguished group of national early childhood experts and NGA staff to produce this report. A brochure highlights for easy reference the report, and I'm asking you to take this report and put it somewhere where you can read it. I specifically asked for it. It's a brochure. It takes 8 minutes. I'd like you to read it. Take it home, give it to your superintendent of public instruction and ask them where your respective state stands in regard to the material that's included here.
In addition, the report also has identification to various programs in the United States that are working to achieve the objectives that we lay out in the report. For example, Missouri's Parents Teachers Program is referenced, because we understand that the teachers must be a child's first -- or parents must be a child's first teacher. And in order to do that, we have got to help parents with that job.

Also included in the report is a section: Good economics, sound policy. And that shows that investments in prenatal care, nutrition programs, immunizations, health screenings, family support activities, parent education and high quality preschool programs are good economic policy. By the way, that portion of the report was produced with the help of John Akers and the IBM Corporation. It's important that we convince our voters that education reform is essential to our state's economic survival and we must point out the -- point out that the enormous cost we are all experiencing with exploding welfare rolls and prison populations is due because of a failed education system.
In my state, three quarters of the people that are in prison today are high school drop outs. If you go to the welfare rolls, three quarters of those people are illiterate. We've got to share that kind of information with our voters in order to get them to support fair, adequate and reliable funding to implement education reform.

I refer to education reform as the horse and money as the cart, and you can't have one without the other.

Our final presentation this week focused on the national state and local perspectives in collaboration in service delivery. We discussed the roles of governors in leading and supporting collaboration. And really what that boils down to is how do you get a readiness consensus on the local level between teachers, health care providers and social service agencies. And then once you get the consensus, how do you implement it. And, Roy, I'm hoping that this year we can concentrate on that, because I think that's probably one of the biggest challenges that this organization has, that is, how do we get those services delivered
on the local level.

We know many factors contribute to children's readiness for school. We know that healthy beginnings start with early prenatal care, good nutrition and regular checkups. We know that children need parents who care about them, who talk and read to them and who play with them. We know that children need safe homes and safe communities. We know that Head Start and other quality early childhood education programs make a difference in children's later success.

We know that grass roots, community based initiatives that involve coordination on the effort of a broad range of service providers can maximize dollars and make the best use of staff. We support that strong support from the general public and the business sector. We understand that they can have a significant effect on local efforts to improve school readiness.

As we leave our challenge, we have to continue the momentum of the action teams, to continue our efforts to develop performance and outcome based educational systems in our states.

Our work will not be finished until all children start school ready to learn, all children reach
their full potential, lead productive self
sufficient lives and become contributing members
of society.

We know that the future of our
children and our country is dependant upon our
success. America will sink or swim based on how
we meet our educational challenges.

The National Governors' Association
should be proud of its commitment to education.

Again, John, I want to thank you
for your leadership in redefining the possible.
And as we go for the gold, a world class
education system, I am pleased that you're
passing the baton on to Roy Romer as his -- one of
his priorities as chairman of the NGA. Thank you
very much.

GOV. ASHCROFT: George, let
me thank you for your leadership in this
endeavor, and as a token of appreciation of the
Association, this crystal apple, an apple for the
teacher. Thanks very much for a job well
done.

GOV. VOINOVICH: Thank you.

GOV. ASHCROFT: Governor
Mike Sullivan of Wyoming had the opportunity and
responsibility of shepparding the Action Team on the School Year. It's my pleasure to call Governor Sullivan to the podium for the report.

GOV. SULLIVAN: Thank you very much, John, and thank you for the opportunity to participate in the Action Team on School Years. Our action team was charged with focusing public attention on education, undertaking state level efforts geared toward achieving better results and identifying common barriers, goals and themes and achieving the national education goals.

In addition, the governors participating on the action team agreed to implement new initiatives, and I commend to your attention the report "Keys to Changing the System," which highlights those initiatives. I'm not going to mention all of the governors who are on the action team, but I do want to express my appreciation for their work, particularly to Fife Symington who was the vice chairman of the action team and to all of the governors who committed themselves to initiatives and to intensifying their efforts in their states.

During the past year we held four
meetings with a number of education and business leaders discussing the critical issues to changing the system and establishing systemic change and comparing the corporate restructuring and lessons learned in the corporate world to where we can go in the school system as well as a addressing restructuring realities and myths of school reform. I want to particularly express my gratitude to two outstanding corporate leaders and mention of the action team: Roger Hirle, president CEO of Oxidental Corporation and Kaye Whitmore, president and CEO of Eastman Kodak. Their sustained commitment along with much of the business community to improving education for all children is exemplary and as governors I know we appreciate that assistance.

Four common lessons emerged as especially critical for our states as they implemented their initiatives in this area. Specifically our report concludes that governors -- but I would say not just governors -- we all need to first communicate clearly the goals and the new directions for school reform. Secondly, overcome the reluctance to change. Third, create long term solutions in the face of short term
pressures. And, fourth, support and sustain human resource development at all levels of the educational reform effort and the education system.

Throughout our deliberations, one question continually emerged: What is the roll of governors in school reform? Governors cannot afford to be on the periphery of education reform. As the chief executive officers of our states, we can and should provide a vision for education while supporting and encouraging the efforts of chief state school officers, school boards, educators, parents and students.

We believe that our report demonstrates governors' long term commitment to systemic reform. We must have the staying power if we're to make a difference.

As well, we cannot ask the schools to compensate for all of the problems in our society. Parents and community members must support and take responsibility for the education of young people. This may be the greatest task of all, for no matter what we or other political leaders may desire, we will not succeed -- And we have heard reference to it this morning -- We
will not succeed if parents and community members themselves do not take responsibility and action in support of improving the education of our children. We must overcome the reluctance to change. We must overcome across this country and within our communities what I refer to, and I think we heard Mr. Whittle and Mr. Shanker refer to this morning, and I like to term the tyranny of lesser expectations. We cannot have lesser expectations for our children. We cannot be content with lesser expectations. We must all participate in moving this movement forward and having the staying power to see that it does change.

Thank you very much for the opportunity.

GOV. ASHCROFT: Thank you, Mike, for an outstanding job in releasing us from the tyranny of lesser expectations and helping us redefine the possible.

Tommy Thompson, the Governor of Wisconsin, lead the Action Team on Life Long Learning, helping us understand the possibility that learning is a habit of life and continuous improvement is more than an industrial process,
it's a personal opportunity. Tommy Thompson.

GOV. THOMPSON: Thank you very much, John, and let me say at the outset that when you assigned this task for myself and for Evan Bayh, the vice chairman, and the other members, I looked upon it as a real opportunity, because life long learning, which is pretty much our fifth goal that was set down by all the governors, also has the opportunity to do so much.

When you stop and realize that 80 percent of the jobs that are going to be created over the course of the next ten years are going to require some kind of technical training and one third of them haven't even been thought of yet, and when you realize that our adult workers are going to change jobs five to seven times during their adult life and that 70 percent of the people are already in the market place, life long learning takes on a new emphasis.

