

THE  
EIGHTY - FOURTH  
ANNUAL MEETING  
OF THE  
NATIONAL GOVERNORS'  
ASSOCIATION

PLENARY SESSION:  
ACHIEVING THE NATIONAL  
EDUCATION GOALS

TUESDAY, AUGUST 4, 1992  
PRINCETON, NEW JERSEY

1                                   **GOV. ASHCROFT:** Ladies and  
2           Gentlemen of the National Governors' Association,  
3           friends and families, it's a pleasure to welcome  
4           you to the plenary session of the 1992 Annual  
5           Meeting of the National Governors' Association.  
6           This morning we have a tight agenda. It's  
7           necessary for us to work with expedition, so I  
8           thank you very much for your attention to these  
9           matters. We'll hear from distinguished Americans  
10          on strategies for achieving the national education  
11          goals. We'll discuss reports of our three action  
12          teams. We'll consider the National Governors'  
13          Association policy statements. We'll present NGA  
14          awards for distinguished service and we'll elect  
15          the NGA officers and executive committee for the  
16          1992-1993 year.

17                                   A year ago I created three  
18          action teams on which governors and business  
19          leaders would cooperate in addressing the urgent  
20          issues facing education and training in this  
21          nation, namely how to improve achievement  
22          productivity and enhance the capacity of all  
23          Americans. Today I'm extremely grateful for the  
24          work of these three action teams, an action team  
25          on school readiness, an action team on the school

1 years and the last action team on life long  
2 learning. They have helped us redefine what is  
3 meant by education, to understand that education  
4 is indeed a life long process, that it is a habit  
5 which must be acquired and it must be practiced  
6 so long as we continue to want to be productive  
7 and to improve. Our action teams have shown us  
8 the power results when committed leadership from  
9 both the public and private sectors work together  
10 as partners. The action teams on school  
11 readiness, the school years and life long  
12 learning met Sunday. Governors were joined by  
13 corporate executives, policy experts as well as  
14 educators. In each action team the comments of  
15 the private sector leaders were incisive, drawing  
16 on their experiences as managers of complex  
17 organizations, they talked about implementing a  
18 system oriented towards performance. The  
19 educators who participated were very forceful in  
20 their call for high standards and for performance  
21 assessment that truly gauges achievement levels.  
22 George Voinovich has ably led the action team on  
23 school readiness with Governor Bruce King serving  
24 as vice chairman. John Pepper the president  
25 of Proctor & Gamble and Jim Renier of Honeywell

1 both have devoted considerable time and effort to  
2 this initiative.

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

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

19           The school year's action team  
20 thrived under the capable leadership of Mike  
21 Sullivan as chairman and Fife Symington as vice  
22 chairman. CEOs Roger Hirl of the Oxidental  
23 Chemical Corporation and Kenny Whitmore of Eastman  
24 Kodak were integral parts of the success of  
25 this action team. The lessons learned from

1 business demonstrated that the public and private  
2 sectors are not that far apart, and that as  
3 governors we have much to learn from our business  
4 partners. Collaboration fosters better results  
5 in our schools.

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

18 I am grateful to the business  
19 leaders who gave their time and energy to this  
20 initiative. Loyd Reuss of General Motors, John  
21 Skully of Apple Computer. Carl Weigel of Motor  
22 Castings Corporation, Hans Decker of Siemens  
23 Corporation, and Carl Scone of Michelin North  
24 America, all made substantial contributions to  
25 our understanding of how to improve the education

1 and training of our citizenry beyond high school,  
2 beyond the traditional school years. I  
3 appreciate the work of the three dozen or so  
4 governors who have been involved in these action  
5 teams. Their endeavor has made our opportunity  
6 to serve Americans through our states a much  
7 better opportunity. We are redefining the  
8 possible. We have learned that we can do more  
9 than we thought we could do and we must do it  
10 again and again in order to achieve the national  
11 education goals. This is the challenge for our  
12 society.

13 American education is already  
14 changing in many ways. Especially significant is  
15 the energetic response of individual citizens who  
16 are taking up the challenge to break new ground  
17 in education. We're fortunate this morning to  
18 have one of these citizens with us as a  
19 participant in a part of our program in which we  
20 welcome guests. Mr. Chris Whittle is Chairman of  
21 Whittle Communications. Whittle Communications  
22 founded in 1970 with a guide for freshman students  
23 has now grown into one of the largest publishers  
24 of educational materials in the United States.  
25 Mr. Whittle and Dr. Benno Schmidt, former

1 president of Yale University have announced that  
2 they will lead a national effort to design and  
3 build new American schools. This is called the  
4 Edison Project and it's a pleasure to hear from  
5 Mr. Whittle here today and I invite you to give  
6 him your attention as he shares with us his  
7 vision for what is possible and how to redefine  
8 the possible in improving education through his  
9 project called the Edison Project. Mr. Whittle.

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

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

20 One teenager was asked what's  
21 Chernobyl. They're confident it was that's  
22 Cher's full name.

23 The gross national product was  
24 identified by one senior student as the worst  
25 product the company makes.

1 Geraldine Ferraro you'll be  
2 pleased to know is a national talk show host.

3 The Ayatollah a Russian gymnast.  
4 The Holocaust, an annual Jewish holiday.

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

12 How we got here is that in response  
13 to some of that information, three years ago it  
14 caused us to develop a new national television  
15 news show for America's teenagers that we wanted  
16 to beam directly to America's high schools. Many  
17 of us when we were students in the 50's or 60's or  
18 70's had a thing called the weekly reader, and we  
19 said why not develop a 90's version of that which  
20 is essentially a daily electronic weekly reader  
21 which we call Channel 1. What we discovered  
22 shocked us and that was that America's schools  
23 couldn't receive Channel 1. The typical American  
24 high school class room did not have a television  
25 set much less the satellite dish that was required

1 to receive what we did. So, not only did we  
2 have to do the news show but we had to build an  
3 electronic infrastructure which didn't exist,  
4 which is exactly what we did do in the last 24  
5 months. We laid 6,000 miles of cable down the  
6 hallways of America's schools. We installed  
7 10,000 satellite dishes. We bought and installed  
8 over 300,000 television sets, quadrupling the  
9 number in use in America's high schools today.  
10 Today, if we were in school today, 40 percent of  
11 America's middle and high school students would  
12 tune into Channel 1 and receive their daily dose  
13 of world news. And, by the way, today 40 percent  
14 of America's schools have an electronic  
15 infrastructure that they didn't have two years  
16 ago.

17 Since schools couldn't afford this,  
18 we -- we had to fund it, and at a cost of over  
19 200 million dollars. And there was only one way  
20 that we could do that, which was to sell two  
21 minutes of commercials a day. As I'm sure many  
22 of you know, some disliked that notion and there  
23 were attempts to ban our news system and our  
24 electronic package in some states.

25 Interestingly, America's schools

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

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

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

21           By the way, thanks to many of you  
22 in this room, the governors and their staffs, for  
23 the efforts that you made on behalf of Channel 1  
24 in your state. We and the students in your state  
25 appreciate it.

1                   While I am on that point, as a  
2                   caring citizen in regards to education, and as a  
3                   father of two youngsters that will soon be in  
4                   school, I'd like to thank personally the  
5                   governors of this country for the tremendous work  
6                   that you've done on behalf of educational  
7                   reform. Many of you have actually risked your  
8                   post in taking on entrenched interests, and I  
9                   think that the work that you have done has set  
10                  the stage for much of what you're going to see in  
11                  the 90s, including what I'm about to discuss with  
12                  you.

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

22                   It has been almost ten years since  
23                  the report "The Nation at Risk" was published.  
24                  Children who were in the first grade when that  
25                  report was published will soon graduate, the

1 lucky ones; and I think none of us are pleased to  
2 be sending them into the world not as well  
3 prepared as we would like.

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

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

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

25 Regarding what it is: When Thomas

1 Edison invented the light bulb he did not  
2 simply hot wire a candle. None of the  
3 ingredients of a candle are even in a light  
4 bulb. Try as you might, you can't make a light  
5 bulb out of a candle. The dynamics are totally  
6 different. The power sources are not the same.  
7 And, by the way, interestingly, a light bulb is  
8 cheaper than a candle.

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

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

19                   We want to redesign pre-K through  
20 12 education from scratch, including the system  
21 around it. And most important we want to develop  
22 a design in such a manner that it can impact  
23 either directly or indirectly on every child rich  
24 or poor, black or white, throughout America.  
25 We are not simply interested in authoring a

1 redesign. We're not interested in a document  
2 that lies in space on a shelf and we are not  
3 interested in one small site that acts as a  
4 model. We have had a lot of that, as I think  
5 many of you know. America has been Christmas  
6 wrapped in blue ribbon commissions on educational  
7 reform over the last 20 years.

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

19           What will those schools be like?  
20 Part of them will be quite familiar to you. They  
21 will have a broad based liberal arts education in  
22 the finest traditions. Great teachers will be a  
23 central part of their design. But there will be  
24 aspects that will be radically unfamiliar. How  
25 they are organized, the methods of construction,

1 the introduction of technology, the way they are  
2 governed will be completely different than  
3 schools that we now know today.

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

1 boundaries in a way that a typical system can not.

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

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

25 But what do the critics say? What

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

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

23 Another way to think about it is  
24 not every family will be able to afford to go to  
25 an Edison School. We know that. But not

1 everyone could go on the moon mission, yet we all  
2 profit from the discoveries that were made in  
3 that project.

