

TRANSCRIPT OF PROCEEDINGS

NATIONAL GOVERNORS' ASSOCIATION

1997 WINTER MEETING

PLENARY SESSION

Washington, D. C.

Sunday, February 2, 1997

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NATIONAL GOVERNORS' ASSOCIATION

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1997 WINTER MEETING

PLENARY SESSION

J.W. Marriott Hotel
1331 Pennsylvania Avenue, N.W.
Grand Ballroom
Washington, D. C.

Sunday, February 2, 1997

9:15 a.m.

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NATIONAL GOVERNORS' ASSOCIATION

1997 WINTER MEETING

OPENING PLENARY SESSION/EXECUTIVE COMMITTEE

SUNDAY, FEBRUARY 2, 1997

(9:15 a.m.)

GOVERNOR MILLER (Presiding): Would everyone please take their seats so we can begin. We have an extensive schedule this morning, and I would like to begin so that everybody can be heard.

Let me begin by acknowledging and giving a special greeting and congratulations to the newest members of this Association that are attending their first official conference.

They are Governors Frank O'Bannon of Indiana, Governor Jim Shaheen of New Hampshire, Governor Jerry Locke of Washington State, Governor Cecil Underwood of West Virginia, and Governor Sunia of American Samoa.

Congratulations to all of you. We look forward to being able to work with you in the next

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1 four years.

2 I will now officially call the 1997 Winter
3 Meeting of the National Governors' Association to
4 order.

5 I'd like to begin by having a motion be
6 adopted to the Rules of Procedure at this meeting.

7 VOICES: So moved.

8 GOVERNOR MILLER: We have a motion. Is
9 there a second?

10 VOICES: Second.

11 GOVERNOR MILLER: Motioned and seconded.

12 Any discussions?

13 (No response.)

14 GOVERNOR MILLER: If not, call for the
15 question.

16 All those in favor, say aye.

17 (Chorus of ayes.)

18 GOVERNOR MILLER: Any opposed?

19 (No response.)

20 GOVERNOR MILLER: The motion is carried.

21 Part of the rules require that any
22 Governor who desires to submit a new policy or

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1 resolution for adoption at this meeting will need a
2 three-fourths vote to suspend the rules. Please
3 submit any such proposals in writing to Jim Martin of
4 the NGA Staff by 5:00 p.m. tomorrow, Monday. That's
5 any new resolutions. Jim is back here in case any of
6 the new Governors are not familiar with who he is,
7 and he will be available. I'll remind you about that
8 tomorrow.

9 Before I begin with my opening remarks,
10 I'd like to call upon our esteemed Vice Chairman,
11 George Voinovich of Ohio, for a matter of personal
12 privilege relating to wagering which is something I'm
13 very supportive of in Nevada.

14 GOVERNOR VOINOVICH: We are really
15 supportive of it in Ohio, as you know. I think all
16 of you recognize occasionally that we enter into a
17 gentleman-type wager when teams from our respective
18 states play with each other.

19 This year, the Ohio State Buckeyes had the
20 opportunity of playing in the Rose Bowl against the
21 Arizona Sun Devils.

22 Fife and I agreed that whoever lost that

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1 game would have to wear the colors of the other team
2 at this plenary meeting. Fife is now paying off his
3 debt.

4 (Applause.)

5 GOVERNOR VOINOVICH: I just want Fife to
6 know I understand how he feels because I've had to do
7 that twice when Ohio State has lost to Michigan.

8 And one other thing. The coach of the
9 Ohio State Buckeyes, John Cooper, is the former coach
10 of the Arizona Sun Devils. I told John Cooper that
11 if he lost that game, he would be scarlet and gray.

12 I just want to say one other thing. It
13 was a great game, and you should feel very, very good
14 that Joe Germain won the game for Ohio State. He's a
15 native of Arizona.

16 (Laughter.)

17 GOVERNOR SYMINGTON: George, first of all,
18 I recommend to all Governors this hat for braving the
19 bright lights today.

20 And second, you're quite right. It did
21 take an Arizona quarterback to beat Arizona State
22 University at the Rose Bowl. It just means you all

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1 were smarter than we were. It was a great game. I'm
2 happy to honor our bet, and of course red is my
3 favorite color, but I'm going to have trouble wearing
4 this at home. I hope you realize that.

5 GOVERNOR VOINOVICH: It should help you
6 with all the Buckeyes you have in Arizona.

7 GOVERNOR SYMINGTON: Thank you.

8 GOVERNOR MILLER: Now that we've completed
9 our initial discussion of the quality of higher
10 education --

11 (Laughter.)

12 GOVERNOR MILLER: -- unless anybody wants
13 to plug their respective universities, I will say I
14 was there as an impartial observer and it was a great
15 football game.

16 One year ago, at the conclusion of our
17 winter meeting, we adopted an unprecedented
18 bipartisan agreements on welfare reform, Medicaid,
19 and work force development. These proposals broke
20 the logjam that existed between the Congress and the
21 Administration, resulted in landmark legislation to
22 reform welfare.

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1 We set the mark for consensus building and
2 progress high last year, and we're going to work hard
3 to obtain that level in our deliberations for the
4 next few days and the remainder of this year and this
5 Congressional session.

6 Today, as we convene, Governors are again
7 committed to seek a common ground and a common sense
8 agenda that will create a stronger America. And we
9 recognize that one of the biggest challenges of this
10 nation is to reduce the federal deficit and balance
11 the budget.

12 There's a national consensus in support of
13 this effort. And at this meeting, we come armed with
14 the strategies that we hope will guide the discussion
15 and debate on the issues in the ensuing months.

16 Our strategies are straightforward and
17 they're built upon proven successes taken from years
18 of experience at the statehouse level.

19 Our agenda includes the goals of
20 government respected by the people, a government that
21 works harder and smarter and invests in the future,
22 and does so by increasing the efficiency of federal

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1 programs, devolving the responsibility to the states,
2 ensuring that the benefits of federal programs
3 justify their costs, and protecting our long-term
4 investments in the country's economic future.

5 With that in mind, there are eight
6 specific topical areas of primary interest and many
7 others of general interest to this Association to be
8 pursued in the next Congress.

9 They would include Medicaid,
10 transportation reauthorization, immigration,
11 technical and other corrections to Welfare reform,
12 work force development, the Clean Air Act, the Clean
13 Water Act and Super Fund. They will be the center
14 piece of our original component of the Act.

15 And in the next couple of days, we're also
16 going to discuss an issue that I feel has never been
17 as important or more important perhaps to the future
18 of this country, and that is the recognition that the
19 first few years of life might have the most
20 significant impact upon a person's future
21 accomplishments and whether or not they are positive
22 and productive members of society.

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1 Combining that with the success that we've
2 been putting forward in our efforts to revitalize
3 education, reaching back to a portion of American
4 culture that governments have not played a sufficient
5 role in, and that is the first five years of life, I
6 think all of these together certainly give us an
7 aggressive agenda. I look forward to working
8 together with my colleagues in this regard.

9 The investment in the zero-three component
10 could very well be very cost effective as well,
11 because one of the things we'll be passing out today
12 is a report on juvenile justice and efforts to
13 revitalize it throughout the country.

14 I know we've done that extensively in my
15 own state, recognizing young criminals as well as
16 juvenile delinquents in categorizations now. Much of
17 that perhaps could be avoided if we focus early
18 enough on the environment which children are born
19 into.

20 I will be creating two special Governors'
21 task forces, along with Governor Voinovich, during
22 the course of the next few days.

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1 The first is a task force on children,
2 which will provide us the Guidance on Children's
3 initiative, and it will be co-chaired by Governor
4 Voinovich and myself.

5 The second is a transportation task force
6 that will formulate the Governors' response for the
7 renewal of ISTEA and funding for the airports
8 improvements program.

9 That will be chaired by Governor Paul
10 Patton of Kentucky and Governor Ed Schafer of North
11 Dakota.

12 By increasing the efficiency of programs
13 like Medicaid, we at the state level are able to make
14 these programs work smarter. By placing greater
15 resources in both time and money in our young
16 children, we are protecting our future and investing
17 our money wisely.

18 By developing more responsibility for such
19 programs as Hazardous Waste Clean-up and monitoring
20 programs to ensure clean air and water, we're working
21 harder to restore public confidence in government,
22 and we must continue to urge Congress to renew all

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1 federal programs and review all federal programs that
2 ensure their benefits outweigh their costs.

3 Given the flexibility to administer these
4 programs in a way that makes most sense, I think the
5 states can and should have an active role. And they
6 can be created as model programs throughout this
7 country.

8 I'd now like to make some special
9 presentations to commence our formal program.

10 The first relates to the most critical
11 component of being a Governor in my estimation, and
12 that is the education of our school children,
13 something that each of us spends the majority of our
14 time working on, I suspect.

15 Following the first National Education
16 Summit in Charlottesville, the nation's Governors
17 agreed to establish six national education goals to
18 be achieved by the year 2,000.

19 It created an education goals panel to
20 produce our national report on progress toward
21 achieving these goals.

22 Governor Hunt of North Carolina is the
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1 current chair of the goals panel, and I'd like to
2 commend him for his leadership on that panel.

3 In addition to the National Progress
4 Report, the President and the Governors agree that
5 each state should produce its own individual report
6 to show progress made towards the state's end of
7 achieving these goals. That was reaffirmed in the
8 1996 National Education Summit which led to the
9 creation of our new program called "ACHIEVE."

10 Each year, the Chairman of the National
11 Governors' Association recognizes four states for
12 outstanding state progress reports.

13 I wish to thank the staff of the National
14 Education Goals Panel for serving as a review
15 committee that selected the outstanding reports for
16 this year.

17 I would now like to present the 1997 NGA
18 award for outstanding state progress reports. I ask
19 first that Governor Patton join me at the podium to
20 be recognized for the Kentucky State Progress Report,
21 "Going for the Goals and Beyond."

22 Governor Patton?

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1 GOVERNOR PATTON: We do appreciate your
2 recognition from the National Governors' Association
3 for the progress that we are making in Kentucky.

4 We have basically adopted in legislative
5 form, and have put into practice the major programs
6 to achieve the goals, the national education goal
7 that is established by the 1989 Education Summit.

8 We think that we are among the leaders of
9 all of the states and we think we're making great
10 progress. Not only the recognition that you've given
11 us today but the National Education Report, in the
12 last two or three weeks, about all the things we're
13 doing in Kentucky rank very high on making progress.

14 Of course, as you know, Kentucky was one
15 of the states that had the greatest problems in
16 educating our youth historically. So we're starting
17 from a very low level. But we are at least putting
18 in place the people that we think that it will take
19 to meet the national goals.

20 We're beginning to meet resistance. The
21 1995 session was a tremendous challenge, and whether
22 we will be able to sustain our effort in the 1998

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1 session will be another challenge.

2 But we do have committed people and I
3 think that we will be able to make adjustments that
4 may be rationally needed but maintain the momentum
5 and the direction that we have established.

6 I want to take a moment to recognize our
7 Secretary of Education, Arts, and Humanities, Dr.
8 William Peterson. Dr. Peterson is one of the people
9 that has done an outstanding job in not only
10 preparing our report, but he is a leader in education
11 improvement in Kentucky in both the elementary,
12 secondary and higher education.

13 Just one more note. We are beginning in
14 our administration to make a major initiative for
15 higher education, so we expect to also be the leader
16 in this nation in that very important realm also.

17 Again, thanks to the Governors for their
18 confidence in the State of Kentucky's education
19 program.

20 (Applause.)

21 GOVERNOR MILLER: I'm not pleased to call
22 to the podium the Governor of Michigan, John Engler,

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1 to be recognized for their report, "A World Class
2 Education For Every Child."

3 Governor Engler?

4 GOVERNOR ENGLER: We appreciate it. Thank
5 you very much.

6 (Applause.)

7 GOVERNOR MILLER: Let me summarize
8 Governor Engler's poignant remarks. He said we
9 appreciate it, thank you very much.

10 (Laughter.)

11 GOVERNOR MILLER: I guess if all education
12 would get that basic, we wouldn't have a problem.

13 I'd now like to call to the podium of the
14 National Governors' Association, Governor George
15 Voinovich to be recognized for the report, "Ohio; The
16 Sixth Annual Progress Report."

17 Governor Voinovich.

18 GOVERNOR VOINOVICH: I won't be as short
19 as my friend, John. This is our sixth annual goals
20 report. From the beginning, we have made a big deal
21 out of preparing it, reporting it and distributing
22 it. In fact, you can pull up the Ohio report on

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1 Ohio's web page under education. The report is a
2 labor of love between the Governor's Office and our
3 Department of Education.

4 One of the things that I have found out is
5 that I'm a very lucky Governor because I have a great
6 superintendent of public instruction. I don't
7 appoint him but he's a member of the team and we work
8 very, very closely together.

9 The Goals Report has evolved over time,
10 and is becoming a lot less cumbersome. When we
11 started out, that report was 81 pages. Today, it's
12 just twelve.

13 The enhanced visibility ensures that the
14 primary purpose of the report is met, and that is to
15 inform citizens about the performance of their
16 schools over time.

17 The Goals Report is focused on
18 accountability, how well are we doing. We have
19 chosen and stuck with bench marks for each goal that
20 mark our progress or lack of it.

21 For example -- and I'm only bringing this
22 up here this morning and talking maybe a little

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1 longer than I should because so often reports are
2 prepared in our respective states and we don't read
3 them. Too often, we blitz through them, look at
4 them, and don't pay any attention.

5 I went through this report and discovered
6 something I knew but it hit me like a hammer, that
7 our graduation rate had gone down since 1991. But
8 the thing that really got me was the fact that if you
9 took out the 21 largest school districts, we had an
10 83 percent graduation. When you put them in, it was
11 73, and if you looked at the 21 school districts
12 there was a graduation rate of 43 percent; in the six
13 urban districts, it was 35 percent graduation in our
14 state. And this hit me.

15 Now I spent half of my state of the state
16 address this year talking about urban education and
17 what Ohio is going to do to make a difference. It's
18 an urban crisis in education not only in Ohio but
19 throughout the country. But this report, it just
20 somehow hammered that home to me.

21 And all of a sudden, I said we've got to
22 do something about it.

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1 On the other hand, that report has kind of
2 followed our progress with the children and families,
3 and I think a lot of you know that I'm devoted to
4 Head Start. By '98, every eligible child in Ohio
5 whose parents want them to be will be in Head Start
6 because the children and family will be monitored.
7 We've reduced dramatically our infant mortality rate,
8 we've increased the number of kids that are being
9 immunized.

10 I think our state is one of the best in
11 the country in the number of kids that are covered by
12 health insurance under two.

13 So these reports that you publish in the
14 bench marks, it kind of puts the public light on you
15 and it makes a difference, I think, in terms of the
16 people in your state.

17 I'm honored to receive this recognition
18 from you, and I accept it on behalf of John Goff and
19 our Department of Education, I think the best in this
20 country.

21 Thank you.

22 (Applause.)

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1 GOVERNOR MILLER: Concluding these
2 presentations, I'm pleased to call to the podium the
3 Governor of West Virginia, Cecil Underwood, to be
4 recognized for the report entitled "Mountains of
5 Success."

6 Governor Underwood?

7 GOVERNOR UNDERWOOD: Thank you, Governor
8 Miller.

9 I'm delighted and honored to accept this
10 award on behalf of West Virginia. Of course I'd like
11 to claim credit for it but I just got here.

12 (Laughter.)

13 GOVERNOR UNDERWOOD: The bell does remind
14 me of some serious nostalgia. I'm a product of three
15 one-room elementary schools and the bell was a
16 familiar call to class. And I'm delighted to accept
17 it in honor of West Virginia and I'm delighted with
18 the progress we've made.

19 Our Department of Education, a Secretary
20 appointed by a constitutional board and not by the
21 Governor, has made remarkable progress, particularly
22 with the use of technology. We have computers in our

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1 classrooms, kindergarten through sixth grade now, and
2 our goal in the budget this year is to complete the
3 installation of the computers in all of the
4 classrooms.

5 And the next wave, a major use of distance
6 learning networks, and hence the title of our report
7 "Mountains of Progress." Historically, mountains
8 have caused us serious problems in communication and
9 learning and have made many areas of our state
10 isolated.

11 With the coming of modern technology and
12 distance learning networks, mountains will no longer
13 be retarding our progress but will be aiding it as we
14 connect our historic terrain with modern
15 technological resources that will link us not only
16 together but with the rest of the world, as well as
17 each other.

18 Thank you.

19 (Applause.)

20 GOVERNOR MILLER: Following in this
21 important category of education, I'd like to call up
22 the past Chairman of the Association, Governor Tommy

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1 Thompson of Wisconsin, who is also the Chairman of
2 ACHIEVE, which is the outgrowth of last year's
3 initiative by Governor Thompson to bring forth a
4 revitalization of standards, assessment,
5 accountability and technology in conjunction with
6 corporate America.

7 Governor Thompson?

8 GOVERNOR THOMPSON: Thank you, Chairman
9 Miller. It's a pleasure to be able to address the
10 plenary session this morning.

11 I would like to point out quickly that
12 there are a lot of great college football teams
13 across America but there's only one America's team
14 Super Bowl Champion, and that is the Green Bay
15 Packers.

16 (Applause.)

17 GOVERNOR FORDICE: Would you please tell
18 where the quarterback was from, Tom?

19 (Laughter.)

20 GOVERNOR THOMPSON: The quarterback is
21 from Mississippi but he's now a resident of Green
22 Bay, Wisconsin.

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1 I'd like to point out that the great
2 Governor of Massachusetts lost a bet of 31 roast
3 turkeys. I asked if that was emblematic of the team,
4 and he said no, that's our state bird.

5 (Laughter.)

6 GOVERNOR THOMPSON: Since March of last
7 year, we've had a lot of work done on ACHIEVE. It
8 was -- first we had the Educational Summit at
9 Palisades, New York on March 26th and 27th, which was
10 very successful.

11 Since that time and after, resolutions
12 that were adopted in the executive committee and also
13 at our summer meeting in Puerto Rico, eleven states
14 have already held or announced statewide regional
15 summits on the model of the National Education
16 Summit. These states are Alaska, Connecticut,
17 Florida, Georgia, Kansas, Michigan, Nebraska, Nevada,
18 New Jersey, New York, and North Carolina.

19 Other states are holding smaller meetings
20 with stakeholders around their states to help support
21 the standards in education reform among teachers,
22 school board members, parents, and business leaders.

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1 A number of states, such as Indiana, are
2 working with institutes of higher education to plan
3 their summits on standards and assessments.

4 Other states such as Pennsylvania and the
5 private sector are organizing community forums around
6 the state to develop a consensus on the next steps.

7 And we've also had a great deal of support
8 from business communities. The Business Round Table,
9 the United States Chamber of Commerce, the National
10 Alliance of Business have all agreed to focus on
11 encouraging their combined memberships of more than
12 220,000 members to consider high school transcripts
13 in hiring workers, examine a state's commitment to
14 improving the quality of education before they set up
15 an office or expansions there.

16 We think that's a tremendous move forward
17 to help all of us work together to improve the
18 quality of education in America.

19 We started a new education organization,
20 as you probably know. We had a difficult time at our
21 first board of directors meeting to find out what we
22 should call it. Nobody was totally excited about it,

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1 but we ended up with the word ACHIEVE.

2 That's certainly going to be established
3 as the model for our organization. We have six
4 Governors on the board of directors and six business
5 leaders from America.

6 We are going to be issuing our first
7 annual report as a result of the summit. It will be
8 coming out in March of this year.

9 We've already raised \$4 million for the
10 advancement of ACHIEVE, which I think is excellent,
11 with the business community. They're excited about
12 it, and we hope to be able to have our first director
13 on board relatively soon.

14 More than 30 states have already provided
15 information on standards and assessments
16 accountability and technology. We've asked for a
17 national clearinghouse. This was a reason for the
18 organization to be set up.

19 It's moving along very nicely and we hope
20 to be able to have our first director or our first
21 director relatively soon and we will be getting that
22 information out to you and we'll also be sending you

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1 a copy of our first annual report in March of this
2 year.

3 I would also like to quickly point out
4 that in looking over all the State of the States, it
5 was amazing to me, as well as to other people who
6 were watching Governors from across America, how many
7 of them, and a lot of you were addressing education
8 standards and assessments in your State of the State
9 speeches. I congratulate you.

10 And I think that the summit actually
11 caused us to really reflect upon education. And one
12 of the reasons that Governors Bob Miller and
13 Voinovich and Romer and myself and several others
14 wanted to have the summit, was to bring education
15 back into the centerpiece of Governors.

16 I think we've accomplished that. We have
17 a great partnership now with businesses and Governors
18 moving ahead. I'm very pleased and delighted about
19 the results, so that's my report, Bob.

20 GOVERNOR MILLER: Thank you very much,
21 Governor Thompson. I think all of us are in fact
22 excited about it. We were getting sidetracked by

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1 issues of the moment generally once there's some
2 disagreements, but ACHIEVE and education in
3 particular are the real core of what hope and aspire
4 to accomplish in this Association.

5 I'd now like to call on Governor Mike
6 Leavitt of Utah and announce preliminarily that
7 Governor Romer has decided to step down from the NGA
8 Medicaid Task Force, and Governor Dean will fill that
9 particular vacancy.

10 GOVERNOR LEAVITT: Thank you, Governor
11 Miller.

12 The states have, for some time, struggled
13 with the dilemma of Medicaid. It is among our most
14 challenging problems.

15 Last year we dealt with welfare and
16 Medicaid, we were able to shift much of the
17 responsibility of welfare to the states, and we're
18 now in the process of going through a remarkably
19 powerful innovation process.

20 We still have the dilemma of Medicaid.
21 This year, as we move forward as an Association, it
22 will be the focus of much of our discussion.

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1 The National Government struggles
2 currently with Medicare. It is one of their greatest
3 financial dilemmas. The 105th Congress will
4 undoubtedly deal with Medicaid and Medicare but they
5 are basically fussing around the edges on both of
6 these issues.

7 As the baby boomer generation moves
8 further and further toward retirement, this problem
9 in terms of Medicare will likely move from what is
10 now a problem to a crisis.

11 It is not often recognized that Medicaid
12 is part of that dilemma. We are as vulnerable for a
13 crisis in Medicaid as we are in Medicare. Yet, there
14 is no dedicated income source to be able to deal with
15 that.

16 About one-fourth of the case load that we
17 deal with in the Medicaid population comes from the
18 blind, aged and disabled population. However, about
19 three-fourths of our money is devoted to the blind,
20 aged, and disabled. That's the same population that
21 is served by Medicare.

22 It is clear that these two issues need to

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1 be dealt with together. Part of our policy at the
2 National Governors' Association is the need to do
3 just that. The National Governors' Association today
4 will be releasing a report that will make some
5 suggestions as to how we can solve these dilemmas.

6 This is just a first step but a very
7 important one. And I would recommend this report to
8 all of you for reading, because this is a problem
9 which clearly must have a solution.

10 We'll also ask the Congress to continue to
11 focus on these two issues together.

12 Governor Miller?

13 GOVERNOR MILLER: Thank you, Governor
14 Leavitt. As you know, it's very topical and we
15 appreciate your outline.

16 I'd now like to ask Governor Thompson to
17 join me for his report on the NGA Center for Best
18 Practices. That is of course the recent creation of
19 our Association and recognizes that we can learn from
20 each other. It's our best effort at plagiarism
21 that's designed to benefit each state by learning
22 what the others are doing best.

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1 Governor Thompson is working diligently on
2 developing the resources and the outlines for the
3 Center for Best Practice issues.

4 GOVERNOR THOMPSON: As all of you know, we
5 made a decision a little over a year ago to split the
6 organization in regards to having a National
7 Governors' organization and then having a center
8 which would be set up mainly to act as the service
9 agency to the National Governors' organization, but
10 also to issue the reports and do the research that
11 individual Governors really would like us to dwell
12 upon.

13 I'd just like to take a few minutes today
14 to quickly review the progress as well as the
15 objectives of the Center for Practices.

16 As all of you have already known, we
17 created the NGA Center for Best Practices this past
18 summer. It's a newly-formed entity which evolved
19 from the earlier Center for Policy Research which has
20 now been given a very new and expanded mission to
21 help Governors do their job better.

22 As part of this mission, the Center will

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1 identify and share the states' best practices and
2 innovations. What's working in Utah and be able to
3 adopt that for Alaska or Guam or Arizona or Wisconsin
4 or Ohio, and provide expert, customized technical
5 assistance to Governors.

6 So if you've got a problem, you can call
7 the Center and really get some information quickly
8 and some research done, and be able to assist you to
9 solve that problem, identify emerging issues, and
10 assist Governors in producing creative and effective
11 responses, as well as helping you in your efforts to
12 implement national programs and help us build public
13 and private partnerships.

14 To make the Center more accountable, we've
15 created a new Center Board of Directors, which is
16 today comprised of Governors Miller, Voinovich,
17 Governor Romer and myself.

18 The outgoing chair of NGA automatically
19 becomes the new Chair of the Center. That's why I'm
20 the Chair.

21 We also are assisted by a six-member staff
22 advisory council, and this advisory council is made

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1 up of Governors' policy directors from each of the
2 Board's member states and two at-large states, New
3 Jersey and Kentucky.

4 We started out by publishing the ideas
5 that worked, that all of you should have copies of in
6 your office, and these are the best ideas that are
7 working in states all over America on just a whole
8 plethora of issues that you should be familiar with.

9 We'd like to briefly share with you our
10 progress since the summer, and our immediate next
11 steps.

12 We have been able to put out a lot of
13 reports already. We think they're good reports. And
14 if they are not being utilized, we'd like to hear
15 back from you because we don't want to do a lot of
16 work that's not going to be utilized by you as
17 Governors.

18 We've of course, since the six months
19 we've been able to have a lot of reports. We really
20 are directing a lot of our attention on welfare
21 reform.

22 This Center established a web site

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1 convenient to work groups on regulations and
2 performance outcomes. We've hosted a meeting on
3 serving teen parents here in Washington. This
4 Monday, the Center will hold a morning session for
5 all state staff on how you implement the new federal
6 welfare program.

7 So make sure your staffs come to this
8 meeting on Monday morning.

9 An economic development center has held
10 regional meetings on promoting science and technology
11 partnerships in Las Vegas and Hartford, Connecticut,
12 and will announce the creation of U.S. innovation
13 partnership between the Governors and the White
14 House, as well on Monday.

15 The education division has concentrated on
16 professional development of teachers, use of
17 technology to advance education reform, and providing
18 the technical assistance for states on a standards
19 based reform issues.

20 In natural resources, Governor Whitman is
21 going to be releasing two key Center reports, one on
22 state-bound field programs, the other on utility

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1 deregulation during our Committee session this
2 afternoon.

3 I hope you take an opportunity to review
4 them because they're excellent and there are going to
5 be issues that you're going to have to address as
6 Governors and hopefully you will take the time to
7 look at them, so we'll be able to assist you in doing
8 your job better.

9 In health policy, the Center is examining
10 the crucial role health programs can play in helping
11 welfare recipients make the transition to the work
12 force.

13 If some Governors would like to
14 individually, or form a group, to invite the Center
15 out in different areas of the country over the course
16 of the next several months, and we will put on
17 seminars for you and your staff on how to implement
18 the welfare program.

19 We'd like to be able to be sort of a force
20 that you can utilize and call in. If you want us out
21 west or in the south and so on, we'd have the Center
22 staff come out and put on a seminar for a day or a

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1 couple days for a group of Governors and their staffs
2 in particular areas of the country.

3 We think it would be very helpful
4 especially in making sure that everybody gets going
5 on the right track in the Welfare Reform Proposal
6 that we have to deal with right now.

7 While I'm very happy, as chairman of this
8 organization, with the work accomplished thus far, I
9 and the other Governors on the Center Board need to
10 work to ensure the Center's future. Most of the work
11 to date has been supported through a variety of
12 grants and contracts, and we have had to go out and
13 raise money.