We decided that what we really wanted to do is we wanted to set up a program that governors could really utilize, that they could take what's working in one state and adapt it to their respective states. So we put out two
documents, Mr. Chairman, one at our February
meeting setting forth some goals, but also some
plans with working in respective states of the
members on the committee. And those members were
Evan Bayh as I indicated, vice chairman; Terry
Branstad from Iowa, Governor Jones of Kentucky,
William Weld of Massachusetts, Jim Florio of New
Jersey, Mario Cuomo of New York, Barbara Roberts
of Oregon, and Robert Casey of Pennsylvania and
Carroll Campbell of South Carolina. And then we
decided to work with the Secretary of Labor, Lynn
Martin and Secretary of Education, Lamar
Alexander and we really wanted to make sure that
governors could take our document and read what
is working in the State of Iowa, State of Oregon,
on apprenticeship, and be able to take that and
say, "Now, you know that really is interesting.
Can I make it work in Utah? Can I make it work
in Florida and Texas?" And we divided it down and
said what should the consumers have as far as
driven investment and work force quality? What
do we expect in that? Then we found there was a
great program in Indiana, and we took that
program and we put it in this document and we're
asking other governors to say, "You know, that
works in Indiana. I think it's a great idea. Let's adapt it and use it in another area of the country."

Then we decided that we're going to undertake new pathways for career development. What are we really expecting, what are the careers going to be in the year 2000, 2010? And we took this State of Iowa and created world class schools, reforming the technical educational system in Kentucky, preparing youth for life long learning in New Jersey, and we took those programs and we put them, distilled them, and they were successful programs.

Then we said what is needed for the workplace education for adults? And we once again went to Pennsylvania and South Carolina, Wisconsin and Iowa, Kentucky, took those programs and really then adapted them.

And then we said what is needed for access and accountability in higher education? And all of us as governors and as people in the audience, we all have an innate bias within ourselves to make sure that our sons and daughters go on to a four year college and get a baccalaureate degree. We won't publicly
admit that, but it's there.

But when you stop and realize that 80 percent of the jobs are going to require technical training, are we doing enough as governors to really stress the community college and the technical colleges? We have enough PhD's in history and political science driving cabs. But we don't have enough x-ray technicians, enough apprentices across our country.

And we've taken this life long learning and we said let's start up apprenticeship programs in every state based upon the German model and be able to give sophomores and juniors in our high schools an opportunity to go into an apprenticeship program like we're doing in Wisconsin and use that apprenticeship hours as degrees -- as hours toward your degree in high school or vocational school and learn a skill.

And then, as Albert Shanker said, when you graduate from a high school in Wisconsin or Texas, that diploma is going to mean something. It's going to give an employer say, you know, that young man or woman from Wisconsin has got a skill, not only a high school degree, but has got a skill. He's got an apprenticeship. And that
to me is the most exciting thing that I have undertaken as Governor of my State.

So, Mr. Chairman, it was really a great opportunity for us to really delve into life long learning because of the tremendous potential it has for a competitive work force or an opportunity to make our states, our people better off. We had great corporate sponsors. Loyd Reuss from General Motors came in, spent many hours talking to us and saying what a great job General Motors was doing in this area. John Skully from Apple Computers, Carlos Cohen from Michelin, Carl Weigell from my home state, and Hans Decker from Siemens Corporation talking about the German model.

So, Mr. Chairman, I give you this report, and I ask each and every governor -- it's a very complete report -- but if you want good ideas in life long learning, take the opportunity to read it, to steal from it and incorporate it into your respective states and you'll be better off as a result.

And I only hope that your successor, Mr. Ashcroft, Roy Romer, will continue to put the emphasis on life long learning that you
did, because I think it's probably the most
important thing, as all education is, but this
is a component I don't think we've really given
enough emphasis to, and think it's so important.

Thank you so very much for allowing
me to serve.

GOV. ASHCROFT: Thank you,

Tommy, for a job extremely well done.

It's my pleasure now to call upon

Governor Carroll Campbell of South Carolina to
give us an update on the National Education Goals
Panel which was one of the outgrowths of the
summit that the President of the United States
in the establishment of the six national
education goals. Governor Campbell.

GOV. CAMPBELL: Thank you

very much, Mr. Chairman. The National Education
Goals Panel has enjoyed another successful year.
We have strengthened the group by bringing members
of Congress into the process as full and acting
voting members and we have achieved political
balance on this goal by adding additional
governors. We have also undertaken the process
of standards and assessment and we're well under
way in getting that on line.
On September the 30th of this year the panel will release its second report to show the American public how the nation is performing on each of the six education goals. The 1992 report is going to include new data in each goal area and will provide updates to base line data provided in the 1991 report. We're going to try and make this report even more readable, meaningful and accessible to parents and the general public.

As part of this overall effort to educate the public on what kind of progress we're making towards the goal, I want to take this opportunity to urge all of the governors to publish state progress reports in conjunction with the release of the Goals Panel report on September the 30th. Now last year we had a tremendous success rate. Most all of the governors made their reports and it helped immensely. If we do this, we have more impact. These reports strengthen the message and they help us to disseminate the information. And the challenge is to get the message out.

Performance is our goal, and accountability is the way to get there. So your
participation is really needed. And we've made substantial progress since we wrote the National Education Goals three years ago as an outgrowth of the education summit convened by the President with the governors. Many people have worked very hard to put accountability and excellence into the forefront of education reform, and the governors led the way. And at this time I'd like to take just a moment to commend some colleagues who have given so much to serve on this national education goals panel, all of the current members of the panel who have served and are serving and will do an additionally good job in the future. I would especially though like to thank Governor John Ashcroft, the NGA chair, and a real education governor, who has completed his term on the panel on the very -- on the panel.

From the very start John has played a critical role in writing the goals and in getting the Goals Panel up and running successfully. And John's chairman's agenda achieving the national education goals has really pushed the program forward, and I know that he's working with our incoming chair, Roy Romer, who
is also a very strong education governor, on ways
to help all governors achieve systemic reform in
education in the coming years.

I'm also pleased to announce the
reappointment of Governor Terry Branstad of Iowa
to the Education Goals Panel. Terry really began
the process. And his commitment has never
wavered.

Terry, I thank you for the time
that you've spent and for your foresight.

And I would like to welcome Governor
John McKernan of Maine as our newest Goal Panel
member. John brings a great deal of expertise
both as past chair of the Education Commission of
the States and as a member of Congress and we
welcome him.

As NGA's incoming chair, Governor
Roy Romer will appoint the Goals Panel chair and
any new Democrat members, and so, of course, I
will defer to him for any statements in that
regard. Thank you, sir.

GOV. ASHCROFT: Thank you
very much, Carroll, for your outstanding work
having served on the educational goals panel. I
know just how hard you've worked and how much
time you've spent. I'm grateful.

Our efforts over the past year have convinced us that dramatic broad based visionary systemic reforms are critical if the national education goals are to be achieved by the year 2000.