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

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

25           Some critics confuse our effort

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

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

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

23           Finally, some of our critics say  
24 that profits and education don't mix. If that is  
25 so, then there is already a lot of mixing going

1 on out there. I was not aware that text book  
2 publishers or school construction firms were  
3 philanthropists.

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

18 To close, what does this mean to  
19 Texas, New Jersey, Oregon and the other 47 states  
20 out there? Let's start with the secondary  
21 benefits which are of an economic development  
22 nature.

23 Over the next four years we will be  
24 investing 2.5 billion dollars in new educational  
25 infrastructure around the United States. Now, I

1 think that may be something that you want to  
2 compete for. It includes over 20,000  
3 construction jobs alone, and more than 5,000  
4 ongoing educational positions in the schools that  
5 we would be developing. If we just divided it up  
6 evenly, on average each state in America would  
7 receive 50 million dollars in new investment, in  
8 campuses and educational facilities. But  
9 we could be persuaded to invest that in just ten  
10 states, say at the rate of 250 million dollars  
11 each. And I hope that you will be in touch with  
12 us to discuss that with your various staffers.

13           There is a second secondary benefit  
14 and that has to do with prestige. We think it  
15 will be a good idea do have these campuses in  
16 your particular states. Consider them, if you  
17 will, the educational equivalence of airline hubs.  
18 Cities without them will be missing something.  
19 But those are the minor economic development  
20 aspects of this, and the real reason we think the  
21 state should want Edison schools is the real  
22 reason that we're doing this in the first place,  
23 and that is as a change agent that can help the  
24 larger educational fabric in each of your  
25 states. If we should achieve a break through, I

1 would think that you as the chief educational  
2 officers of your states would want these large  
3 scale well publicized operating examples of what  
4 the next era of schools might look like. I think  
5 it would be something that the closer that they  
6 are to your schools, the better that you will be  
7 able to move your schools in the directions that  
8 you want. It could be contagious.

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

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

25 The Edison Project may or may not

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

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

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

24                   MR. SHANKER: Thank you very much,  
25 governor. It's good to be back here again, a

1 chance to spend a little bit of time talking  
2 about inventing new schools. And I'd like to  
3 begin by commenting on that title. I share with  
4 you, as many have, that we need to work  
5 on developing a new type of school, and we need  
6 it because historically we know that the school,  
7 the schools that we have today, the schools as we  
8 have known them, have throughout history not been  
9 created as an institution designed to educate  
10 all youngsters. They have been essentially an  
11 institution designed to select those youngsters  
12 who are able to succeed in the schools as they  
13 are now structured. That is, if you have trouble  
14 sitting still for five or six hours, if you have  
15 trouble listening to someone talk and remembering  
16 in that particular way, if you are a lot faster  
17 or a lot slower than the other youngsters around  
18 you, chances are you're not going to do very well  
19 in this institution. So throughout the years  
20 those who made it were those who were able to  
21 adjust to schools as they're now organized. And  
22 we know that lots of those who didn't adjust were  
23 really very good people and very smart people,  
24 because they went on to make it in life in spite  
25 of the fact that they didn't do well in school.

1 There are a lot of people like that. So one of  
2 the things that we need is to develop a school  
3 where there are different ways of reaching the  
4 same goals, and we need to do that.

5 But I'd like to caution -- to give a  
6 word of caution, because if you look around the  
7 world, if you look in Germany and Japan, France,  
8 across the borders here in Canada, Sweden,  
9 Norway, their youngsters are achieving much more  
10 than ours are, much more, and not just the  
11 youngsters who are at the top achievement levels  
12 but their bottom youngsters are doing a lot better  
13 and the ones in the middle. And by in large if  
14 you went over there, you would see youngsters  
15 sitting and listening to teachers and looking at  
16 the blackboard, reading text books and their  
17 schools look very much like ours. So when we  
18 talk about new schools, inventing new schools, I  
19 think we've got to be talking about two things at  
20 the same time. One is how can we get our schools  
21 that look fairly traditional, how can we get them  
22 to produce results that are comparable to those  
23 of most other countries? And at the same time  
24 how can we produce a new type of school in which  
25 we use technology, in which we use many things in

1 different ways, use time as to the way to improve  
2 students. So these are two issues.

3 In a way there's been a lot of  
4 comparisons between inventing a new type of  
5 school and the recent Saturn automobile, General  
6 Motor's automobile. And I think it's important  
7 to note that while Saturn has been a success, we  
8 ought to look at that, that General Motors did  
9 not stop manufacturing its other models or stop  
10 trying to improve its other models. It invented  
11 the new one while improving the ones that they  
12 already had. And I therefore think that in  
13 talking about improving and inventing new  
14 schools, that we don't abandon what we have and  
15 assume that it can't be an awful lot better than  
16 this, and go to something which is totally  
17 untried. This new think is going to take a long  
18 time maybe. We certainly have no assurance that  
19 it's going to be developed and successful  
20 quickly. So I -- I think the second thing we need  
21 to examine is that in a lot of our -- Saturn had  
22 an awful lot of lead time. Union people and  
23 management people went to Sweden, They went to  
24 Japan, they went to Korea, they went all over the  
25 world. They talked to people in leading

1 industries in the United States and they had a  
2 lot of time and money to develop a new  
3 production facility and new design.

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

18 If a school board started thinking  
19 about making drastic changes in the way  
20 youngsters are educated, not only are educators  
21 conservative, but so are parents. You bring about  
22 -- propose a big change and the first thing that  
23 happens is a lot of parents come forward and say  
24 that's not the way school was when I went there.  
25 And even if they didn't get a very good

1 education, they're sometimes defending that  
2 particular system. So that it may very well be  
3 that a private operation is able -- is free of  
4 certain pressures which exist within the public  
5 system.

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

15 I think the first thing that we  
16 need if we want schools to be effective is we  
17 have to know where we're going. We have to know  
18 what we want students to know and be able to do  
19 in let's say 18 years old. Now, every other  
20 country in the world has done that, and they can  
21 show you the kind of exit examinations, let's  
22 say, in high school or college entry  
23 examinations, many of which are national. There  
24 it is. That's what we expect. Once you know  
25 what you expect of an 18 year old youngster, then

1 you can say, well, how much of this should he  
2 have known at 17 or 16 or 15, and how much of it  
3 in the fourth grade and fifth grade?

4           There's a curriculum that's been  
5 established and there is an assessment system to  
6 figure out how many and which youngsters have  
7 made it. Now, until we know where we're going in  
8 the United States, we're not going to get there.  
9 And if we have 15,507 boards of education, each  
10 deciding where we're going, or 50 states each  
11 deciding where we're going in a society where  
12 people have the mobility that we have in our  
13 society, we're not going to get anywhere. And,  
14 therefore, I think that one of the most important  
15 efforts in recent years is one that Governor  
16 Romer has been a great leader in, and I was  
17 privileged to be able to participate in. It is an  
18 effort to voluntarily bring about agreements by  
19 professionals as to what it is that youngsters  
20 should learn in mathematics, or English or in  
21 history, or in geography or other fields and to  
22 create a curriculum framework that is so good  
23 that states and school boards will voluntarily  
24 want to say, hey, that's so good, it's better  
25 than what we have, we're going to adopt it.

1                   Now, without that, I have some  
2                   great doubts as to whether our schools are going  
3                   to improve, because without knowing where we're  
4                   going, every political pressure to add this onto  
5                   the curriculum or to add that -- or I read an  
6                   article yesterday in Newsday, somebody wrote a  
7                   very long piece -- this is a very tired  
8                   mathematics professor criticizing the City  
9                   University of New York for raising it's  
10                  standards. And this professor wrote a half page  
11                  piece saying it was not important for most  
12                  students to learn mathematics. Well, if we think  
13                  it's not important for most students to learn  
14                  mathematics or to be able to read well, or to be  
15                  able to write well or do other things, it's not  
16                  surprising that if educated people, people who  
17                  are in positions of authority believe that way,  
18                  why the students don't get there. So, that's  
19                  really the first thing. And I -- and I would  
20                  say this is something that Chris Whittle is not  
21                  going to be able to solve with the Edison  
22                  Project. He may define a set of goals for his  
23                  own schools or his group. But whether parents of  
24                  youngsters are going to want to get their kids to  
25                  work hard, that gets me to the second point.

1           Once I've got these -- once you  
2       decide what you want the kids to know and  
3       be able to do, how do you get the youngsters to  
4       do it? Why is it that youngsters in these other  
5       countries achieve so much more than ours? Well I  
6       think the reason is very simple. They work  
7       harder. You can not learn anything unless you  
8       work at it, and a lot of school work is not  
9       innately interesting. I don't know of anyone who  
10      first opened a book by Shakespeare and looked at  
11      it and said, oh, boy, I can't wait to get into  
12      this, this looks fascinating.

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

18           In Germany every parent, every  
19      teacher and every youngster, they all know that  
20      if they don't learn or achieve at a certain level,  
21      they will not get into any university in the  
22      country, or they won't get -- if they don't  
23      achieve at another level, they won't get into an  
24      apprenticeship program, or another level, they  
25      won't get into technical school. People work

1 because they have to. Adults do that and so do  
2 youngsters. And so unless we have clear and  
3 visible consequences, unless we have -- unless we  
4 can say to Johnny, Mary, "Look, your cousin, your  
5 uncle worked hard, did this, and look what he was  
6 able to do, look what she was able to do, and  
7 look at what this other person who did not work  
8 hard, what happened to them." Unless that's very  
9 clear to youngsters, they're not going to work  
10 hard.