14 Our objective is to raise \$7 million then
15 with the \$5 million that have been going into the
16 Center, we should be able to have an endowment of
17 about \$12 million. That will give us about \$1
18 million a year for Governors for the staff and for
19 individual programs that Governors want us to
20 address.

21 The business community has responded quite
22 generously so far since we've only been in operation

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1 for six months, we've already raised over \$2 million.
2 We've set a goal of \$7 million to raise over a five-
3 year period, and I'm very pleased to announce today
4 that we've already secured commitments of \$2.1
5 million of our \$7 million goal.

6 Pfizer, Inc. and Proctor & Gamble
7 certainly have been the most generous. They've led
8 the way by pledging individual donations, \$1 million
9 each, to be contributed over a five-year period.

10 And we just received notice that Texaco is
11 also going to make an important contribution by
12 giving us \$100,000 for the Center to be dedicated to
13 studies on natural resource issues.

14 These companies have supported the NGA
15 Center and have worked for many years as participants
16 in the Corporate Fellows Program, and they're
17 continuing to do more.

18 We have representatives, Mr. Chairman,
19 from these companies in the audience today, and I
20 would certainly like to introduce them.

21 I'd like to begin by introducing Chuck
22 Hardwick, Vice President of State Government

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1 Relations and Civic Affairs for Pfizer, Inc. Chuck,
2 if it's possible if you could come join Governors
3 Miller, Voinovich and myself at the podium, we'd
4 appreciate it.

5 (Applause.)

6 GOVERNOR THOMPSON: Now I'd like to
7 introduce Bob Whaley, Senior Vice President of
8 Advertising Market Research and Government Relations
9 for Proctor & Gamble. Bob would you please come
10 forward?

11 (Applause.)

12 GOVERNOR THOMPSON: Then we'd also like to
13 recognize K. Wayne Donaldson, Director, U.S. Public
14 and Government Affairs for Texaco. Wayne, could you
15 please come forward?

16 (Applause.)

17 GOVERNOR THOMPSON: Today I would like to
18 thank all those individuals. If you have any
19 prospective individual businesses in your states that
20 we should contact for contributions, we'd appreciate
21 knowing about them.

22 I also would like to announce that after

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1 this session is over, we're going to have a press
2 conference with these individuals and with the Center
3 board of directors to talk about further things the
4 Center's going to do.

5 And if you do have any requests on
6 projects, we'd kind of like to hear from you as
7 Governors, and if any of you would like us to come
8 into your area of the country or your states on
9 welfare implementation, we'd be more than happy to do
10 so.

11 Thank you very much.

12 (Applause.)

13 GOVERNOR MILLER: Thank you very much,
14 Tommy, and thank you for those sponsors.

15 As you know, we're going to be joined
16 momentarily by the new Chief of Staff of the White
17 House, Erskine Bowles. He's on a tight schedule and
18 has to leave at the conclusion of his remarks today.

19 However, we will be able to visit with he
20 and the President in the White House tomorrow for a
21 couple of hours.

22 Before his arrival, I would like to have

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1 Governor Engler give us a report on the Council on
2 Competitiveness.

3 GOVERNOR ENGLER: Thank you, Mr. Chairman.

4 Every Governor has at their place a
5 Competitiveness Index 1996, a ten-year strategic
6 assessment and a set of graphs, and what I want to do
7 is perhaps just touch on some of these graphs real
8 quickly so that Governors are aware what we have and
9 what this resource is that's available to us.

10 Also here today is John Yokelson. John is
11 the President of the U.S. Council on Competitiveness.
12 He's seated right behind me.

13 (Applause.)

14 GOVERNOR ENGLER: John, glad to have you
15 with us.

16 What is the Council on Competitiveness
17 perhaps is a good place to start. It's a non-
18 partisan private sector group of 150 CEOs, university
19 presidents and labor leaders. It's got Paul Allaire,
20 one of the chairs, from Xerox; Jack Scheichman is the
21 Amalgamated Clothing and Textile Workers of the AFL-
22 CIO and Chuck Best, the MIT President. Those are two

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1 of the vice chairs.

2 It's kind of a Who's Who list and they are
3 all in the book.

4 That they've put together a report that
5 benchmarks the United States' economic performance
6 and sort of balance sheet of strengths and
7 vulnerabilities, and it's over a ten year period.

8 So it's not on any one administration,
9 it's not any one Congress. It goes over a sweep of
10 history, so everybody's in this. And it pulls
11 together a lot of data and it really follows up on
12 sort of the original wake up call that the nation got
13 on competitiveness in the 1980s.

14 It's not on a particular sector, it's not
15 just on autos or steel or agriculture; it's on
16 overall U.S. competitiveness. It really focuses not
17 just on whether or not the goods and services of the
18 United States are winning in world markets, but also
19 whether or not the U.S. standard of living is going
20 up.

21 Why are we talking about the Council on
22 Competitiveness? I've just finished my stint, prior

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1 to Governor Hunt's chairing the National Education
2 Goals panel. One of the things that I tried to do,
3 chairing that panel, was to sort of reach out a
4 little bit to some of these other groups who are
5 going to be our strategic partners in terms of moving
6 the national education goals faster.

7 It dovetails in with what we're doing with
8 ACHIEVE, the report that Governor Thompson just gave
9 and all of the progress that we're making there, and
10 even in some sense our best practices.

11 What I wanted is to just real quickly look
12 at the ten year strategic assessment on U.S.
13 competitiveness. There are a number of graphs here,
14 about 20 of them, I guess, and just kind of run
15 through those real quickly because they do point out
16 some interesting data and we can get the kind of a
17 conclusion at the end of this that I think again fits
18 nicely with what we're trying to do in our winter
19 meeting.

20 The first one, when foreign and direct
21 investment become a critical factor. I guess the
22 point there, you can see explosive growth in

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1 worldwide investments between locations, not just
2 market share, a very critical factor in global
3 competition.

4 International trade and investment is
5 shifting increasingly toward developing countries.
6 It's pretty obvious in terms of its implications.

7 The growth of developing economies,
8 particularly in Asia, has out-paced that of the
9 industrialized economies.

10 As you get into the report, the growth of
11 the developing economies not only is higher than the
12 industrialized world, but increasingly this will show
13 that it's somewhat decoupled from the industrialized
14 world, so the old adage, the U.S. catches cold, the
15 world catches pneumonia is not necessarily the case.

16 The majority of the people in this report
17 predict that foreign competition in the next decade
18 will be different. Japan and Germany will not gain
19 the kind of ground in the future. China, Korea,
20 India, as well as Brazil and Mexico -- that sounds
21 like Bill Weld's travel schedule, actually --

22 (Laughter.)

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1 GOVERNOR ENGLER: -- will increase their
2 competitiveness. Half the respondents believe the
3 primary competition will be domestic. That's very
4 important for us because we are sort of competitors.

5 Governor Thompson and I were just talking
6 about just how much we compete for employment, but
7 anyway that's a very important factor.

8 There are 150 members of this Council who
9 don't think that the key competitors, say for the
10 last decade, will remain so over the next ten years.

11 Again, the domestic competition is
12 critical to the ability to play in the international
13 competition due to growth opportunities when they
14 assess U.S. competitiveness. Growth opportunities
15 outside the U.S. will be greater than domestic
16 opportunities. We cannot retreat from the global
17 economic engagement.

18 In the U.S. a couple of charts just on the
19 United States, we haven't lost our lead per capita
20 standard of living as many feared a decade ago.
21 We've got the highest standard per capita among the
22 G7. US GDP growth has been stronger than that of

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1 other advanced economies especially over the past six
2 years.

3 Again, that chart shows that, and
4 obviously following Japan, it looks good there. But
5 if you follow, as everyone at this table does, the
6 news, they've tailed off considerably in the last
7 couple of years.

8 This one, U.S. job growth highest among
9 the G7, again, the report talks about flexible labor
10 market paying off. Unemployment is the lowest among
11 all the G7 countries. U.S. share of world markets is
12 up more than 2.5 percent while Europe's share has
13 dropped sharply.

14 Again, a very good bit of news for us.

15 Growth of U.S. exports surged, not as much
16 as the Pacific Rim. We're working off a little
17 different base of course. The service exports are
18 great. U.S. current account deficit cut in half as
19 percent of GDP.

20 Again, good news there.

21 Budget deficit relative to G7, again, very
22 strong. We've done better.

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1 This is probably one of the key findings I
2 thought. Nine out of ten council execs believe that
3 the U.S. competitive position has improved.

4 Over the last ten years, innovation, a key
5 engine of competitiveness, not exchange rates or cost
6 of capital and so forth, product process management,
7 those are very key.

8 I thought the point -- three-fourths of
9 the respondents saw that the federal role was neutral
10 or negative. Most of our progress again shows the
11 contribution of the private sector.

12 And the last little group of charts deals
13 with the future. The low savings rate. Yes, we're
14 forced because of that to have other investment, sort
15 of import the savings of others to meet U.S.
16 investment needs. That's very much a part of the
17 debate in front of us in balancing the federal
18 budget.

19 Net investment in plant and equipment, low
20 rate. And there even six years of expansion has the
21 U.S. still putting less capital behind U.S. workers
22 than our sort of competitor economies out there. The

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1 way the growth of capital stock is provided.

2 The productivity one, and I thought this
3 was helpful, especially with Chairman Greenspan
4 coming in here today, but even though productivity is
5 a little bit low, even if Boskin's Commission and
6 Greenspan are apparently taking the same view, that
7 inflation, the CPI, has been overstated, you still
8 have an overall productivity rate that is low.

9 Growth in U.S. to R&D investment has
10 lagged. We out spend the world but others are moving
11 faster.

12 Education, obviously we spend a lot. And
13 one of the things that concerns everyone is the
14 payoff. Their report says it's low.

15 Now I wanted to quote Chuck Best. I know
16 Bill Weld knows him well. Chuck used to be the
17 provost at the University of Michigan before he went
18 out to MIT to be the President.

19 But he's got in this document a discussion
20 about R&D and about investment. There's one
21 sentence, though, here's what it says: The quality
22 of education in our primary and secondary schools is

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1 a disgrace. We have not yet faced up to that fact.

2 Well, George Voinovich touched on it in
3 his comments today and I devoted a good deal of my
4 State of the State address as to what to do about
5 urban schools and how to start getting that turned
6 around.

7 But there's no question at all in our
8 reports. We still aren't going to make the goals
9 that were set out by the year 2,000. That's despite
10 the investments. So we've got a lot of work in front
11 of us.

12 The last couple of charts are on income,
13 median family incomes. They've been pretty flat but
14 the wage gap has increased from top to bottom.

15 Finally, education is the key. That's the
16 last conclusory comment, their assessment of the
17 Council on Competitiveness, worker skills, higher
18 education underscoring the key role the states have
19 got in building U.S. competitiveness.

20 The states have a vital and critical role
21 to play in shaping the national agenda. The top
22 priority the Governors should address to improve

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1 competitiveness, number one, education; number two,
2 budget deficit; and then policy and regulatory
3 reform.

4 But again education is right at the top of
5 the list, and I thought that this Council is really
6 poised to be part of our effort to achieve part of
7 the overarching goals there. If we can win the
8 education battle, we've won the productivity and
9 competitiveness battle.

10 That's why I thought the report was
11 important. John Yokelson and his staff are available
12 for any Governor if you want to follow up on this.
13 It's useful information. I think it's a great
14 defense, by the way, of some of the trade missions
15 that we take, so I commend it to you.

16 Thank you, Mr. Chairman, for your time
17 this morning to get into this report. And I
18 appreciate the attention of the membership.

19 GOVERNOR MILLER: Thank you very much,
20 Governor Engler.

21 Now we are pleased to be joined by the new
22 Chief of Staff of the White House, Erskine Bowles.

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1 As many of you are aware, he's from North Carolina.
2 He's a Tar Heel fan and since this is his first
3 appearance in front of our group, I'm going to ask
4 his friend and the Governor of North Carolina, Jim
5 Hunt, to give us an appropriate introduction to our
6 new friend, Erskine Bowles.

7 GOVERNOR HUNT: Thank you very much, Mr.
8 Chairman.

9 It is a privilege and a pleasure for me to
10 introduce Erskine Bowles because I really want you to
11 know this man.

12 First, let me say to you that he is a
13 highly successful businessman. His business has been
14 raising capital to invest in jobs for people. That's
15 what he's about, that's what he believes in. He's
16 very much like us in that respect.

17 The President got him to come and be the
18 head of the Small Business Administration back a few
19 years ago, and he worked hard at it and he changed it
20 a lot.

21 In fact, one of the things I'm proud of is
22 that he reduced the amount of paperwork required for

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1 the application for one from one inch thick to one
2 page.

3 He also, as Deputy Chief of Staff, brought
4 what was widely recognized as a lot of order and
5 discipline to the White House Staff so that they
6 served the President more effectively.

7 So I would say, first of all, he's a
8 highly successful businessman, and second, I want you
9 to know that this man admires people who serve
10 honorably in public service.

11 He admired his father who was very
12 successful in state leadership and in state
13 government in North Carolina. He has worked with
14 every Governor in our state in recent years, both
15 Democrats and Republicans, and they would all say the
16 same things about him.

17 In fact, he never met President Clinton
18 until 1992. He has not been somebody out there
19 yearning to get to Washington and be a part of the
20 federal establishment here.

21 He came because he wanted to serve, he
22 wanted to make things better, and that's what he's

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1 been about.

2 The third thing I'm going to say to you
3 about him is that he is a great human being and civic
4 leader. He is a family man with three children, he
5 cares deeply about them. He left the President. He
6 was Deputy Chief of Staff and about a year, year and
7 a half ago, he left and went back to Charlotte, North
8 Carolina because his last child was a senior in high
9 school and he wanted to be there with him.

10 He has done so many things in our
11 community in Charlotte, helping bring the Panthers
12 there and Governor Thompson and so many other
13 wonderful things in that great center.

14 I want to tell you one story before I
15 present him to you.

16 In 1992, when I was gearing up to run for
17 Governor, I went to Charlotte to see Erskine Bowles
18 and asked him to be the finance chairman of my
19 campaign. Now all of us know how important it is to
20 get the right finance chairman, and he was exactly
21 the right person.

22 I went and talked to him. He's a good

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1 friend and he wanted to do it for me, but he had just
2 committed to be the National President of the
3 Juvenile Diabetes Foundation of America and to go out
4 and raise funds all across the country, to really try
5 to get to the bottom of this and have that research
6 done, so that we could stop hopefully, end juvenile
7 diabetes. His son has it.

8 This man turned me down. He did that job
9 in a wonderful way, raised huge amounts of money, and
10 I've never admired him for anything more than saying
11 no to me, and doing that.

12 He's the kind of person you will really
13 like, and I want you to get to know him. He is going
14 to be a real friend of the Governors in the White
15 House and the President is very, very lucky to have
16 him.

17 I present to you my friend and our friend,
18 the new Chief of Staff of the President of the United
19 States, Erskine Bowles.

20 (Applause.)

21 MR. BOWLES: Well, I can tell you one
22 thing for sure. The Governor just made my mama

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1 mighty proud. I hope she's listening.

2 If I could just take a point of personal
3 privilege before I start and say two things to two
4 Governors.

5 Jim Hunt has been my friend for a long,
6 long time. He's been our Governor for 12 years of my
7 home state, and I just want to say that our state has
8 never had an asset like Jim Hunt. He has done more
9 to prepare our kids for the 21st century and to lead
10 our state forward. And when they write the books
11 about the great Governors of the State of North
12 Carolina, they will begin and end with the name of
13 Jim Hunt.

14 There's one other Governor I'd like to say
15 something to. For the last four months, I've had the
16 pleasure of having Governor King's son, Angus, work
17 for me in my office at the White House. And I tell
18 you, being a daddy is an important thing to me. And
19 if my sons turn out to have the drive, the ethics,
20 the sense of personal purpose and the strength that
21 your son Angus does, then I know I will have done my
22 job as a daddy. He's one fine young man. You should

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1 be very, very proud.

2 Now, I do have children who are 21, 20,
3 and 19. As Governor Hunt said, they are the light of
4 my life, that they kind of keep things in perspective
5 for you.

6 When I was coming down here this morning,
7 my daughter Annie asked me what I was going to do,
8 and I told her I was going down to the National
9 Governors' Association for a speech.

10 She said, Daddy, who's talking?

11 (Laughter.)

12 MR. BOWLES: That's not even the funny
13 part. I said, I am. She said, good God, who will
14 come?

15 (Laughter.)

16 MR. BOWLES: As Governor Hunt said, coming
17 to Washington was never on my dream sheet of things I
18 wanted to do. I promise I'm not going to get a big
19 head while I'm here.

20 I found in my last job, when I was at the
21 Small Business Administration, you need to keep
22 things in perspective. I remember one night I was

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1 sitting at the SBA until about 9:00 o'clock at night,
2 and I'd given my phone number out when I went and
3 made these town hall meetings.

4 I got a call from an irate small business
5 owner. She was really upset and she had every right
6 to be because we had given her some pretty poor
7 service. And I had these two huge stacks of papers
8 in front of me, and I was trying to work on them, and
9 I was listening to her as hard as I could. She was
10 making some good points, but the longer she talked,
11 it seemed like the higher these stacks of paper got.

12 Finally, after a few minutes, she said,
13 "Now listen here, sonny boy." She said, "It's been
14 nice talking to you, but the next time I call, I
15 don't want to talk to anybody lower than the
16 Administrator."

17 I said, "Ma'am, I've got some good news
18 for you. There is nobody lower than the
19 Administrator."

20 (Laughter.)

21 MR. BOWLES: That was of course before I
22 learned there was this job called Chief of Staff of

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1 the White House, and I've certainly learned that this
2 is a lower job.

3 In thinking about what I wanted to talk to
4 you about today, I thought about how different the
5 world is today than it was four years ago and
6 President Clinton left your ranks and made what is
7 truly a long, long journey to Washington.

8 Four years ago, we were truly looking at a
9 very, very different world, at least from the
10 perspective of people who had spent their careers
11 here.

12 First, I think we were looking at what had
13 been a complete breakdown of fiscal discipline in
14 this country. Four years ago, we were looking at
15 budget deficits of \$290 billion that were forecasted
16 to go to four and five hundred billion. By this
17 time, we were looking at deficit to GDP ratios of
18 almost five percent that were forecasted to stay at
19 that high level.

20 We had one of the highest deficit to GDP
21 ratios of any nation in the industrialized world.

22 During the last four years, this

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1 President, with the help of the Congress, brought
2 those budget deficits down from \$290 billion each and
3 every year he's been here, to \$107 billion this year.
4 Our deficits to GDP ratios have gone from almost five
5 percent down to 1.4 percent.

6 Today we have the lowest deficit to GDP
7 ratio of any of the G7 countries. We have truly made
8 enormous progress in bringing about fiscal discipline
9 to this town. We have a ways to go.

10 I also think four years ago, when this
11 President came to town, I think there was a real
12 question among many people. I know in the Governors'
13 offices, you all thought about it whether or not
14 America, its industries and its people were equipped
15 with the tools that we will need to be competitive
16 for those high wage-paying jobs in the global
17 marketplace.

18 During the last four years, we in
19 Washington and you in the Governors' offices have
20 worked hard to make sure that we invest in education
21 and training and early childhood programs so our kids
22 are prepared to enter school ready to learn, and to

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1 invest in technology and research and development so
2 we can remain on the cutting edge of research and
3 development, so we can attract those high wage paying
4 jobs to this country.

5 I think that is enormous progress we have
6 made. We have a ways to go.

7 I think the third big change we've seen is
8 I think four years ago, there truly was a real
9 question as to what the appropriate role for
10 government would be in the 21st century. Many people
11 thought that the federal government just ought to try
12 to do all things for all people.

13 Other people thought that the best thing
14 the federal government could do is just get out of
15 the way.

16 This President saw a different kind of
17 government, a leaner, more efficient, more effective
18 government, a smaller government that would work in
19 partnership with each of you in the states as
20 Governors with the mayors in the cities and with
21 individual leaders in our communities.

22 He also fully recognized the absolutely

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1 critically important responsibility that individuals
2 have and individuals must play in their communities,
3 especially in these times of smaller and smaller
4 federal government.

5 I think the fourth thing that this
6 President saw when he came to office was the real
7 need we had to make sure that America maintained its
8 place as a force for peace and freedom throughout the
9 world where our interests and values are at stake.

10 Whether that was by removing the threat of
11 nuclear weapons from North Korea, whether it was by
12 removing the dictator and replacing him with a
13 democratic process in Haiti, whether it was ending
14 the stalemate in the peace process in the Middle
15 East, and we had that wonderful signing in Hebron
16 last weekend, or ending that horrible war in Bosnia
17 and replacing it with a peace, a peace that can bring
18 about the kind of political reconciliation and
19 economic redevelopment to that war torn area in
20 Bosnia.

21 I think we've also had some pretty
22 fabulous results over the last four years here in

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1 this country, thanks in large part to a lot of effort
2 of people in this room.

3 We've had eleven million new jobs created
4 in the last four years. That's more new jobs than
5 have been created in any Administration in this
6 history of this country.

7 We've seen unemployment drop from 7.2
8 percent to 5.3 percent.

9 Inflation is clearly under control.

10 Under one of the latest reports that was
11 announced this week, inflation is at a 30-year low.

12 And the misery index, which you all have
13 heard talked about for a long time, is clearly
14 something that we brought under control. The misery
15 index is the sum of unemployment rate plus the
16 inflation rate, and it is at a 30-year low.

17 Economic growth is clearly sound. You've
18 seen the reports in the papers. Productivity is up.
19 Business investment is at an all time high. New
20 business starts are at a post-World War II high, and
21 the U.S. economy has been voted the most competitive
22 economy in the world for the last two years for the

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1 first time beating out the Japanese and the Germans
2 in the last ten-year time period.

3 So I believe we have made enormous
4 progress during the last four years, but I do think
5 we have a tremendous challenge ahead of us, working
6 together in partnership over the next four years.

7 Let me tell you what our priorities are
8 and how I hope we can work together with the
9 Governors.

10 Our first priority is to finish the job to
11 balance the budget. These deficits that we have run
12 in this country have robbed the economy of billions
13 and billions of dollars, billions of dollars that
14 could go to the private sector to be invested in new
15 plant and equipment and machinery and tools to make
16 our companies in this country more productive and
17 more competitive in the global marketplace. To
18 thereby help them earn higher profits and thereby pay
19 higher wages to their employees so that we can do
20 something about the stagnant wages that have
21 bedeviled this country for the last 20 years.

22 Lower deficits and reduced deficits and no

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1 deficits also mean lower inflation so we can protect
2 the purchasing power of the U.S. dollar. Lower
3 deficits also lead to lower interest rates which
4 means that our people can go out and refinance their
5 homes and their businesses.

6 Clearly, balancing the budget is key to
7 the future economic growth of this country and I
8 promise you we are absolutely committed to working
9 with the Congress in a bipartisan method to do just
10 that.

11 (Applause.)

12 MR. BOWLES: The second priority of this
13 President is our first priority, it's your first
14 priority, it is to continue to invest in education.
15 We must balance the budget but we must continue to
16 invest in education, in the training of our people
17 and in early childhood programs.

18 If our kids are going to be prepared to
19 enter school ready to learn and if our people are
20 going to have the skills they need to compete for
21 those high wage paying jobs in the global
22 marketplace.

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1 I know how hard each of you in this room
2 have worked to give our kids the best education in
3 the world. I've seen evidence of that in my home
4 State of North Carolina where Governor Hunt has
5 pushed through what I believe has been one of the
6 most innovative programs in all the fifty states.
7 It's called Smart Start.

8 He was nice enough to let me have a small
9 involvement with it. But it is a public/private
10 partnership that has helped nearly 100,000 kids start
11 school in North Carolina ready to learn.

12 Our third priority is going to be to
13 continue to invest in technology, again to make sure
14 that America remains on that cutting edge of research
15 and development so we can compete again for those
16 high wage paying jobs in the global marketplace.

17 All around our country, states have been
18 reaching out to the high tech industry. I know as
19 Governor Rowland has in Connecticut. In just a few
20 short years, Governor Rowland has turned his state
21 into what has become a haven for biotechnology
22 research and development.

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1 It's this kind of effort that we must make
2 in our states if we are going to compete for those
3 high wage paying jobs of the future.

4 Our fourth effort is going to be to expand
5 exports because the jobs created by exports are good
6 jobs, they are high wage paying jobs, they're jobs
7 that on average pay 12 to 18 percent higher than the
8 average manufacturing jobs.

9 And as all of you well realize, world
10 trade is expected to grow over the next decade at
11 three times the rate of the U.S. economy. And that
12 trade is going to be driven by 1.8 billion people in
13 East Asia. China is going to become the world's
14 largest market. The ASEAN countries are going to
15 become the second largest trading bloc in the world.

16 And I can guarantee you, as we stand here
17 today, that 265 million people are going to have to
18 compete with the 350 million people in the European
19 Common Market, and the 130 million Japanese, to
20 provide high value goods and services to these
21 growing markets in East Asia, Russia, and Latin
22 America.

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1 And the only way that we're going to be
2 competitive is if we continue, as a nation and as
3 states, to invest in the education and training and
4 skills of our people in high technology. Otherwise
5 we will never be competitive with the European Common
6 Market and the Japanese. And we are going to
7 continue to make that a focus here in Washington.

8 The fifth area that we're going to focus
9 on is we're going to continue to try to attack that
10 complex of social problem that has bedeviled this
11 country for the last 20 years. I'm talking about
12 crime, violence, and family breakdown, the problems
13 of guns and gangs and drugs.

14 For our part, we're going to work hard to
15 finish the job of putting those 100,000 police
16 officers on the street. We're going to work hard to
17 pass a strong juvenile justice bill, and we're going
18 to continue to work hard to teach our kids that drugs
19 are wrong, drugs are illegal and drugs will kill you.

20 A perfect example of what we think we can
21 achieve together in working in partnership with the
22 states to fight crime in happening in Nevada where

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1 Governor Miller has made juvenile delinquency a first
2 concern. Nevada's family-based anti-drug initiative
3 brings families, communities and the courts together
4 to give juvenile first offenders a real chance to
5 turn around their lives. We believe this kind of
6 effort is what we need to really be effective in
7 fighting that complex of social problems that we have
8 faced for a long, long time.

9 The sixth area that we're going to focus
10 on is that we're going to try to finish the job of
11 welfare reform. We truly believe we must end welfare
12 as we know it. We must break that cycle of poverty
13 and dependency and help bring the American underclass
14 into the American mainstream.

15 Finishing the job of welfare reform will
16 not be easy. I know you all in this room have spent
17 a lot of time talking about it in the last several
18 days. We have demanded more responsibility from
19 people on welfare.

20 Now we in this room, we in Washington and
21 you in the state houses, we must meet our
22 responsibility to give welfare recipients the

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1 opportunity to work within the President's budget
2 which he will announce next Thursday. It will make
3 it easier for the private sector to create these
4 jobs. We will provide incentives to the private
5 sector like wage subsidies and tax credits to help
6 move what we hope will be one million additional
7 people from welfare to work.

8 I know Governor Carper has done a fine job
9 up in Delaware because he has moved literally
10 thousands and thousands of people already off of the
11 welfare rolls and into jobs.

12 The seventh thing that we hope to
13 accomplish is we want to continue our work to
14 strengthen families in this country. We want to do
15 that by doing such things as expanding the family
16 medical leave law, so that parents can spend more
17 time working in schools with their children, so that
18 they can go to PTA meetings, they can meet with their
19 teachers.

20 Can you think of how much better our
21 schools would be if we could create time for families
22 to spend more time in the schools together.