Such action is difficult in any situation, but in state education systems it's extremely complicated. Fortunately there is a mechanism which many of you are familiar -- with which you're familiar, that can be of tremendous assistance to helping states develop and implement and manage systemic change. The Council of Governors' Policy Advisors operates what are called as policy academies in which state teams can develop and strengthen strategies for systemic reform. As a result of the work of the action teams, we are developing independent funding for an education policy academy to assist individual states in the development and implementation of systemic structural reforms. We plan to begin our work on that this winter and complete our fund raising for it this fall. I am very pleased to inform you of that development, and I believe it will assist specific states as
they progress toward making individual plans for systemic reforms.

It's my pleasure now to call upon Governor David Walters of Oklahoma to come and issue his invitation to the group to have the 1993 annual meeting in Tulsa, Oklahoma. Governor Walters.

GOV. WALTERS: Mr. Chairman, thank you very much for just a few minutes to extend a personal invitation to each and every one of you to join us next year.

Oklahoma is the home of such well known names as the humorist Will Rogers, the great olympic athlete Jim Thorp, the more current country and western star Garth Brooks, and today, our State, with great deal of joy, will welcome home five time Olympic medalist Shannon Miller, the great gymnast. We're also the home of 38 American Indian tribes, but more importantly, next year we'll be the home of the 85th annual meeting of the National Governors' Association in Tulsa, Oklahoma on August 15th through 17th, 1993.

Jim and Lucinda Florio did a magnificent job hosting this year, and I know their planning team is proud of the successful
meeting that they pulled off; and they set a very high stand for us in Oklahoma. Our planning team has been ranging all over this meeting trying to get good ideas and follow in many cases their example.

I think you'll like Tulsa. Tulsa's a fabulous progressive community. The chamber there recently, for example, initiated a program in which they broker the employment of welfare mothers into productive jobs in which they work a half a day and they go to school a half a day. The community has supported through their chamber with significant resources early childhood education, welfare reform programs, a number of great things. The Gillcrist, The Philbrook, Little Rock, these will be names that will be familiar to you next year and while the details have not been set, I am almost certain that by this time next year, each of you will have been on a horse at least once, and will certainly have donned a large cowboy hat. They come in two styles, black or white. It will be your choice.

Mark your schedule now. August 15 through 17. We're a friendly bunch in Oklahoma
and we intend to live up to our reputation.

Thank you Mr. Chairman.

GOV. ASHCROFT: By far and away the best place to be, Tulsa, next year.

Thank you. We'll now have a discussion and the votes on the revised new committee positions that were sent to you on July the 17th.

You have before you these policy statements plus any amendments made by the standing committees at this conference and any proposals offered under suspension of the Rules.

To expedite matters, we'll vote in block upon proposals of each committee except where a request is made to consider a proposal on an individual basis. We will proceed in alphabetical order by committee beginning with the Committee on Agriculture and Rural Development. The executive committee proposals and suspensions will be considered last.

Will the standing committee chairs please summarize and move the adoption of their policy positions and will you please understand the need for us to accelerate our schedule. I call upon Governor Stephens, chairman of the
Committee on Agriculture and Rural Development.

Stan?

GOV. STEPHENS: Thank you very much, Mr. Chairman. We have two policies — two policies to be reaffirmed on natural disaster management and the continuation of our policy on agricultural tax reform. You have copies of both. It's simply a matter of reaffirming what we have already ratified in the past and I move they be reaffirmed.

GOV. ASHCROFT: Do I hear a second? All in favor say aye. All opposed say nay. The ayes have it.

Governor Edgar, Chairman on the Committee on Economic Development and Technological Innovation.

GOV. EDGAR: Thank you, Mr. Chairman. The Committee adopted a policy on interstate bank — branch banking and a resolution on Workers' Compensation. The banking policy was adopted during the interim. It reaffirms our support for the new banking system, protects state taxing powers and viability of state banks and asks that the states retain essential control over banking operations within their
The resolution commends the Workers' Compensation program for serving both workers and businesses. It cites the problem of run away costs in some states, calls on states to share their success for reforms and pledges the support of the governors to the effective and efficient system protecting workers and to keep our businesses competitive.

Mr. Chairman, I move the adoption of these measures.

GOV. ASHCROFT: Is there a second? It's been moved and seconded that these measures be adopted. All in favor say aye. Opposed nay. The ayes have it.

It's my pleasure now to call upon Governor Sinner, Chairman of the Committee on Energy and Environment. Governor Sinner of North Dakota.

GOV. SINNER: Mr. Chairman, the policy on nuclear energy is not a significant change. It adds to our existing policy for relicensing of current facilities under the same set of standards. I'll move the adoption of the proposed amendment to the nuclear energy policy.
Give me a second.

GOV. ASHCROFT: It's been moved and seconded that the policy from the Committee on Energy and Environment be adopted. All in favor say aye. Opposed nay. The ayes have it.

Governor McKernan, Chairman of the Committee on Human Resources.

GOV. SINNER: Just a minute, Mr. Chairman, I have two others.

GOV. ASHCROFT: Oh, you did. I thought we did these in block. I wasn't paying attention. I stand corrected. Proceed.

GOV. SINNER: The second one is on the Safe Drinking Water Act. The policy asks for real risk basis, real risk assessment and basis for new law and regulation of existing law. It's a very significant issue, and we think there has been a lot of work with the administration on this policy. It's a very significant and major policy and I'll move its adoption.

GOV. ASHCROFT: It's been moved and seconded to adopt the policy on safe drinking water. All in favor say aye. Opposed?

GOV. SINNER: The third is a
resolution asking all federal facilities to be in compliance with the environmental law and regulation both state and federal. I'll move its adoption.

GOV. ASHCROFT: It's been moved and seconded that the federal facilities be in compliance with the environmental regulations. All in favor say aye. Opposed, nay. The ayes have it.

Governor McKernan of Maine.

GOV. MCKERNAN: Mr. Chairman, the Committee on Human Resources had two very interesting conversations yesterday during our meeting, one about welfare restructuring, and one about the opportunities for the various states and this country in the youth apprenticeship movement.

In addition, we released a report from a year long study. It's called, "From Homes to Class Rooms to Work Rooms: State Initiatives to Meet the Needs of the Changing American Family." I encourage all governors to take a look at this important publication. I think it will demonstrate where we can all do better in meeting these changing needs. The committee
recommends two policies: The proposed policy on transfer of assets concerns the use and potential abuse of assets which are transferred and strategies to enhance those transfers by individuals when they're becoming eligible for long term care in the Medicaid program. The policy, because of our concerns, calls for a national study to assess the prevalence of the practice of the program and its impact upon Medicaid expenditures.

Our second policy is an amendment to our policy on the Carnegie report to express the governors' support for the successful implementation of the recommendations made in "A Nation Prepared", especially the area of improving the quality of the teaching profession. The policy cites the work of the National Board of Professional Teaching Standards as an example of the success.

Mr. Chairman, I move the adoption of both of these policies.

GOV. ASHCROFT: Do I hear a second? It's been moved and seconded that these, the policies recommended to us by the Committee on Human Resources be adopted. All in favor say aye.
Opposed say nay. Thank you for the report, John.

We now move to Governor Miller,
Chairman of the Committee on Justice and Public Safety. Governor Miller of Nevada.