11 And so this is another one that I  
12 sort of have a big question mark in terms of the  
13 Edison Project. Kids in the Edison schools, in  
14 order to learn, will have to work hard. And I  
15 think that with the use of technology and more  
16 interesting grouping, if they make learning more  
17 intrinsically interesting, then that's great. But  
18 they're not going to make all learning  
19 intrinsically interesting. A lot of it is still  
20 going to be piano practice. And why would kids  
21 want to go to schools where they have to work two  
22 or three or four times as hard as kids in these  
23 schools out there if the kids in the schools out  
24 there can get into the same colleges or get into  
25 the same jobs as the youngsters here? Why spend

1 all these years working harder if there's "nothing  
2 in it for you," or seems to be nothing in it for  
3 you. So I think that's a second issue.

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

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

22 Now, I would like to just add one  
23 other item, and that is that unless we develop  
24 substantial deregulation in education, that what  
25 the Edison Project does is not going to be very

1 applicable to public schools, because a lot of  
2 what a private outfit can do may very well be  
3 prohibited in the public sector. And if we talk  
4 about competition being healthy, competition is  
5 healthy if you have competitors who are equally  
6 free to compete. But if you've got one  
7 institution that is unregulated, and another  
8 that's heavily regulated, and you send those two  
9 institutions out to compete against each other,  
10 is there anybody here who would want to place a  
11 bet on the regulated institution to be the  
12 winner? I certainly wouldn't.

13 So, the competition notion, we  
14 either have to -- if we want a competitive  
15 system -- and there is a certainly a lot of  
16 advantages to a competitive system -- in order to  
17 make the competition fair, you either have to  
18 throw all the regulations that we think are good  
19 for kids and the general public, and that we now  
20 require our public schools, put them on to the  
21 Edison Project or the other way around and say,  
22 well, if the Edison Project is able to do a good  
23 job with kids without all these regulations, then  
24 remove them from the public schools that are  
25 there.

1 I'd like to close on one note,  
2 something that bothers me, and I hope that I've  
3 indicated that I think that in terms of  
4 educational ideas, the ideas that Chris Whittle  
5 and the Edison Project put forward are not new.  
6 There is a laundry list of things that educators  
7 have talked about for a very very long time. I  
8 think what the Edison Project has the opportunity  
9 to do with all the resources that they have, and  
10 the freedom from regulations is to try it out and  
11 to make it work and to put something together  
12 which has not been put together before, and I  
13 think that that's a big plus.

14 The big minus, the thing that I'm  
15 worried about, is that we -- I hope that we in  
16 America never begin to think of education of our  
17 children as a consumer good which each parent  
18 buys individually for his or her child. I want  
19 my kid to have a nice house, and a nice car, and  
20 a something else. But to think of education  
21 as something I buy for my own youngster, without  
22 caring about whether all of the other youngsters  
23 get a good education is socially destructive, and  
24 that bothers me about a good deal of the talk  
25 today.

1           Many years ago, when this country  
2 was first starting, and we had systems of  
3 protecting your house against fire, where  
4 individual home owners would try to contract with  
5 a company so that if your house was on fire,  
6 they'd come and put the fire out in your house.  
7 Pretty soon we found out it wasn't very much  
8 protection if the guy next door didn't have the  
9 same policy. If his house went up, yours went  
10 up. We decide that this is something that a  
11 community had to do for anybody, because this is  
12 the kind of thing that would catch on. And  
13 education is very much like that. It's not going  
14 to do my kid very much good if he's educated or  
15 she's educated if that's a privilege, and if my  
16 child is living in a society where the others  
17 around him or her are not educated.

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

22           Thank you very much.

23           GOV. ASHCROFT: Thank you  
24 very much, Mr. Shanker, for your participation  
25 with us this morning. It would be my pleasure

1 now to invite governors to make inquiries of  
2 these two distinguished individuals, who each  
3 have an interesting and important perspective for  
4 us to consider.

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

9 Governor Romer?

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

23 One more comment. During our  
24 terms, we will not really see the product of this  
25 in terms of a completed institution. Four to

1 seven years. Four years it may start. But I  
2 think it is a very interesting question it poses  
3 to us because we're going to have a very strong  
4 emphasis upon educational redesign in the next 12  
5 months, and I think all of us as governors ought  
6 to think about, well, if this is a real issue  
7 that we are going to have in our world, how then  
8 do we respond to change our public institutions  
9 anticipating this private entrepreneurial  
10 enterprize being created. I think he's holding  
11 our feet to the fire, and I think that's healthy.

12 GOV. ASHCROFT: Governor  
13 Fordice?

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

21 MR. WHITTLE: Actually, the  
22 scholarship funds come from other parents, and in  
23 effect there is a redistribution built into the  
24 system so that 80 percent of the parents are  
25 paying full rate and 20 percent are on

1 scholarship and the scholarship is built into the  
2 tuition of the other parents. In that respect  
3 it's not too different than many progressive  
4 private schools. It's a somewhat more  
5 significant amount. And the way we're going to  
6 execute it is different in that in some of our  
7 campuses we might have one percent of the kids in  
8 scholarship and the others we might have 95  
9 percent.

10 **GOV. ASHCROFT:** Governor  
11 Engler of Michigan?

12 **GOV. ENGLER:** I think this is  
13 for Mr. Shanker and for Mr. Whittle as well  
14 but Mr. Whittle didn't really talk about the  
15 condition of teaching and the status of teachers,  
16 and I'm assuming in the new schools that he  
17 envisions which are very different, that he would  
18 still seek to use the regular teacher that we  
19 have today as we know it, a certified teacher by  
20 a state institution, state agency or organization  
21 or national, and if that's so, I guess I'd like  
22 to comment on your thoughts on the condition of  
23 teaching itself. In other words it's the  
24 structure, not the teacher that is much the  
25 barrier according to the look you've done.

1                   And, Mr. Shanker, if we want to  
2 take the schools as we have them today and free  
3 them, is it your view that teachers of America  
4 are ready to say strike out on their own and to  
5 organize a school that might be free from the  
6 regulatory burden to compete with a new school  
7 where teachers or the teachers' unions, for  
8 instance, would be willing to take that kind of a  
9 leadership step to in effect become the teachers  
10 and the administrators for adopting a new path?

11                   **MR. SHANKER:** Well, I for  
12 one am willing to take that step and am willing  
13 to recommend it to our members, because I think  
14 that public education in this country today is in  
15 a situation that's perhaps analogous to the  
16 automobile industry of a couple of years ago, and  
17 it's that which led GM and UAW to engage in a  
18 rather unprecedented partnership. There is a  
19 tremendous amount of employee involvement in  
20 Saturn. Regular salaries are actually lower than  
21 they are in other GM plants. And there is an  
22 incentive program so that if the car sells well,  
23 then the employees get more money. So that  
24 there's a great interest on the part of each  
25 employee to make sure that the product is one of

1 excellence and does sell. And I think that a  
2 system which would give everyone a stake and a  
3 voice in terms of outcomes would be much superior  
4 to the system that we have today, which is just  
5 very bureaucratic and rule oriented and has very  
6 little to do with outcomes.

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

18 GOV. ASHCROFT: Governor  
19 Miller of Nevada.

20 GOV. MILLER: Mr. Whittle,  
21 in your outline you indicate that you're going to  
22 explore innovative approaches. And maybe you  
23 touched on that a little bit. Have you identified  
24 any innovative approaches? How would you be  
25 different than you've already outlined?

1                   MR. WHITTLE:  If we knew  
2     that whole answer, we wouldn't need to spend, as  
3     you can image, the next three to four years  
4     working on it.  We won't open the school until  
5     the fall of 1996.  And in what Mr. Shanker said,  
6     that taking time on this issue is critical, and  
7     that we shouldn't try to reform our students  
8     overnight, I think is a big part of what we're  
9     doing.  We have a long list of possibilities in  
10    that regard.  Some of them we know will likely be  
11    included.  Example:  Should a school day be more  
12    flexible than it currently is, starting earlier,  
13    ending later, different for different parents and  
14    different child's needs?  Yes, we expect that  
15    will be one of the things which will be  
16    incorporated.  But we could spend the morning on  
17    other things.  We plan probably within a year to  
18    present a blue print of what these will be and  
19    that will be a long discussion.

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

23                   GOV. SYMINGTON:  Mr.  
24    Shanker -- Mr. Shanker, I'm interested in your  
25    discussion about deregulations.  First of all, do

1 you favor deregulation for public schools? I  
2 wasn't clear on that point. And if you do, how  
3 would you see that occurring? At what level  
4 would you empower the public schools to make many  
5 of the decisions that a lot of legislators have  
6 been making over the years? Where exactly would  
7 the authority rest? How would you see that  
8 happening conceptually.

9 MR. SHANKER: Well, I guess  
10 there are two ways of running an organization, one  
11 is to decide what you want to do and then to  
12 stand over people and tell them what to do all  
13 the time. That's sort of what our schools are  
14 like in an indirect way in terms of the things  
15 that are handed down. That does not work very  
16 well for us. I think the other way is to define  
17 what the outcomes that you want are, and to put  
18 incentives into place, get a good measurement  
19 system so that you know whether or not you're  
20 getting what you want to get, whether you're  
21 getting improvement or not, and then have systems  
22 of incentives and positive and negative incentives  
23 in terms of the achievement of those things.  
24 Give people a very wide latitude in terms of  
25 finding better ways of reaching those goals. So

1 you don't tell them how to do it. You do --

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

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

21 GOV. ASHCROFT: Governor  
22 Richards?

23 GOV. RICHARDS: Mr. Whittle  
24 -- I don't know whether this is on or not.  
25 There it is.

1                   Mr. Whittle, I want to say out loud  
2 what's on everybody's mind.

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

20                   They're not going to take our kids  
21 that are so disabled that they are literally  
22 diapered by the teachers because by law that's  
23 who we've got to -- got to teach. And I don't  
24 know how to deal with that. We've seen it happen  
25 already in that whether it is in the form of

1 white flight or urban flight, that the kids who  
2 really have every advantage and the kids who are  
3 going to excel, a lot of their parents for  
4 legitimate reasons have put them in private  
5 schools. So, how do I deal with my fear here,  
6 that the public school system is going to be left  
7 with those you don't want?