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1 We also want to finish our job of making
2 sure that we do everything we can to protect the
3 environment, to protect our air and our water and our
4 food.

5 One of our goals is to finish cleaning up
6 over two-thirds of the toxic waste dumps here in this
7 country. That would be an enormously positive step
8 forward.

9 Our last goal is to make sure that America
10 remains a vital force for peace and freedom
11 throughout the world where our interests and values
12 are at risk, whether that's in Bosnia, the Mideast,
13 Africa or the Asian Pacific regions.

14 Clearly I think we have a lot of work to
15 do. We have a very aggressive agenda ahead of us.
16 If we have learned nothing else during the last four
17 years, it is that we can only achieve our goals by
18 working together, by working across party lines, and
19 by working at every level of government.

20 The President is absolutely committed to
21 working with you, as Governors in the states, to meet
22 our challenges ahead of us.

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1 I know many of you have a number of
2 questions about our balanced budget, especially
3 regarding Medicaid, welfare reform and the
4 environment.

5 I want you to know that we are prepared to
6 do everything in our power to address these issues
7 with you over the next several days. Ours will be a
8 relationship that will be built on mutual respect and
9 openness.

10 I look forward to meeting with you all
11 with the President tomorrow morning, to discussing
12 Medicaid and welfare reform issues, to discuss the
13 balanced budget and the environment.

14 I think we will have a good working
15 session and I also want to tell you I'm absolutely
16 looking forward to having the opportunity to work
17 with you in the days ahead.

18 My office and my doors will always be
19 open. Please call me. I look forward to working
20 with you.

21 Thank you very much.

22 (Applause.)

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1 GOVERNOR MILLER: I want to thank Mr.
2 Bowles for taking time to be with us. As I said
3 earlier, he has another commitment to attend to, and
4 we'll have the opportunity to visit with he and the
5 President and the rest of the Clinton Administration
6 tomorrow at the White House.

7 We look forward to having continued open
8 dialogue, such as he suggested, and a warm
9 relationship for the next four years, as we discuss
10 matters of mutual interest.

11 We will now convene a meeting of the NGA
12 Executive Committee. All of the Governor members are
13 welcome to participate but only the Committee members
14 may actually vote on any of the matters in front of
15 us.

16 First, I'd like to have a motion and
17 second to approve the minutes of the November 14,
18 1996 Executive Committee meeting.

19 GOVERNOR VOINOVICH: So moved.

20 GOVERNOR MILLER: Motion by Governor
21 Voinovich.

22 Is there a second?

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1 GOVERNOR EDGAR: Second.

2 GOVERNOR MILLER: Is there any discussion?

3 (No response.)

4 GOVERNOR MILLER: I'll call the question.

5 All in favor, say aye.

6 (Chorus of ayes.)

7 GOVERNOR MILLER: Opposed, no?

8 (No response.)

9 GOVERNOR MILLER: The motion is carried.

10 We'll now move approval of the Executive

11 Committee policy positions -- I think the members

12 have seen them -- with the exception of the block

13 related to Medicaid which we will discuss separately.

14 Does any member want to discuss any of

15 these other policies separately other than the

16 Medicaid component?

17 We're going to move them all separately?

18 All right.

19 We'll go down the list, taking them in

20 order.

21 The first is permanent policy principles

22 for state/federal relations.

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1 I'll turn to Governor Leavitt.

2 GOVERNOR LEAVITT: Governor Miller, this
3 is actually an amendment to an existing policy that
4 would urge Congress to adopt legislation that would
5 require them to essentially abide by the Tenth
6 Amendment to assure federal interest in legislation,
7 and I move its adoption.

8 GOVERNOR MILLER: Any discussion?

9 (No response.)

10 GOVERNOR MILLER: First, is there a
11 second?

12 VOICES: Second.

13 GOVERNOR MILLER: Any discussion on that
14 motion?

15 (No response.)

16 GOVERNOR MILLER: If not, call for the
17 question.

18 All in favor, signify by saying aye.

19 (Chorus of ayes.)

20 GOVERNOR MILLER: Any opposed?

21 (No response.)

22 GOVERNOR MILLER: That motion is carried.

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1 The second is the issue of political self-
2 determination for Puerto Rico.

3 Governor Rossello?

4 GOVERNOR ROSSELLO: Mr. Chairman, this is
5 an update of current policy. It may be inconsistent
6 with the current situation. In 1998, Puerto Rico
7 will celebrate its 100th year under U.S. sovereignty.
8 The policy of this Association has been to allow
9 political self-determination for Puerto Rico.

10 Congress has engaged in a process of
11 authorizing a plebiscite to be celebrated in 1998.
12 President Clinton has supported a process that will
13 recelebrate it at that centennial year 1998, and the
14 resolution that is presented is consistent with the
15 previous positions of this Association.

16 And in this case, urges Congress to act
17 this year for the authorization of a plebiscite on
18 the status definition for Puerto Rico.

19 I move its adoption.

20 GOVERNOR MILLER: Is there a second?

21 GOVERNOR CHILES: Second.

22 GOVERNOR MILLER: Any discussion on the

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1 motion?

2 (No response.)

3 GOVERNOR MILLER: If not, call for the
4 question.

5 All in favor, signify by saying aye.

6 (Chorus of ayes.)

7 GOVERNOR MILLER: Opposed?

8 (No response.)

9 GOVERNOR MILLER: Motion carried.

10 The next proposed change is relationship
11 to long-term care.

12 Governor Leavitt?

13 GOVERNOR LEAVITT: Governor Miller this is
14 again a proposed amendment to our policy that
15 expresses our belief in the Association that we need
16 to deal with both Medicaid and Medicare jointly and
17 that a more coordinated effort would be more cost-
18 effective and I move its adoption.

19 GOVERNOR MILLER: Is there a second?

20 VOICES: Second.

21 GOVERNOR MILLER: Any discussion of the
22 motion?

1 (No response.)

2 GOVERNOR MILLER: If not, call for the
3 question.

4 All in favor say aye.

5 (Chorus of ayes.)

6 GOVERNOR MILLER: Opposed, no?

7 (No response.)

8 GOVERNOR MILLER: The motion carries.

9 Next is Executive Committee Amendment
10 Number 8, Medicaid.

11 GOVERNOR LEAVITT: Again, this is an
12 amendment to our policy. It's a series of amendments
13 that made recommendations designed to promote the
14 efficiency and cost-effectiveness of our Medicaid
15 program. It includes repealing the Boren Amendment
16 and facilitating managed care, increasing flexibility
17 to develop home and community-based programs, and
18 promoting efficiency and cost controls.

19 Mr. Chairman, I move its adoption.

20 GOVERNOR MILLER: Is there a second?

21 VOICES: Second.

22 GOVERNOR MILLER: Discussion on the

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1 motion?

2 (No response.)

3 GOVERNOR MILLER: If not, call for the
4 question.

5 All in favor say aye.

6 (Chorus of ayes.)

7 GOVERNOR MILLER: I'm sorry, I didn't see
8 you. Governor Engler.

9 GOVERNOR ENGLER: An old legislative
10 trick.

11 (Laughter.)

12 GOVERNOR ENGLER: I did want to raise, and
13 I wanted to ask Governor Leavitt perhaps this is
14 something that unfortunately we spent many hours on
15 last year, but just kind of an update on, and I can
16 do this when we get to the full membership, but I
17 thought maybe at the Executive Committee, I ought to
18 raise this question on some flexibility.

19 The thing, and I know in Utah, the
20 particular program we were trying to design with the
21 amount, scope and duration of benefits, that whole
22 question, one of the things that I think has been

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1 vexing about Federal Medicaid policy is sort of one-
2 size-fits-all. If you're going to have any size
3 you've got to have this size program, particularly as
4 there is discussion in the Administration, and the
5 Chief of Staff has referenced it, really indirectly
6 and politely; but if they're talking about proposing
7 any kind of mandated expansion for coverage of
8 currently unprotected classes or individuals, it does
9 seem to me that we ought to be very clear that we
10 ought to have flexibility in some cases not to have
11 to provide the full boat load of benefits. The canoe
12 load will do it. It will allow us to cover more
13 people. Or, as you talked about, the Chevy for
14 everyone versus the Cadillac for the few.

15 I'm just wondering what your sense would
16 be, if you'd be willing to accept some language, as
17 part of this policy, and I happen to actually have
18 thought about this and put something together. I
19 would say something like, states should be given the
20 authority to adjust the amount and duration and scope
21 of benefits to those in significant discretionary
22 eligible groups. In other words, it's state

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1 flexibility and it works in our favor.

2 It strikes me that ought to be a policy.
3 It isn't the law but at least it's the right position
4 I think for a group of Governors to take.

5 How would you feel, Governor Leavitt?
6 Would you regard that as a friendly amendment?

7 GOVERNOR LEAVITT: Governor Engler, I
8 suspect that I've had experiences and I suspect all
9 of our colleagues have in dealing with this in Utah,
10 as a matter of example. The richest benefit package
11 in our state is Medicare and the second is Medicaid.
12 In Utah, a Medicaid package is about 130 percent
13 richer or it's 130 percent of the average employee
14 benefit plan than a person who works in a mill in
15 Magna or a car dealership in Murray, Utah would have.

16 We made a decision in our program that
17 we'd like to reduce that from 130 percent down to
18 about 118 percent to be able to provide coverage for
19 more people. That was actually negotiated among our
20 low-income communities and advocates but we weren't
21 able to do it because of the prescriptive nature of
22 the Medicaid law.

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1 We could have served more people with
2 better than average coverage but were unable to do
3 that. From my own standpoint, that would be a
4 desirable piece of policy and I would support it on a
5 personal basis.

6 GOVERNOR ENGLER: Mr. Chairman, I move
7 that. I've actually got it written up and we may
8 just circulate that to members of the Executive
9 Committee.

10 GOVERNOR MILLER: Governor Dean, then
11 Governor Romer.

12 GOVERNOR DEAN: I've got some concerns
13 about this, Mr. Chairman. I might have some
14 questions for Governor Engler and Governor Leavitt.

15 My understanding was that Governor
16 Engler's motion is not simply to allow states more
17 flexibility administering what was covered, but also
18 who was covered. That does concern me because
19 current law requires that children be preferentially
20 covered; in other words, the number of children, the
21 percent of poverty at which children are covered is
22 higher right now under existing law from age 0 to six

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1 than for everybody else.

2 Secondly, there are a number of
3 individuals, including myself, who have some
4 proposals before the federal Congress now. Mine
5 basically says that the federal government will pay
6 100 percent of covering all children up to 300
7 percent of poverty but will require states to
8 maintain a maintenance of effort.

9 My question would be, first of all, what
10 about the notion of allowing states to reduce
11 coverage for children, and would your amendment do
12 that, John?

13 And secondly, if the coverage were to be
14 paid to 100 percent by the federal government, would
15 this language also allow the states to refuse to
16 cover kids, even if by agreement the federal
17 government was paying 100 percent?

18 GOVERNOR ENGLER: I think everybody has a
19 copy as well. I think we've gotten this around to
20 everyone.

21 No. The intent here is not to deal with
22 which groups are covered at all. It's to deal with

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1 the amount of the benefits. I said amount. The
2 states should be given the authority to adjust the
3 amount, duration, and scope of benefits to those in
4 significant discretionary eligibility groups.

5 I don't view the children as
6 discretionary.

7 Now there is a point, and Governor Dean
8 just mentioned it up to say 300 percent of poverty,
9 that's not a mandated classification at the present
10 time if you go that high.

11 I think in Michigan, we are probably one
12 of the more generous states. We cover all children
13 up to 150 percent of poverty, and then we have a
14 waiver which allows us even to cover some additional
15 children in working families up to about 175 percent
16 of poverty, because when you're at 150 percent of
17 poverty, you're not talking about the MBC case at
18 that point. They're not likely eligible for cash
19 benefit. That's a low income family.

20 So that's the direction. This isn't a
21 Congressional bill but it's trying to keep it in the
22 mind of Congress that there ought to be some state

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1 flexibility here. It doesn't try to get into where
2 you've drawn a line and what's the bright line beyond
3 which you have no flexibility.

4 I just say for the discretionary group.
5 So I'm not intending to uncover anybody that's
6 currently covered and not to put in any limits that
7 way.

8 GOVERNOR DEAN: John, would it limit, if
9 the federal government were to pay for 100 percent of
10 a certain group to be covered, would that then limit
11 their ability to get it done because states could
12 say, well, we don't want your money, we're not
13 covering that group.

14 GOVERNOR ENGLER: The states could do that
15 today. I presume there are some states, again, I use
16 Michigan as an example, covering up to 150 percent of
17 poverty. I'm aware that some states don't cover
18 children above 100 percent of poverty.

19 GOVERNOR DEAN: That's a match. I'm not
20 asking that. I fully support -- if this is about
21 states having control over their own expenditures, I
22 fully support that because I think if you're asked to

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1 match a federal program, you should have the right to
2 make that decision as to state.

3 What I'm saying is if the federal
4 government is going to pay for 100 percent of kids
5 over and above what you cover or I cover today, does
6 this language allow the states to opt out, even
7 though they're not paying any money?

8 GOVERNOR ENGLER: No, I don't think so,
9 but I'm not sure I'm understanding the question.
10 It's hard for me to understand why a state would. I
11 guess the other thing is, if there's no reason for
12 them to do it, I think there'd be no incentive to,
13 why express it in the policy?

14 I'm not sure I understand the thrust of
15 your question, either. We could opt out of Medicaid
16 today if we chose to. Are you suggesting we ought to
17 write a law that would say states couldn't do that?

18 GOVERNOR DEAN: No. What I'm saying is,
19 if you want to opt out of Medicaid, I would support
20 that because a third of that money is yours, 40
21 percent, whatever the share for Utah is.

22 What I'm trying to do is to get the

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1 federal government to cover more children at their
2 expense, without any mandate from the states. I'm
3 just concerned that language like this might
4 complicate that effort.

5 GOVERNOR LEAVITT: Again, not being a
6 sponsor of this amendment, I can't speak to it. But
7 I will just tell you from my own standpoint, most of
8 these programs started out at 100 percent, and then
9 they migrate south.

10 GOVERNOR DEAN: Medicaid didn't start that
11 way.

12 GOVERNOR LEAVITT: Many programs do. In
13 our state, we're working to expand Medicaid coverage
14 for children just like I believe you are in Vermont.
15 If the federal government offered that, I think most
16 states would do that. I don't see the need for
17 having to express the policy that would allow the
18 national government to mandate us to do that.

19 I think we want to cover children, and I
20 don't see any reason for us to invite them to mandate
21 us to do more.

22 GOVERNOR MILLER: I think Governor Romer

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1 had a comment.

2 Before I turn to that, let me say that the
3 staff's recommendation is that the Medicaid directors
4 in the various states are scheduled to meet with the
5 NGA staff next week. This is a substantive issue
6 that they haven't had the opportunity to fully
7 explore to reach a consensus on.

8 We did in fact have a Medicaid Task Force
9 meeting last week. In fact, I think we need to amend
10 the amendment, amend the proposed resolution to
11 reflect those components, that this is one that has
12 not been discussed by the Medicaid Task Force at this
13 particular point in time. And at least the staff
14 recommendation is that we wait until the Medicaid
15 directors can discuss it.

16 Governor Romer?

17 GOVERNOR ROMER: That speaks to my
18 concern. I think I'm sympathetic with this point of
19 view, John, but I know there's a complicated staff
20 relationship with all of the work we do with
21 Medicaid. And I just wonder if they had had a chance
22 to look at this.

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1 But if the staff, I think we need to work
2 through this problem. My only question is
3 procedurally have the people or each of our Governors
4 had a chance to look at this prior to this
5 discussion.

6 GOVERNOR MILLER: And the answer is, I
7 believe, no.

8 Governor Engler?

9 GOVERNOR ENGLER: The answer is no if you
10 mean this week or yesterday. It's yes if you mean is
11 this something that's been fully reviewed in the
12 past.

13 I was trying to reverse the process and
14 have the Governors direct the staff, rather than have
15 the staff direct the Governors.

16 (Laughter.)

17 GOVERNOR ENGLER: That's radical.

18 GOVERNOR MILLER: With all due respect, I
19 think that the purpose here is that there are fifty
20 Governors, 49 of which have not had an opportunity to
21 study this with their staff as you have, and they
22 haven't had the opportunity to review it prior to

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1 this motion being brought forward.

2 Certainly we don't have to abide by
3 staff's recommendation but I suspect there might be a
4 great many Governors who would be reluctant to enact
5 this without having the opportunity to review it with
6 their own staff.

7 Governor Voinovich?

8 GOVERNOR VOINOVICH: I think the task
9 force is trying to do a very good job of bringing us
10 into a position where we have some really good policy
11 dealing with the general things that we expect to be
12 confronted with in terms of initiatives by Congress.

13 I think what you're suggesting today might
14 be something that goes into the second tier. We're
15 going to have to be amending this policy as we see
16 what comes out of the Administration.

17 I'd like to suggest that we give this
18 serious consideration in the task force, along with
19 some other things that we're going to have to work on
20 before this Congress leaves.

21 GOVERNOR ENGLER: Here's what I want to
22 do. Perhaps this will help move us along here today.

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1 Is just this policy is being recommended to the full
2 group on Tuesday anyway, so I'll give the staff the
3 24 hours to meet, then I'll offer it as a policy
4 amendment on Tuesday in the plenary session and do it
5 that way because it's something that I think
6 everybody who does have a chance to check with their
7 staff will find that it would give them greater
8 flexibility.

9 I don't find it limiting and it is an old
10 issue. It was very much the core of the Medicaid
11 discussions the last time.

12 It's real simple. Either Washington says,
13 this is your package of benefits and everybody you
14 cover with Medicaid must have this package of
15 benefits, or Washington says you will have some
16 flexibility to design different kinds of benefit
17 packages.

18 If you're using managed care and you want
19 to cover more people, you can cover more people if
20 the benefit package is less rich than the
21 Congressionally mandated one.

22 It is an issue that I think is very

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1 important in terms of state flexibility.

2 So why don't we do that? I'll withdraw
3 the amendment now, give the staff some time, and then
4 I'll resubmit it on Tuesday?

5 GOVERNOR MILLER: You'll need to submit it
6 in writing by 5:00 o'clock tomorrow then.

7 GOVERNOR ENGLER: It's already there.

8 GOVERNOR VOINOVICH: John? I just want to
9 see if I understand this. Don't we have the
10 authority right now to adjust the package? On
11 welfare we can do that but on Medicaid, we're pretty
12 well stuck with the mandated benefits?

13 GOVERNOR ENGLER: Right.

14 GOVERNOR VOINOVICH: Of course, most of us
15 provide more benefits than what the mandates are.

16 GOVERNOR ENGLER: If you do that, you are
17 held to the state wideness test, so if you have a
18 broader package of benefits today because you've
19 chosen to be generous in the past, now if you try to
20 serve people in need and say we're going to go with
21 the minimum benefit, they'll say wait a minute, you
22 made a decision once upon a time you were going to

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1 have a broader package of benefits. Now it would be
2 discriminatory to give this new person zero insurance
3 less than what you've given everybody else.

4 So the choice is no coverage or an
5 extensive base coverage plus optional benefits
6 coverage.

7 And all I'm arguing is it is a rational
8 decision for a state to say well, wait a minute. The
9 choice is no coverage or a bigger package. Why don't
10 we cover some of the people who currently aren't
11 covered and give a smaller benefits package that is
12 helpful and positive and seemingly consistent with
13 all the goals.

14 But the advocates groups, the advocates
15 include providers who want more benefits in the
16 package.

17 GOVERNOR MILLER: Let's have a final
18 comment on this from Governor Dean.

19 GOVERNOR DEAN: Mr. Chairman, I think
20 certainly there are a lot of us that are sympathetic
21 to what John is trying to do but are also concerned.

22 I would accept Governor Engler's officer

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1 to withdraw this.

2 I think those of us on the Medicaid Task
3 Force and our staffs ought to have a look at this and
4 see if we can draft it in such a way that both John's
5 concerns and my concerns are met by the plenary
6 session.

7 GOVERNOR MILLER: I think that's a
8 sensible resolution. We do have the basic resolution
9 in front of us. We have not amended it to reflect
10 the task force meeting last week, most of which was
11 technical. The most substantive was withdrawal of
12 language proposing alternatives to the Boren
13 Amendment suggesting that we only suggest it be
14 repealed, but not the alternatives.

15 Those are replacing options A and B in the
16 draft policy from last month.

17 GOVERNOR LEAVITT: Mr. Chairman, there's a
18 sheet that's been placed on the desk that list a
19 series of amendments to the printed version in the
20 book. There are a series of them. A couple of them
21 are quite important and substantive. I commend that
22 as reading before people vote.

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1 GOVERNOR MILLER: You're moving the
2 amendments now then?

3 GOVERNOR LEAVITT: I guess I would ask a
4 point of order. Does it require an amendment to the
5 present motion?

6 If in fact it does, it would move it as
7 amended.

8 GOVERNOR MILLER: Is there a second to the
9 amendment?

10 VOICES: Second.

11 GOVERNOR MILLER: Any discussion on the
12 amendments that are in front of everybody?

13 (No response.)

14 GOVERNOR MILLER: All those in favor,
15 signify by saying aye.

16 (Chorus of ayes.)

17 GOVERNOR MILLER: Any opposed?

18 (No response.)

19 GOVERNOR MILLER: Motion carried.

20 Then there's the motion, and I'm not sure
21 we have a second to the motion itself, to approve the
22 resolution.

1 We have a second.

2 Discussion on the resolution as amended?

3 (No response.)

4 GOVERNOR MILLER: If not, call for the
5 question.

6 GOVERNOR CHILES: Is this on the overall
7 policy now?

8 GOVERNOR MILLER: That's the overall
9 policy as amended at the Medicaid Task Force meeting
10 that we held over the last week.

11 GOVERNOR CHILES: I want just to discuss
12 briefly, I notice that we are saying in here, and I
13 assume this is the policy we're now adopting, that
14 any unilateral federal cap on the Medicaid program
15 will shift costs to state and local government, which
16 they simply cannot afford. The Governors adamantly
17 oppose a cap on federal Medicaid spending in any
18 form.

19 That's a part of this policy, is it not,
20 Mike?

21 GOVERNOR LEAVITT: It is.

22 GOVERNOR MILLER: That was the amendment

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1 you just approved, the language that you and I
2 drafted that's been approved as part of the proposal
3 that we now vote on.

4 GOVERNOR CHILES: I just want to say that
5 I support that wholeheartedly. I think that's been
6 the position that the NGA has basically taken over
7 and over again in regard to cost shifting matters.

8 We're not only subject now, and I don't
9 know whether we'll take it up this morning or not,
10 but I hope this policy will remain our policy when we
11 get to legal immigration. That to me is again a
12 tremendous cost shift. It is to my state and I think
13 to many states. It's a direct cost shift.

14 Tomorrow, I'm going to start mailing
15 notices to people that literally by federal policy
16 wee invited in to become citizens of the United
17 States to cut those citizens off of the rolls.

18 There's going to be a number of thousands
19 in my state that cost my state some \$300 million. I
20 just hope we will be consistent in the policy that
21 we've taken over and over again in regard to cost
22 shifts.

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1 GOVERNOR MILLER: The question of legal
2 immigration is to be decided in committee tomorrow.
3 There's a proposed resolution to at least a part of
4 that.

5 Any further discussion of this resolution
6 as amended?

7 GOVERNOR MILLER: Yes, Governor Romer?

8 GOVERNOR ROMER: I'd go along with this,
9 but I think the language we've chosen to use may be
10 unfortunate. One sentence says the Governors
11 adamantly oppose a cap on federal Medicaid spending
12 in any form. I think the reality of the world we
13 live in is there has to be appropriate restraints at
14 the federal level on Medicaid spending.

15 There has to be appropriate flexibility
16 for Governors in order to live with those restraints.
17 That's the area we've got to get to and I think we
18 all know that the word "no cap in any form," I think
19 we're trying to say, don't shift it.

20 But I think we all need to recognize we've
21 got to get hold of the spending in this area, and we
22 need to do it together. This language is a little

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1 harsh, and I just think that the reality of it is
2 we're going to have to come together with some kind
3 of restraint and appropriate flexibility.

4 GOVERNOR MILLER: I think the next
5 sentence might clarify part of that. If Congress and
6 the Administration are serious about reducing the
7 cost of the programs, they must reexamine the
8 authorizing legislation that brought us where we are
9 today and we expect them to make it consistent with
10 Congressional spending strategies. So we're
11 basically saying we're opposed to a cap in the
12 existing format of this program.

13 If you're going to put a cap in, you've
14 got to rethink how this program operates.

15 Do you have anything further on that,
16 Governor Leavitt?

17 GOVERNOR LEAVITT: No, that was my
18 comment.

19 GOVERNOR MILLER: Any other comments?

20 If not, we'll call for the question on the
21 resolution as amended.

22 All those in favor, signify by saying aye.

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1 (Chorus of ayes.)

2 GOVERNOR MILLER: Any opposed?

3 (No response.)

4 GOVERNOR MILLER: The motion is carried.

5 The next item is an item for protection of
6 victim rights. As most people will remember, in the
7 last presidential election, both Senator Dole and
8 President Clinton endorsed a constitutional amendment
9 for victim rights. It will be addressed on Tuesday
10 at our plenary session by one of the leading
11 advocates thereof, John Walsh, father of a missing
12 child named Adam, and host of America's Most Wanted.

13 It's something that I've supported for a
14 great many years and I think the time has come not to
15 deprive any accuseds of their rights but to put some
16 basic rights in for crime victims as well.

17 Any motions or discussion?

18 Yes?

19 GOVERNOR ENGLER: I move we approve the
20 policy.

21 GOVERNOR MILLER: Is there a second?

22 VOICES: Second.

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1 GOVERNOR MILLER: Discussion, did you have
2 discussion? I'm sorry. Yes, Governor Whitman?

3 GOVERNOR WHITMAN: I just wanted to bring
4 up one concern I have. I fully support this concept
5 of a constitutional amendment.

6 I'd just like to ask, and see whether
7 anyone else shares the concern, of some of the
8 specificity of the language in the constitutional
9 amendment, the part that talks about receiving full
10 restitution or compensation from an offender.

11 My only concern there is if the offender
12 is an indigent, then does it fall on the state to
13 provide the full restitution, if this is the
14 constitutional language left to implementing
15 legislation.

16 That was a concern that I had.

17 GOVERNOR MILLER: I don't think that's the
18 intention as it was drafted. Those questions have
19 been raised by other associations, district
20 attorneys, attorneys general, about their
21 responsibility. But if you absent yourself from the
22 question of restitution, you're going to leave a big

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1 vacuum there that's been lacking in the past.

2 GOVERNOR WHITMAN: I agree. We have a
3 constitutional recognition in our state on victims'
4 rights. My only concern was in this draft the
5 specificity of that language as it would apply to the
6 United States Constitution, therefore to us in the
7 states. And who then would be responsible for
8 ensuring that the victim is fully compensated, and
9 whether if in fact the perpetrator was indigent that
10 that then would be our responsibility to find the
11 dollars to do that.

12 And then just the reason for protection
13 from harm. I mean, we all want do to that. These
14 are things that can be dealt with at the state level,
15 and I'd just ask those, I know there are lawyers
16 among us, whether in fact we are opening ourselves up
17 for some problems if we do this as part of the
18 constitutional language itself.

19 GOVERNOR MILLER: Governor Carper?

20 GOVERNOR CARPER: Governor Whitman raises
21 I think two good points. This paper was just handed
22 to us moments ago, and I haven't had an opportunity

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1 to explore it with my own staff. I just want to make
2 sure that one, somehow someone who it turns out the
3 defendant is destitute that somebody doesn't turn
4 back to us and say, by the way, Delaware, New Jersey
5 or some other state, the court's going to ask you to
6 pick up this cost.