GOV. MILLER: Thank you, Mr. Chairman. We met on two topics yesterday afternoon. The first was on prison over crowding and intermediate sanctions, cost saving measures. This, of course, was the chart that made most of our budget until Medicaid mandates took over.

The second was the issue of the dramatic reductions that are proposed in our national guard. I think we had a very lively discussion. Hopefully we sent a strong message to the Pentagon, as well as to the White House and the Congress, that this can directly affect our ability as governors of states to handle emergency disasters, public safety concerns in, addition to which I think the governors unanimously felt that the guard and reserve units acquitted themselves in their preparedness quite well in Operation Desert Storm and Desert Shield, so we have a proposed amendment to our current National Guard policy. It's B-5 under your cover, and it updates our policy and incorporate the
resolution at the past year's meeting, emphasizing to the Pentagon and others concerned the belief that to reduce our Guard and Reserve forces would be detrimental to this country. I so move.

GOV. ASHCROFT: It's been moved and seconded that the report of the Committee delivered by the Governor of Nevada, Governor Miller, the report to the Committee on Justice and Public Safety be adopted. All in favor say aye. These resolutions be passed. All opposed say no. The ayes have it.

Now to Governor Thompson, Chairman of the Committee on Transportation, Commerce and Communications. Governor Thompson of Wisconsin.

GOV. THOMPSON: Thank you very much, Mr. Chairman. And we had a very good discussion yesterday with secretary Andy Carp with the Department of Transportation who came in front of our committee and talked about the vision of the future of transportation funding and airport funding as well as railroad funding.

We had one resolution that was sponsored by Governor Miller who -- Governor Miller and myself are asking all of you as governors -- and we say this very emphatically,
for your own good, if you would take this resolution after its adopted, hopefully it will be adopted, and take the opportunity to pen a note to your congressman and your senators, tell them that we want full funding of the ISTEA. It means -- it means several millions of dollars for each of us as governors and our respective states. And Congress is in the process right now of negotiating and debating this proposition, and the amount of funding is way under what we were promised, and it's very important for us to put the emphasis on that. Charilyn Cowan, who is our liaison from the governors -- through the NGA staff to Congress is here. She's going to pick up your notes and deliver them personally to your respective congressmen and senators. I ask you to do that. It's important.

I know Governor Ashcroft raised taxes in his state in order to meet the match and now that the match isn't there, he's going to be very upset as all of us. And, so it's not only good for the chairman, it's good for each of us.

Therefore, Mr. Chairman, I move the resolution and I ask you for 30 seconds to defer time to Governor Miller who also wants to make a
plea.

    GOV. MILLER: I will second it. And let me just indicate that the average addition to each state was over 20 million dollars. We're asking you to write five short notes to your most appropriate congressman. Consider those each to be 4 million dollar notes and maybe you could devote that appropriate amount of time before we adjourn today.

    GOV. ASHCROFT: Can I write five more? I've already done five, but I would like --

    GOV. MILLER: You can do whatever you want.

    GOV. ASHCROFT: It's been moved and seconded. All in favor of this policy and who are going to commit themselves to write these brief notes of encouragement to the congressional delegation please say aye. All opposed say nay. It's unanimous, Tommy. You've got it all.

    I'd like now to thank Governor Walters for his hard work on our behalf as chairman -- on our behalf as chairman of the Committee on International Trade and Foreign
Relations. Do you have a report you would like to share with us now, Governor Walters?

GOV. WALTERS: Yes, Mr. Chairman. The Committee on International Trade and Foreign Relations met for the last time yesterday and while the committee is ending, we're certainly committed and it was expressed by many of its members that international issues will still continue to be a priority for the Association.

We had an excellent discussion among the governors about our changing role in our states in promoting trade and promoting exports. Our gas and trade director from Massachusetts and an Oklahoma exporter gave us some ideas on how we can be more effective in stimulating trade and creating jobs for all of us. We released two reports in addition to the one co-released with economic development on investment incentives. The first calls for a new partnership on trade policy between the states and the federal government, very important report because of the relationship not just among the border states but particularly there, that we all have in the development of trade policy.
And the second one entitled "Going Global: A Governor's Guide to International Trade." I highly commend, particularly this last report and ask the NGA staff for a copy of it. It serves as a handy reference, filled with information on each of our state's efforts at international trade. It shows how many offices we have, how many staff we have, and it gives you a good comparison among us.

Finally, Mr. Chairman, our discussions included talk about our overseas offices. Some states are having to make tough decisions of close the offices in some markets, and the committee asks that the NGA work with states to explore the possibility of joint overseas offices in places like Japan where the states could share the cost of office space and staffing.

It's our hope that the changes at NGA that are taking place will still be able to accommodate this worthwhile endeavor. That concludes my report, Mr. Chairman.

GOV. ASHCROFT: Thank you very much for your report. We will now consider proposals that require suspension of the rules.
These require a three quarters vote for suspension and a three quarters vote for passage. Governor Richards, do you move a suspension of the rules?

GOV. RICHARDS: I so move.

GOV. ASHCROFT: It's been moved and seconded by Governor Richards that we have a suspension of the rules, I believe, for a matter relating to Medicare and the Medicaid funding.

GOV. RICHARDS: Mr. Chairman I move that passage of a resolution that was sent to us with the agreement of the executive committee, that is to accompany a letter by Governor Campbell relative to Medicaid and urging the federal government to understand the problems that the states face in association with Medicaid, and I believe everyone has a copy of it in their packet and I would move its passage.

GOV. ASHCROFT: First we will vote on the motion to suspend the rules. All in favor say aye. Opposed, nay. Now, the resolution itself, all in favor say aye. Opposed, nay. The Chair rules it has the requisite three quarters for passage in
each event. Thank you very much.

GOV. WALTERS: Mr. Chairman?

GOV. ASHCROFT: Yes.

GOV. WALTERS: I support both the letter, of course, and the resolution which was just passed, but I wanted to ask for clarification, because are we -- the letter is addressed directly to Sam Skinner at the White House. I know when we had our HCFA problems and our Medicaid voluntary provider fee disabilities, we dealt with HCFA and a lot of Health and Human Services officials. Are we now -- do we now consider ourselves negotiating directly with the White House?

GOV. ASHCROFT: Governor Campbell?

GOV. CAMPBELL: Fourteen of us met with the administration in a meeting at the White House by Sam Skinner in which he brought in all of the principals involved, and we had our discussion at that time on the publication of the regulations. They had agreed with us in earlier negotiations to allow us to sit in with them as the regulations were promulgated. And our staff has been doing that.
And our big press on them was to get the regulations out by August the 31st, and they have been very cooperative in letting us sit in on the writing of the regulations. Health and Human Services is finishing the regulations this week and they should go to OMB. OMB will be the next place. The best place that we thought to deal with OMB was directly with the White House to see if we couldn't direct it to them so that everybody involved in it would understand that we want these regulations out.

GOV. WALTERS: Thank you Mr. Chairman.

GOV. ASHCROFT: The National Governors' Association is very proud to honor private citizens who give of their special talents and have with unique dedication made contributions to serve the public interests in their state. Almost always their contributions are voluntary and without pay. It's my pleasure now to call forward individuals to receive awards in this respect and to call forward with them the governors of their respective states to join them for the presentation.