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

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

1 compared with the opportunities you're going to  
2 have to reject the kids we can't reject.

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

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

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

23 If we were just trying to build a  
24 private school, we'd raise our prices. Why  
25 should we work with the same dollars that a

1 typical public school of South Texas has to work  
2 with? The only reason we're doing that is to try  
3 to be of help to that school, to try to set an  
4 example that they can follow. If we were  
5 selective in our admission policies, the same  
6 problem.

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

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

22 Governor Sinner?

23 GOV. SINNER: I'll waive it.

24 GOV. ASHCROFT: Waive it.

25 Stan Stephens of Montana?



1 I would like to ask Mr. Shanker,  
2 who touched on it somewhat in his remarks, if  
3 we're going to have a revolution, if you will, a  
4 positive resolution -- revolution for education  
5 in this country, and be willing to try new  
6 concepts and new attitudes, it's going to take  
7 leaders of important groups to come on board.  
8 The AFT is certainly one of them. At this  
9 point, Mr. Shanker, how would you see the AFT  
10 being a positive player in the role that Mr.  
11 Whittle has unfolded here this morning? What is  
12 the AFT would do and how would you participate?  
13 How might it change the policies of the AFT as  
14 they are implemented today?

15 MR. SHANKER: Well, for one,  
16 I had breakfast with Chris this morning and he  
17 invited me to come out to his facility, spend  
18 some time with his people while sharing some  
19 ideas about teachers and schools, and I have  
20 agreed to do that. But for time constraints, I  
21 wanted him to speak at our convention next week.  
22 It won't work, but we're going to introduce him  
23 next year to a group of 3,500 of our people who  
24 basically work on educational issues. When he's  
25 got some new ideas that are out there, we'll be

1 the first to steal them. I mean, I don't know how  
2 else we can --

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

13 But I -- as far as the -- I want  
14 to underline that their kids can still get in --  
15 95 percent of the colleges in the United States  
16 admit youngsters no matter what they have or are  
17 not learned in school, and I am waiting to see  
18 what magic can be created which will get  
19 youngsters to work three or four times as hard,  
20 learn a lot of mathematics and to write essays  
21 and to learn history and geography and everything  
22 else, when they know that the youngsters down the  
23 road who aren't learning those things will be  
24 able to get into college as well. That is, what  
25 will be the incentive for youngsters? Will the

1 youngsters that -- will they turn on their  
2 parents and say,

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

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

14 GOV. ASHCROFT: Governor  
15 Branstad of Ohio.

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

18 GOV. ASHCROFT: Iowa.

19 Pardon me.

20 GOV. BRANSTAD: Thank you,  
21 neighbor.

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

25 GOV. BRANSTAD: At least you

1 didn't ask how the potato crop is doing. We  
2 appreciate that.

3 GOV. ASHCROFT: Go ahead  
4 with your question.

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

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

17 On the role of telecommunications  
18 and technology in the schools, how will it be  
19 used: In a word, wisely. We don't think that  
20 technology is the primary answer to America's  
21 educational problems. We think it is one of the  
22 answers, perhaps 15 or 20 percent. And these  
23 schools will be technological marvels as compared  
24 to the ones that we know today. But that's got to  
25 be kept in perspective. For example, the idea

1 that there are a hundred teachers in the world  
2 that are brilliant at particular topics in  
3 curriculum, why would we not want to bring those  
4 to every school in America, both Edison and  
5 otherwise? And we will try to do that. But we  
6 know that that is one part, and that the idea of  
7 children spending 6 hours a day in front of a  
8 computer or a television set or a CD Ram,  
9 whatever it is, that doesn't make sense, but  
10 selectively use does.

11 GOV. ASHCROFT: Governor  
12 Thompson of Wisconsin.

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

18 Education is by far the most  
19 important thing of us as governors can really be  
20 involved in for our states and our people. I am  
21 extremely excited about your proposition, Mr.  
22 Whittle. As Governor Richards pointed out, I  
23 think all of us share and hope in your success.  
24 My question is basically one of more practical  
25 terms. How are you going to site your schools?

1 How are you going to -- what are you going to  
2 expect from states? How do states really buy  
3 into this? Have you got a plan set up? Is it  
4 going to cost us money, or are you going to be  
5 looking for corporate sponsors in respect to  
6 states? How can I as a Governor from the State  
7 of Wisconsin get you enthused about coming to  
8 Wisconsin or any other state?

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

20 In some states your going to say we  
21 want them in our inner cities. In other states  
22 you're goint to say we want them in our rural  
23 areas.

24 And we will work with each state to  
25 determine that. If you can help us, great, just

1 like you would help any other business that comes  
2 it Wisconsin. But that's a decision you'll have  
3 to make.

4 GOV. ASHCROFT: Governor  
5 Campbell of South Carolina.

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

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

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

1 worthwhile.

2           In our State we were not doing very  
3 well in math and science. We created a  
4 Governors' School for Math and Science, a hundred  
5 percent scholarship school. The only way the  
6 kids can get in is ability. They can't have a  
7 car, they can't have a television, and they all  
8 have to work a job while they're there. And we  
9 got a human cry from our public schools, saying,  
10 "Oh, you're going to take our best and brightest  
11 and it's terrible." But what really happened was  
12 there was a renewed effort in all of our schools  
13 to upgrade their math and science offerings to  
14 try to keep their best students in their  
15 schools. And as a result of that, when we had  
16 competing teams -- our teams in our schools in  
17 math go into competition, you know, national  
18 competition, and all have done extremely well in  
19 our public schools and going up, because the  
20 schools themselves started trying to say we don't  
21 want the brightest students to leave, but we're  
22 going to challenge them right here. And that  
23 competitive factor really had something to do  
24 with upgrading the excellence that we are  
25 seeking.

1 My predecessor created the  
2 Governors' School for the Arts. What happened?  
3 All the schools had a renewed interest in the  
4 arts and what they were offering, because there  
5 was something else out there.

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

24 Al Shanker said something else,  
25 this idea that we tell people what to do, and

1 give them a little box to work in, that doesn't  
2 work. If we challenge them, if we challenge  
3 these teachers and these students, they will  
4 respond. But they've got to be allowed to  
5 innovate. And I take the position, I don't  
6 really care how the teacher gets the subject  
7 across. I care that they get the subject  
8 across. And that's the -- that's really what  
9 we're talking about here, and, an innovation and  
10 challenge in finding new things. And it works.  
11 And everywhere it's been tried, we have seen the  
12 system respond and the people in the system  
13 respond. And that's what we're trying to do in  
14 this whole education effort.

15 GOV. ASHCROFT: Governor  
16 Bayh of Indiana. I'm sorry. Was there a  
17 question?

18 I didn't want us to snub any  
19 one of our guests.

20 Governor Bayh of Indiana?

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

25 I agree with Al's comment that

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

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

23 My questions are: First, could you  
24 discuss just very briefly the merits of positive  
25 incentives versus punitive incentives and which

1 you feel might be most successful? In our State  
2 we found that punitive incentives for obvious  
3 reasons tend to be a lot more controversial. And  
4 if you have seen positive incentives that have  
5 worked well in the community, could you, please,  
6 briefly describe for us what those are?

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

19 MR. SHANKER: Well, it's a  
20 tough and very good question. Let me start with  
21 the last. I don't think we have any very good  
22 assessment devices around now. From the point of  
23 view of college entry, some years back there were  
24 college entrance examination boards which were  
25 very much like current European examinations

1 where you would sit for five days, each day on a  
2 subject. Of course, there were not -- there  
3 were some short answer questions, but there were  
4 a lot of essays, problem solving. The old New  
5 York Regents, until it got substantially watered  
6 down, that was a very good examination system,  
7 which acted as an incentive. We somehow -- to me  
8 the problem it poses, in Germany they can give  
9 all these youngsters these long essay  
10 examinations, the United States if we gave them,  
11 we would probably have a lot of lawyers in court  
12 saying why did you give me a 68 instead of a 69  
13 or something like that. So we have to somehow  
14 get away from that. But the fact is the National  
15 Endowment for Humanities last year published a  
16 book where they contained the questions that are  
17 asked of high school graduates in other  
18 countries, those who are college bound. And it's  
19 a book of questions in social studies and  
20 humanities that's just fascinating. If you look  
21 at that and ask yourself what percentage not of  
22 our high school graduates but college graduates  
23 could have handled some of these, it would give  
24 some notion. But we can put one in place and it  
25 wouldn't be very far removed from those of these

1 other countries.

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

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

18 Now, we can't do this immediately  
19 or we would shut down higher education but -- And  
20 I certainly don't think it should be done  
21 in such a way as to deny any individual the  
22 opportunity for ongoing education. But I think  
23 that over -- I think we've got to announce that  
24 ten years from now entry into a college or  
25 university of the United States will have the same

1 standards as it does elsewhere in the  
2 industrialized world. By the way, we'll have  
3 just as many college graduates as we have today.  
4 We've got the drop-out rate in highschools are  
5 scandalous but in higher education it's bigger.