7 Also we know how difficult it is when
8 someone has been released from incarceration to be
9 fully assured that they're not going to misbehave
10 again. We just want to make sure that what we're
11 doing here helps that.

12 GOVERNOR MILLER: I think if you look at
13 the paragraph, I think you'll recognize that we're
14 making a general cost assessment. It concludes by
15 suggesting, "Therefore, the Governors ought to follow
16 the part of Congress and work with them in developing
17 legislation that recognizes existing state laws and
18 the state constitution," which might incorporate
19 sufficient safeguards.

20 What we're suggesting is we want to work
21 with the Congress. There was a bipartisan proposal.
22 Senators Kyl and Feinstein, in the last Congress.

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1 I'm not troubled by the language but I
2 certainly don't object to any amendment that
3 clarifies it.

4 I think the concept is the most important
5 component.

6 Governor Branstad?

7 GOVERNOR BRANSTAD: Governor Miller, it's
8 my understanding that 29 states do have the
9 constitutional protections like this already. I am
10 proposing a similar constitutional protection in our
11 state constitution in Iowa this year, including the
12 specific reference to full restitution being made by
13 the offender.

14 I think the fact that it talks about by
15 the offender, if the offender is indigent, there's
16 still a judgment against the offender. And if they
17 are released at some later time, or if they inherit
18 some money or whatever, the victims or the victims'
19 family has a judgment and an opportunity to collect.

20 I think that's what the intent of this is.
21 It's my understanding that there are some states that
22 already have this, so I would assume there's probably

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1 some judicial review that's already determined that
2 this is not a significant risk, but possibly staff
3 can review it to be sure.

4 GOVERNOR MILLER: If determinations are to
5 be a problem.

6 GOVERNOR WHITMAN: We have an amendment in
7 our constitution that protects victims' rights, and
8 in fact I've just called for extending that even
9 further and taking a perpetrator's resources and
10 ensuring that they pay fully.

11 My only concern was that I think states
12 are doing that within their own constitutions, and
13 whether by putting this specificity of language in
14 the federal constitutional amendment changes that in
15 any way, so if we could get an opinion that showed
16 that it did not, that we still would be able to
17 collect this from the perpetrator and not have the
18 victim come back to the state looking for full
19 restitution.

20 GOVERNOR MILLER: Clearly.

21 Governor Locke?

22 GOVERNOR LOCKE: Mr. Chairman.

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1 GOVERNOR MILLER: I know this is an
2 Executive Committee action.

3 GOVERNOR LOCKE: Just for clarification,
4 I'm wondering what the amendment is that's before the
5 Executive Committee. Is this existing policy is what
6 we propose actually the big bold language capitalized
7 letters near the bottom of the page?

8 GOVERNOR MILLER: I don't know the
9 reference to the big bold letters. This is proposed
10 policy. It's not existing.

11 GOVERNOR THOMPSON: Governor Miller, if I
12 could clarify. I think, Gary, you're looking at
13 something John Engler is going to submit later.

14 GOVERNOR MILLER: That's a proposed
15 amendment. It's not yet in front of us in the formal
16 sense.

17 GOVERNOR ENGLER: Thank you, Mr. Chairman.

18 I'm not a fan of this policy particularly.
19 I looked at 29 states who have it, as some of the
20 Governors have indicated, state constitutional
21 protection for victims' rights. I worry about
22 inviting the federal courts in any further into the

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1 states, and I think that there's a lot of troublesome
2 language in the constitutional amendment that's
3 proposed.

4 I realize there's a lot of sort of in
5 Washington, you know, this is a great issue to be for
6 now this year, but the crime fighting actually takes
7 place in the local communities and states. They
8 don't fight crime down here. They don't even fight
9 it in the District of Columbia very well.

10 So I am concerned about the federal
11 constitutional amendment in this area because I think
12 the states are fully capable of dealing with victims'
13 rights and with doing a very nice job.

14 The reason I put together the amendment is
15 to sort of -- there is a way to balance the scales
16 here a little bit, in my judgment. The amendment
17 that I was suggesting, because I think we really want
18 to take care of the rights of crime victims, we ought
19 to look at the life time tenure of federal judges.

20 What I've put together is an amendment
21 here that says that in order to further safeguard the
22 rights of crime victims and ensure they are not

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1 relegated to secondary courts in the judicial
2 process, I would support replacing life time tenure
3 for federal judges with a mechanism whereby Congress
4 periodically reviews judicial performance.
5 Performance should be evaluated according to
6 established criteria which includes the judiciary's
7 application of victims' federal constitutional
8 rights.

9 I think that now starts to get interesting
10 as a discussion because I think that the greater
11 threat out there to victims are some of these people
12 that are on the federal bench in some of these cases
13 controlling Michigan's prisons or behaving in ways
14 which do put victims at risk of repeat crimes.

15 I think that's the way to go, and I would
16 like to move that amendment and get that issue in
17 front of us.

18 I worry that Governor Whitman's question
19 is right on target and I don't think it's resolved,
20 Governor, in anything that I've seen. I think
21 there's some potential for a federal court to find
22 that somehow we weren't making appropriate

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1 restitution and I'll bet they won't find that that's
2 a federal government cost. They'll say to Governor
3 Chiles, you pay for that restitution out of your
4 already tight budget.

5 I think also that some of the provisions
6 dealing with the right to reasonable protection from
7 harm or threat of harm has a large unfunded
8 constitutional mandate sound to it.

9 I'm worried about that. I'm worried this
10 morning, so I put forward an amendment that I think
11 helps at least get this policy headed in the right
12 direction.

13 GOVERNOR MILLER: Is there a second to
14 that amendment?

15 VOICE: Second.

16 GOVERNOR MILLER: When we discuss
17 opposition to the amendment, many of you are aware of
18 my background as extensively in law enforcement.
19 I've been a policeman and a police attorney and a
20 judge and a district attorney, and I've been very
21 actively involved in crime victim rights for 25 years
22 at the local, state, and national level.

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1 While I think that there is merit to the
2 question of whether or not federal judges should be
3 life time in tenure and certainly is a cause of
4 concern in individual cases, depending upon rulings,
5 I personally have never experienced that to be of a
6 national movement that is related to crime victims'
7 rights.

8 In other words, a basic guarantee that
9 crime victims be treated constitutionally, at least
10 given similar recognition as the accused are. This
11 has never been a focal point thereon, and personally
12 I would prefer that discussions relating to whether
13 or not federal judges serve a life time or serve
14 periodically be discussed separately, rather than
15 confusing the basic issue of protecting of crime
16 victims.

17 I would point out that Senator Dole and
18 President Clinton, the authors of last year's
19 congressional legislation, Senator Kyl and Senator
20 Feinstein, of course did not include this in theirs,
21 and there are some, such as yourself, Governor
22 Engler, who have concerns about the basic concept of

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1 amending the Constitution, which I would hate to see
2 be further clouded by inclusion of a purportedly
3 separate but perhaps equally or at least certainly of
4 some importance separate question such as this.

5 Yes, Governor Branstad?

6 GOVERNOR BRANSTAD: Governor Miller, I
7 have some similar concerns to the ones you've
8 expressed.

9 One of the things that many states have,
10 which seems to me a better alternative to deal with
11 what Governor Engler's trying to get at here, is
12 where judges have to go up for retention.

13 You may remember in California, Chief
14 Justice Bird, who was eventually taken off the bench.
15 She refused to ever implement the death penalty in
16 California, and eventually, the voters, when she came
17 up for retention, I believe failed to retain her.

18 Now we have that in my state. On a few,
19 very rare occasions, we have had state judges that
20 weren't retained. It seems to me that maybe that
21 might be an alternative. I'm not sure it's the best
22 but it seems to me it might be a way to get at what

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1 Governor Engler is concerned about.

2 I guess I would tend to agree that it's
3 probably best dealt with in issue separate from the
4 victims' rights provisions.

5 But it is an issue I think that should be
6 dealt with.

7 GOVERNOR MILLER: I'm certainly not
8 suggesting that it's not a subject that we shouldn't
9 be discussing; I think we should. It's clearly an
10 issue of interest. But I personally think it
11 detracts from the basic issue of the victims' rights
12 constitutional amendment, which should be held
13 separately.

14 Yes, Governor King?

15 GOVERNOR KING: It seems to me that what
16 we're really talking about is a very fundamental
17 constitutional provision involving the independence
18 of the judiciary, and although we disagree with
19 judges, and I've certainly disagreed with some
20 federal judges in my state from time to time, this is
21 an essential part of the separation of powers in the
22 federal government. And whenever I come to a

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1 constitutional question that involves a change of the
2 fundamental structure, I always analyze it by asking
3 myself the same question which is: Am I smarter than
4 Jefferson.

5 And in 53 years, I've never answered yes
6 to that question.

7 I would strongly urge a negative vote on
8 this provision, with all due respect to Governor
9 Engler. I just think, to compromise the independence
10 of the federal judiciary and somehow make them
11 answerable to Congress. Our history is replete with
12 situations where that would have had negative
13 consequences for the country. So I urge a no vote on
14 this.

15 GOVERNOR MILLER: We're running a little
16 late. I'll take a comment from Governor Allen, then
17 I'd like to go ahead and continue to move these so
18 that we can get on to the other sessions.

19 Governor Allen?

20 GOVERNOR ALLEN: For my friend from Maine,
21 Governor King, this was a debate in the formation of
22 our country and if we wanted to be consistent with

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1 Mr. Jefferson, he felt that judges should be
2 appointed for terms, not for life.

3 It was Hamilton who won out, and
4 Hamilton's view was federal judges should be
5 appointed for life.

6 So the true Jeffersonian view is being
7 expressed by the Governor of Michigan.

8 GOVERNOR MILLER: Thank you.

9 Let's first vote on the amendment. And
10 again, we've had a lot of dialogue, and it will be
11 the nine members of the Executive Committee who'll be
12 eligible to vote on this. And that is the question
13 of whether or not the proposed resolution on victims
14 rights should be amended to incorporate the language
15 relative to the tenure of federal judges suggested by
16 Governor Engler.

17 All those in favor, signify by saying aye.

18 (Chorus of ayes.)

19 GOVERNOR MILLER: All those opposed?

20 (Chorus of noes.)

21 GOVERNOR MILLER: I believe the noes have
22 it. If you want, we'll do a show of hands. All

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1 right.

2 All those in favor, signify by raising
3 your hand.

4 (Show of hands.)

5 GOVERNOR MILLER: One, two, three.

6 All those opposed, signify by raising your
7 hand.

8 (Show of hands.)

9 GOVERNOR MILLER: One, two, three, four,
10 five.

11 In any case, the amendment is rejected at
12 this time.

13 Now let's take the vote on the proposed
14 resolution, the protection of victims' rights.

15 All those in favor, signify by saying aye.

16 (Chorus of ayes.)

17 GOVERNOR MILLER: Opposed?

18 (Chorus of noes.)

19 GOVERNOR MILLER: I believe the ayes have
20 that.

21 The next resolution is a consumer price
22 index.

1 GOVERNOR THOMPSON: Mr. Chairman, I move
2 it and I certainly hope it passes.

3 VOICES: Second.

4 GOVERNOR MILLER: This is a resolution we
5 passed last summer that the consumer price index be
6 reasonably related to reality as opposed to
7 artificial plug-ins to be determined by the deficits.
8 Governor Weld?

9 GOVERNOR WELD: I have a huge problem with
10 the last sentence that says take all the savings and
11 apply them to reduce budget reduction.

12 Do we want to balance the federal budget
13 or not? I think this last sentence is ridiculous.

14 GOVERNOR MILLER: It might be in the
15 language but I think the suggestion being made is
16 that the deficit reductions recognize that these
17 programs which are being shifted to the states have
18 sufficient funding to allow the states to administer
19 them.

20 Those are the areas, the positions we've
21 taken relative to Medicaid and child care, etcetera,
22 that's consistent with other NGA policy. But if it

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1 is not desired to be in this particular one, it will
2 have to be held separately.

3 Any other questions for discussion?

4 (No response.)

5 GOVERNOR MILLER: If not, we'll call for
6 the question.

7 All those in favor, signify by saying aye.

8 (Chorus of ayes.)

9 GOVERNOR MILLER: Any opposed?

10 (No response.)

11 GOVERNOR MILLER: The motion carries.

12 We have two reaffirmation of existing
13 policies. Unless there's discussion on them, I'll
14 just call for them.

15 The first is political status of Guam.

16 The second is out-of-state sales tax
17 collections.

18 GOVERNOR THOMPSON: Mr. Chairman, I've got
19 an amendment for the out-of-state sales tax
20 collection.

21 GOVERNOR MILLER: Let's do the political
22 status for Guam first.

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1 Is there a motion?

2 VOICES: So moved.

3 VOICES: Second.

4 GOVERNOR MILLER: Discussion?

5 (No response.)

6 GOVERNOR MILLER: If not, call for the
7 question. All those in favor, signify by saying aye.

8 (Chorus of ayes.)

9 GOVERNOR MILLER: Opposed, no?r

10 (No response.)

11 GOVERNOR MILLER: The motion is carried.

12 GOVERNOR LEAVITT: Mr. Chairman, I wonder
13 if the Governor of Guam wanted to speak to that
14 motion? It might be appropriate.

15 GOVERNOR GUTIERREZ: Thank you, Governor
16 Leavitt. Thank you, Governor Miller.

17 First of all, let me just remind members
18 here that there are 54 Governors in the NGA. Every
19 time we think about Governors here in the NGA, we
20 think in context of states.

21 For almost one hundred years, in the case
22 of Puerto Rico and Guam, we have two territories and

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1 I don't think there's any more room for territorial
2 status in the United States.

3 I know that Puerto Rico is being directed
4 by Governor Rossello to be a state but it's not in
5 the cards for Guam.

6 The political status of Guam has to be
7 changed for the United States so that Guam would have
8 a more meaningful participation in the way laws are
9 made, rules and regulations that apply to the people
10 of Guam. We're doing that, we're moving that
11 forward.

12 This language that was adopted in 1995 and
13 being reaffirmed today hopefully will be giving to
14 the Congress of the United States, if President
15 Clinton signs off on it, a negotiated document,
16 hopefully in the next month or month and a half, that
17 would give Guam some meaningful participation in the
18 way laws are made in the United States and are
19 applied to the people of Guam.

20 This language talks about mutual consent.
21 Mr. Chairman, I know there are some members in
22 Congress who can't understand mutual consent in a

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1 contractual agreement because they think that the
2 territorial clause, having full powers of the
3 Congress to dispose or do whatever they wish with the
4 territories, I think that this language would be very
5 helpful in moving forward that commonwealth act in
6 Congress, and I thank the Executive Committee for
7 moving forward in the reaffirmation of this language.

8 I thank you and I hope the Governors here,
9 there's four of the Governors sitting over here. I
10 know the Northern Marianas are not here, but let's
11 start thinking about Guam.

12 You talk about welfare and I heard
13 Governor Dean talking about 40 percent of the state.
14 We pay 75 percent for the same federal mandates that
15 we have. Every time welfare reform and Medicaid come
16 up, they don't think about Guam being put entirely as
17 a state as far as resources coming into the
18 territory.

19 I just hope, I'm here I know, that
20 probably all you see is the nameplate here, but I'm
21 going to be sitting here so that Guam is not
22 forgotten.

1 I know Governor Thompson brought up Guam
2 and I hope that other Governors will think of Guam
3 being a part of the United States and contributing to
4 the United States.

5 Thank you for moving that.

6 GOVERNOR MILLER: Thank you very much.

7 As you know, all of you have been members
8 of the Association for some period of time, and we
9 all value your participating.

10 Turning to out-of-state sales tax
11 collection, Governor Thompson.

12 GOVERNOR THOMPSON: First, Mr. Chairman,
13 I'd like to move the policy. Then I would like to
14 have a second, then I would like to offer an
15 amendment which I think is a win win win situation
16 for every Governor in this room.

17 Mr. Chairman, I'd like to have a second
18 for the policy, then I'd like to move the amendment.

19 GOVERNOR MILLER: Is there a second?

20 VOICES: Second.

21 GOVERNOR THOMPSON: Now I'd like to move
22 an amendment. I really would like to have the

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1 Governors pay attention to this because this is going
2 to bring money to each of your states, big money.

3 We have been wrestling with this issue
4 ever since I've been a Governor and I know it was
5 before I became a Governor. This has been a topical
6 issue, whether or not the federal government should
7 pass a law requiring the collection of sales taxes
8 from direct marketers.

9 It's never passed. Senator Bumpers and
10 Congressman Brooks have introduced legislation.
11 There's been Supreme Court decisions which says that
12 we cannot actually collect the sales tax. As a
13 result of that, direct marketers have been able to
14 sell their merchandise across state lines and not
15 have that money go into your state coffers.

16 So last June, we started negotiations and
17 I appointed my Secretary of Revenue Mark Muir, who is
18 with us today, to start negotiations with the direct
19 marketers across America, and it was led by former
20 Governor of Maine, Jock McKernan.

21 We've been negotiating back and forth
22 between the direct marketers, National Governors'

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1 Organization, led by my state.

2 To give you some idea of the dollars we're
3 talking about, I picked out just some states.
4 California over five years will receive \$1 billion;
5 Illinois \$400 million, Jim. Indiana \$200 million;
6 Kansas \$200 million; Michigan over \$300 million; New
7 Jersey over \$400 million; New York over \$600 million;
8 Ohio over \$400 million, George. And Pennsylvania
9 over \$400 million and Texas over \$500 million.

10 The direct marketers are willing now to
11 enter into negotiations with each individual state.
12 We've almost reached the final point. We have got a
13 few things still out to be considered. But it looks
14 like by March we will have an agreement. That
15 agreement will mean that prospectively direct
16 marketers will be collecting the sales tax and will
17 be submitting them to your states.

18 Now you will have to introduce some
19 corrective language this year in your budgets, your
20 state budgets that will be prospective. We have that
21 language and we're setting up a meeting room tomorrow
22 afternoon for any of your aides that want to come in

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1 and hear about it.

2 The Justice Room at 4:15 to 5:15, to be
3 able to give you an up to date information on the
4 negotiation and what this means.

5 So I'm offering today, as a resolution, to
6 confirm what we've already accomplished and what we
7 intend to finish up over the course of the next
8 month, the NGA supports the on-going negotiation
9 between states and direct marketers. That will
10 encourage out of state retailers to collect the state
11 sales and use taxes and provide simplified collection
12 procedures for multi-state retailers.

13 The NGA also supports vigorous enforcement
14 of laws requiring out of state marketers to collect
15 state sales and use taxes where there is
16 constitutional nexus or where the marketer has
17 entered the state to market to local consumers.

18 At the same time, the NGA encourages
19 development of reasonable nexus guidelines to clarify
20 tax enforcement policies and encourage out of state
21 marketers to purchase goods and services from in-
22 state vendors.

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1 I move the adoption of the amendment to
2 the existing policy. This allows us to continue and
3 put in formal language what we have negotiated so far
4 and what we intend to finish up over the course of
5 the next 30 days.

6 But it should be truly a win win win
7 situation. A win for the Governors because it's
8 money coming in. A win for the direct marketers
9 because it will have a uniform system across America.
10 Your merchants in your towns should be very happy
11 because it's going to be on parity that the direct
12 marketers will be paying the sales taxes as your
13 small businesses on your main street.

14 So I really think it's a tremendous deal,
15 and it's going to bring in lots of dollars to all of
16 our coffers that we'll be able to utilize and it's a
17 tax that they want to pay and we want to collect, and
18 it's an equitable situation.

19 So I move the adoption of the amendment,
20 Mr. Chairman.

21 GOVERNOR ENGLER: I support the amendment.

22 GOVERNOR MILLER: We have a motion and a

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1 second on the motion to amend the existing policy.

2 Is there any discussion?

3 (No response.)

4 GOVERNOR MILLER: If not, call for the
5 question to amend it.

6 All those in favor, say aye.

7 (Chorus of ayes.)

8 GOVERNOR MILLER: Any opposed?

9 (No response.)

10 GOVERNOR MILLER: The motion carries.

11 We'll now need a motion to readopt the
12 policy as amended.

13 VOICES: So moved.

14 VOICES: Second.

15 GOVERNOR MILLER: Any discussion on that
16 motion?

17 (No response.)

18 GOVERNOR MILLER: If not, call for the
19 question.

20 All those in favor say aye.

21 (Chorus of ayes.)

22 GOVERNOR MILLER: Opposed?

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1 (No response.)

2 GOVERNOR MILLER: The motion is carried.

3 I recognize Governor Dean for some new
4 business.

5 GOVERNOR DEAN: Mr. Chairman, this is the
6 reaffirmation of two additional policies which
7 everybody has, labeled EC13, Ethics in Government;
8 and EC14, Equal Rights. Since approximately 1980, in
9 the case of ethics in government, and 1982, the
10 Governors have been in support of equal rights.

11 Originally, the equal rights issue, we
12 expressed support for the ratification of the Equal
13 Rights Amendment, which was subsequently defeated.
14 The policy now says the National Governors'
15 Association reaffirms its support for the principles
16 embodied in the Equal Rights Amendment; that is,
17 equality of rights under the law shall not be denied
18 or abridged by the United States or any state on the
19 basis of gender.

20 With your permission, Mr. Chairman, I
21 would move that we reaffirm these two policies as
22 exist currently for the next two years.

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1 GOVERNOR MILLER: As I understand the
2 rules, that can be voted on by a majority of the
3 Executive Committee. If it's a favorable vote, it
4 would have to go then to a plenary session for three-
5 quarters vote and suspend the rules in order to adopt
6 it.

7 Any discussion on the motion?

8 (No response.)

9 GOVERNOR MILLER: Is there a second?

10 VOICES: Second.

11 GOVERNOR MILLER: Call for the question.

12 All those in favor, say aye.

13 (Chorus of ayes.)

14 GOVERNOR MILLER: Any opposed?

15 (No response.)

16 GOVERNOR MILLER: The motion carries.

17 GOVERNOR DEAN: I have one other issue for
18 the Governors which is not really asking for a change
19 of policy but just to alert and get a sense of the
20 Executive Committee.

21 When Kennedy/Kassebaum was passed, I think
22 all the Governors got letters to this effect. It

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1 turned out that in Kennedy/Kassebaum, which was
2 certainly laudable, and I think which all of us
3 supported, that there was a state preemption of
4 minimum standards of affordability for health
5 insurance.

6 The concern about this is that the
7 National Association of Insurance Commissioners,
8 which operates somewhat independently of everybody I
9 think, including those of us who finance their
10 budgets, and the insurance companies that finance
11 their budgets, had a lobbying role in that which may
12 have led to the inclusion of this preemption
13 position.

14 I think the NGA has gone on record many
15 times, not wanting to be preempted anywhere in the
16 area of insurance regulation by the NAIC, or by the
17 Congress.

18 So what I would ask is that the Executive
19 Committee direct our staff to have regular
20 communication with the NAIC and to coordinate
21 lobbying activities, as we do with the many other
22 organizations that we work with, so that our

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1 interests are appropriately represented when bills
2 like Kennedy/Kassebaum come to the floor, so that we
3 can avoid the question of state preemption in the
4 future.

5 GOVERNOR MILLER: Is there any objection
6 by any of the members to directing staff to take
7 cognizance of the motion?

8 (No response.)

9 GOVERNOR MILLER: Hearing none, that would
10 be the direction.

11 There was at least one other request.

12 Governor Allen, do you want to describe
13 your request, and we'll have to see if someone in the
14 Executive Committee will move it.

15 GOVERNOR DEAN: I'll move it, then he can
16 describe it.

17 GOVERNOR MILLER: Governor Allen?

18 GOVERNOR ALLEN: Thank you, Mr. Chairman.
19 Thank you for those who moved and seconded this
20 matter. It's a matter of concern to me that I have
21 investigated and I think it's not just a good
22 question in Virginia but pervasive in many states

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1 where there are allegations and actual proven stories
2 of discrimination against black farmers by the United
3 States Department of Agriculture.

4 It is not just my view that there's been
5 racial discrimination on the part of the Federal Farm
6 Credit officials but it's been concluded by the USDA
7 Civil Rights investigators that racial discrimination
8 did occur. A congressional committee has found that
9 the USDA Farmers Home was a catalyst in many of these
10 problems.

11 The USDA Secretary Dan Glickman has been
12 very commendable in his prompt action and leading
13 sessions to find out what has occurred. He is making
14 efforts to discipline individuals who have been
15 involved in this racial discrimination. He has
16 formed a USDA Civil Rights Action Team.

17 The key points of this resolution that I
18 would bring before my fellow Governors are that we
19 urge the President and the Secretary and other
20 appropriate federal officials to ensure that
21 complaints against agencies and individuals are
22 fully, adequately, and expeditiously answered, and

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1 that the promised suspensions and foreclosure of
2 sales pending, if due to discrimination or
3 inconsistency with program delivery, be carried out.

4 In other words, do not foreclose upon
5 farmers. That will only exacerbate the damages that
6 have already occurred.

7 This will give our support to Secretary
8 Glickman. This is not a new problem. This has been
9 around for decades. And it's something that we as
10 Governors need to pledge our support to if there's
11 any investigation at the state level where we can
12 help and further the efforts of Secretary Glickman to
13 eradicate this racial discrimination, and moreover
14 find an appropriate remedy for those who have been
15 harmed.

16 GOVERNOR MILLER: Any discussion?

17 Governor Edgar?

18 GOVERNOR EDGAR: Second.

19 GOVERNOR MILLER: Motion and second.

20 If there's no discussion, I'll call for
21 the question.

22 Those in favor, say aye.

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1 (Chorus of ayes.)

2 GOVERNOR MILLER: Any opposed?

3 (No response.)

4 GOVERNOR MILLER: The motion carries.

5 That again will be in the plenary on Tuesday and will
6 require a three-quarters vote at that time.

7 I think that concludes all the business in
8 front of the Executive Committee with the exception
9 of the report and status by Mr. Scheppach.

10 After his remarks, we do have a Governors
11 only session in Salon Number 1, which includes a
12 conversation with Alan Greenspan; John Detweiler, who
13 will talk about the computer reservation program plus
14 a very substantive discussion on Medicaid, ISTEA,
15 welfare, etcetera.

16 I encourage all to attend that as soon as
17 we're completed with this portion.

18 Ray?

19 MR. SCHEPPACH: Very quickly, the
20 financial information as given on Tab C, I would
21 say --

22 GOVERNOR MILLER: We're not in adjournment

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1 yet. If you can be quiet, anybody who is a party,
2 please.

3 MR. SCHEPPACH: -- we do have a surplus of
4 over \$800,000. Most of that is really by an
5 accounting change of the way in which we have to pick
6 up existing financial assets, essentially we'll be on
7 target in terms of no deficit at the end of the year.

8 The second issue is that governors did
9 approve the two percent dues increase for the next
10 two years.

11 Thank you.

12 GOVERNOR MILLER: Any questions or
13 discussion on those items?

14 (No response.)

15 GOVERNOR MILLER: If not, we'll declare
16 this portion adjourned, and the Governors Only
17 Session will be in Salon Number One.

18 Thank you very much for your attention.

19 (Whereupon, at 11:25 a.m., Sunday,
20 February 2, 1997, the plenary session/Executive
21 Committee session was adjourned.)

22

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TRANSCRIPT OF PROCEEDINGS

NATIONAL GOVERNORS' ASSOCIATION

1997 WINTER MEETING

PLENARY SESSION

Washington, D. C.

Monday, February 3, 1997

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1997 WINTER MEETING

PLENARY SESSION

J.W. Marriott Hotel

1331 Pennsylvania Avenue, N.W.

Grand Ballroom

Washington, D. C.

Monday, February 3, 1997

2:05 p.m.

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NATIONAL GOVERNORS' ASSOCIATION

1997 WINTER MEETING

PLENARY SESSION

MONDAY, FEBRUARY 3, 1997

(2:05 p.m.)