The first recipient that I would
call forward is the chairman and chief executive officer of Huntsman Chemical Corporation of Salt Lake City, Utah. I believe that will require Governor Bangerter to come forward as well.

Mr. Huntsman heads the largest privately owned chemical company in the nation which operates in 31 sites around the world, with more than 3,000 employees. He also serves as Utah's Ambassador for Economic Development. With his economic development staff he works closely with a host of public, private, domestic, and foreign agencies to promote and enhance Utah's economy, which has added over a hundred thousand nonagricultural jobs over the past four years. Governor Bangerter puts it this way. He says, "Jon exemplifies the greatest asset Utah has, citizens who are firmly committed to promote the well being of our state."

It's my pleasure as the chairman of the National Governors' Association to make this award for distinguished service to state government presented to Jon M. Huntsman, State of Utah, by Governor Norman H. Bangerter on August the 4, 1992.

And now it's my pleasure to
call forward Mr. Edgar Welden, chairman of the board of Southeastern Property Management from Birmingham, Alabama. Mr. Welden, please come forward with Governor Hunt of Alabama.

"Mr. Welden is widely respected for his numerous contributions, time and expertise to the state of Alabama," according to Governor Guy Hunt. Because of his remarkable personal volunteer efforts, the Alabama Broadcasters' Association selected Mr. Welden as Alabama's Citizen of the Year in 1987. In 1988 he served as the chairman of the Alabama Reunion Celebration.

Governor Hunt says, "It's not hard to see why Alabama has made such tremendous strides in recent years when one considers the contributions of dedicated citizens like Mr. Welden."

As chairman of the National Governors' Association it's my pleasure to participate in this award for distinguished service to the state government, presented to Edgar Welden by the State of Alabama through Governor Guy Hunt of Alabama.

Next from the State of Indiana is
Miss Terri Moore, founder and president of HOPE, of Clay County, Indiana, Hoosiers Opposed to Pollution of the Environment, from Centerpoint, Indiana.

Governor Kevin Bayh says, "One of the principle environmental issues being debated in the U.S. Congress is the interstate transportation of municipal waste. Terri Moore has been responsible for pushing this issue to the top of the agenda. When an onslaught of semi-trailers carrying baled and compressed garbage began to dump their contents in a landfill in Moore's home town of Centerpoint, Indiana, she galvanized several towns people, created a citizens group to monitor the landfill traffic on videotape and convince state and national legislators to take action. Her story was featured nationally on talk shows and in the national publications in 1991. She was named an "American Heroine" by the Ladies Home Journal.

Governor Bayh says, "Special people like Terry Moore, who leap without title and without compensation, they maintain my faith and confidence in the future of American democracy."

It's a privilege for me as Governor...
of Missouri to be a participant this award
for an outstanding citizen of Indiana through
Governor Bayh of Indiana the distinguished
service to state government award presented to
Terry Moore.

And if I could invite now R. Robert
Linowes, who is an attorney with Linowes and
Blocher of Silver Spring, Maryland along with
William Donald Schaefer, the Governor of the
State of Maryland.

Governor William Donald Schaefer
appointed Mr. Linowes to chair a committee
to analyze Maryland's revenues and tax
structure. He immediately took charge and spent
enormous amounts of time overseeing the
commission's activities. When the State
legislature reduced the level of funding the
commission needed to carry out its charge, Mr.
Linowes raised private sector funds. In
addition, he created a permanent advocacy group,
Tax Equity for All Marylanders, (TEAM).

In recognition of his efforts, the
Baltimore Sun named Mr. Linowes the 1990
Marylander of the Year. Governor Schaefer
said, "Mr. Linowes demonstrated courage and
conviction on an issue of great importance to our State at a time when the right thing to do was not the popular thing to do. There are not many words to describe my appreciation and admi -- there are not enough words to describe my appreciation and admiration for his work." according to William Donald Schaefer, the Governor of Maryland.

I'm grateful for this opportunity to participate in this presentation for distinguished service in state government award through the Governor of Maryland William Donald Schaefer to Robert Linowes.

Next from New Mexico, Ms. Corinne Howell Wolfe, consultant on social work and education, Santa Fe, New Mexico. Please come forward with Governor Bruce King.

Miss Wolfe is a long time advocate in the area of human services, says Governor Bruce King. Miss Wolfe continues her advocacy and efforts on behalf of children since her retirement almost a decade ago. She has served as an international human resources consultant to the former Soviet Union Republics, Japan, Israel, Great Britain, Poland and Yugoslavia.
Governor King says, "Miss Wolfe is a take charge individual, moves her projects forward with amazing speed and effectiveness. Everyone knows that when there's a difficult job to be done, it's time to call upon her for advice and assistance."

It's my pleasure to participate in the award given through the National Governors' Association by Governor Bruce King for distinguished service to state government presented to Corinne Howell Wolfe of the State of New Mexico.

I now have the privilege of presenting the 1992 NGA awards for distinguished service to the state government and the arts. These awards recognize outstanding contribution on the part of state government officials and private citizens.

The NGA awards program is the first nationwide effort to recognize distinguished service to state government by both state officials and private citizens. I extend sincere appreciation to the governors who participated in the nominating process, also to the members of the selection committee and the arts review
panel, specifically to Charles Cruz who chaired
the selection committee and to my wife Janet
who chaired the arts review panel.

Our first five winners are in the
state official category. These individuals have
demonstrated dedication, vitality and innovative
spirit that is characteristic of state government
today. They truly have made outstanding
contributions to their state and nation. These
citizens have contributed their time and energy to
promote public good in our states.

As award winners are announced, will
you please come forward and bringing as well the
governor of your state if in attendance. Please
come to the podium for the presentation.

Our first state official is Thomas
Eichler, Secretary of the Department of Health
and Social Services in the State of Delaware.
Governor Castle said Mr. Eichler has retooled the
largest state bureaucracy, giving it a consumer
focus with more efficiency, flexibility and
accountability even during these times of
limited financial resource. He's also a model and
mentor to hundreds of people by helping them
advance their careers in understanding of
public policy and management.

I am pleased to participate in this award to Thomas P. Eichler, National Governors' Association for distinguished service to the State of Delaware.

Next is Mr. William Sadowski, the late Secretary of the Department of Community Affairs in Florida. Mr. Sadowski was one of Florida's best and most dedicated public servants when a plane crash tragically took his life while he was on State business in early April of this year.

Mr. Sadowski's commitment to public service spanned more than two decades. From 1976 to 1982 he served in the Florida House of Representatives representing Miami. He was widely recognized for making significant contributions in the area of education, finance, election reform and transportation.

In January of 1991 Governor Lawton Chiles appointed him Secretary to the Department of Community Affairs. Governor Chiles said, "Florida was indeed fortunate to have experienced someone with Bill's abilities, integrity and commitment. He truly showed us the way," is
the statement according to Governor Chiles.

Accepting the award is Mrs. Jean Sadowski. It's a pleasure to have her here today. I am pleased to make this presentation to thank you for the outstanding work of Mr. Sadowski. This is an award for distinguished service to the State of Florida from the National Governors' Association.