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

16 Now, for the most part good  
17 corporations who are bigger and more visible  
18 don't hire 18 year olds in the United States.  
19 They wait until the kid is 24 and then they find  
20 out how he did in these other places. Well, what  
21 does that mean? That means that the kid who  
22 worked hard, the kid who did a great job, the kid  
23 who learned everything ends up getting the same  
24 relatively poor job as the kid who didn't do any  
25 work and didn't learn anything at all. And about

1 90 percent of your employers never ask for your  
2 report card, never ask for a letter of reference  
3 from anybody in the school. The word gets around  
4 right away what you're doing here doesn't  
5 count, nobody's ever going to look at it.

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

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

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

25 But Albert Shanker tells us when

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

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

18 I'm going to make a slight change  
19 in the program. As you well know, I have allowed  
20 this discussion to persist beyond what would  
21 normally be the time limits as a result of your  
22 interests and specifically as a result of my own  
23 interest. There are a number of awards which we  
24 will be giving this morning, and I would like to  
25 invite Mr. John Akers to come to the podium at

1 this time. As we focus on specific efforts to  
2 engage in public and private actions to develop  
3 education reform, I am pleased to highlight the  
4 efforts that John Akers, chairman of the board of  
5 IBM is making towards achieving the national  
6 education goals. He is the chairman of the  
7 business roundtable education task force. He's  
8 led the business roundtable and the challenge to  
9 work with governors and the states to improve  
10 schools and to help our nation reach national  
11 education goals. We have all benefited immensely  
12 from the participation of individuals of the  
13 corporate community in our states, and I believe  
14 that's a result of the leadership of the  
15 corporate community, setting an example of  
16 commitment to the improvement of education and  
17 the elevation of human capacity in our  
18 jurisdictions. We express our appreciation to  
19 John Akers, and as a symbol of our appreciation of  
20 the the corporate community across America, I am  
21 pleased to present this plaque recognizing you for  
22 redefining the possible. The plaque says: "The  
23 National Governors' Association salutes John F.  
24 Akers for your outstanding leadership as chairman  
25 of the business roundtable education task force

1 and for your significant contributions toward  
2 achieving the national education goals."

3 Johnn, thank you very much.

4 MR. AKERS: Good morning  
5 Ladies and Gentlemen. I am very honored to  
6 accept this award on behalf of the business  
7 community. John, you're very nice to invite me  
8 here to present it to me. I call you by your  
9 first name because I think true partners should  
10 be able to call each other by their first names.

11 Just a few words, if I might. If  
12 America is really going to have a successful  
13 school reform, in my opinion, the governors must  
14 provide the primary leadership, and increasingly  
15 you are doing that. A lot has happened in the  
16 last three years on this subject in our nation,  
17 and with Terry Branstad's leadership, you began a  
18 new collective effort to improve the schools. And  
19 Terry is one of many of your members who I think  
20 deserve a lot of credit. The work you did to  
21 lead up to the education summit with the  
22 President in the fall of 1989 and the six  
23 national education goals that came out of that  
24 convocation are among the most significant  
25 actions on education in this century.

1           The business roundtable has been  
2 involved, members of the business roundtable  
3 two hundred companies, the largest companies in  
4 the United States, have been involved in  
5 education activities for a very long time. It was  
6 also three years ago when President Bush came to  
7 our annual meeting and challenged us to do more  
8 in education and education reform than what we  
9 had been doing. And the challenge struck a chord  
10 with us and we responded with a decade long  
11 commitment to education initiative to work in  
12 partnership with the governors of the 50 states.  
13 And that work is now under way.

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

1 businesses are involved in it.

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

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

20 And in the business community, as  
21 Al Shanker appropriately was saying here a minute  
22 ago, we must also lead by example. Our policies  
23 and practices must be consistent with the demands  
24 we place on schools, and employee training and  
25 retraining must be available. The employees must

1 be encouraged to be active with their schools and  
2 their children's education, and we must value  
3 education in our hiring policies and practices.

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

1 late November of this year.

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

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

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

25 GOV. VOINOVICH: As John

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

15 Second of all, I want to recognize  
16 Bruce King of New Mexico and thank Bruce and his  
17 staff for the outstanding job that they have  
18 done. We were blessed with the participation of  
19 Governor Pete Wilson, Governor Roy Romer who  
20 participated and had a staff participate;  
21 Governor Mike Castle, Governor Jim Edgar, Governor  
22 William Donald Schaefer, Governor Arne H.  
23 Carlson, Governor George Sinner, Governor Booth  
24 Gardner, John Pepper, president of Proctor &  
25 Gamble; and James Ranier, chairman and CEO of

1 Honeywell Corporation, and an outstanding good job  
2 done by the NGA staff.

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

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

24           While research group of the panel  
25 that works to develop direct measures, the School

1 Readiness Action Team chose to develop an interim  
2 tool for governors to use. The final report,  
3 "Every child to Learn," 14 bench marks were  
4 identified to define services or outcomes that  
5 appeared to contribute most directly to  
6 readiness. Now, the bench marks are listed under  
7 each of the three national objectives of goal  
8 one. These objectives focus on high quality pre  
9 school programs, parental involvement and health.  
10 And I want you to know what the work wasn't  
11 completed in a vacuum. It was developed to  
12 compliment and coordinate with the work of the  
13 goals panel.

14                   The School Readiness Action Team  
15 collaborated with a distinguished group of  
16 national early childhood experts and NGA staff to  
17 produce this report. A brochure highlights for  
18 easy reference the report, and I'm asking you to  
19 take this report and put it somewhere where you  
20 can read it. I specifically asked for it. It's  
21 a brochure. It takes 8 minutes. I'd like you to  
22 read it. Take it home, give it to your  
23 superintendent of public instruction and ask  
24 them where your respective state stands in regard  
25 to the material that's included here.

1           In additon, the report also has  
2           identification to various programs in the United  
3           States that are working to achieve the objectives  
4           that we lay out in the report. For example,  
5           Missouri's Parents Teachers Program is  
6           referenced, because we understand that the  
7           teachers must be a child's first -- or parents  
8           must be a child's first teacher. And in order to  
9           do that, we have got to help parents with that  
10          job.

11                 Also included in the report is a  
12          section: Good economics, sound policy. And that  
13          shows that investments in prenatal care,  
14          nutrition programs, immunizations, health  
15          screenings, family support activities, parent  
16          education and high quality preschool programs are  
17          good economic policy. By the way, that portion of  
18          the report was produced with the help of John  
19          Akers and the IBM Corporation. It's important  
20          that we convince our voters that education reform  
21          is essential to our state's economic survival and  
22          we must point out the -- point out that the  
23          enormous cost we are all experiencing with  
24          exploding welfare rolls and prison populations is  
25          due because of a failed education system.

1           In my state, three quarters of the  
2 people that are in prison today are high school  
3 drop outs. If you go to the welfare rolls, three  
4 quarters of those people are illiterate. We've  
5 got to share that kind of information with our  
6 voters in order to get them to support fair,  
7 adequate and reliable funding to implement  
8 education reform.

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

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

1 on the local level.

2 We know many factors contribute to  
3 children's readiness for school. We know that  
4 healthy beginnings start with early prenatal  
5 care, good nutrition and regular checkups. We  
6 know that children need parents who care about  
7 them, who talk and read to them and who play with  
8 them. We know that children need safe homes and  
9 safe communities. We know that head start and  
10 other quality early childhood education programs  
11 make a difference in children's later success.  
12 We know that grass roots, community based  
13 initiatives that involve coordination on the  
14 effort of a broad range of service providers can  
15 maximize dollars and make the best use of staff.  
16 We support that strong support from the general  
17 public and the business sector. We understand  
18 that they can have a significant effect on local  
19 efforts to improve school readiness.

20 As we leave our challenge, we have  
21 to continue the momentum of the action teams, to  
22 continue our efforts to develop performance and  
23 outcome based educational systems in our states.  
24 Our work will not be finished until all children  
25 start school ready to learn, all children reach

1 their full potential, lead productive self  
2 sufficient lives and become contributing members  
3 of society.

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

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

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

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

23 GOV. VOINOVICH: Thank you.

24 GOV. ASHCROFT: Governor  
25 Mike Sullivan of Wyoming had the opportunity and

1 responsibility of shepparding the Action Team on  
2 the School Year. It's my pleasure to call  
3 Governor Sullivan to the podium for the report.

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

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

25                   During the past year we held four

1 meetings with a number of education and business  
2 leaders discussing the critical issues to  
3 changing the system and establishing systemic  
4 change and comparing the corporate restructuring  
5 and lessons learned in the corporate world to  
6 where we can go in the school system as well as a  
7 addressing restructuring realities and myths of  
8 school reform. I want to particularly express my  
9 gratitude to two outstanding corporate leaders  
10 and mention of the action team: Roger Hirle,  
11 president CEO of Oxidental Corporation and Kaye  
12 Whitmore, president and CEO of Eastman Kodak.  
13 Their sustained commitment along with much of the  
14 business community to improving education for all  
15 children is exemplary and as governors I know we  
16 appreciate that assistance.

17           Four common lessons emerged as  
18 especially critical for our states as they  
19 implemented their initiatives in this area.  
20 Specifically our report concludes that governors  
21 -- but I would say not just governors -- we all  
22 need to first communicate clearly the goals and  
23 the new directions for school reform. Secondly,  
24 overcome the reluctance to change. Third, create  
25 long term solutions in the face of short term

1 pressures. And, fourth, support and sustain  
2 human resource development at all levels of the  
3 educational reform effort and the education  
4 system.