GOVERNOR MILLER (Presiding): Could I have everybody take their seats, please. I know some of our guests are on a tight time schedule, so if everybody could take their seats, we'd like to begin.

Welcome.

This afternoon, we will briefly discuss the Governors' agenda with responses from U.S. Senator Trent Lott, the Majority Leader of the United States Senate, and from Vice President Al Gore.

The Governor's agenda focuses on the Governors' priority in state and federal issues, thus include concerns are children's health, Medicaid, immigration, welfare, work force development, Super Fund, a clean environment, long-term investments in transportation infrastructure, and many other issues.

The Governors believe that we can design a
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1 much more cost-effective and efficient Medicaid
2 program, and we need a few more changes in
3 immigration and welfare to make the new program work
4 even better.

5 Other improvements include more
6 consolidation and development to the states in work
7 force development, so that these programs can
8 complement welfare form efforts.

9 Our agenda also recognizes the new world
10 of a balanced federal budget and fiscal constraints
11 at every level of government. That's why we must
12 prioritize some spending, ensure benefits, justify
13 the costs of all spending and make programs fit the
14 clients at their level by removing multiple layers of
15 processing paper work and procedures for the delivery
16 of government services in a more personal and caring
17 manner.

18 Today we are truly privileged to discuss
19 these issues with two of America's great national
20 leaders, Vice President Al Gore, and Senator Trent
21 Lott, Majority Leader of the United States Senate.

22 I would now like to call upon one of our

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1 members, Governor Fordice, to make the introduction
2 of our first guest.

3 Governor Fordice?

4 GOVERNOR FORDICE: Thank you, Governor
5 Miller.

6 U.S. Senator Trent Lott of Mississippi is
7 the Senate's 16th Majority Leader and the first
8 Mississippian to ever hold the Senate's top
9 leadership post.

10 Trent graduated from Old Miss in 1963 with
11 a bachelors in public administration and got his J.D.
12 from Old Miss in 1967.

13 In '68, he went to work at what turned out
14 to be the beginning of his political career as the AA
15 for Congressman Bill Comer who represented the area
16 on the Gulf Coast that Trent was elected to himself
17 in 1972 to the Fifth Congressional District
18 Mississippi Seat.

19 He served in the U.S. House of
20 Representatives from 1973 to '88. I guess that's
21 about eight terms you served in the House, Trent, and
22 was elected to the Senate in 1988.

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1 I remember him calling me on the car phone
2 one night in '87, telling me he was going to go for
3 the Senate. And I said, let's go for it. I had
4 hoped he would stay in the House forever but I could
5 tell he was getting restless, so I said, let's go for
6 it.

7 He won that Senate seat and of course was
8 reelected in '94.

9 On June 12, 1996, seven-and-a-half years
10 following his original election to the Senate of the
11 United States, he became the Senate Majority Leader,
12 previously having been the Whip in the House and then
13 the Republic Whip in the Senate. He is the only
14 person in the history of the world to ever have been
15 whip in both chambers of the U.S. Congress.

16 Trent does unusually well in representing
17 his constituents in Mississippi, and in 1995,
18 Political Media Research, Inc. took a pole of
19 senators' constituents and asked the constituents to
20 rate the senators. Trent came up with 75 percent
21 positive rating, the second highest in the United
22 States Senate.

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1 Trent was actually born in upstate
2 Mississippi in Grenada County. His dad was a farmer
3 sharecropper. His mom was a school teacher. And
4 when Trent was very young, they moved to the
5 Mississippi Gulf Coast and his dad became a shipyard
6 worker in Pascagoula. That's what Trent calls home
7 now.

8 He's married to Tricia Lott, the former
9 Tricia Thompson of Pascagoula, and his grown children
10 are Chet and Tyler.

11 Fellow Governors, please help me welcome
12 the Senate Majority Leader, Senator Trent Lott.

13 (Applause.)

14 SENATOR LOTT: Thank you very much. Thank
15 you very much, ladies and gentlemen. Thank you very
16 much.

17 Chairman Miller, Vice Chairman Voinovich,
18 I know that the Vice Chairman is here -- there he
19 comes timing that just right once again. And my good
20 friend, the Governor of Mississippi, Kirk Fordice,
21 it's great to have Kirk back on board.

22 As you know, he took a little detour last

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1 year, was out for awhile and it's great to see him
2 back at this meeting and back working full steam with
3 our state legislature.

4 I asked him was this a recommended way to
5 lose weight. He said, no, that was not the preferred
6 way, to be in a hospital and spend some time on your
7 back. And so we're delighted to have you back,
8 Governor.

9 It's a great pleasure for me to be here to
10 speak to the National Governors' Association. To
11 show you how interested I am in what you're doing and
12 what you had to say, I was so bored last night, I was
13 surfing through the channels, came across C-SPAN,
14 there you were all at the White House being
15 introduced to the President, so I watched every one
16 of you as you came up and tried to listen in to
17 exactly what was being said to make sure there was no
18 legislative business being transacted there.

19 But we're glad to have you back in this
20 city, and I'm honored to be able to speak before you
21 for the first time as the Majority Leader of the
22 Senate.

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1 I think you know that we're trying to
2 develop a positive atmosphere between the Republicans
3 and the Democrats in the Senate, and hopefully in the
4 entire Congress. We're trying to reach across the
5 aisle and across town to the President.

6 The President has been reciprocating and I
7 think we've been saying the right things. Now the
8 question is, can we get started doing the right
9 things.

10 This week will be an important week.
11 We'll hear from the President in his State of the
12 Union address. He will send up his budget proposal
13 on Thursday. We're going to treat it a little
14 differently than in the past.

15 We're not going to pronounce it dead on
16 arrival or, you know, wonderfully well received, or
17 anything. We're just going to roll up our sleeves
18 and say, Mr. President, let's go to work. The
19 campaign is behind us and now we've got some things
20 to do and do together.

21 And I hope that that will carry over to
22 our relationship with the Governors. I suspect that

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1 it will. We have been developing, over the past
2 three years, a new partnership, a partnership between
3 those of us that serve in the legislature and the
4 Executive Branch in Washington, and very importantly,
5 those of you that serve as chief executives of your
6 states and working with your legislatures.

7 And now we're even making a concerted
8 effort to have a regular dialogue with the mayors.
9 We have some former mayors that serve in the Senate
10 and the House, and I've asked Dirk Kempthorne from
11 Idaho, I know the Governor just came in, Governor
12 Batt, he knows about Dirk's work as a former mayor of
13 Boise, and we're trying to make sure that we have
14 good communications even with them.

15 So we've started down that trail. We've
16 made some progress, and how we want to build on it.
17 And we want to not only come to an event like this
18 and talk at you, we want to listen to you and we want
19 to hear what you're saying.

20 Because I really do believe that we've got
21 an outstanding group of Governors of both parties
22 serving across this country. And you're out there

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1 where the rubber really does meet the road. You are
2 providing real leadership in your states all across
3 this country. You are working with the state
4 legislatures very closely, and sometimes I know
5 that's a real opportunity and a challenge.

6 In fact, when I was in Jackson,
7 Mississippi a couple of weeks ago, the speaker said
8 to come up and I met with the speaker and some of the
9 appropriations chairmen and members, and they said,
10 we keep hearing Trent Lott is for this or for that.
11 And we want to hear it from you.

12 And I said, well, the truth of the matter
13 is, I try not to give you fellows any advice because
14 I've found if I do that, you tend to reciprocate and
15 try to give me advice. So you do your work, and I'll
16 try to do mine in a way that doesn't interfere with
17 your responsibilities.

18 But I see good things happening in the
19 states. Innovative leadership, aggressive leadership
20 from the Governors working with the state
21 legislatures, you are addressing the problems, you're
22 coming up with new ideas. You have not shied away

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1 from taking a greater role and a greater leadership
2 in terms of some of the things that we have asked you
3 to do more.

4 Now I feel very strongly, we shouldn't
5 just send you the problems and say, good luck, and
6 not send the money to go along and help with those
7 problems. But also as we do that, we're going to,
8 you know, there will be some rough spots.

9 We won't always do it perfectly the first
10 time and we believe that you as Governors, working
11 with your state legislatures, can learn and you can
12 come up with some new ideas and you can find where
13 some of the problems are.

14 And when you do, we want you to get that
15 to us, not send us just a resolution or a letter.
16 Pick up the phone and call.

17 Some of you've been doing that. Now some
18 of you did it several times last year when we were
19 working together on legislation. And you had a real
20 impact. Now we didn't always get everything that you
21 asked for. And I've learned that in fact in the
22 legislative process, you almost never get everything

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1 you want.

2 Some of you served in the House. I was
3 glad to serve with Governor Rowland, and of course
4 Governor Sundquist over here. We've been through
5 those legislative battles, and we know that there has
6 to be a little give and take.

7 And so we are prepared to do that, to
8 provide the leadership that's necessary to get the
9 job done for the American people.

10 I've been looking at your resolutions and
11 I want to say, right up front, I appreciate what
12 you've been saying. And we are looking at those
13 resolutions.

14 I want to begin by pointing out how much
15 we appreciate your emphasis on the Balanced Budget
16 Amendment. In the states, you are doing the job. I
17 think almost all of you are living within your
18 budgets.

19 Many of you are controlling the rate of
20 growth in spending. You are providing tax cuts in
21 many instances and some of you are even providing a
22 little fund for rainy days, which is a smart thing to

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1 do.

2 I wish we could learn from you. We're not
3 yet quite doing that. We're still having annual
4 deficits, we're adding to the debt, we're paying this
5 astronomical interest on the national debt. We don't
6 have a rainy day fund.

7 But we're beginning to talk more along the
8 lines of what you've been actually not only talking
9 about it, you've been doing it.

10 We think, though, very strongly in a
11 bipartisan way that a constitutional amendment
12 requiring a balanced budget is needed and in fact is
13 essential. We've been talking about it for 28 years.
14 We haven't had one in 28 years. We won't have one
15 for 32 years if we get an agreement this year to come
16 to an agreement by the year of 2,002 that we'll have
17 a balanced budget.

18 Six presidents have talked about it, four
19 Republican, two Democrats, men and women of good will
20 had said we wanted to do it. Tom Carper and I were i
21 the House together too. He talked about, we've
22 talked about it, tried to do it in a bipartisan way.

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1 We tried a lot of legislative -- I won't call them
2 gimmicks -- but procedures to try to make sure it
3 happened, and it still hasn't happened.

4 But I think we have the best opportunity
5 this year to begin to really move toward a genuine
6 balanced budget, without fraud, without shell games,
7 without triggers and gimmicks, that will actually get
8 us there.

9 It's going to take some leadership, it's
10 going to take some courage from the President and
11 from the Congress in a bipartisan way.

12 We think that we need though that
13 additional incentive of the Balanced Budget
14 Amendment. As a matter of fact, when you look at
15 what we're talking about that would take us to a
16 balanced budget by the year 2,002, when you look
17 beyond that, it begins to open up again into a gulf
18 once again.

19 So if we get a Balanced Budget Amendment
20 through the Congress, send it to you and your state
21 legislatures, that will take some time, but just
22 about the time that you get that process completed,

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1 we will need that additional leverage.

2 And I note that you did pass a resolution
3 endorsing the Balanced Budget Amendment, and for that
4 we thank you. We appreciate it. You're taking a
5 stand. Basically you're saying to us you need to do
6 a little bit more of what we're doing at the states.

7 And we will do it, once we have that
8 agreement, we'll do it in a careful way that is
9 sensitive to its impact on you.

10 But I hope you won't let up just with a
11 resolution. You're here in town. All of you know
12 your Senators, all of you know your House members,
13 but particularly in the Senate, we may go first this
14 time. If you have a chance to talk to your two
15 Senators, that would make a difference.

16 In some states, I know that we have one of
17 your Senators with us and one on the other side,
18 Senator Edgar. That may be the case in your state.
19 But it's not over yet. You may be able to have an
20 impact, and quite often you'll have that when they
21 are from the same party, that they may disagree
22 within a state. But they will listen to you and we

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1 will all sit down and take note of what the Governors
2 have to say.

3 So we're calling on you here today to get
4 out there and help us with the Senators and the House
5 members, and also help us with the grass roots back
6 in your states.

7 One of my favorite arguments for it is
8 let's give the people a chance to vote through their
9 state legislatures. Let's send it to the state
10 legislatures. Let's let the legislatures working
11 with the Governors think about this. Give them a
12 chance to come up with those necessary ratifications
13 that would actually put it in the Constitution.

14 Debate will not end in February in
15 Washington. No. The debate will only begin in New
16 York and in Missouri once we pass it through the
17 state legislature. You will have your opportunity.

18 And I have ultimate faith in the good
19 judgment of the people of Georgia and South Carolina
20 and Alaska that they will do the right thing for our
21 country.

22 And I want to note, once again, this is

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1 bipartisan. In the Senate, seven Democrats went on
2 our original resolution. We have all 55 Republicans
3 are indicating that they're going to be for it.
4 We've got seven Democrats committed and we think we
5 will get probably at least seven more.

6 Now, as you know from working with the
7 legislature, you never have the votes until the vote
8 is taken. I've learned, and some of you've heard me
9 say this before, trying to keep the Senate headed in
10 the same direction is like trying to herd cats. They
11 have a way of wandering off at a critical moment.
12 They sort of have a mind of their own.

13 So we'll have to keep the focus, and we
14 will do that.

15 And while we are having the debate, and in
16 the Senate, we always have plenty of debate, we let
17 it go on for hours, days, weeks, we'll eventually
18 come to vote. But when we're doing that, we're also
19 going to be seriously talking about how we actually
20 get a balanced budget agreement.

21 And that's why just yesterday, we made it
22 official and we put it in writing today, the Speaker

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1 and I, working with the bipartisan leadership, have
2 asked the President to come up and sit down with us
3 immediately. If not Wednesday, Thursday. If not
4 Thursday, as soon as possible, and which we can say
5 at a meeting bipartisan, bicameral, we know where we
6 don't agree.

7 We know that we don't agree on product
8 liability, we know that we don't agree yet on
9 campaign finance reform. There are other issues
10 where we know we disagree.

11 So let's see if we can focus on where we
12 do have some agreement. We do seem to agree that
13 it's time to quit talking about it, and actually come
14 to a balanced budget agreement.

15 We do seem to agree that there's some tax
16 relief that we can provide for working Americans that
17 would be helpful to individuals with children, and it
18 would maybe help the economy too in a variety of
19 ways, whether it's cutting capital gains tax rates,
20 expanding the IRA, or reducing the death tax
21 sometimes known as the estate tax.

22 So we seem to be within the same area of

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1 conversation. We are both focusing on the needs to
2 provide some additional help to education. Now,
3 again, we emphasize right up front, we understand
4 that that is a state and local issue principally and
5 primarily. It begins with the parents and the
6 teachers and the administrators and the students at
7 the local level.

8 But are there some things we can do that
9 can be helpful, not only in remedial reading or
10 gifted and talented, but is there something we can do
11 in terms of tax credits, which the President has
12 talked about, or can we do more to help you with safe
13 and drug free schools?

14 It's not a question of taking over, it's a
15 question of is there some way that we can be helpful
16 to you, other than with Washington mandates coming
17 down in education.

18 Crime and drugs. We approach this problem
19 a little differently but we think that there's an
20 area of commonality. We recognize, first of all,
21 that we have a major problem in America in this area.
22 Our law enforcement officials, our local policemen,

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1 state officials, federal officials are working to try
2 to deal with these problems, many of them generated
3 by drugs.

4 Can we do something more in that area?
5 And so we have some bills that would help to address
6 that question.

7 One other area where we think that maybe
8 we could come to agreement is Super Funds, brown
9 fields and Super Funds. When you looked at the ten
10 bills that the two parties introduced in the Senate,
11 there were three areas where we had a common area of
12 concern; education, crime, and Super Fund.

13 Can we do something to actually begin to
14 get toxic sites cleaned up? We've been talking about
15 it. We've spent billions of dollars. How many sites
16 have been cleaned up?

17 This is not a regional problem, we all
18 have it. And your states are faced with these
19 problems. Can't we improve on that bill? Can't we
20 improve on the law that's in place?

21 We came very close last year. It was one
22 of two or three major bills that I had hoped we could

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1 complete last year, along with welfare reform and of
2 course health insurance reform, safe drinking water,
3 major parks bill. But this is one that we just
4 couldn't quite get across the threshold at the end of
5 the session.

6 We think this year we can maybe do that.

7 Nuclear waste. Now I know that there's a
8 little disagreement probably in this room about where
9 we put nuclear waste, how we deal with this problem.
10 But here again is a case where we must confront it,
11 we must deal with this as a nation. It is a hazard,
12 it is a danger.

13 States as diverse as Vermont and Minnesota
14 and Idaho and South Carolina, Mississippi, we all
15 have this problem. We've got to step up to it and
16 see if we can't come to a non-partisan, bipartisan
17 agreement.

18 So we're going to work on those issues in
19 the next few days. We're going to try to find the
20 things, some of the media asked me earlier today,
21 well, aren't you looking for the easy ones where
22 maybe you can agree?

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1 I admit it. Yes. How about doing some
2 things together that will help the future of our
3 people, that will help our states and will help the
4 families and the workers and the people that need
5 help, whether they've got the high paying job or the
6 low income and disabled people.

7 We are aware of those problems and we need
8 to do more about it.

9 You know, we did make history last year.
10 The welfare reform package that we passed was I think
11 the most far reaching since we passed AFDC and
12 established it many years ago.

13 We worked with you, as I mentioned
14 earlier. One of the areas where I did not agree with
15 what we wound up with was maintenance of effort. I
16 thought that we were saying to you, once again, okay,
17 here's the money and we're going to give you some
18 flexibility but not total flexibility, and you must
19 maintain at least this area, and you know we were
20 basically still trying to tell you how to do it.

21 And I know that you've been working with
22 Administration, you like that, Governor, thank you.

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1 Good. I'm glad I woke you up there. I did get a
2 little response to that.

3 But you're working on that now, and we
4 will continue to work on it.

5 I know that the Administration has had
6 some disagreement as to the definition what is
7 maintenance of effort, but I have the impression
8 maybe you have gotten some concessions in that area,
9 and they in fact, with the help of one of your former
10 Governors, John Ashcroft, have concluded that what
11 we've said should be identified in that area as what
12 we meant.

13 And so you'll be able to have a little
14 more latitude and a little more flexibility in what
15 you do in that particular area.

16 I know that you're concerned about the per
17 capita cap on Medicaid. I believe you probably have
18 done a resolution on that, or if you haven't done a
19 resolution, you've been sending messages through the
20 news media. And we've been seeing them go by
21 overhead.

22 I understand what you're saying. This is
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1 another issue that we talked a lot about last year.

2 I never have liked the idea of the per capita cap.

3 (Applause.)

4 SENATOR LOTT: It is an area where we're
5 going to have to do some more work and we need to
6 work with you. We're going to have to find some ways
7 to control the increasing cost of this program, but
8 again I'd like to do it by identifying what is the
9 amount that we're going to be able to provide or have
10 to provide, and give you more flexibility as to how
11 you deal with that and without saying you've got to
12 do this specific amount case by case.

13 But again, you're here. This is an area
14 we're going to be working on actively for the next
15 few weeks, and we can work with you to come up with
16 the right solution.

17 This again could become an approach where
18 we just pass along to the state taxpayers the cost of
19 Washington mandates. We don't want to do that.

20 We believe that you're doing a good job,
21 you're showing real initiative. I think your policy
22 statement that I've heard about is right on target,

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1 and we're not trying here to find a wedge between
2 you, the Governors, and the Administration. We're
3 just saying, we hear what you're saying.

4 I personally share your concerns, and this
5 is an area where we need to do some work. And I
6 think that when we come up with our final budget
7 agreement, more of what you're saying can be
8 reflected than what may be in the budget when it is
9 originally introduced.

10 I know that we have given you some
11 problems. I know that in the immigration reform
12 legislation and in welfare reform, we can't duck
13 those issues. Those are big issues and they're
14 important to many of you and to all of us, as a
15 matter of fact.

16 I think we did a good job last year. And
17 we worked hard to stay in touch with the Governors.
18 Now we're giving you the flexibility. You are
19 finding some savings. You are going to be able to
20 take those savings and use them in other places where
21 they are needed more.

22 You're finding that there are some

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1 problems. It would be very hard for us to come back
2 and open welfare up now. As the saying goes, you
3 open that barn door and there's a lot of horses
4 that'll come running out of there because it was very
5 hard to bring it to closure. But we did bring it to
6 closure, consulting with the Governors, passed by the
7 Congress and signed by the President.

8 But to come right back within five or six
9 months and say, oh, gee whiz, that's not exactly what
10 we intended, or can you add back this, without
11 looking at what the real effect is, seeing what
12 you're able to do, looking where you can find the
13 savings.

14 And then the other thing. I would like
15 for us to work together to make sure we understand
16 what your problems are and to make sure we understand
17 what the laws are.

18 In fact, when we had a meeting a week or
19 two or ten days ago, I guess it was now, there was
20 some misunderstanding about what the immigration laws
21 actually will allow in terms of citizenship
22 especially as it applies to the aged and the

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1 disabled.

2 Let's make sure we know what the law
3 allows. Let's make sure we've explored every avenue.

4 And so we will be talking with you on
5 this. I appreciate the position you took in your
6 resolution. To me, it was an effort to be bipartisan
7 and non-partisan, to say we understand your problems,
8 please try to help understand ours.

9 That's the kind of attitude that we want
10 to carry forward throughout this year. And we will
11 work with you on it.

12 We've got to be conscious of the fact, of
13 course, that some 21 percent of non-citizen
14 households are on welfare, whereas only 14 percent of
15 citizen households. That is a kind of factor that,
16 you know, we have to think about in Indiana. We've
17 got to try to explain to our taxpayers why that is.
18 And the cost is \$26 billion a year for the non-
19 citizen households on welfare.

20 So we need to encourage that percentage to
21 come down. We need to encourage people that are here
22 for an extended period of time to become citizens.

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1 And I think that the prospects of us doing both of
2 those working together are very strong.

3 Now let me switch to a couple of other
4 areas that we will be taking up this year. I don't
5 want to just give you a litany of items, but I know
6 there's some that you're interested in, and some that
7 really will mean a great deal to your states.

8 And one of them is ISTEA, the highway
9 bill. Are we unified in our position on this with
10 the National Governors' Association?

11 Well, I'd be surprised if we had exactly
12 the same position from state to state.

13 Oh, how much money you want? As much as
14 you can get? Is it something like that?

15 (Laughter.)

16 SENATOR LOTT: We're going to give this a
17 high priority. We're going to work, again this won't
18 be partisan, it won't be regional, but it will be
19 tough. Because some of us, and I'm one of them,
20 thinks that the formula is not fair.

21 (Applause.)

22 SENATOR LOTT: I'm looking to see who

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1 applauds. That means you are donors and the donees
2 are not applauding. Is that right, Governor?

3 Oh, not on this particular issue?

4 (Laughter.)

5 SENATOR LOTT: So we see and know what the
6 problem is.

7 But this is a big issue, it's an important
8 one. You know, transportation, I believe that if you
9 ignore modern technology and infrastructure, whether
10 it's transportation or railroads or highways or
11 industrial sites, or computers for that matter, if we
12 don't work together and think together about how
13 we're going to get ready to go into the next century,
14 literally there will not be a bridge to the next
15 century.

16 And too often these highway funds have not
17 been spent while our highways have deteriorated and
18 our bridges have deteriorated, and so we're going to
19 take this up relatively early. I said earlier in the
20 year.

21 Once again, just so you'll understand the
22 limits of the majority leaders' leadership abilities,

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1 I said we'd take it up in March, and to which the
2 Committee basically said, we probably won't even take
3 it up in Committee 'til March, because it's going to
4 take a little time.

5 But we are going to work with you, with
6 the states on that. Again, I would like for us to
7 give you the maximum flexibility. In fact, this is
8 one of the few areas where we, early on, decided
9 basically how much money have we got here, and how
10 much would go to each state, and then a lot of
11 latitude is left to you within the states as to how
12 those transportation funds are used.

13 Now we understand that there's a
14 disagreement sometime about how much should go into
15 various things, but we understand if you've got large
16 cities, you're interested in urban mass
17 transportation and we understand that you may want to
18 do some innovative things that involve other modes of
19 transportation.

20 But the main thing is to get the highway
21 bill done, and come up with a formula while nobody
22 will necessarily be 100 percent happy with, is fair.

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1 And I do think it's got to be fairer than the one
2 that's now on the books. And we'll be talking about
3 how we'll get that done.

4 (Applause.)

5 SENATOR LOTT: I mentioned Super Fund and
6 nuclear waste, and also I know that you have a real
7 interest in EPA. I watched the subcommittee that you
8 chaired, I believe, Governor Christine Whitman, and I
9 followed that with a great deal of interest.

10 And again, we want to hear your concerns
11 and the input that you have into those new EPA
12 decisions.

13 Now I know we've got another speaker
14 coming here momentarily and I want to take some
15 questions.

16 I want us to continue to work with you on
17 unfunded mandates. We made a start in that direction
18 over the past two years, but we know that you still
19 are learning a lot on these unfunded mandates, and
20 we'd like for you all to give us some listing, some
21 priorities as to where maybe we can go the next step
22 in providing relief on the unfunded mandates.

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1 So, Governor, let me stop at that point
2 because I understand the Vice President may be in the
3 area, and see if I could take a couple of questions
4 and make sure we're responding to questions on the
5 Governors' minds.

6 GOVERNOR MILLER: Thank you very much,
7 Senator. We appreciate that.

8 (Applause.)

9 GOVERNOR MILLER: I think Governor
10 Glendening had a question.

11 GOVERNOR GLENDENING: First of all, let me
12 just say we appreciate your being here in your busy
13 schedule and your spirit of bipartisanship and
14 cooperation.

15 I would raise the question though that I
16 know is facing a lot of us and that is the legal
17 immigrants and the treatment of the legal immigrants.

18 And there seems to be some concern, well,
19 gee, we open this back up what we passed last year.
20 I'm not sure that addressing the issue separately
21 will automatically open everything back up. I think
22 in particular that what we have is a situation where

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1 the national government has approved people to come
2 into the country and has given legal status and now
3 by closing off opportunities for the same partnership
4 that you talked about with regard to nutrition and
5 with seniors and medical assistance and things like
6 this, we may end up having all the cost either
7 shifted to the states or even worse, have either
8 seniors or young children who are here legally and
9 who have been sanctioned to be here and in many cases
10 who are even in the process of citizenship in a very
11 difficult circumstance.

12 I would hope that we could work together
13 and --

14 SENATOR LOTT: Okay. Governor, as I
15 suggested, we will be continuing to talk with you
16 about that, to see exactly what is happening.

17 We feel like the legal immigration laws in
18 fact have been maybe being ignored or not complied
19 with, and we need to talk about exactly how that
20 works, what that means.

21 We also have to be sensitive to the fact
22 we don't want to just pass the burden to you which

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1 you then will have to deal with.

2 On the other hand, we are talking about,
3 you know, a substantial amount of money. We're
4 talking about taking away maybe a quarter of what we
5 had in terms of savings in our welfare bill last
6 time.

7 And so, you know, it is a delicate balance
8 there. There are some people, for instance, that
9 felt like some of the things we agreed to at the end
10 of those negotiations did not get included in the
11 final bill, and they would like very much to have an
12 opportunity to deal with that.

13 I know about not wanting this burden
14 passed to you. But you have made your point. We
15 have heard it and we're going to work with you in the
16 days ahead to see if there's some way, you know,
17 particularly with the elderly and the disabled, that
18 we can deal with that problem.

19 I'll take one more question from Governor
20 Voinovich.

21 GOVERNOR VOINOVICH: Trent, you were very
22 helpful to us in the passage of the unfunded mandate

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1 release legislation, and part of that legislation,
2 there was a request that we look at other unfunded
3 mandates.