Our next recipient is from Iowa, Miss Betty Grandquist, executive director of the Iowa Department of Elder Affairs. After raising a family, Betty Grandquist returned to school and received her master's degree in social work from the University of Iowa. Beginning her career in state government she moved ahead to her current position.

Governor Branstad says, "Betty has developed new approaches and new unique ways to forge public/private partnerships to better serve all of the elderly in Iowa."

It's a pleasure to participate in this opportunity to commend an outstanding individual who has rendered distinguished service to the state government of Iowa, Betty Grandquist.
Our next recipient is from Michigan, Miss Patti Woodworth, director of the Michigan Department of Management and Budget. Miss Woodworth came to the department when the State was facing a $1.8 billion deficit but within ten months the budget was balanced without having to raise taxes or cut funds for education.

Governor Engler said, "Due to Patti's effective management in all areas of state government, she has been able to turn our budget around."

It's in here some place. Do you want to finish your quote?

Well, thank you, Betty for an outstanding job. If you can do the alchemy of presents to surpluses, we'll all want to hire you in our states. It's my pleasure to participate in this award.

As you may have suspected, the Chair was juggling the order of things in order to accommodate some airline schedules, and certain of the pages are out of order. So, perhaps, is the chairman. I will not rule him so.

Finally in the state official
category from New York is Mr. Orin Lehman, Commissioner of the New York State Office of the Parks, Recreation and Historic Preservation.

Because of Mr. Lehman's efforts to increase park visitation accessibility and preservation, he has been widely recognized by national and state organizations including the National Parks Foundation, The Nature Conservancy, the New York State Recreation and Park Society, and the Preservation League of New York State. Said Governor Cuomo, quote, "It is a real privilege to recognize Orin for his long and outstanding commitment to public service in the State of New York."

It's my privilege as Governor of the State of Missouri, Chairman of the Governors' Association, to participate in this event of honoring Orin Lehman for distinguished service to the State of New York, to thank him for his outstanding work on behalf of Governor Mario Cuomo.

Each year for the past 12 years the National Governors' Association also has given two awards for distinguished service to the arts: One for the artistic production and one
for the support of the arts.

    Our winner for artistic production
is Mr. David Hays who can not with be us this
morning. He is the artistic director of the
National Theatre of the Deaf in Chester,
Connecticut. Mr. Hays has been the guiding
force of the world renowned National Theatre for
the Deaf since its inception 26 years ago. The
NTD is the only professional theatre company to
tour the Peoples Republic of China with many
national awards.

    Mr. Hays is a dynamic and concerned
citizen as well." says governor Lowell Weicker.

        And we're greatful for the
opportunity to make the award to him. In his
absence, would you join me in a round of
applause expressing our appreciation.

    Finally for support of arts or for
arts support from Alabama is Mr. Winton M.
Blount, chairman and chief executive officer of
Blount, Incorporated, Montgomery, Alabama.

    Mr. Blount has contributed quite
extensively in supporting all types of artistic
endeavors. He served as chairman of Art,
Incorporated, The Business Committee fro the
Arts, Friends of American Art in Religion,
the Folger Shakespeare Library, and the
President's Committee on Arts and Humanities.
Mr. And Mrs. Blount have provided funds for the
Alabama Shakespeare Festival and a William
Shakespeare sculpture in Central Park in New York
City.

It's my pleasure to join with
Governor Hunt in presenting to you this plaque
for your distinguished service to the arts not
only in Alabama but apparently across the nation.
We're grateful for the work that you've done and
the example that you've set. Thank you very much.

Now it's my pleasure to call upon
Governor and Mrs. Florio. Would Jim and Lucinda
please come forward to the podium? Lucinda is at
another location. Well, I want you to all join me
in standing and giving them a round of applause.

I have to admit that I looked
forward to coming to New Jersey but not as much
I'll look forward to coming back to New Jersey,
because this has been outstanding, outstanding.

Being governor places one in what
might be called a relatively small club. We get
to know each other as governors. We get to know
our families in professional and personal ways.

It is true that once you're a governor, I suppose you're always a governor, except in Missouri where a term limitation makes sure that you don't stay that way. But it's with these thoughts that we will say so long to the governors who will be leaving thus year.

The governors leaving office this year have all served their states with honor and distinction and have been active in the NGA. One of the basic missions of the NGA is to provide ways for us to share ideas with each other. We work together. Serving on the NGA executive committee, being chair or vice chair of a committee, a lead governor, a task force chair is a time consuming effort but it's the kind of thing that makes the NGA strong. So for these governors who have worked hard for us and have become our close friends, we'll miss you after this, your last NGA meeting.

And I want to have an opportunity to commend you and to thank you. We will recognize the outgoing governors in alphabetical order by state. I'll ask the governor and spouse if in attendance to please come to the podium as they
are called. Governor and Mrs. Michael N. Castle of Delaware.

Governor Castle has already been in public service for over 20 years with ten years in the Delaware legislature and ten years as lieutenant governor and governor of his state. His 1988 margin of victory was the largest in Delaware history. He has been very active as a leader in the NGA on welfare reform, child care and all human resource issues. As chairman of that committee and the current chair of the NGA review efforts. It's our intention to wish you and Jane the very best in the future. Thank you very much and God bless you.

Would Governor Stan Stephens come forward, and if Ann is with you, Stan -- but I haven't seen her. Stan has many awards for outstanding public service. He is the chairman of our Agricultural and Rural Development Committee, he's one of our representatives on the U.S. Advisory Commission on Intergovernmental Relations. We wish you the very best and thank you for your service to the nation and the state of Montana.

Governor and Mrs. Judd Gregg. Are
the Greggs here? Governor Gregg is a four term member of the U.S. House of Representatives, two term Governor. He's a past chair of the New England Governors Conference, the vice president of the Center for Multiply Handicapped. Judd and Cathy, while they could not be here with us, we wish them the very best. Let's join in.

Governor and Mrs. James G. Martin of North Carolina. Governor Martin is a former chemistry professor, county commissioner, member of Congress for six terms and a two term governor. He chaired each of the Education Growth Policies and Technology councils of the Southern Governors' Association. They could not be with us today, but we do wish Jim and Georgie Martin well.

Governor and Mrs. George A. Sinner of North Dakota. Governor Sinner has been one of the most active governors in NGA. He now serves as chairman of the Committee on Energy and Environment. This year has been very active in Washington dealing with the Resource Conservation and Recovery Act, which is called RCRA. He has been the chair of the Agricultural Committee. He represents NGA
on U.S. Advisory Commission on Intergovernmental relations, a voice that brings us to the very core of the issue frequently in this Association. Thank you very much for your outstanding service.

Governor and Mrs. Rafael Hernandez-Colon of Puerto Rico. Governor Hernandez-Colon could not be with us today. He been in public service for 32 years. He received many distinguished national and international awards for his service. We wish Rafael and Leighla the very best. Join me in giving them a round of applause.

The Bangerters have had to leave. Governor Bangerter was recognized as one of the top ten legislators in America. He's also a two term Governor of Utah, active leader on several NGA committees and the Executive Committee and has devoted many hours to this Association. On behalf of all the states to both Norm and Colleen, we wish them the very best.