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

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

18           As well, we cannot ask the schools  
19 to compensate for all of the problems in our  
20 society. Parents and community members must  
21 support and take responsibility for the education  
22 of young people. This may be the greatest task  
23 of all, for no matter what we or other political  
24 leaders may desire, we will not succeed -- And we  
25 have heard reference to it this morning -- We

1 will not succeed if parents and community members  
2 themselves do not take responsibility and action  
3 in support of improving the education of our  
4 children. We must overcome the reluctance to  
5 change. We must overcome across this country and  
6 within our communities what I refer to, and I  
7 think we heard Mr. Whittle and Mr. Shanker refer  
8 to this morning, and I like to term the tyranny  
9 of lesser expectations. We cannot have lesser  
10 expectations for our children. We cannot be  
11 content with lesser expectations. We must all  
12 participate in moving this movement forward and  
13 having the staying power to see that it does  
14 change.

15 Thank you very much for the  
16 opportunity.

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

21 Tommy Thompson, the Governor of  
22 Wisconsin, lead the Action Team on Life Long  
23 Learning, helping us understand the possibility  
24 that learning is a habit of life and continuous  
25 improvement is more than an industrial process,

1 it's a personal opportunity. Tommy Thompson.

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

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

21 We decided that what we really  
22 wanted to do is we wanted to set up a program  
23 that governors could really utilize, that they  
24 could take what's working in one state and adapt  
25 it to their respective states. So we put out two

1 documents, Mr. Chairman, one at our February  
2 meeting setting forth some goals, but also some  
3 plans with working in respective states of the  
4 members on the committee. And those members were  
5 Evan Bayh as I indicated, vice chairman; Terry  
6 Branstad from Iowa, Governor Jones of Kentucky,  
7 William Weld of Massachusetts, Jim Florio of New  
8 Jersey, Mario Cuomo of New York, Barbara Roberts  
9 of Oregon, and Robert Casey of Pennsylvania and  
10 Carroll Campbell of South Carolina. And then we  
11 decided to work with the Secretary of Labor, Lynn  
12 Martin and Secretary of Education, Lamar  
13 Alexander and we really wanted to make sure that  
14 governors could take our document and read what  
15 is working in the State of Iowa, State of Oregon,  
16 on apprenticeship, and be able to take that and  
17 say, "Now, you know that really is interesting.  
18 Can I make it work in Utah? Can I make it work  
19 in Florida and Texas?" And we divided it down and  
20 said what should the consumers have as far as  
21 driven investment and work force quality? What  
22 do we expect in that? Then we found there was a  
23 great program in Indiana, and we took that  
24 program and we put it in this document and we're  
25 asking other governors to say, "You know, that

1 works in Indiana. I think it's a great idea. Lets  
2 adapt it and use it in another area of the  
3 country."

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

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

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

1 admit that, but it's there.

2 But when you stop and realize that  
3 80 percent of the jobs are going to require  
4 technical training, are we doing enough as  
5 governors to really stress the community college  
6 and the technical colleges? We have enough PhD's  
7 in history and political science driving cabs.  
8 But we don't have enough x-ray technicians,  
9 enough apprentices across our country.

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

19 And then, as Albert Shanker said,  
20 when you graduate from a high school in Wisconsin  
21 or Texas, that diploma is going to mean something.  
22 It's going to give an employer say, you know,  
23 that young man or woman from Wisconsin has got a  
24 skill, not only a high school degree, but has got  
25 a skill. He's got an apprenticeship. And that

1 to me is the most exciting thing that I have  
2 undertaken as Governor of my State.

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

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

23 And I only hope that your  
24 successor, Mr. Ashcroft, Roy Romer, will continue  
25 to put the emphasis on life long learning that you

1 did, because I think it's probably the most  
2 important thing, as all education is, but this  
3 is a component I don't think we've really given  
4 enough emphasis to, and think it's so important.

5 Thank you so very much for allowing  
6 me to serve.

7 GOV. ASHCROFT: Thank you,  
8 Tommy, for a job extremely well done.

9 It's my pleasure now to call upon  
10 Governor Carroll Campbell of South Carolina to  
11 give us an update on the National Education Goals  
12 Panel which was one of the outgrowths of the  
13 summit that the President of the United States  
14 in the establishment of the six national  
15 education goals. Governor Campbell.

16 GOV. CAMPBELL: Thank you  
17 very much, Mr. Chairman. The National Education  
18 Goals Panel has enjoyed another successful year.  
19 We have strengthened the group by bringing members  
20 of Congress into the process as full and acting  
21 voting members and we have achieved political  
22 balance on this goal by adding additional  
23 governors. We have also undertaken the process  
24 of standards and assessment and we're well under  
25 way in getting that on line.

1           On September the 30th of this year  
2           the panel will release its second report to show  
3           the American public how the nation is performing  
4           on each of the six education goals. The 1992  
5           report is going to include new data in each  
6           goal area and will provide updates to base line  
7           data provided in the 1991 report. We're going to  
8           try and make this report even more readable,  
9           meaningful and accessible to parents and the  
10          general public.

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

24                   Performance is our goal, and  
25          accountability is the way to get there. So your

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

19 From the very start John has played  
20 a critical role in writing the goals and in  
21 getting the Goals Panel up and running  
22 successfully. And John's chairman's agenda  
23 achieving the national education goals has really  
24 pushed the program forward, and I know that he's  
25 working with our incoming chair, Roy Romer, who

1 is also a very strong education governor, on ways  
2 to help all governors achieve systemic reform in  
3 education in the coming years.

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

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

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

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

22 . GOV. ASHCROFT: Thank you  
23 very much, Carroll, for your outstanding work  
24 having served on the educational goals panel. I  
25 know just how hard you've worked and how much

1 time you've spent. I'm grateful.

2 Our efforts over the past year have  
3 convinced us that dramatic broad based visionary  
4 systemic reforms are critical if the national  
5 education goals are to be achieved by the year  
6 2000.

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

1 they progress toward making individual plans for  
2 systemic reforms.

3 It's my pleasure now to call upon  
4 Governor David Walters of Oklahoma to come and  
5 issue his invitation to the group to have the  
6 1993 annual meeting in Tulsa, Oklahoma. Governor  
7 Walters.

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

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

23 Jim and Lucinda Florio did a  
24 magnificent job hosting this year, and I know  
25 their planning team is proud of the successful

1 meeting that they pulled off; and they set a very  
2 high stand for us in Oklahoma. Our planning team  
3 has been ranging all over this meeting try trying  
4 to get good ideas and follow in many cases their  
5 example.

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

24 Mark your schedule now. August 15  
25 through 17. We're a friendly bunch in Oklahoma

1 and we intend to live up to our reputation.

2 Thank you Mr. Chairman.

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

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

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

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

21 Will the standing committee chairs  
22 please summarize and move the adoption of their  
23 policy positions and will you please understand  
24 the need for us to accelerate our schedule. I  
25 call upon Governor Stephens, chairman of the

1 Committee on Agriculture and Rural Development.

2 Stan?

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

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

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

17 GOV. EDGAR: Thank you, Mr.  
18 Chairman. The Committee adopted a policy on  
19 interstate bank -- branch banking and a resolution  
20 on Workers' Compensation. The banking policy was  
21 adopted during the interim. It reaffirms our  
22 support for the new banking system, protects  
23 state taxing powers and viability of state  
24 banks and asks that the states retained essential  
25 control over banking operations within their

1 borders.

2 The resolution commends the  
3 Workers' Compensation program for serving both  
4 workers and businesses. It cites the problem of  
5 run away costs in some states, calls on states to  
6 share their success for reforms and pledges the  
7 support of the governors to the effective and  
8 efficient system protecting workers and to keep  
9 our businesses competitive.

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

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

16 Its my pleasure now to call upon  
17 Governor Sinner, Chairman of the Committee on  
18 Energy and Environment. Governor Sinner of North  
19 Dakota.

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

1 Give me a second.

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

7 Governor McKernan, Chairman of the  
8 Committee on Human Resources.

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

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

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

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

25 GOV. SINNER: The third is a

1 resolution asking all federal facilities to be in  
2 compliance with the environmental law and  
3 regulation both state and federal. I'll move  
4 its adoption.

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

10 Governor McKernan of Maine.

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

18 In addition, we released a report  
19 from a year long study. It's called, "From Homes  
20 to Class Rooms to Work Rooms: State Initiatives  
21 to Meet the Needs of the Changing American  
22 Family." I encourage all governors to take a look  
23 at this important publication. I think it  
24 will demonstrate where we can all do better in  
25 meeting these changing needs. The committee

1 recommends two policies: The proposed policy on  
2 transfer of assets concerns the use and  
3 potential abuse of assets which are transferred  
4 and strategies to enhance those transfers by  
5 individuals when they're becoming eligible for  
6 long term care in the Medicaid program. The  
7 policy, because of our concerns, calls for a  
8 national study to assess the prevalence of the  
9 practice of the program and its impact upon  
10 Medicaid expenditures.

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

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

22 GOV. ASHCROFT: Do I hear a  
23 second? It's been moved and seconded that these,  
24 the policies recommended to us by the Committee on  
25 Human Resources be adopted. All in favor say aye.

1 Opposed say nay. Thank you for the report, John.

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

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

11 The second was the issue of the  
12 dramatic reductions that are proposed in our  
13 national guard. I think we had a very lively  
14 discussion. Hopefully we sent a strong message  
15 to the Pentagon, as well as to the White House  
16 and the Congress, that this can directly affect  
17 our ability as governors of states to handle  
18 emergency disasters, public safety concerns in,  
19 addition to which I think the governors  
20 unanimously felt that the guard and reserve units  
21 acquitted themselves in their preparedness quite  
22 well in Operation Desert Storm and Desert Shield,  
23 so we have a proposed amendment to our current  
24 National Guard policy. It's B-5 under your cover,  
25 and it updates our policy and incorporate the

1 resolution at the past year's meeting, emphasizing  
2 to the Pentagon and others concerned the belief  
3 that to reduce our Guard and Reserve forces would  
4 be detrimental to this country. I so move.