4 And at that time, we wanted Congress to
5 set the committee up and look at it, and it got
6 shifted to the ACIR. They had it for about 18 months
7 and came back with no recommendations.

8 You recently and the Speaker have given us
9 an invitation to join you in revisiting the issue of
10 unfunded mandates.

11 I've talked it over with Chairman Bob
12 Miller, and what we're suggesting is that we would be
13 more than happy to participate in that but we would
14 like the members of the state and local government
15 commission who were responsible for lobbying that
16 legislation through to be part of that unfunded
17 mandate's task force to work with you. And we are
18 anxious to identify more of those mandates that are
19 costing us money and frankly preventing us from
20 working harder and smarter and doing more with less.

21 SENATOR LOTT: Well, again, we did have
22 good work done on that two years ago. Dirk

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1 Kempthorne was I believe the original sponsor on
2 that. You all had a lot of input. It was a positive
3 start. But we believe we can do a lot more and
4 that's why the Speaker and I sent the letter to the
5 NGA, asked that you all set up a task force to work
6 with your states in a representative way and identify
7 for us where you think more can be done in a way that
8 would be helpful to the states and, for that matter,
9 the local governments.

10 We would look forward to hearing from you
11 before we proceed at what we consider would be the
12 next step legislatively in dealing with this unfunded
13 mandates issue.

14 Well, thank you again for allowing me to
15 come be with you. I look forward to working with you
16 in the next two years.

17 Thank you, Governor.

18 (Applause.)

19 GOVERNOR MILLER: I want to thank the
20 Senator for being here.

21 We'll be at ease for just a second. Our
22 next speaker has arrived and Governor Voinovich and I

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1 are going to go escort him in.

2 Thank you.

3 (Recess.)

4 GOVERNOR MILLER: Congratulations, Mr.
5 Vice President, on your recent election.

6 There might be a little known footnote to
7 that in a newspaper story not too long ago. There
8 was an indication that there was a five-minute gap
9 between the time when the Vice President was sworn in
10 and when the official inauguration of the President
11 occurred, if in fact that sets an historical
12 precedent, let me congratulate you on the least
13 controversial presidency in the history of the United
14 States.

15 (Laughter.)

16 GOVERNOR MILLER: It's not something I
17 dare risk in my state with my Lt. Governor or maybe
18 many of my contemporaries --

19 (Laughter.)

20 GOVERNOR MILLER: -- risk here, so we're
21 pleased that it went so well for you.

22 As parents of four children, the Vice
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1 President and Mrs. Gore have a very strong family,
2 and I think that serves as a model for our nation.

3 He began his service in the public sector
4 more than 30 years ago, and it is an incredible
5 record. A law student, seminarian, house builder,
6 investigative reporter, Vietnam veteran, and an
7 accomplished national world leader for freedom,
8 economic development and ecological balance.

9 At home, he is well known for his
10 leadership on behalf of the consumer and
11 environmental protection and for revitalization
12 efforts from the central cities to central
13 government.

14 Mr. Vice President, we are pledging our
15 support for a vibrant partnership with the President
16 and with the Congress, and we look forward to working
17 with you. We believe that the Governors' agenda for
18 1997 is a full complement to your effort at
19 reinventing government to better serve the people.

20 Something that we all have in common with
21 you is that desire to reduce government, and no one
22 has been more effective at it than you have at the

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1 national level.

2 Ladies and gentlemen, the Vice President
3 of the United States.

4 VICE PRESIDENT GORE: Thank you very much.
5 Thank you. Thank you very much. Thank you.

6 (Applause.)

7 VICE PRESIDENT GORE: Thank you very much,
8 Governor Miller. I appreciate your very generous
9 words of introduction.

10 Governor Voinovich and other officers of
11 the National Governors' Association, to my fellow
12 Tennessean, Governor Don Sundquist and my many
13 friends around this table.

14 The President and I certainly enjoyed
15 being with you this morning for that lengthy and very
16 interesting, enjoyable and productive conversation.

17 And I look forward to the results of your
18 deliberations here. I'm going to be with some of you
19 a while this evening, and I look forward to that as
20 well.

21 I appreciate you mentioning my
22 Administration, Governor Miller.

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1 (Laughter.)

2 VICE PRESIDENT GORE: Historians will
3 remember the Gore Administration as that in which
4 fewer crimes were committed than in any other
5 Administration in history.

6 (Laughter.)

7 VICE PRESIDENT GORE: For the entire
8 Administration, the economy was booming with low
9 inflation. We created 3.1 jobs.

10 (Laughter.)

11 VICE PRESIDENT GORE: But what was most
12 important -- well we had peace at home and abroad.

13 (Laughter.)

14 VICE PRESIDENT GORE: But what was really
15 in some ways most important was that for the entire
16 duration of the Gore Administration, partisan
17 bickering gave way to bipartisan harmony. Indeed,
18 hymns were heard coming from the steps of the
19 capitol, patriotic versus, and it's a memory that I
20 will always cherish.

21 (Laughter.)

22 VICE PRESIDENT GORE: In any event, I'm

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1 delighted to have a few moments this afternoon to
2 speak on behalf of the President, about a handful of
3 policy issues. We discussed quite a few this
4 morning.

5 And I guess I'd like to begin by
6 discussing the context and the backdrop against which
7 these issues will be debated and decided, because I
8 think in two areas, the context is quite different
9 from what we have grown accustomed to in our country
10 in recent years.

11 The first has to do with the relationship
12 between states and the federal government.

13 The second has to do with the relationship
14 between Republicans and Democrats.

15 First of all though, state governments and
16 the federal government. Authority in many areas is
17 moving away from our nation's capital to your state
18 capitals. Perhaps more than at any time in this
19 century, we are in it together where virtually every
20 challenge is concerned.

21 We have to work together to do right by
22 the people that we're all obligated to serve. Voters

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1 who have called for more responsibilities to be
2 shifted to the states did not do that because they
3 wanted to sharpen the battle lines between the
4 federal government and state governments. They want
5 us, justifiably, to get along and complement one
6 another's efforts.

7 And let me say, as the individual
8 President Clinton has tasked with leading our
9 reinventing government efforts at the federal level,
10 I believe very strongly that one way we in the
11 federal government can complement your efforts is
12 sometimes to just get out of the way. And that's one
13 of the most important aspects of what people call
14 devolution.

15 This Administration is committed to good
16 government at all levels. And sometimes that means
17 that our most effective good government initiative is
18 to step aside and give you the freedom and
19 flexibility to innovate and reinvent at the state
20 level.

21 That freedom to innovate on your own
22 remains vital, even as we continue to work on

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1 comprehensive national solutions. Of course, one
2 salient example is welfare reform.

3 Last year, the White House and the
4 Congress worked together on national reform
5 legislation. But even as we did that work, this
6 Administration also awarded a record number of
7 waivers to let states reform their own welfare
8 programs in new and creative ways.

9 Sunday's New York Times had that front
10 page story that many of you saw, calculating some of
11 the interim results.

12 And as the President said this morning,
13 it's not all due to the booming economy in our
14 country. We have created 11.2 million jobs in the
15 last four years with historically low inflation and
16 of course that results in lower welfare rolls.

17 But one of the principal reasons for the
18 reduction in the welfare rolls had to do with all of
19 that reinvention that the states, represented around
20 this table, undertook with the waivers that the
21 President instructed to be given to a record number
22 of states.

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1 We're going to follow that process again
2 this year as we work with Congress on the G.I. Bill
3 for Workers, comprehensive legislation to retool and
4 revitalize America's job training system.

5 Even as we put this legislation together
6 and push for its passage, we will empower Governors
7 to innovate on their own.

8 For example, today I'm pleased to announce
9 that the Department of Labor is granting the State of
10 Oregon a waiver from JTPA and the Wagner-Peyser Act
11 requirements, and this waiver will allow the state to
12 provide greater choice and opportunity for unemployed
13 men and women seeking to use government services.

14 It will reduce program administration
15 requirements and costs. It will eliminate
16 requirements that sometimes stand in the way of a job
17 search. And it will permit training while on the
18 job.

19 If Oregon can do it better, we say, go to
20 it.

21 And I spoke with Governor Kitzhaber about
22 this again earlier today. We've been working closely

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1 with Oregon on that whole process.

2 And likewise in the President's budget, we
3 support eliminating all together the waiver process
4 for managed care and home-based care so that states
5 can spend their time serving people in need, not
6 simply satisfying federal requirements.

7 We need to focus on results and not
8 process. Sometimes process is critically important
9 as a safeguard of values that would otherwise be
10 trampled upon. But too often, process becomes
11 enshrined as a goal in and of itself.

12 And where we can focus on the results and
13 achieve greater results without getting mired down in
14 the process and the red tape and the bureaucracy, we
15 need to make that shift.

16 Incidentally, while we're on the subject
17 of health care, I'm proud that this Administration is
18 committed to repealing the Boren Amendment, which is
19 wreaking havoc on your health care budgets.

20 (Applause.)

21 VICE PRESIDENT GORE: As Laughton Chiles
22 pointed out this morning, it's not even what David

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1 Boren wrote in the first place. We've been trying to
2 get rid of it for some time, as all of you have been,
3 and I'm hopeful that we will succeed this year.

4 I want you to know that President Clinton
5 and I are ready to work with you, every one of you,
6 to meet our nation's challenges and project our
7 nation's values, even when that means getting out of
8 the way.

9 Believe me, this President, as a former
10 governor, understands your concerns very well.

11 As I mentioned in different words this
12 morning, you can take the President out of the state
13 house, but you can't take the state house out of the
14 President.

15 He continually reviews all of the policy
16 choices that come before him, not only from the
17 perspective he has gained from serving our nation so
18 well as President these last four years, but from the
19 perspective he gained as a long serving governor.

20 The second change in context, that I
21 alluded to at the beginning of my remarks, is similar
22 to the first in spirit, if different in content. We

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1 live in a bipartisan time, or to put it more
2 accurately, a time when the rewards of bipartisanship
3 for our nation are as high or higher than they have
4 ever been.

5 It has become, in some ways, the central
6 fact of this political moment. Republicans control
7 Congress, Democrats hold the presidency.

8 That means are choices are as simple as
9 they are stuck. We can have bipartisanship and
10 progress or we can have partisanship and deadlock.

11 Everybody's familiar with the basic
12 options involved here. If both sides assume that the
13 other side is going to be partisan and milk every
14 possible advantage out of each common challenge, then
15 they both anticipate the attacks and concentrate on
16 counterattacks and nothing gets done.

17 But if a sufficient level of trust is
18 engendered and sustained, then it becomes possible
19 for both sides to work together on behalf of the
20 American people. You see that spirit on display so
21 frequently in meetings of your Association.

22 It needs to be more commonly on display in
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1 our nation's capital. We saw, at the end of the
2 Congressional session last year, a great many
3 opportunities seized by the President and the
4 Congress, both the Republican leadership and the
5 Democrats in the Congress who played a very
6 constructive role in helping to frame the choices.
7 And the result was a very positive record of bill
8 after bill being passed and signed into law that
9 helped our country.

10 You know, in Tennessee, we had one of the
11 most colorful elections in the history of American
12 politics years ago. And Don and I participated in
13 the celebration of our bicentennial last year.

14 The race, as some of you will be
15 interested to know, was for governor, and there were
16 two candidates, Robert L. Taylor, a Democrat and
17 Alfred A. Taylor, a Republican. Bob Taylor and Al
18 Taylor were brothers, two brothers, different
19 parties, running for governor, each the opponent of
20 the other.

21 As you can imagine, this was pretty hard
22 on the brothers and confusing for the voters. And so

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1 to make identifying the candidates and their parties
2 a little bit easier, Bob and his Democratic
3 supporters wore white roses and Alf and his
4 Republican supporters wore red roses. And it was
5 dubbed by the historians the War of the Roses. It
6 was called that at the time in Tennessee, and you'd
7 be hard pressed to find a kinder, gentler political
8 campaign.

9 Because early in the race, Mrs. Taylor,
10 the mother of both these boys, sat the two of them
11 down and made them both promise not to say anything
12 nasty about his brother.

13 And so there were no character attacks,
14 there was no mudslinging, no ads where one brother's
15 portrait was morphed into an image of Jesse James.
16 And so it went.

17 The year was 1886. Bob and Alf Taylor
18 engaged in 41 joint debates across Tennessee during
19 the campaign. They traveled together. And many
20 times they shared the same railroad car and stayed in
21 the same hotel room.

22 (Laughter.)

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1 VICE PRESIDENT GORE: The flowers on their
2 lapels may have clashed but they did as their mother
3 asked and refrained from attacks. And it was one of
4 the most inspiring events in Tennessee's proud
5 history, a model to the nation of civility and
6 respect.

7 And I hold out this model to you and, oh
8 yes, the Democrats did win that election in 1886.

9 (Laughter.)

10 VICE PRESIDENT GORE: But as Don Sundquist
11 will tell you, if I don't, not long afterwards, his
12 brother in the red rose came back and won the
13 governorship after that. The Taylors can indeed be a
14 model for our country.

15 I'm quite serious about this as I know all
16 of you are. We face unprecedented challenges and
17 enormous opportunities and we have this basic choice
18 to make. Are we going to concentrate on division and
19 fighting or are we going to concentrate on getting
20 things done and working together?

21 The American people certainly expect us to
22 try to work together.

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1 With that as the context, let me just
2 briefly cite three issues where I think it's
3 particularly important for us to work together:

4 First, welfare reform. We have entered a
5 new era. Everybody knows it. With the legislation
6 that Congress passed and the President signed this
7 past summer, we are beginning to break the cycle of
8 dependency that has trapped so many good people for
9 so long. We can begin to restore dignity, structure,
10 and meaning to people's lives.

11 We have to provide more job opportunities
12 as we move people off of welfare. And the bill is a
13 beginning, not an end. And President Clinton will
14 talk about this in some greater detail tomorrow
15 night.

16 Welfare reform is not a single moment in
17 time, it is an ongoing process. And there are
18 components of the action that was taken last year
19 that have nothing to do with welfare or welfare
20 reform, strictly speaking, that need to be examined
21 carefully and the nation needs to make some changes
22 in its overall approach.

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1 Whether you describe it as opening up
2 welfare reform or not is not important. What is
3 important is that justice prevails, that the right
4 thing be done, and we need to move forward together,
5 and that's what we're trying to do.

6 For example, where legal immigrants are
7 concerned, President Clinton has said it is just
8 plain wrong to say to people who work here, live here
9 legally, pay taxes, even serve in the military, that
10 if one of their children gets cancer or if a child is
11 born with birth defects that require expensive
12 medical attention or if their spouse is hit by a car
13 on the way to work, that the country's not going to
14 pay any attention to that in the way that we would
15 for everyone else who lives here legally.

16 That's just not right, and it needs to be
17 addressed, and it can be addressed without, quote,
18 opening up welfare reform, end quote. And as the
19 President did in the private meeting this morning, I
20 would like to formally express gratitude to the
21 Governors who have spoken out on this and those who
22 have helped fashion the common statement, saying that

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1 this issue needs to be addressed.

2 I know you've worded it carefully and I
3 understand and respect the reasons why. But the end
4 result again, as I mentioned earlier, is what we
5 ought to focus on, the result, not the process.

6 I believe that we also have to work
7 together to create the right incentives for
8 businesses to create a sufficient number of new jobs
9 for all of the people who are coming off the welfare
10 rolls and who are looking for jobs.

11 We have plans to move another one million
12 Americans from welfare to work, so we'd like to ask
13 for your help in passing through the Congress the tax
14 credits included in the President's budget to work
15 with the White House, our Reinvention Team, the
16 Domestic Policy Council, and the others, so that we
17 can give you the flexibilities that you will need in
18 order to make welfare-to-work a reality.

19 This morning, Governor Voinovich talked
20 about the 600 categorical grants that exist in the
21 federal government. Through a White House task force
22 called "Partnership For Stronger Families," we have

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1 been working with officials from your state
2 governments to identify the flexibilities that you
3 need. And I hope that we can count on your support
4 as we put these changes forward in the form of
5 legislation.

6 Let's make another initiative work also.
7 President Clinton and I are pushing to double the
8 number of empowerment zones in the nation and make a
9 stunning success of every single empowerment zone and
10 enterprise community.

11 I've seen with my own eyes what these
12 community empowerment zones can achieve. Not too
13 long ago, I visited the Detroit empowerment zone, and
14 I met a woman named Joanne Crowder. She had been on
15 welfare for eight years, and the entire time that she
16 was on welfare, she said, in her words, I felt low.
17 She didn't see a way out. Jobs in her neighborhood
18 were few and far between.

19 But then Detroit was named one of our
20 empowerment zones. A man named Vinnie Johnson, that
21 many of you will know as a former guard for the
22 Detroit Pistons, set up a factory in the zone, right

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1 in the shadow of an abandoned Cadillac plant. The
2 company's called Piston Packaging. That's where
3 Joanne Crowder is working today.

4 She got off welfare and into a good job,
5 not through a handout but through a hand up because
6 government gave her the opportunity or more
7 specifically created the incentives that enabled
8 private enterprise to give her the opportunity. And
9 she took responsibility.

10 And to hear her today describe the sharp
11 contrast between her feelings of pride in herself and
12 her ability to earn a living for her family and
13 contrast that back to the way she felt during all
14 those years she was on welfare, it is a personal
15 story that many of you, as Governors, have heard from
16 men and women in your states who have made that
17 historic journey from welfare to work.

18 The truth is that as we achieve more
19 success in moving people off welfare and into work,
20 the ones who remain in welfare will represent
21 progressively tougher challenges. Just in the nature
22 of things, those who are easiest to place or those

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1 who have the easiest time placing themselves will be
2 the ones who go into the work force first of all.

3 And so as we proceed, we have to redouble
4 our efforts to create many more jobs, a million more
5 Joanne Crowders making that historic transition.

6 Along with welfare reform, a second issue
7 operating in this new context is education. Here
8 too, many of you are taking extraordinary historic
9 strides.

10 We will try to complement your efforts by
11 balancing the federal budget while maintaining
12 investments in schools and learning.

13 The President will have a lot to say on
14 this topic tomorrow night, and he hinted at that in
15 the private session this morning, and I certainly
16 don't want to be one of those sneak preview trailers
17 in movie theaters that gives away so much information
18 that you don't need to go see the movie when it comes
19 out.

20 So I'll just give you one basic fact. We
21 will balance the federal budget while dramatically
22 boosting investments in education, and the details

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1 will be presented by the President tomorrow night.

2 (Applause.)

3 VICE PRESIDENT GORE: The proposals, as a
4 whole, will move us much closer to our national goal;
5 an America where every eight-year-old can read, every
6 twelve-year-old can connect to the internet, and
7 every eighteen-year-old can go to college, and every
8 adult can continue to learn throughout his or her
9 life.

10 And related to education is technology,
11 which the President will also discuss tomorrow night.
12 And I understand that just immediately after I leave,
13 you've got a presentation on this topic, and it's one
14 that I, along with many of you, have worked on for
15 many years.

16 Because as we approach the 21st century,
17 we need to strengthen our national science and
18 technology system.

19 Building on the work of the State/Federal
20 Technology Task Force, led by former Governors
21 Celeste and Thornburgh, and I believe they are here
22 today, we are ready to launch a new U.S. innovation

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1 partnership to coordinate federal and state efforts
2 to stimulate the development and use of new
3 technologies that can help us meet our common goals
4 of generating economic growth, improving our schools
5 and our health care and protecting the environment
6 better at lower cost.

7 And along with welfare and education,
8 there is a third challenge we must confront, and the
9 final one I'll discuss here this afternoon. To
10 establish the credibility to achieve all of our other
11 objectives we must reform our campaign finance
12 system.

13 We have got to do better, both political
14 parties. And there's probably no clearer example of
15 the maxim I cited a few moments ago about the options
16 we face.

17 If we use it as a chance to just have
18 conflict with one another, nothing will get done.
19 But if we work together on a bipartisan basis, we can
20 make historic changes in campaign finance reform.

21 With Governor Roy Romer here, let me -- I
22 hope you don't take this as a partisan comment, but I

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1 do want to express pride that my own political party
2 has adopted a set of internal reforms which we
3 believe represent the first step to cleaner
4 campaigns, greater accountability, and tighter rules
5 on fundraising. And we've done that unilaterally.

6 I lay it down not as a provocative bitter
7 challenge, but an invitation to say, okay, that's a
8 good step. Others can do that too. But regardless
9 of whether you do or not, let's try to work together
10 on legally binding rules that will accomplish this
11 result.

12 So in the spirit of brotherhood
13 exemplified by the Taylor brothers of Tennessee, I do
14 issue that challenge.

15 And I do think we've simply got to change
16 this crazy system. It was designed and built 20
17 years ago, and has barely been updated since. And in
18 the mean time, we have improved and revitalized
19 almost every other system that guides the nation's
20 business and government. It's like relying on a
21 clunky 1970s era mainframe computer while everybody
22 else is running more powerful, smaller, cheaper, desk

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1 tops running Windows 95.

2 And that broken down operating system is
3 frustrating both candidates and voters and is
4 diminishing the effectiveness of government. We need
5 an upgrade and we need it now.

6 And almost everyone of good will and
7 common sense in our nation knows that now is the time
8 for a sweeping reform. We must reform America's
9 campaign finance system, and I would urge you to
10 throw your support behind the bill crafted across
11 party lines by Congressman Shays, a Republican, and
12 Congressman Meehan, a Democrat, Senator McCain, a
13 Republican, and Senator Feingold, a Democrat.

14 Well, that's where we are on this day just
15 before the State of the Union Address. We have a new
16 political context, real partnership and devolution,
17 combined with real bipartisanship, if we make it
18 real.

19 And that new context creates a new
20 opportunity to achieve real progress on three of our
21 most pressing challenges: reforming welfare and
22 moving more people to work; creating educational

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1 opportunity for all; and reforming our campaign
2 finance system.

3 It won't be easy but it can be done. We
4 all understand the necessity of making it a reality.
5 Any time I doubt our capacity to change, I think
6 about one other thing that's going to be happening
7 this week.

8 Later in the week, my friend, the Prime
9 Minister of Russia, Victor Chernomyrdin, is visiting.
10 His country is undergoing an enormous transformation
11 to free elections and free markets.

12 When you think about the challenges that
13 are being faced by Russians or by South Africans,
14 where they waited in line for six, eight hours under
15 the hot sun to vote, and then think about the way too
16 many of us take our blessed freedoms and privileges
17 as American citizens, if not for granted, too
18 lightly.

19 And so this historic chance to move
20 forward on the eve of the new century is a chance
21 that we absolutely must reach out and seize in a
22 bipartisan manner.

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1 Speaking on behalf of the President, as
2 well as myself, I would like to thank you for all of
3 the wonderful suggestions this morning, all of the
4 wonderful proposals that you have brought to our
5 attention.

6 And pledge to you again in closing, we
7 want to do everything we can to work closely and
8 effectively with you for the best interests of our
9 people.

10 Thank you very much.

11 (Applause.)

12 GOVERNOR MILLER: Thank you.

13 Again, thanks to the Vice President for
14 being here and sharing those remarks with us.

15 The Vice President talked briefly about
16 this cooperative arrangement, the U.S. Innovation
17 Partnership announcement. I had the chance to
18 participate in a regional meeting in Las Vegas last
19 month and was impressed by the group of state,
20 federal, university and private sector
21 representatives who came together on issues that are
22 important to the economic competitiveness of U.S.

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1 business.

2 And I would like to briefly call upon two
3 of our members, Connecticut Governor John Rowland,
4 and Maryland Governor Paris Glendening, the lead
5 Governors on science and technology, to comment on
6 this partnership that we've now reached with the
7 federal government.

8 Thereafter, we will be going to our
9 corporate fellows breakout sessions which are
10 essentially related to your committee assignment.

11 Governors Rowland and Glendening.

12 GOVERNOR ROWLAND: Thank you, Mr.
13 Chairman.

14 Mr. Chairman, in the spirit --

15 GOVERNOR MILLER: If everybody could
16 please be quiet on the way out, we do have some more
17 business to take care of. Thank you.

18 GOVERNOR ROWLAND: Thank you, Mr.
19 Chairman.

20 Mr. Chairman, in the spirit of the Vice
21 President's five minutes of his Administration and
22 the spirit of cooperation between both the federal

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1 government and the NGA, we're pleased to engage with
2 the President and his Administration.

3 We'll be accepting the President's
4 invitation to establish the U.S. Innovative
5 Partnership and certainly as Governors, we welcome
6 this opportunity to bring all the resources together,
7 as you said, Mr. Chairman, from universities, from
8 our states, from the private sector, hospitals, and
9 of course the federal government, to make sure that
10 we've got the best technologies available not only to
11 our states but to the nation.

12 Tomorrow morning, the Governors will adopt
13 a resolution establishing the U.S. Innovation
14 Partnership. Governor Glendening and I will be
15 signing the memo of understanding that will establish
16 the framework.

17 But I know from talking to Governors
18 throughout the last two days that we're all very
19 excited about these possibilities and working
20 together.

21 We all know the importance of the
22 technologies and the economic impact to all of our

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1 states.

2 The memo of agreement will mark a
3 milestone for all of us. But most importantly, it'll
4 be the spirit of the cooperation and the commitment
5 by all the partners involved, not just the piece of
6 paper that we sign tomorrow.

7 I would encourage all the Governors to
8 look at the work that's already been accomplished,
9 going back to last June, the Governors, their
10 representatives and federal officials have been
11 working together to develop an action agenda which we
12 hope will result in a more efficient, more effective
13 national innovation system.

14 And we want to thank the Vice President
15 for his involvement and interest and the longstanding
16 interest of having the partnership between our states
17 and the federal government, and we look forward to
18 working with that Administration.

19 I'd now like to yield to my co-leader,
20 Governor Glendening, for a few remarks.

21 GOVERNOR GLENDENING: Thank you, Governor
22 Rowland.

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1 Let me just say we're pleased that the
2 Administration, both the President and the Vice
3 President, as well as the Science Advisor, have taken
4 a specific interest in this project. And we want to
5 thank the 16 Governors who've already joined us in
6 support of this.

7 We know increasingly the strength of a
8 country or the competitiveness of a state is going to
9 be based on knowledge and science and education and
10 technology. We also know that beginning back in the
11 1960s, when President Kennedy challenged the nation
12 about going to the moon, and putting an unprecedented
13 technological effort together, that this country has
14 understood the association between investment in
15 knowledge and technology and economic activities.

16 I'm also very pleased that we're making a
17 fundamental shift here in that the proposal is that
18 the states will be involved in the development of
19 technological innovation, it will not just be a
20 federal policy for innovation and technology, it'll
21 be a national policy developed in partnership with
22 the states, the federal government and the private

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1 sector.

2 We hope that by doing so, this innovative
3 partnership will help us build in the research and
4 development that's going on, it will help us expand
5 jobs and opportunities for all of our families and
6 for all of our children.

7 I especially want to thank the 16
8 Governors who have initially agreed to participate in
9 the partnership. Your time and your commitment is
10 very, very valuable.

11 And I also thank the NGA staff for the
12 work that they've put into this.

13 Somewhat interestingly, it took ten years
14 to get this point of agreement now that the pace of
15 science and technology is changing so rapidly, we
16 hope that it will move much more rapidly in
17 partnership based on the agreement that we'll sign
18 here today or tomorrow.

19 Thank you.

20 GOVERNOR MILLER: Thank you both very
21 much.

22 And I think that although we haven't had
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1 much time to discuss this today, this is a very
2 innovative and perhaps a very future-oriented
3 partnership that might be historic.

4 We will now break out into our concurrent
5 sessions with the corporate fellows. The Executive
6 Committee will be in Salon 1, the Economic
7 Development and Commerce Committee in Salon E, Human
8 Resources, Salon J, Natural Resources, Salon F.