Former chairman of this Association, Booth Gardner. From county executive to the immediate past chairman and post state governor of NGA, he has lead the way on many issues. As chair of NGA he put put together the
Governors' policy on health care reform. Booth and Jean we wish both of you the very very best and it's a pleasure to thank you for your service.

Governor Romer has asked to have an opportunity to make remarks at this time and I would call upon Governor Romer.

GOV. ROMER: I do have remarks to make, and Governor Ashcroft, I wish you would stand. I would like to present on behalf of this Association, also a statement of our affection and memory of you, and there's something I think that's really connected about Teddy Roosevelt and the Rough Riders and the style and commitment and dedication of our leader for the last year. We'll leave that to you to interpret. We really appreciate it.

GOV. ASHCROFT: Well, thank you, Governor Romer, for those kind words. I saw you in the script and I thought you wanted to talk about Booth. Thank you.

The privilege of shaping public policy is one of the most profound privileges that's ever accorded to free people. Indeed our capacity to create the future in which we live
and in which we work in such a way as to help
people with whom we live and with whom we work
have greater success is a tremendous
responsibility.

Good public officials are like good
friends. They prompt us to strive for our very
highest and best. They never allow us to get
along with mediocrity. At our best, we as public
officials help to redefine the possible. We find
out what we think is possible and then we reach
above to reach the maximum of our God given
potentials.

Redefining the possible to reach
the maximum of those potentials has been the focus
during the past year. Education has been the
foundation of American opportunity. It has
expanded the American dream, and we need the kind
of education that Americans desire and deserve
and without which they cannot succeed. The
governors assembled here this week in Princeton
are prepared to meet that challenge. We have
prepared to meet it. We are meeting it. Thanks o
to the good work and determination of the action
team leaders George Voinovich, Mike Sullivan,
Tommy Thompson, we've converted some of our
ambitious national education goals into clear plans, sufficiently specific to prevent every student, school and community to begin to gauge performance. We've also structured a framework with incentives that will motivate communities as well as educators to join together with governmental entities, and private citizens and private entities as well, to organize, to achieve at higher levels.

It's been one of my most enjoyable opportunities to serve with the distinguished association of elected executive leaders, CEOs of the states from across this great country, to try and elevate what we can do to lift America to a higher standing and better place. As members of the National Governors' Association, we understand that states are the source of solutions to the nation's most pressing challenges.

I want to express to each of you my deep gratitude for the opportunity to be the chairman of this Association but more importantly for the way in which you have called upon me to be a person of greater productivity and value.

We must also recognize and especially I want to
thank on behalf of all of you, and we have done
so earlier, Governor Florio and his dedicated
staff for organizing what I consider to be an
outstanding opportunity to get together not only
to exchange ideas but just to have a plain old
good time.

In addition, I express my special
gratitude to Ray Scheppach and the NGA
staff. These folks have worked very hard, very
long, day after day on our behalf. I would like
to ask the NGA staff, if they would, to stand
up and I'd like for you to join me for in round of
applause for these individuals.

There is one option and one option
alone for an individual of limited capacity and
talent in terms of leadership. That option is to
attract to himself or herself individuals who can
in fact exceed his own capacity or her own
capacity in the development of options for
public policy and the adoption of ideas and
substance in the public arena. And in that
respect I have had that privilege of asking to
work for me and with me individuals whose
capacity has been substantially greater than
mine. And as a result, they have lifted me to
levels of achievement which I would otherwise
not have been able to reach. And I would ask
the individuals who work in the
Missouri/Washington office and the Governor's
office in Jefferson City to please stand up and
receive my applause, and I hope that you would
join me in this. They have been tremendous help
to me and assistance to me in conducting the
work of this chairmanship and the work of
government. Would those individual from
Jefferson City and the Washington D.C./Missouri
Governor's office please stand up?

I'm grateful to my family for
their contribution to my opportunity to serve
with and to be a part of this organization. I
want to recognize Janet in particular. Thank you
very much, sweetheart, for your support and your
help.

I want to thank all of you, and
express to you my deep appreciation one more
time, and my fundamental commitment that you will
be in my thoughts and prayers, that this
organization will continue to have levels of
achievement and bring new opportunities to the
entire country as means of lifting and elevating
the way in which we serve our citizens.

   It's my pleasure now to call upon
Governor Sinner to please come forward to report
on the Committee -- on the nominating process for
the 1992 - 1993 Executive Committee. And you'll
take it from your chair.

   GOV. SINNER: Mr. Chairman,
please allow me one point of personal privilege.
Most of the chairs had the foresight to thank
their committee staff and their committees. I
did not. The NGA staff has worked very very hard
on legislation in Congress in the area of energy
and environment to make sure that the governors'
voices were heard. They have also been wonderful
to work for, and we have in fact accomplished a
great deal and I want to publicly thank Tom
Curtis, Laura Armstrong and Karen Tyler for the
work they did on our behalf. They've been
great.

   I also thank all the other staff
and thank my colleagues for eight terrific years
with you.

   I nominate, along with the other
members of the Nominating Committee, Norman
Bangerter, Michael Castle, Governor Florio and
Booth Gardner, I nominate the following people:

For the Executive Committee, Mike Castle of Delaware, John Engler of Michigan, John Waihee of Hawaii, Terry Branstad of Iowa, Zell Miller of Georgia, John Ashcroft of Missouri, George Voinovich of Ohio, Ann Richards of Texas, Tommy Thompson of Wisconsin, Carroll Campbell of South Carolina as vice chair, and Governor Roy Romer as chair.

Mr. Chairman, I move the adoption of the nominating committee report.

GOV. ASHCROFT: Second?

All in favor say aye. Do I hear a motion -- I think it was unanimous. Do I hear a motion that the officer nominations be accepted by acclamation? Second?

All in favor say aye. Thank you very much Governor Sinner for your good work.

Roy Romer, it's a pleasure for me to have this opportunity to extend to you the gavel of this Organization with an understanding of your industry and your hard work. I've never encountered anybody in public life who was willing to give more of himself or herself toward the achievement of objectives which have been
outlined and detailed. And I look forward to the leadership which you will bring to this organization, and it's my high honor now to hand to you the gavel of this Association, to wish you and the National Governors' Association the very best.

GOV. ROMER: Thank you.

There are two other gifts that we as governors would like to present to you as a remembrance of the service that you've given us and the friendship that you've extended to us. The first one is the National Governors' Association recognizes John Ashcroft of Missouri for his leadership as chairman and his contribution to achieving the national education goals. John?

GOV. ASHCROFT: Thank you.

GOV. ROMER: And as a -- Let me say it. As a memento of your role as chairman, I want to give you a gavel, which I hope you'll keep close to you whatever your endeavors are, and remind you of all the pleasant and productive experiences we've had together. John, thank you very much.

I want to again acknowledge the working relationship that we have had as chair
and vice chair. As you know, we are both spirited personalities and we have added to the folk lore of this organization and proven that this organization is strong enough to survive any degree of disagreement or personal bickering. And I have really appreciated that, John, and say that from the bottom of my heart. I really have.