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

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

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

22 We had one resolution that was  
23 sponsored by Governor Miller who -- Governor  
24 Miller and myself are asking all of you as  
25 governors -- and we say this very emphatically,

1 for your own good, if you would take this  
2 resolution after its adopted, hopefully it will  
3 be adopted, and take the opportunity to pen a  
4 note to your congressman and your senators, tell  
5 them that we want full funding of the ISTEA. It  
6 means -- it means several millions of dollars for  
7 each of us as governors and our respective  
8 states. And Congress is in the process right now  
9 of negotiating and debating this proposition, and  
10 the amount of funding is way under what we were  
11 promised, and it's very important for us to put  
12 the emphasis on that. Charilyn Cowan, who is our  
13 liaison from the governors -- through the NGA  
14 staff to Congress is here. She's going to  
15 pick up your notes and deliver them personally to  
16 your respective congressmen and senators. I ask  
17 you to do that. It's important.

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

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

1 plea.

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

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

13                   **GOV. MILLER:** You can do  
14 whatever you want.

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

22                   I'd like now to thank Governor  
23 Walters for his hard work on our behalf as  
24 chairman -- on our behalf as chairman of the  
25 Committee on International Trade and Foreign

1 Relations. Do you have a report you would like  
2 to share with us now, Governor Walters?

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

11                                   We had an excellent discussion among  
12 the governors about our changing role in our  
13 states in promoting trade and promoting  
14 exports. Our gas and trade director from  
15 Massachusetts and an Oklahoma exporter gave us  
16 some ideas on how we can be more effective in  
17 stimulating trade and creating jobs for all of us.  
18 We released two reports in addition to the one  
19 co-released with economic development on  
20 investment incentives. The first calls for a  
21 new partnership on trade policy between the states  
22 and the federal government, very important report  
23 because of the relationship not just among the  
24 border states but particularly there, that we all  
25 have in the development of trade policy.

1                   And the second one entitled "Going  
2 Global: A Governor's Guide to International  
3 Trade." I highly commend, particularly this last  
4 report and ask the NGA staff for a copy of it.  
5 It serves as a handy reference, filled with  
6 information on each of our state's efforts at  
7 international trade. It shows how many offices we  
8 have, how many staff we have, and it gives you a  
9 good comparison among us.

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

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

23                   GOV. ASHCROFT: Thank you  
24 very much for your report. We will now consider  
25 proposals that require suspension of the rules.

1 These require a three quarters vote for  
2 suspension and a three quarters vote for passage.

3 Governor Richards, do you move a  
4 suspension of the rules?

5 GOV. RICHARDS: I so move.

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

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

20 GOV. ASHCROFT: First we  
21 will vote on the motion to suspend the rules.  
22 All in favor say aye. Opposed, nay.

23 Now, the resolution itself, all in  
24 favor say aye. Opposed, nay. The Chair rules it  
25 has the requisite three quarters for passage in

1 each event. Thank you very much.

2 GOV. WALTERS: Mr. Chairman?

3 GOV. ASHCROFT: Yes.

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

15 GOV. ASHCROFT: Governor  
16 Campbell?

17 GOV. CAMPBELL: Fourteen of  
18 us met with the administration in a meeting at the  
19 White House by Sam Skinner in which he brought in  
20 all of the principals involved, and  
21 we had our discussion at that time on the  
22 publication of the regulations. They had agreed  
23 with us in earlier negotiations to allow us to  
24 sit in with them as the regulations were  
25 promulgated. And our staff has been doing that.

1                   And our big press on them was to  
2 get the regulations out by August the 31st, and  
3 they have been very cooperative in letting us sit  
4 in on the writing of the regulations. Health and  
5 Human Services is finishing the regulations this  
6 week and they should go to OMB. OMB will be the  
7 next place. The best place that we thought to  
8 deal with OMB was directly with the White House  
9 to see if we couldn't direct it to them so that  
10 everybody involved in it would understand that we  
11 want these regulations out.

12                   GOV. WALTERS: Thank you Mr.  
13 Chairman.

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

25                   The first recipient that I would



1 call forward Mr. Edgar Welden, chairman of the  
2 board of Southeastern Property Management from  
3 Burmingham, Alabama. Mr. Welden, please come  
4 forward with Governor Hunt of Alabama.

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

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

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

25 Next from the State of Indiana is

1 Miss Terri Moore, founder and president of HOPE,  
2 of Clay County, Indiana, Hoosiers Opposed to  
3 Pollution of the Environment, from Centerpoint,  
4 Indiana.

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

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

25 It's a privilege for me as Governor

1 of Missouri to be a participant this award  
2 for an outstanding citizen of Indiana through  
3 Governor Bayh of Indiana the distinguished  
4 service to state government award presented to  
5 Terry Moore.

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

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

22 In recognition of his efforts, the  
23 Baltimore Sun named Mr. Linowes the 1990  
24 Marylander of the Year. Governor Schaefer  
25 said, "Mr. Linowes demonstrated courage and

1 conviction on an issue of great importance to our  
2 State at a time when the right thing to do was  
3 not the popular thing to do. There are not many  
4 words to describe my appreciation and admi --  
5 there are not enough words to describe my  
6 appreciation and admiration for his work."  
7 according to William Donald Schaefer, the Governor  
8 of Maryland.

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

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

18 Miss Wolfe is a long time advocate  
19 in the area of human services, says Governor  
20 Bruce King. Miss Wolfe continues her advocacy  
21 and efforts on behalf of children since her  
22 retirement almost a decade ago. She has served as  
23 an international human resources consultant to  
24 the former Soviet Union Republics, Japan, Isreal,  
25 Great Britain, Poland and Yugoslavia.

1 Governor King says, "Miss  
2 Wolfe is a take charge individual, moves her  
3 projects forward with amazing speed and  
4 effectiveness. Everyone knows that when there's  
5 a difficult job to be done, it's time to call  
6 upon her for advice and assistance."

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

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

19 The NGA awards program is the first  
20 nationwide effort to recognize distinguished  
21 service to state government by both state  
22 officials and private citizens. I extend sincere  
23 appreciation to the governors who participated in  
24 the nominating process, also to the members of  
25 the selection committee and the arts review

1 panel, specifically to Charles Cruz who chaired  
2 the selection committee and to my wife Janet  
3 who chaired the arts review panel.

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

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

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

1 public policy and management.

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

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

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

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

1 the statement according to Governor Chiles.

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

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

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

21 It's a pleasure to participate in  
22 this opportunity to commend an outstanding  
23 individual who has rendered distinguished service  
24 to the state government of Iowa, Betty  
25 Grandquist.

1                   Our next recipient is from  
2 Michigan, Miss Patti Woodworth, director of the  
3 Michigan Department of Management and Budget.  
4 Miss Woodworth came to the department when the  
5 State was facing a \$1.8 billion deficit but within  
6 ten months the budget was balanced without having  
7 to raise taxes or cut funds for education.

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

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

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

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

25                   Finally in the state official

1 category from New York is Mr. Orin Lehman,  
2 Commissioner of the New York State Office of the  
3 Parks, Recreation and Historic Preservation.

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

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

22 Each year for the past 12 years the  
23 National Governors' Association also has given  
24 two awards for distinguished service to the  
25 arts: One for the artistic production and one

1 for the support of the arts.

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

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

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

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

22 Mr. Blount has contributed quite  
23 extensively in supporting all types of artistic  
24 endeavors. He served as chairman of Art,  
25 Incorporated, The Business Committee fro the

1 Arts, Friends of American Art in Religion,  
2 the Folger Shakespeare Library, and the  
3 President's Committee on Arts and Humanities.  
4 Mr. And Mrs. Blount have provided funds for the  
5 Alabama Shakespeare Festival and a William  
6 Shakespeare sculpture in Central Park in New York  
7 City.

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

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

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

23 Being governor places one in what  
24 might be called a relatively small club. We get  
25 to know each other as governors. We get to know

1 our families in professional and personal ways.  
2 It is true that once you're a governor, I suppose  
3 you're always a governor, except in Missouri  
4 where a term limitation makes sure that you don't  
5 stay that way. But it's with these thoughts that  
6 we will say so long to the governors who will be  
7 leaving thus year.

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

21 And I want to have an opportunity to  
22 commend you and to thank you. We will recognize  
23 the outgoing governors in alphabetical order by  
24 state. I'll ask the governor and spouse if in  
25 attendance to please come to the podium as they

1 are called. Governor and Mrs. Michael N. Castle  
2 of Delaware.

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

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

25 Governor and Mrs. Judd Gregg. Are

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

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

17 Governor and Mrs. George A. Sinner  
18 of North Dakota. Governor Sinner has been one of  
19 the most active governors in NGA. He now serves  
20 as chairman of the Committee on Energy and  
21 Environment. This year has been  
22 very active in Washington dealing with the  
23 Resource Conservation and Recovery Act, which is  
24 called RCRA. He has been the chair of the  
25 Agricultural Committee. He represents NGA

1 on U.S. Advisory Commission on Intergovernmental  
2 relations, a voice that brings us to the very core  
3 of the issue frequently in this Association.