9 I encourage your participation.

10 Tomorrow morning's plenary session at
11 9:15. I encourage you to be on time.

12 The President, as you know, today
13 mentioned Rob Reiner from Castle Rock Entertainment,
14 as well as the Carnegie Report, Dr. Hamburg who'll be
15 with us, and Dr. Perry, a very interesting report on
16 early childhood development.

17 Thank you for your attention.

18 (Whereupon, at 3:20 p.m., Monday,
19 February 3, 1997, the Plenary Session of the National
20 Governors' Association was adjourned, to reconvene
21 the following day, Tuesday, February 4, 1997, at
22 9:15 a.m., in the same place.)

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TRANSCRIPT OF PROCEEDINGS

NATIONAL GOVERNORS' ASSOCIATION

1997 WINTER MEETING

PLENARY SESSION

Washington, D. C.

Tuesday, February 4, 1997

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NATIONAL GOVERNORS' ASSOCIATION

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1997 WINTER MEETING

PLENARY SESSION

J.W. Marriott Hotel

1331 Pennsylvania Avenue, N.W.

Grand Ballroom

Washington, D. C.

Tuesday, February 4, 1997

9:25 a.m.

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NATIONAL GOVERNORS' ASSOCIATION

1997 WINTER MEETING

GOVERNOR MILLER: If everybody would take their seats we'd like to get the program started. I know many of the governors were in the regional association meetings, the Atlantic Coast states, the Southern states and the Western states, but we do have a timetable so we will need to have everybody take their seats.

Welcome to the closing plenary session of the 1997 National Governors' Association winter meeting. As throughout this meeting, we have a busy agenda. So in order to get started we will officially call it to order.

The winter meeting is traditionally devoted to developing policy and a broad consensus on issues before Congress that impact the states.

This year, of course, is no exception. We have covered everything from sustained national economic growth to a balanced federal budget, Medicaid and work force development plans. And, best of all, our own best state practices in attempting to

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1 serve the people of our individual states.

2 Our governors only sessions have given us
3 some of the great new ideas that have worked in
4 various parts of the country which we all intend to
5 plagiaries from each other.

6 A major focus for the best state practices
7 this year will be the development of state programs
8 for child development in the first three years of
9 life. The first three years of a child's life are
10 critical because of the rapid changes in growth that
11 occur. In those early years much of the basis for
12 later learning and growth is established.

13 According to Map and Track, the 1996 study
14 by the National Center for Children in Poverty,
15 three-quarters of the states, 37, are supporting one
16 or more state funded comprehensive program strategies
17 that explicitly target young children and their
18 families.

19 In Nevada the Baby Your Baby program
20 provides referral services for pregnant women who are
21 seeking prenatal care. And since it started in July
22 of 1993 Baby Your Baby has referred over 16,000 women

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1 to prenatal services and has contributed to a
2 substantial improvement in the rate of infant
3 mortality and low birth weight babies born in our
4 state.

5 To build on this success, I have proposed
6 a Family to Family program in our state of Nevada.
7 Family to Family will provide in hospital counseling
8 and support for all new babies and their families,
9 followed by a voluntary at home visitation to answer
10 the questions of new parents, promote healthy family
11 structures and curb the incidence of child abuse or
12 neglect.

13 But more needs to be done. Millions of
14 young children are not covered by health insurance,
15 are not fully immunized, are in inadequate child care
16 settings and enter school not ready to learn.

17 During the coming months the National
18 Governors' Association will focus on several
19 activities that promote an action agenda for states
20 around the importance of the first three years of a
21 child's development. These activities will
22 compliment the national early childhood public

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1 awareness campaign, entitled "I am Your Child."

2 Rob Reiner is here today with his wife,
3 Michelle Reiner, to talk more about the campaign and
4 tell us about their contribution, a documentary that
5 ABC will air in April to heighten public awareness.

6 First, let me tell you what you can expect
7 from this Association to promote an early investment
8 in children. I have appointed a Governors'
9 Leadership Group on Children and it is co-chaired by
10 Governor Voinovich of Ohio, and myself, along with a
11 bipartisan panel, including Governors Almond, Dean,
12 Chiles and Ridge.

13 With guidance from the Gubernatorial
14 Leadership Group, the National Governors' Association
15 Committee on Human Resources will review and, if
16 necessary, revise our national policy on services to
17 young children and their families.

18 In partnership with the Public Engagement
19 Campaign, if I have asked each governor to identify
20 key contacts within your state that will connect
21 families with the young children of the state and
22 with local resources that serve this particular

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1 population. This list of contacts will be available
2 to viewers who call a toll free number shown during
3 public service announcements and the April ABC
4 television show.

5 NGA will also produce a media package on
6 young children, based on our consultation with the
7 governor's press secretaries and Ellen Gilbert, from
8 International Creative Management and ABC's director
9 of corporate initiatives, Patricia Goodrich. The
10 media packages will include resources for governors
11 to promote an investment in young children and their
12 families and ideas on how governors can tie into
13 activities surrounding the broadcast of the ABC
14 special.

15 In early March NGA will convene a group of
16 state and national experts to help governors assess
17 the current policies on young children and families
18 and make recommendations for state policy changes.

19 So with the guidance of the Gubernatorial
20 Leadership Group and the recommendations of these
21 experts, NGA will produce a resource guide of useful
22 information on young children and their families to

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1 be used by all governors and their staffs. It will
2 be distributed at the annual meeting to be held July
3 27th through the 30th in Las Vegas this year.

4 As a capstone event a national policy
5 forum for state policy makers will promote adoption
6 of the policy recommendations and best practices
7 identified throughout the course of these activities.
8 So the information you have in front of you
9 summarizes NGA's upcoming activities on the first
10 three years and lists NGA's resources on children.

11 This morning we are very privileged to
12 have three national experts on this issue, each in
13 turn will give us an overview of why we should be
14 focusing on the first three years of life.

15 Much of the dream of focusing on the total
16 development of children from zero to three comes from
17 one of the nation's most acclaimed actors, directors
18 and producers, Rob Reiner. Mr. Reiner is an Emmy
19 award winning actor for his role in All in the
20 Family, a very socially provocative program --
21 perhaps the most socially provocative of all time.
22 He is the director of nearly a dozen popular movies

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1 that have garnered many awards and nominations. The
2 governors are proud to have Mr. Reiner join us today
3 to help us focus on our goal of assisting early
4 childhood development.

5 Mr. Rob Reiner.

6 (Applause.)

7 MR. REINER: Thank you, Governor Miller
8 and Governor Voinovich, for having me here.

9 This is truly a great moment in my life.
10 I've been on the Broadway stage, I've been on
11 commercial television, I've been in films, but I have
12 now finally arrived -- I'm on C-SPAN!

13 (Laughter.)

14 MR. REINER: So my career is now complete.

15 There's a lot of reporters here that we'll
16 be talking to aside from C-SPAN, and, you know, I'm
17 obviously -- I'll never not be known as the guy who
18 was on All in the Family, the guy who played "that
19 part that argued with Archie." I think probably that
20 will be with me for the rest of my life. Maybe
21 tomorrow morning some of the headlines will read
22 "Meathead Addresses the NGA."

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1 (Laughter.)

2 MR. REINER: Maybe not. Hopefully we will
3 have moved past that.

4 I just want to give you a little overview
5 of what lead me to this and why we are doing this.

6 If you've read your Time magazine there
7 was an article. A part of an article about brain
8 development was entitled, I think it said "Hollywood
9 Goes Gaga" and it tried to frame my involvement and
10 others' in show business involvement as kind of a
11 flavor of the month, dilettante kind of thing.
12 Nothing could be further from the truth as far as my
13 participation is concerned. I've been thinking about
14 this for 30 years and actively working on it for the
15 last three.

16 The thought process has been, like most of
17 the people in this room, I've been politically active
18 all my life and we're all wrestling with the same
19 problems. We've been wrestling with these problems
20 as long as I've been an adult, which is, you know,
21 30-some odd years. We have all gathered together in
22 living rooms, rooms like this and we sit down and we

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1 talk well into the night about how to solve society's
2 problems.

3 I can guarantee every person in this room
4 will recognize that the answer we always come up with
5 is education. It happens every time. Whether it's
6 crime, drug abuse, child abuse, teen pregnancy,
7 welfare, homelessness; it all comes down to
8 education.

9 We all look at each other and say 'Well,
10 that's it. We have to devote our energies towards
11 education.' But the next question is what does that
12 mean? What does that mean, education? Who do we
13 educate? How do we educate? And in what manner do
14 we educate? That answer has not been so easy. That
15 has eluded us, I think, for quite a long time.

16 Well, we go down the road in the '80s. I
17 spent a lot of time in self introspection and in that
18 self introspection I came to an immutable truth, at
19 least to me. That was that what happened to me in my
20 first two or three years of life shaped how I
21 function as an adult in the outside world, the good
22 and the bad, what I got in that first three years.

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1 As a communicator and as a film maker what
2 I do is figure out what is common and trustworthy and
3 what connects to me and then I make a film that
4 encapsulates that. If I am successful I've done
5 something right because what my experience is touches
6 somebody else's experience and that makes for a
7 successful film.

8 So as I became successful as a film maker
9 I started to think well, maybe this thought that I
10 had about what happened to me in my first two or
11 three years is not so far afield from what happens to
12 everybody on this planet. In thinking about that I
13 said 'Okay, now what do I do with this information?
14 If this, in fact, is true what can I do about this?'

15 I started reaching out and searching. I
16 was like a babe in the woods. I came to Washington,
17 I called Tipper Gore up, who I had heard was
18 interested in mental health issues, not knowing what
19 I was going to do with it. I met with her, I met
20 with some members of the Department of Education. At
21 the time -- this was about three years ago -- they
22 presented me with their Goals 2000.

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1 The first goal, as you all know, is every
2 child must enter school with a readiness to learn. I
3 looked at that and said 'Well, it seems to me if you
4 can meet that goal all these other goals will take
5 care of themselves.'

6 Well, how does a child enter school with a
7 readiness to learn? Well, I believe a child enters
8 school with a readiness to learn if his mind is
9 unencumbered by emotional disorders caused by
10 physical abuse or neglect or any number of issues.
11 It could be physical; it could be lack of nutrition.
12 These are things that keep children not ready to
13 learn. So now we have to address that. We can look
14 at it from an education standpoint, we can look at it
15 from a lot of perspectives, but it validated what I
16 was thinking.

17 I then convened a group of people at my
18 house, people from the Governor's office in Vermont,
19 from the Vice President's office, Mayor Riordan, a
20 number of educators, some scientists. We all sat
21 around and talked about this. This was about three
22 years ago.

1 I realized at that time there is no
2 stomach for federally funded programs, and even if
3 there were it's not the right way to go. We know
4 that each community has its own needs, there is no
5 one size fits all program that works. We have to
6 address this on a local level.

7 But first and foremost, we have to educate
8 people because people don't understand. They can not
9 make the nexus between zero to three and what happens
10 to a child in those three years in terms of crime,
11 drug abuse, child abuse, teen pregnancy, welfare,
12 homelessness and a variety of other social ills. We
13 have to educate the people so that they know there is
14 a direct nexus -- not only a direct nexus but the
15 critical time period in order to reduce some of these
16 societal ills.

17 So I say to myself 'What do I do?' I put
18 on a show. That's what I know how to do. I can
19 communicate with people. You are policy makers and
20 sometimes you need some help to educate people in
21 order for you to make effective policy. Well, what I
22 can do is put on a show.

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1 So I went to ABC and I said 'Let me have
2 an hour.' I went to a fellow named Ted Harbick --
3 who is no longer there -- but I knew he was
4 interested in children and I knew that ABC had an
5 initiative to reach out to children. I went to him
6 and I said 'Give me an hour and I will put on a show
7 that focuses on early childhood development and the
8 needs of young children. And I'll get you some stars
9 so that people will tune in. It won't be a dry
10 documentary, it will be entertaining and it will be
11 something that people want to watch.'

12 I then started realizing that it's one
13 thing to put on a show but if we don't have things to
14 follow up, if we don't have outreach and if we don't
15 have a public engagement campaign that show maybe
16 goes into the ether.

17 I was concerned because initially we were
18 going to put on that show in September of last year
19 and I think it might have gone into the ether had we
20 not had some help from Time magazine last week. And
21 we're going to have a lot of help in the next couple
22 of months to raise the profile of this so that when

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1 the show airs we'll hit the ground running and we'll
2 provide you with tools that you can use to start
3 raising awareness and also creating the programs that
4 we need to focus on early childhood development.

5 Okay. So the centerpiece of this campaign
6 is the show. And I'll get to the show and what it is
7 in a second but to let you know, there are many other
8 components. IBM has donated some money to us --
9 given some money to us for a CD-ROM that will deal
10 with parenting issues. Johnson & Johnson has given
11 us money for a video.

12 Newsweek magazine has devoted an entire
13 special issue that will hit the stands the week that
14 the show airs and will be on the stands for three or
15 four months afterwards. Good Morning America has
16 given us a week of promotion before the show airs and
17 the day of the show we're talking about doing an
18 entire show that morning on it.

19 I've talked with the President, he's
20 agreed with the First Lady to host some kind of
21 national conference that will hopefully -- you'll be
22 hearing about that tonight in the State of the Union

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1 -- which will be brought together some time in April.

2 We're going to need your help. We're
3 going to need governors, we're going to need members
4 of Congress from both sides of the aisle, both
5 houses. We're going to need the scientists, we're
6 going to need the business leaders to come in. It's
7 going to be a partnership.

8 You hear that word thrown around all the
9 time but, in fact, the only way this is going to work
10 is if there is a partnership between the federal
11 government, state government, local communities and
12 the business world and the foundation world.

13 I've been very fortunate in making
14 relationships with the Carnegie Institute, with the
15 Heinz Foundation and with AT&T, and a number of other
16 foundations to help us in this effort.

17 The Starting Points report that came out a
18 couple of years ago was a validation for me. I had
19 not read it before I put all this in motion but as I
20 read it it validated everything I was thinking and it
21 gave me the impetus to go forward.

22 Let me tell you a little bit about the
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1 show so you get an idea of that. Then I will
2 introduce, first, Bruce Perry, who is a
3 neurobiologist from the School of Medicine at Baylor,
4 and David Hamburg, whom you know is head of the
5 Carnegie Institute, to talk about brain development
6 and the effects on public policy.

7 The show is going to be a one hour prime
8 time special. It's going to air April 28th, Monday
9 night, at 8:00. It's a very good time slot for us
10 because the night before they're going to premier
11 Forrest Gump, the first time that will be on network
12 television, and Tom Hanks, who is hosting our
13 special, as you know, stars in that. It will be a
14 good opportunity for us to promote the show.

15 Tom Hanks, as I said, will be hosting.
16 I'm going to take this piece of paper out because
17 there's a lot of people involved and they're very big
18 and they're very famous and if I leave them out
19 they'll get mad at me -- and since I'm well over 40 I
20 probably will forget some of them.

21 We've got Arnold Swartzenneger, Robin
22 Williams, Billy Crystal, Rosie O'Donnell, Shaquille

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1 O'Neil, General Colin Powell, Carl Reiner and Mel
2 Brooks resurrecting the 2000 year old man for people
3 who are fans of that. The President and the First
4 Lady will appear, and a number of other guests.

5 The form that the show will take is we are
6 going to highlight a community in Virginia, Hampton,
7 Virginia. It's a community of about 200,000 people
8 that have put into practice a number of early
9 childhood development programs that are working. We
10 will examine those and three particular stories that
11 have come out of Hampton that all exemplify how a
12 community can pull together over this issue.

13 What we like about Hampton is that the
14 whole community has rallied around it as not only a
15 way of improving the social status of the community
16 but also the economic status as well. This was a
17 community at risk, a mayor who was facing financial
18 collapse.

19 The thought of building another prison,
20 refurbishing another prison -- he realized, you know,
21 we're developing, as we know, a permanent underclass.
22 We have to reverse that. We can't have prisons being

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1 a growth industry in this country. It's just not
2 acceptable.

3 To that end, he decided to bring together
4 community leaders. He brought scientists and
5 specialists together to create programs designed to
6 help empower parents with their children at a very
7 early age. He brought the banks, the hospitals, the
8 schools, the libraries, the churches, all have
9 rallied around this issue as a way of focusing in on
10 it.

11 We will spotlight Hampton but we will also
12 have a lot of fun in the show. There will be a lot
13 of comedy with our celebrities. We're going to be
14 doing a thing called "Things you might not know about
15 early childhood development" in which these things --
16 we'll be telling you things and we'll be doing it in
17 a very funny way. I'm not going to tell you now
18 because you'll see the show and you'll laugh.

19 Then there's going to be a public policy
20 part of it at the end, a call for public policy in
21 which we will hopefully -- I talked to Governor Hunt
22 about this, and possibly Governor Voinovich will come

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1 out and talk about what's needed on the state level.

2 From this we'll also have an 800 number
3 that AT&T is providing in which we'll disseminate
4 some fulfillment materials, most asked questions by
5 parents and also a directory of services that exist
6 in the states currently. There are a lot of states
7 that are doing a lot of very good things.

8 As we said, Governor Voinovich, from Ohio,
9 and Governor Hunt, from North Carolina; Governor
10 Chiles has got some great programs down in Florida.
11 And Governor Roy Romer is doing a great job in
12 Colorado.

13 One of the programs that we're going to
14 talk about and highlight is David Olds's program --
15 which started in Elmira, New York if you know about
16 it. It's about 20 years old -- which is a very good
17 longitudinal study that is going to be coming out
18 along with a study of other cost effective programs.

19 We have hired the Rand Corporation to do a
20 cost benefit analysis of the programs that are
21 working, and there are a few. There are many that
22 don't work but there are a number that do, and work

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1 very effectively to the point where there is a real
2 reduction in crime, a real reduction in teen
3 pregnancy. This is all going to be savings to you.

4 We have the science. The science is in
5 place, now we've got to get the economics in place.
6 I've got a graph I just want to show to get you
7 thinking about this in a certain way.

8 We now know through science that the first
9 three years of life is the most critical time period.
10 It is the time period when the brain develops at a
11 greater rate than at any time during the course of a
12 person's life.

13 As you can see, the red line up there
14 charts the brain development and the growth of a
15 person from zero to 18. Now, the fact is if you
16 played that line out it would still be a flat line
17 from 18 until the time you die.

18 Actually, it would dip down a little bit
19 because the brain atrophies a little bit as you get
20 older. But by age 10 your brain is cooked and
21 there's nothing much you can do.

22 There's more cognitive things that you can

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1 get, there's more information that can get in and you
2 can process that information but in terms of growth
3 and development the brain pretty much stops about age
4 10. But as you'll see, from zero to three is when
5 the lion's share of that growth occurs. Bruce Perry
6 is going to talk about that and we're going to put
7 something on the show that's very, very dramatic.

8 Then you see that blue line is
9 expenditures, public expenditures on that time
10 period. As you can see, the first three years of
11 life virtually no public money is spent during that
12 time period.

13 So what we're seeing now is that during
14 the greatest time of opportunity and the greatest
15 time of risk the least resources are being put. It
16 seems pretty silly. We're not getting the bang for
17 our buck, and if we want to start turning things
18 around we've got to restart.

19 We've got to rethink this and we all have
20 to have a mind set if we're going to do the job.
21 We've got to look at policy through the prism of zero
22 to three because it will affect everything. Science

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1 is telling us this.

2 We will be fools if we don't start
3 addressing this now. It doesn't mean abandoning
4 programs we have now. There is still help needed and
5 there has been help needed all along. But if we want
6 to reduce the burden of those programs, crime, health
7 care, all the things we talked about, we've got to
8 make an investment in the first three years. It's
9 absolutely critical.

10 One of the things we're going to show on
11 the show is we're going to put up two brains -- I
12 think Dr. Perry is going to show this in his talk.
13 Those two brains will be a perfectly formed brain and
14 a brain that's about two-thirds the size of the first
15 brain -- all the gray matter is filled in; the other
16 brain has got big, black crevices through it.

17 He shows this to neurosurgeons and
18 neurotechnicians and he says 'What do you make of
19 these two brains?' As we know, the brain grows to 90
20 percent of its adult size by age three so they look
21 at these two brains and they say 'Well, this is a
22 normal brain over here and this brain is the brain of

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1 a person who has Alzheimer's disease.'

2 And he says 'No, no. These are both
3 brains of three year olds. This is a brain of a
4 person who has been nurtured and properly taken care
5 of and this is a brain of a person who has been
6 subjected to either child abuse or neglect.' That
7 brain does not grow beyond that point and those black
8 crevices don't get filled in. The window of
9 opportunity shuts and we -- essentially the child is
10 not lost forever, we're not saying that, but to
11 recapture that child and to rehabilitate -- and we
12 all know what that is in terms of delinquency and
13 drop out rates and all of that -- is incredibly
14 expensive.

15 What's not expensive is to do what we're
16 talking about. I mean, there is cost involved but
17 the benefits far outweigh the costs. So we're going
18 to show that.

19 This this is all what we're doing. We
20 need your help. We need you to start thinking
21 differently. You guys have been solving problems
22 your whole lives. You've been working with budgets

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1 and legislatures your whole lives. But we can start
2 turning things around if we start focusing on the
3 most important first three years.

4 Thanks for having me. I'm going to turn
5 it over to Bruce Perry, who is going to tell you
6 about what goes on in the brain in those first three
7 years and, very specifically, about the fact that
8 there are neurobiological things that occur. It's not
9 -- well, he'll tell you better than I am. He's more
10 eloquent and he's better schooled than I am in that.
11 Thank you very much.

12 (Applause.)

13 DR. PERRY: Hi, my name is Bruce Perry. I
14 am a developmental neurobiologist and a child and
15 adolescent psychiatrist.

16 Those of you who are too close may want to
17 move back. You're safe back there. I can't read
18 your minds that far away.

19 I have eight minutes to talk to you about
20 brain development in a way that will make you want to
21 go out and spend more time learning about brain
22 development.

1 The reason that I am very, very happy to
2 be here is that I think that if you learn a little
3 bit about brain development you will be able to take
4 the current resources you have, use them in a more
5 focal way and have much healthier communities because
6 you have much healthier children and families.

7 Now, that sounds like a wonderful thing
8 but I hope that if you take the time to read this one
9 page paper that we put together for another purpose
10 you'll see that that actually is something that makes
11 a lot of sense.

12 I hesitate to put government and brain in
13 the same sentence but I think that it's extremely
14 important that government understands what the brain
15 is, how it works, how it grows. It is, after all,
16 the brain that allows us to think, to walk, to talk,
17 to feel, to love, to laugh, to be happy, to argue
18 with each other, to come up with all those elaborate
19 things you guys come up to raise money with. It's
20 your brain that allows you to do that. Our brain
21 allows us to be humans.

22 There are unique properties of the human

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1 brain which allow us to be connected to each other,
2 which allow us to create. But there are also
3 properties of the brain which can allow us to hate
4 and to kill and to stalk and to rape. Those
5 properties don't come from genetics. There is no
6 biogenetic code to create a murderer. There is no
7 biogenetic code to create a Michelangelo.

8 Genetics is clearly very important in the
9 way we function but the experiences that determine
10 whether or not you are going to be creative and
11 contribute or be impaired and consume come from
12 childhood. And not just all of childhood. All
13 experience doesn't have equal value.

14 The rate of change in the human brain in
15 infancy and the malleability, the ability of the brain
16 to soak in new information and organize itself in the
17 infant is 10,000 times more powerful than it is in a
18 50 year old person. It's easily 1,000 times
19 more powerful than it is than when somebody is 15.
20 That's why all of you who have tried to work in the
21 juvenile justice system or with adolescents who have
22 problems with teenage pregnancy or problems with

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1 academics or problems with all of these social ills
2 that we have to focus on, realize that it takes a
3 thousand man hours of service to reverse three hours
4 of bad early life experience.

5 Now, that sounds completely crazy but the
6 fact is that's the way the brain works. The brain at
7 birth is undeveloped and what makes it organize in a
8 healthy, flexible fashion is healthy, flexible
9 experience.

10 Let me take a moment and talk a little bit
11 about the brain in abstract. The brain isn't just
12 one big blob that does all these things, it has
13 different components. It has different parts that do
14 different things. Each one of these parts has a set
15 of connections with other parts of the brain and when
16 you have a healthy brain they all work together in an
17 integrated fashion.

18 But at birth you don't have the ability to
19 walk, you don't have the ability to talk, you don't
20 have the ability to think. Only the lowest, most
21 primitive part of the brain, the part of the brain
22 that controls heart rate and blood pressure, has been

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1 organized.

2 It is through consistent, predictable
3 nurturing experience that the capability to regulate
4 sleep and appetite gets built in in the first six
5 weeks, then that part of the brain, because the brain
6 stem is healthy -- I'm sorry. I used a word like
7 that. I'm sorry. Forget that. Don't be afraid.
8 That word will not hurt you.

9 The lower parts of the brain that regulate
10 these more primitive functions really are the
11 foundation upon which all other parts of the brain
12 must develop. That foundation, the foundational
13 organization of the human brain is in place by age
14 three.

15 So that in order for you to remedy
16 something that happened, that malorganized at two or
17 at one, you have to literally deconstruct -- you have
18 to deorganize. Imagine what it would be like if
19 you'd built a house where there's a wonderful
20 foundation and a wonderful frame and you put in the
21 wiring and put in the plumbing and put in the carpets
22 and put in the furniture and did all that stuff, and

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1 then somebody came by and said 'You know what? I
2 really want to change the plastic plumbing to lead
3 plumbing.' You would have to deconstruct the whole
4 house. It would be much more expensive than if you
5 had up front said 'You know what? Let's put in the
6 right plumbing when we're organizing and building
7 this house.'

8 Now, this has profound implications for
9 all other things we were talking about this whole
10 week -- welfare, education, substance abuse problems,
11 violence. All of these things are dramatically
12 impacted by the foundational organization of the
13 brain. And we can create consistent, predictable
14 nurturing structured experiences that build in a
15 healthy foundation or we can have inconsistent,
16 unpredictable, chaotic and terrorizing experiences
17 which build in a disorganized, non-empathic brain.

18 Let me take one moment to just describe a
19 little bit about how that can happen.

20 Most of us don't think about it this way,
21 but at birth even though the infant is now physically
22 separate the infant is biologically linked to other

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1 human beings to the primary care giver, biologically
2 linked. When the mother looks in the eyes of the
3 infant and touches the infant there are biological
4 things that happen in the brain and those biological
5 things that happen allow the brain to grow in a
6 healthy way. So if a child is touched and looked at
7 while it's fed and hummed to and rocked, that
8 combination of sensory experience helps organize the
9 brain in a healthy way.

10 And just as there are parts of our brain
11 that allow us to think and there are parts of our
12 brains that allow us to feel attached to other
13 people, if you do not get that appropriate
14 combination of early life touch and gaze into your
15 eyes at the right time the part of your brain that
16 will allow you to be empathic, to be a good citizen,
17 undevelops. It is, unfortunately, in many cases of
18 profound emotional neglect irretrievably lost.

19 Most of you I think can recall the visual
20 images of the Romanian orphans. Remember those
21 images? Those kids are not genetically that way.

22 The reason that they are that way, the reason that

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1 they are physically small and that they rock and that
2 they can't form appropriate relationships is because
3 part of their brain is physically different by virtue
4 of not having critical organizing experiences.

5 No matter what you do -- you could bring
6 in every tutor, you could send them to the best
7 schools in the world, you could intervene out the
8 wazoo -- these kids have some of their potential
9 irretrievably lost.

10 We do this to our kids in this country all
11 the time. We don't do it on purpose, but there are
12 children right now who are being born today who not
13 by virtue of their genetics but by virtue of the fact
14 that they will get neglected, that they will not hear
15 a lot of conversation, that they will not be touched
16 in a certain way, that they will not have consistent
17 times to go to sleep, that they will not have
18 consistent response when they cry -- these kids will
19 have impulsive, disorganized brains.