I want to say to all of you that I'm really honored to be given the responsibility of being your chair for a year, and I would like to very briefly share some feelings and remarks I have with you.

First I think this organization is most successful when we can rise above excessive partisanship and keep it in check. And it's most successful when we can involve as many governors as possible in the activities. And I believe those two guidelines will be with me. I want to say also I couldn't be more pleased of sharing this experience with Carroll Campbell. Carroll and I have worked together in the past and I look forward to the work that we can do in the future.

These are not ordinary times. I
have given to you a brochure which states the themes that are on my mind. The choice of colors is deliberate. It's a stark color. I believe that these are not ordinary times, and I believe that as a nation we're facing a slow deterioration of our economic well-being. I see it in education systems in which we're not prepared for the challenge of global competition. I see it in health care systems where our cost of production is at least four percentage points above other competing nations. I see it in the federal deficit that is a drag on our economy and it restricts our ability to respond to these problems not just at a national level but also at a state level. And also I see it as the frustration of citizens who no longer believe they can control government or can trust it to solve its problems.

Now a chairman's initiative is about making choices, choices in each of these areas, and I believe that the choices we make and the choices we fail to make will define frankly the future of this country. And the quality of our life, that of our children and our grandchildren, I believe NGA and the governors
collectively can make a difference.

And as you follow the text of this brochure you will see that the first page and a half is about the fact that not making a choice at all is in fact making a choice. Then in the middle of it I think you'll see my feelings very strongly that as a nation we need to restore our savings rate to become more productive. We need to reduce our federal deficit. We need to re-orient public spending towards strategic investments, and we need to renew our citizen confidence.

Now as we approach this, there are four things that clearly come to my mind as agenda.

The first is education. I think all of us in this room know that it's our top priority and ultimately it is the most important determinant of the future of this nation economically and in every other way. And I know in health care, we know we've got to reduce health care costs and we'll talk about that more, a great deal more in the coming 12 months.

But as I contemplated these issues, and in preparing this initiative, in looking
ahead, the middle of the road was always blocked, blocked by a rock slide. And I call that rock slide the federal deficit. And I think it's time to deal with that deficit, and I believe that governors need to be at the table. Because if you think about it, the strategic investments of this nation in education and health care and infrastructure are primarily state investments. And so as we work through as a nation the solution of the deficit, governors have to be at the table, and we need not just to reduce that deficit, but we need to re-orient our strategic investments.

Therefore, I want to make a proposal to you. I propose that we as governors convene a national meeting of governors and invite Congress and the new administration to join us, to arrive at specific budgetary decisions that will reduce the federal deficit to zero over a period of five years. I propose that this meeting take place between the election and the end of our next annual meeting in February, sometime within that time frame, and I think we ought to look carefully as to why is it the most appropriate time. But I would propose that as
a part of that meeting, that we 50 governors come
together, put ourselves in a room and stay in
that room for one day, a day and a half, and that
we agree, a consensual agreement, as to what we
would together recommend to this nation and to
ourselves as to the specific budgetary actions
that need to be taken to arrive at a zero deficit
in five years. I believe we ought to be in that
room as governors only. We ought not necessarily
talk about what it is that we discussed outside
that room. But we ought to come out of it saying
this is our consensual agreement as to what this
nation should do about its deficit. And then I
think at the end of that time together we ought
to invite Congress and the President, the newly
elected President, to join with us in that
collection. I offer that as a proposal. I'd
like to have you think about it and consider it.

Now, you may quickly say wait a
minute, that is not our agenda because we do not
vote on that. But it is our agenda, because how
they solve that problem ultimately affects our
ability to function as governors. And I think
that if we as governors simply put that challenge
out to the nation, if we intend to come together
between now and the end of our meeting in February as governors, and make a statement collectively as 50 governors, that this is the way we would reduce that budget, and it is a doable job, and I think we can have our staff at NGA give us the options between now and then, and it is not that difficult. It aims at about five clear areas. And that is: What are you going to do in terms of reducing discretionary spending? What are you going to do in terms of the defense budget? What are we going to do to change the eligibility to the entitlement program? What are we going to do to re-orient the strategic investments that need to re-orient? And finally what are we going to do about raising the revenues necessary and at what level of government? Now those are decisions that I think that we can make and I throw that out as a proposal to for you to think about. And we will be in communication about it.

Now let me then continue and say that I believe that we have a four pronged agenda, and you'll see it in this brochure. And it is first to restructure the educational system. And I want to make a very quick
reference to Mr. Whittle this morning. It is obvious that the time has passed for us to look at incremental change in education. We need to redesign. If we do not effectively redesign, others will do it for us. Therefore, in the course of the next 12 months we will have a task force on education which hopefully will present to each state, each state, the options that are available from the best of the thinking that is out there among governors and state educational experts of what it is that can be done in terms of fundamental redesign and how can we assist each other, facilitate each other to make those kinds of decisions.

Secondly in health care. It is our intention that in the next 12 months we will bring to each of you as governors the options that are available, one for incremental change or, two, for system change, comprehensive change.

There are more than one way to go, and as governors we need to learn all we can from each other, and we need to put that on the table, and we need to come to a conclusion as to what role we can play as states, how we can get that
started, how we can assist each other in getting it done. But secondly we need to arrive collectively at a posture toward the federal government, the administration and Congress, and say you have got to change your ground rules so that we can effectively operate as governors and as states.

Third, the issue of redesigning and re-inventing government. The issues of health, education and the fiscal matters are matters of substantive issues. They're policy questions. But again we have not just the question of what is the right policy but how do we carry it out. How can we make government function in a more efficient way? We need to change that for two reasons. One, we need to make it function better, but secondly we need to close the credibility gap with many of the citizens of this country who have lost faith, who have become not just skeptical but even cynical about government, doing the job that government can do; and, therefore, we will have a task group aimed at redesigning government.

Let me close by saying that this is an ambitious agenda, but I think it is an agenda.
that we cannot ignore. For us not to take up
these four issues simply is a decision in and of
itself. And so I look forward to the opportunity
of working with you, with the vice chair Carroll
Campbell, and finding ways that in the next 12
months we can make the choices. I think that the
choices are ours to make, and the future is ours
if we make the right choices. Thank you very
much.

There will be a press conference
for Governor Campbell, vice chairman and myself,
immediately following the adjournment of this
meeting, right at this location. We'll take a
five minute break, and the traditional press
conference will be here at this location. And,
Governor Ashcroft, in terms of procedure, do you
close this off or do I?

I do? All right. Is there any
other business that needs to come before this
meeting.

VOICE: I move to adjourn.

GOV. ASHCROFT: Thank you.

All in favor say aye.

(Whereupon the 84th Annual Meeting of
the National Governors' Association is adourned.)
CERTIFICATE

I, STEVEN J. GRIFFING, a Certified Shorthand Reporter and Notary Public of the State of New Jersey, certify that the foregoing is a true and accurate Computerized Transcript of the proceedings as taken before me stenographically on the date hereinbefore mentioned.

[Signature]

Dated: 8-18-92
My Commission Expires: 8-3-95