4 Thank you very much for your outstanding service.

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

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

21 Former chairman of this  
22 Association, Booth Gardner. From county executive  
23 to the immediate past chairman and post state  
24 governor of NGA, he has lead the way on many  
25 issues. As chair of NGA he put put together the

1     Governors' policy on health care reform. Booth  
2     and Jean we wish both of you the very very best  
3     and it's a pleasure to thank you for your  
4     service.

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

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

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

22                    The privilege of shaping public  
23    policy is one of the most profound privileges  
24    that's ever accorded to free people. Indeed our  
25    capacity to create the future in which we live

1 and in which we work in such a way as to help  
2 people with whom we live and with whom we work  
3 have greater success is a tremendous  
4 responsibility.

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

13 Redefining the possible to reach  
14 the maximum of those potentials has been the focus  
15 during the past year. Education has been the  
16 foundation of American opportunity. It has  
17 expanded the American dream, and we need the kind  
18 of education that Americans desire and deserve  
19 and without which they cannot succeed. The  
20 governors assembled here this week in Princeton  
21 are prepared to meet that challenge. We have  
22 prepared to meet it. We are meeting it. Thanks o  
23 to the good work and determination of the action  
24 team leaders George Voinovich, Mike Sullivan,  
25 Tommy Thompson, we've converted some of our

1 ambitious national education goals into clear  
2 plans, sufficiently specific to prevent every  
3 student, school and community to begin to gauge  
4 performance. We've also structured a frame  
5 work with incentives that will motivate  
6 communities as well as educators to join together  
7 with governmental entities, and private citizens  
8 and private entities as well, to organize, to  
9 achieve at higher levels.

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

20 I want to express to each of you my  
21 deep gratitude for the opportunity to be the  
22 chairman of this Association but more importantly  
23 for the way in which you have called upon me to  
24 be a person of greater productivity and value.  
25 We must also recognize and especially I want to

1     thank on behalf of all of you, and we have done  
2     so earlier, Governor Florio and his dedicated  
3     staff for organizing what I consider to be an  
4     outstanding opportunity to get together not only  
5     to exchange ideas but just to have a plain old  
6     good time.

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

14                    There is one option and one option  
15    alone for an individual of limited capacity and  
16    talent in terms of leadership. That option is to  
17    attract to himself or herself individuals who can  
18    in fact exceed his own capacity or her own  
19    capacity in the development of options for  
20    public policy and the adoption of ideas and  
21    substance in the public arena. And in that  
22    respect I have had that privilege of asking to  
23    work for me and with me individuals whose  
24    capacity has been substantially greater than  
25    mine. And as a result, they have lifted me to

1 levels of achievement which I would otherwise  
2 not have been able to reach. And I would ask  
3 the individuals who work in the  
4 Missouri/Washington office and the Governor's  
5 office in Jefferson City to please stand up and  
6 receive my applause, and I hope that you would  
7 join me in this. They have been tremendous help  
8 to me and assistance to me in conducting the  
9 work of this chairmanship and the work of  
10 government. Would those individual from  
11 Jefferson City and the Washington D.C./Missouri  
12 Governor's office please stand up?

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

19 I want to thank all of you, and  
20 express to you my deep appreciation one more  
21 time, and my fundamental commitment that you will  
22 be in my thoughts and prayers, that this  
23 organization will continue to have levels of  
24 achievement and bring new opportunities to the  
25 entire country as means of lifting and elevating

1 the way in which we serve our citizens.

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

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

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

23 I nominate, along with the other  
24 members of the Nominating Committee, Norman  
25 Bangerter, Michael Castle, Governor Florio and

1 Booth Gardner, I nominate the following people:

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

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

12 GOV. ASHCROFT: Second?

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

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

19 Roy Romer, it's a pleasure for me to  
20 have this opportunity to extend to you the gavel  
21 of this Organization with an understanding of your  
22 industry and your hard work. I've never  
23 encountered anybody in public life who was  
24 willing to give more of himself or herself toward  
25 the achievement of objectives which have been

1 outlined and detailed. And I look forward to the  
2 leadership which you will bring to this  
3 organization, and it's my high honor now to hand  
4 to you the gavel of this Association, to wish you  
5 and the National Governors' Association the very  
6 best.

7                   GOV. ROMER: Thank you.

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

16                   GOV. ASHCROFT: Thank you.

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

24                   I want to again acknowledge the  
25 working relationship that we have had as chair

1 and vice chair. As you know, we are both  
2 spirited personalities and we have added to the  
3 folk lore of this organization and proven that  
4 this organization is strong enough to survive any  
5 degree of disagreement or personal bickering.  
6 And I have really appreciated that, John, and say  
7 that from the bottom of my heart. I really  
8 have.

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

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

25 These are not ordinary times. I

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

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

1 collectively can make a difference.

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

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

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

24           But as I contemplated these issues,  
25 and in preparing this initiative, in looking

1 ahead, the middle of the road was always blocked,  
2 blocked by a rock slide. And I call that rock  
3 slide the federal deficit. And I think it's time  
4 to deal with that deficit, and I believe that  
5 governors need to be at the table. Because if  
6 you think about it, the strategic investments of  
7 this nation in education and health care and  
8 infrastructure are primarily state investments.  
9 And so as we work through as a nation the  
10 solution of the deficit, governors have to be at  
11 the table, and we need not just to reduce that  
12 deficit, but we need to re-orient our strategic  
13 investments.

14 Therefore, I want to make a  
15 proposal to you. I propose that we as governors  
16 convene a national meeting of governors and  
17 invite Congress and the new administration to  
18 join us, to arrive at specific budgetary  
19 decisions that will reduce the federal deficit to  
20 zero over a period of five years. I propose that  
21 this meeting take place between the election and  
22 the end of our next annual meeting in February,  
23 sometime within that time frame, and I think we  
24 ought to look carefully as to why is it the most  
25 appropriate time. But I would propose that as

1 a part of that meeting, that we 50 governors come  
2 together, put ourselves in a room and stay in  
3 that room for one day, a day and a half, and that  
4 we agree, a consensual agreement, as to what we  
5 would together recommend to this nation and to  
6 ourselves as to the specific budgetary actions  
7 that need to be taken to arrive at a zero deficit  
8 in five years. I believe we ought to be in that  
9 room as governors only. We ought not necessarily  
10 talk about what it is that we discussed outside  
11 that room. But we ought to come out of it saying  
12 this is our consensual agreement as to what this  
13 nation should do about its deficit. And then I  
14 think at the end of that time together we ought  
15 to invite Congress and the President, the newly  
16 elected President, to join with us in that  
17 conversation. I offer that as a proposal. I'd  
18 like to have you think about it and consider it.

19 Now, you may quickly say wait a  
20 minute, that is not our agenda because we do not  
21 vote on that. But it is our agenda, because how  
22 they solve that problem ultimately affects our  
23 ability to function as governors. And I think  
24 that if we as governors simply put that challenge  
25 out to the nation, if we intend to come together

1 between now and the end of our meeting in  
2 February as governors, and make a statement  
3 collectively as 50 governors, that this is the  
4 way we would reduce that budget, and it is a  
5 doable job, and I think we can have our staff at  
6 NGA give us the options between now and then, and  
7 it is not that difficult. It aims at about five  
8 clear areas. And that is: What are you going to  
9 do in terms of reducing discretionary spending?  
10 What are you going to do in terms of the defense  
11 budget? What are we going to do to change the  
12 eligibility to the entitlement program? What are  
13 we going to do to re-orient the strategic  
14 investments that need to re-orient? And finally  
15 what are we going to do about raising the revenues  
16 necessary and at what level of government? Now  
17 those are decisions that I think that we can make  
18 and I throw that out as a proposal to for you to  
19 think about. And we will be in communication  
20 about it.

21 Now let me then continue and say  
22 that I believe that we have a four pronged  
23 agenda, and you'll see it in this brochure. And  
24 it is first to restructure the educational system.

25 And I want to make a very quick

1 reference to Mr. Whittle this morning. It is  
2 obvious that the time has passed for us to look  
3 at incremental change in education. We need to  
4 redesign. If we do not effectively redesign,  
5 others will do it for us. Therefore, in the  
6 course of the next 12 months we will have a task  
7 force on education which hopefully will present  
8 to each state, each state, the options that are  
9 available from the best of the thinking that is  
10 out there among governors and state educational  
11 experts of what it is that can be done in terms  
12 of fundamental redesign and how can we assist  
13 each other, facilitate each other to make those  
14 kinds of decisions.

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

21 There are more than one way to go,  
22 and as governors we need to learn all we can from  
23 each other, and we need to put that on the table,  
24 and we need to come to a conclusion as to what  
25 role we can play as states, how we can get that

1 started, how we can assist each other in getting  
2 it done. But secondly we need to arrive  
3 collectively at a posture toward the federal  
4 government, the administration and Congress,  
5 and say you have got to change your ground rules  
6 so that we can effectively operate as governors  
7 and as states.

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

24 Let me close by saying that this is  
25 an ambitious agenda, but I think it is an agenda

1 that we cannot ignore. For us not to take up  
2 these four issues simply is a decision in and of  
3 itself. And so I look forward to the opportunity  
4 of working with you, with the vice chair Carroll  
5 Campbell, and finding ways that in the next 12  
6 months we can make the choices. I think that the  
7 choices are ours to make, and the future is ours  
8 if we make the right choices. Thank you very  
9 much.

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

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

21 VOICE: I move to adjourn.

22 GOV. ASHCROFT: Thank you.

23 All in favor say aye.

24 (Whereupon the 84th Annual Meeting of  
25 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.

Steven J. Griffing  
STEVEN J. GRIFFING, C.S.R.

Dated: 8-18-92

My Commission Expires: 8-3-95