20 And when they get to be five and six and
21 we put them in school is it any surprise that they're
22 going to have attention problems or is it any

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1 surprise that they are going to be behaviorally
2 impulsive and more likely to be aggressive?

3 Is it any surprise then that this failure
4 to be able to take advantage of public education
5 leads to self esteem problems and then leads to
6 primitive, immature problem solving that's violent by
7 nature?

8 None of this is a surprise. Sometimes I
9 feel like I'm a politician out on the stump who has a
10 one issue campaign. But no matter what question
11 anybody asks me about I say 'Well, you know, it's the
12 brain, stupid.'

13 (Laughter.)

14 DR. PERRY: You could ask me about
15 substance abuse and I'll tell you we can relate that
16 right back to early life experiences and brain
17 development. You can ask me about adolescent
18 violence and I'll say 'Hey, we can link that right
19 back to early life experience and brain development.'
20 You can ask me about an economic issue about the loss
21 of taxpayers in the inner city. You can link that
22 right back to early life experiences and the

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1 deterioration of communities and the lack of
2 appropriate caregivers to step in when the mom has to
3 go to work.

4 You can link this to violence. You can
5 link this to creativity. Now, see, we're focusing on
6 a lot of the bad things but I would like you to keep
7 in mind that in the same way that you can provide
8 experiences that make the brain undevelop and have
9 impairments there are also unrealized potentials.

10 We can take children who aren't going to
11 be abused, who aren't going to be neglected and
12 provide enrichment experiences that will make them
13 even more socially connected, even brighter, even
14 more creative, even more empathic. We can shift the
15 entire curve by refocusing on the development of
16 children.

17 And if we do shift the curve not only will
18 we be decreasing the burden on society from all of
19 these ills but we will be increasing the productivity
20 and the greatness of society by more creativity, more
21 creation and the capacity to do new great things.

22 Now, I'm just a shrink. I can't tell you

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1 exactly how to do this. I can tell you the concepts
2 and I can tell you the principles but you all have to
3 go back and figure out how to translate that into
4 policy.

5 I would like to say that there are a lot
6 of people in my field, and there are a lot of people
7 that have been put together in collaboration with
8 what's going on the Carnegie and with what Rob is
9 doing who are willing to participate in this process.

10 We have to work together to find these
11 answers. We can no longer have compartmentalization
12 of information and expertise in our culture. We have
13 to learn how to manage the information we have and
14 rapidly use it in a way that helps our societies.

15 We are in a resource diminishing
16 situation, not just in the United States. This has
17 profound implications for what happens in other
18 countries. Our capacity to engage in foreign trade
19 and engage in foreign policy is dramatically
20 influenced by the way they raise their kids.

21 If any of you have any questions about
22 this I will talk about it some more, and I'd be happy

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1 to talk about it. Those of you who are interested in
2 some of this stuff you can go ahead and contact us or
3 contact people through the other information that was
4 provided.

5 There are so many more things that I would
6 like to say.

7 MR. REINER: Talk about disease and brain
8 food.

9 DR. PERRY: Well, here, let me just try.
10 Rob wants me to emphasize these two points so I will.

11 (Laughter.)

12 DR. PERRY: Literally these early life
13 experiences are nutritional. We don't think of touch
14 and of eye contact and these other things as
15 nutritional but they literally are nutritional.

16 In order for the baby to appropriately use
17 the calories that it eats there has to be a release
18 of certain hormones. In order to get those hormones
19 to be released there has to be certain kinds of
20 sensory stimulation. And in order to get that
21 sensory stimulation there has to be a certain pattern
22 of touch and eye contact and sound that makes the

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1 brain release the stuff. It's nutritional.

2 Experience grows the brain. It organizes and grows
3 healthy brains.

4 Was that good?

5 (Laughter.)

6 Now, the other thing is when you're trying
7 to communicate these concepts --

8 MR. REINER: I'm a director. I can't help
9 this.

10 (Laughter.)

11 MR. REINER: I take good direction.

12 One of the things that's been very
13 frustrating for me in my field is that it's difficult
14 -- I mean, if it's hard for you all to grasp this,
15 one of the things that's hard to communicate is that
16 these are urgent public health issues. If there was
17 a visible manifestation of the physical damage that
18 went with abuse and neglect there would be a
19 tremendous public outcry. But because these things
20 are not visible and frequently don't manifest in ways
21 that are linked to childhood until someone is 10, 11,
22 12, 13 there's no connection between the two.

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1 We see children every day who have
2 unrealized potential, not just because of the mental
3 health issues -- because I'm a mental health provider
4 -- but we see kids in regular classrooms. We see
5 kids from my own family, unrealized potential because
6 we don't know this stuff and we don't think about
7 these things in the way that we should.

8 I think if there was a virus -- literally,
9 if there was a virus that caused 5,000 children a
10 year to be impulsive, aggressive, act out, fail in
11 school and be permanently intellectually impaired do
12 you think that there would be a public health outcry?
13 Absolutely. But we're doing that. This is what's
14 happening. It's not a virus but it is equally
15 physical. It's an equally physical phenomenon that
16 deserves aggressive public health attention.

17 Is that okay?

18 MR. REINER: That's it.

19 DR. PERRY: Cut.

20 (Laughter.)

21 (Applause.)

22 GOVERNOR MILLER: One of the most

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1 informative studies, as they do in many other
2 circumstances, was performed by the Carnegie
3 Corporation and Dr. David Hamburg, president of the
4 Carnegie Corporation is also going to give us some
5 insight into this topic.

6 (Applause.)

7 DR. HAMBURG: Thank you very much. I'm
8 delighted to be back here among old friends. I had
9 the privilege of addressing you two years ago,
10 shortly after the Starting Points report came out,
11 and I think some very good things have happened since
12 then, largely thanks to the broadening base and
13 deepening knowledge of the governors.

14 It's been our privilege at Carnegie to
15 work with the NGA over a period of years, and I must
16 say I don't see any more dynamic focus in any field
17 in our country than the leadership provided by the
18 governors.

19 What Carnegie has been trying to do over
20 the past 15 years is to foster a very broad
21 examination of growing up in America under the
22 radically transformed circumstances of contemporary

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1 life, the huge changes in our families and our
2 communities. We've been asking what can science tell
3 us over a broad range of biological and behavioral
4 sciences?

5 What can science tell us about the main
6 problems, opportunities, policies and practices
7 needed to essentially increase the chance of having
8 kids grow up healthy and vigorous, inquiring and
9 problem solving, decent and constructive? And what
10 could be more worthwhile than that sort of
11 aspiration?

12 In Starting Points we started at the
13 beginning --although I should say our whole
14 developmental strategy has gone from conception
15 through adolescence and it's all important. But it
16 would take a Kremlin-type three hour speech to get to
17 the importance of the entire span of childhood and
18 adolescence. So let's zero in, as we have under the
19 great directorship of Rob Reiner, on zero to three.

20 We've just had a glimpse of the majesty of
21 brain development in the earliest years. How can we
22 protect that marvelous brain from lasting injury?

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1 Or, more broadly, what are the essential requirements
2 for healthy child development in the zero to three
3 span?

4 During those early years of growth and
5 development children need dependable -- and I
6 emphasize dependable -- nurturance, not revolving
7 door caregivers. They need attachment, protection,
8 guidance, stimulation and the basic elements of
9 learning to cope with adversity.

10 Infants in particular need dependable
11 caregivers who can promote secure attachment, the
12 first really significant human relationship that
13 provides a fundamental underpinning for decent human
14 relationships throughout the child's life. The
15 Starting Points addressed these needs. It had four
16 main thrusts in its recommendations, which I will
17 state very briefly.

18 The first was preparation for responsible
19 and competent parenthood. Preparation for parenthood
20 in many different ways, all the way from education in
21 the life sciences in junior high school to pervasive
22 opportunities for substantial parent education --

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1 parent education folded into prenatal care, folded
2 into primary health care, folded into child care
3 centers or into Head Start.

4 Rob Reiner, among other things, is making
5 a video for new parents which could be exceedingly
6 helpful. People see this ABC special, get
7 interested, find out what else they can do, and the
8 video for new parents could be in many different
9 settings, in principle in every community across the
10 country.

11 The second main thrust of Starting Points
12 was health care -- comprehensive, prenatal and
13 primary health care. By comprehensive I mean, first
14 of all, early contact for prenatal health care and
15 concomitant educational and social services. In
16 other words, the core medical response which is
17 essential, indeed vital, for survival but also
18 education at a very teachable moment in the life of
19 young parents -- you fathers as well as young mothers
20 -- about what it means to be a parent, about how to
21 take care of yourself and your baby and even to think
22 ahead of what are your options in the rest of your

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1 life. So that educational component to be built in
2 is exceedingly important.

3 Of course, not to be done by obstetricians
4 or even primary care physicians -- although they have
5 some responsibility -- but by some conjunction of
6 physicians, nurses, teachers and people who can
7 deliver appropriate social services, which are
8 especially important in poor communities. And all
9 that in a determined outreach to make prenatal care
10 available early, first trimester, and accessible to
11 all.

12 There is no simple intervention that can
13 make a bigger difference in terms of protecting this
14 brain and shaping the growing connections in a
15 constructive way than having an effective,
16 comprehensive, early accessible prenatal care.

17 Similar considerations apply to perinatal
18 care and primary health care in the first couple of
19 years of life but it's the same principles that are
20 involved.

21 Third: we addressed child care. For
22 example, we emphasized training to strengthen the

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1 quality of child care; to get wider use at earlier
2 stages of the Head Start model that combines strong
3 parental involvement with disease prevention and
4 stimulation of cognitive functions as well as social
5 skills.

6 Fourth: to implement all of the first
7 three we recommended a variety of approaches to
8 community mobilization -- family/child resource
9 centers; the state and local councils for
10 intersectoral cooperation to assess specific needs
11 and formulate ways of meeting the needs; service
12 integration at accessible sites; business
13 participation locally; media participation locally;
14 participation of key professionals in every
15 community, especially health and education
16 professionals.

17 Now, I think that is one point where the
18 power of the governors is unsurpassed -- the
19 convening power, the informing functions, the
20 inspiration, eliciting cooperation across different
21 sectors, bringing some modest but significant
22 economic incentives to bear. The governors can do

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1 probably more than anybody to bring us together for
2 our children and thereby for our future.

3 Evidently the Starting Points report
4 touched a nerve because when it came out in 1994 it
5 had extraordinary news coverage. Never has anybody
6 in the field of children, youth and families been
7 able to recall a report that had such extensive, such
8 constructive and largely accurate coverage. In an
9 age of cynicism there was no cynicism to speak of in
10 response to this report.

11 So it gives us a basis for hope. This
12 hope can be brought to fulfillment by the impressive
13 impact made possible by the brilliant leadership of
14 our director this morning, Rob Reiner.

15 The governors are in a strong position to
16 take advantage of the unique public engagement
17 campaign that you heard about this morning. For
18 example, in town halls or other convening throughout
19 the state focusing on zero to three the materials
20 from this campaign can be helpful. Local people and
21 local resources can be very helpful.

22 Examples of excellent innovations and

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1 services within your own state: involve gifted,
2 dedicated people on the firing line with young
3 children and their families in your own state.
4 Bringing different sectors together. For example,
5 encouraging the formation of community councils for
6 young children. We have had occasion to be rather
7 deeply engaged with Governor Hunt as he's done that
8 at the county level in North Carolina, and similar
9 things are going on in other states.

10 You can tap into the scientific community
11 and medical institutions in your own state and ask,
12 in effect, what is current and choice in this state
13 with respect to our youngest children? How are we
14 shaping these brains in that crucially formative
15 moment? Are we lighting up those brains in ways that
16 can illuminate the path to a decent future?

17 Governors can also foster continuing media
18 interest in each state. No one special -- however
19 brilliant, no one set of media initiatives over a
20 short time frame can do much more than to stimulate
21 nationwide interest. And then what? There's a lot
22 to follow over years to come and governors can do a

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1 lot to keep the local media stimulated to focus on
2 this crucially formative time. Public understanding
3 is vital.

4 There is to some extent a constituency
5 preventing damage to children. A constituency for
6 promoting healthy development of the earliest years,
7 but that constituency can grow. It has to grow.

8 Public understanding of what? First, to
9 get the facts straight based on science to the extent
10 possible. Then what each family can do and then what
11 each community can do.

12 We've had further reason for hope in the
13 past couple of years since I last spoke to you by a
14 follow up to Starting Points, a state and community
15 partnership initiative. We made grants around the
16 country, led by two wonderful staff members, Michael
17 Levine and Vivian Stewart -- both of whom are here
18 today -- working with the NGA and others. We now
19 have grants in 10 states. 10 statewide initiatives,
20 that is to say, and six major cities as well.

21 All I can say at the moment under time
22 constraints -- I don't want the director to jerk me

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1 off the stage -- is that there is inspiring
2 ingenuity, dedication and skill in public/private
3 partnerships in these various states and major
4 cities. There are different combinations for these
5 partnerships -- state, local, federal, government and
6 the private sector. Both the for profit and the non-
7 profit parts of the private sector are important.

8 We have tried to foster the pooling of
9 information and ideas among the states to strengthen
10 knowledge and skill for our common problems across
11 state boundaries and to take advantage of emerging
12 opportunities.

13 There are so many outstanding examples,
14 it's undoubtedly a mistake to mention any but just
15 from my own experience or firsthand knowledge I would
16 call attention among current governors to Governor
17 Romer in Colorado, Governor Voinovich in Ohio,
18 Governor Hunt in North Carolina, Governor Chiles in
19 Florida, Governor Karlson in Minnesota, Governor Dean
20 in Vermont, Governor Ridge in Pennsylvania, Governor
21 Whitman in New Jersey.

22 I know I should have mentioned others but,

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1 in any case, it seems to me there's a broadening and
2 deepening of the leadership that is extremely
3 important here.

4 By the way, in generating these Starting
5 Points reports we had the brilliant service of two
6 former governors at the time, Governor Reilly, who
7 was the first chairman, and Governor Tom Kane, who's
8 been involved in almost everything Carnegie has done
9 over the 15 years of the developmental strategy
10 efforts.

11 But in any case, we have a new report out,
12 three through ten. It's called Years of Promise. As
13 it looks at ages three and four in particular -- by
14 the way, Years of Promise was spearheaded by Admiral
15 James Watkins, known to many of you, and Dr. Shirley
16 Malcom. Governor Roy Romer was a member of that task
17 force.

18 In Years of Promise one of the conclusions
19 reached is that we have to begin thinking seriously
20 when we look at preschool education, at quality child
21 care and preschool education. We have to think
22 about a public commitment roughly similar to the

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1 public commitment we've made to elementary schools,
2 secondary schools and higher education in this
3 country. Again, it means public/private partnership.

4 It does not mean a massive federal system
5 but it means broadly a public spirited commitment to
6 the significance of preschool education in the very
7 early years.

8 Both this report and Starting Points
9 converge here. In my judgment, this frontier in
10 education and health of our youngest children
11 constitutes a great leadership opportunity for the
12 governors, not only in public policy but also in the
13 bully pulpit functions of your high office so that
14 the American people can truly understand what is at
15 stake and what we can do together for the future of
16 our unique country.

17 Thank you.

18 (Applause.)

19 GOVERNOR MILLER: I wouldn't be surprised
20 if many of you, like myself, was just reexamining the
21 first three years of the lives of each of my three
22 children, trying to see where we went right and where

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1 we went wrong.

2 We have a real opportunity here through
3 early attention to create a scenario of ultimate
4 prevention of many of the problems that we
5 unfortunately have to focus on in the course of these
6 meetings.

7 Our guests have agreed to take a couple of
8 questions. We'll start with Governor Carper.

9 GOVERNOR CARPER: First of all, heartfelt
10 thanks to each of you. I speak not only as the
11 governor of Delaware, but also as the father of two
12 boys who are six and eight years of age. Having
13 become a father rather late in life, I've always been
14 struck by how they have been from the very first days
15 of their life just little sponges. They're soaking
16 up so much. We've read to them literally from the
17 first week that they were born and tried to do the
18 kinds of things that you've talked about, I hope with
19 some success.

20 The policies that we've put in place in
21 our state reflect our experiences as parents, from my
22 wife and myself and with great support from our

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1 legislature. They include when people walk out of a
2 hospital with a newborn baby they walk out with
3 something about this size, it's really a five year
4 calendar or portfolio that says "Helpful Tips for
5 Nurturing Your Baby's Intellect," "Nurturing Your
6 Baby Physically," nutritional tips, immunization
7 schedules, helpful phone numbers to have.

8 The idea is for people to go home and put
9 it on their refrigerators and every couple of months
10 turn over a page. First and second month, turn over
11 a page; third and fourth month, and so forth up to
12 the age of five.

13 We provide in home visits, follow up
14 visits for everybody who wants to have someone come
15 to their home within 72 hours after the birth of a
16 baby. Physical for mom, physical for the baby. Who
17 is at risk? How can we bring resources to the
18 children who appear to be most at risk?

19 We've taken a program from Missouri,
20 Governor Carnahan's state. We've taken statewide up
21 to three years of in home teachers by parenting
22 training. We've made parenting training a

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1 requirement for eligibility for welfare in our state.
2 We're trying to introduce it into our prisons.

3 Those are just some of the things we're
4 trying to do. I have learned that not everybody who
5 takes that five year calendar or portfolio home -- I
6 call it the Cliff's Notes of Parenting Training. But
7 not everybody who takes those Cliff's Notes of
8 Parenting Training home uses them. A lot of us learn
9 as much by video these days as by anything else.

10 One of our speakers mentioned the idea
11 that you're creating a video that might be used for
12 parenting. I'm thinking not only should we send that
13 five year calendar or portfolio home from the
14 hospital but wouldn't it be great if we could send a
15 video as well.

16 If we could use that video in our Parents
17 As Teachers program, if we could use it in our
18 parenting classes for welfare recipients, if we could
19 use it in our prison programs for parenting training.
20 I hope it's good. My guess it will be. I hope it
21 that it's something that we might be able to use and
22 afford to use in a wide variety of applications in

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1 our state, and perhaps in others.

2 MR. REINER: We're hoping to distribute
3 not only the video but the CD-ROM that we're also
4 creating to hospitals, clinics, libraries, schools
5 all around the country. Hopefully you can be helpful
6 to us in talking with our distribution wing to say
7 what kind of needs you'll have and where you feel
8 these materials should be targeted. We'll be
9 prepared to do it. We're going to produce them on a
10 mass level. So whether it's the video or the CD-ROM
11 or whatever you feel would be appropriate.

12 GOVERNOR CARPER: We have got a little
13 state with about 700,000 people. 10,000 babies are
14 born in our state every year. The thought that comes
15 to my mind is when every one of them goes home from
16 the hospital to make sure their parents take with
17 them perhaps the video that you're talking about.

18 MR. REINER: Great.

19 GOVERNOR MILLER: Governor Romer.

20 GOVERNOR ROMER: This is an idea that's
21 been stirring in my mind sometimes. I'm a little
22 hesitant to mention it because it's a radical one but

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1 maybe some variation would work.

2 There's a connection between the prison
3 population and the absence of the proper kind of
4 stimulation when you're very young. As we think
5 about what stimulates the brain books and creative
6 toys are one of the two best things you can do for
7 the early child idea.

8 Could we suggest that we take one-quarter
9 percent of all of our prison budgets and set it aside
10 for the prisoners themselves over a period of time to
11 create creative reading material and toys for that
12 percent of our population that is underprivileged,
13 that can't get access to it? The connection is you
14 not only provide a product but you do a great
15 connection educationally for the public to say
16 'That's what happens when it doesn't occur.'

17 MR. REINER: That's a great idea. The
18 fact of the matter is everybody in this room knows --
19 I mean, you can't meet a person who is in jail for a
20 violent crime who was not either sexually, physically
21 abused or neglected in the first three years of life.
22 There is not one of them that does not have some

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1 horror story in their past. So I think it's a great
2 idea.

3 I actually got a letter recently from
4 somebody in prison who basically was trying to reach
5 out -- didn't know how to do it -- but was trying to
6 reach out in a way saying 'This is what happened to
7 me. What can I do to help people not be in the
8 position that I'm in?' I think that's a great idea.

9 GOVERNOR MILLER: Governor Hunt?

10 GOVERNOR HUNT: Mr. Chairman, I'm thinking
11 about how we really mobilize our states to respond to
12 this. It strikes me that that chart is powerful. We
13 need everybody to see that chart and think about it.
14 We were talking about this in the Human Resources
15 Committee the day before yesterday. If you're going
16 to get resources to do this thing right in those
17 early years you're going to be getting resources that
18 the public school people want and the university
19 people want and the prison people want, and all the
20 rest.

21 I want to tell you, I'm right in the
22 middle of it. I've been trying to get this money,

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1 and many of us have -- and I mean in big blocks --
2 for four years in North Carolina and it is tough to
3 do. But if people understand what we have heard this
4 morning I think they'll be behind us.

5 I just had a little idea. I think, Rob,
6 what you all are doing is just wonderful. When you
7 get that out there on public television and all the
8 folks involved that you're going to have involved,
9 that is going to help us immensely because it's going
10 to go right down into the minds and the hearts of
11 average folks who elect us and who vote.

12 But I was just thinking also maybe there's
13 a special thing each of us could do in each of our
14 states. Most all of us have a medical school at one
15 of our universities, and some of us have several.
16 Suppose the deans of the medical schools -- maybe
17 along with some other folks, but particularly them --
18 had a statewide conference to bring the results of
19 this brain research on children to our people's
20 attention.

21 If they did it right -- for example, in
22 North Carolina if the University of North Carolina

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1 and Duke University and Wake Forest all got together
2 and put on a big conference -- and they've got the
3 resources to do it -- I think about everybody in our
4 state would hear about this and start thinking about
5 this, particularly if it came along about the time --
6 when is your show going to be on ABC, Rob?

7 MR. REINER: It's going to air April 28th.

8 GOVERNOR HUNT: If it came about that
9 time, you know, and we were talking about it -- our
10 people talking about our state, our experiences -- I
11 think that might be something all of us could do.
12 And I think our university people would be willing to
13 do it.

14 I just suggest that as something we might
15 go home and really get going, Mr. Chairman.

16 GOVERNOR MILLER: I think certainly our
17 task force can review that. It might be a very good
18 idea.

19 Governor Voinovich?

20 GOVERNOR VOINOVICH: I'd like to build on
21 something that Jim has said.

22 I think one of our biggest problems is to
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1 convince the superintendents of our public
2 instruction in our respective states and our school
3 superintendents on the local level about how
4 important this is.

5 As many of you know, we made a very early
6 commitment to Head Start in the state of Ohio. By
7 the end of '98 every eligible child in our state
8 who's parents want them to be will be in a preschool
9 program.

10 Initially when we got started with this we
11 encountered a great deal of flak from the regular
12 education community who didn't want to count early
13 childhood education as part of the education formula.
14 Part of it driven because they looked at it as
15 threatening in terms of taking resources away from K-
16 12.

17 I think with this new information we need
18 to get back and work with those individuals to
19 convince them as to how important this early
20 childhood is to the education system. And we may
21 even have to look at maybe reorganizing the way that
22 we provide this education because in most states it's

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1 ad hoc of the regular education system. In some
2 instances that's really good, in some instances it's
3 not that good.

4 I think we even need to start to work with
5 the national unions -- the NEA, the AFT -- to get
6 them also to make a commitment to this if we expect
7 to be successful and really make an impact upon this
8 zero to three challenge that we have.

9 GOVERNOR MILLER: Governor Whitman?

10 GOVERNOR WHITMAN: I first of all want to
11 compliment the panel and say what a good discussion
12 this has been this morning.

13 We have a number of initiatives in the
14 most recent budget that I announced that go toward
15 children of domestic violence. We often deal with
16 the victim of domestic violence as the adult, the
17 wife or the husband. We don't always put our
18 attention to the children, which is what we now are
19 going to do.

20 Children of parents, particularly single
21 women who are drug addicted, child care for them.

22 I'm sure you've done this, I just wonder if it's

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1 going to be part of it. Or in the handouts that you
2 have that are geared particularly to the day care
3 providers, what we are doing for those women.

4 We're going to have a residential facility
5 for women with drug addiction problems and their
6 children. What we particularly need to focus on is
7 the guidance that we give the child care providers
8 who have those children and need to work with them,
9 understanding that those kids from the get-go have
10 special needs.

11 I wonder whether you have a particular
12 part that's geared towards that type of situation,
13 where it's not the parent per se -- I mean, yes,
14 you're working with the mother but the mother's going
15 to be in some classes where we're trying to deal with
16 her drug addiction problem, but we also have the
17 child and the ability to nurture and affect that
18 child's future.

19 MR. REINER: What we're going to talk
20 about on the show -- there's a lot to touch on in 46
21 minutes, which is all the air time we have from that
22 hour. But one of the things we're going to talk

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1 about is the fact that if a child gets the right kind
2 of nurturing and the right kind of connection is made
3 with an adult it does not necessarily have to be the
4 mother or the father. If there is an adult person in
5 that child's life that is consistent and dependable
6 and reliable that will go a long way.

7 So a big component of what we need to do -
8 - and not just for drug addicted women like you talk
9 about but, I don't know, is it 50 or 60 percent of
10 the people in this country have two wage earners.

11 We have to make sure that there is quality
12 child care during the day. We don't want to drop our
13 kids off and say 'Well, it's enough to get them from
14 one end of the day to the other safely.' We want to
15 make sure that those children are being attended to
16 and that whatever special needs they have. Because
17 this small, little window of opportunity, zero to
18 three, is the time that we can do a lot of good. So
19 that is going to be a big component of all of this.

20 And, you know, we're also going to be
21 providing you with the ABC affiliates for all of you
22 governors to know right around the time the show is

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1 airing. The ABC affiliates will make themselves
2 available for you to hook into with whatever kinds of
3 messages or programs or town hall meetings, whatever
4 it is that you guys feel you should be doing. The
5 ABC affiliates said that they would avail themselves.
6 So that's a resource to hook into right around the
7 time of the show airing.

8 GOVERNOR MILLER: Governor Wilson.

9 GOVERNOR WILSON: First of all, I think
10 this has been one of the best presentations I've seen
11 during six years of attending these meetings. It is
12 of such importance that it occurs to me that we
13 really need to give special thought to how we reach
14 the audience that is most in need of this message and
15 who often simply do not give the help that we're
16 trying to provide them.

17 I think of Medicaid eligible populations
18 of young women who get neither information about
19 prenatal care, about health care for their children
20 generally. And if we rely on the school system to be
21 the major disseminator of this information I think
22 we're going to miss the mark clearly because kids

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1 don't get it early enough. Kindergarten is for five
2 year olds; preschool is for four year olds, three
3 year olds. So it seems to me that to reach the
4 audience that must get this you really have to rely
5 upon a different approach that can supplement it.
6 Obviously, zero to three is the beginning.

7 As the other Carnegie Foundation report
8 has indicated, there are opportunities that follow.
9 But the mention of a video to go home from the
10 hospital -- something has to reach these people very
11 early. We've had a very difficult time trying to get
12 prenatal care to be used by all of the people to whom
13 it is available. The same thing is true with family
14 planning services.

15 So it seems to me that that is necessarily
16 a part of the focus that has to occur if we are not
17 to see segments of our population miss the kind of
18 child stimulation that should occur in these early
19 years.

20 So I would suggest that as we work on
21 this, Mr. Chairman, we give special emphasis and
22 special focus to that problem. Because in my state

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1 the problem is, as you know full well, there are a
2 lot of people who need this who just won't get it.

3 MR. REINER: You know, you're absolutely
4 right. The obvious people that we can reach most
5 easily are the people that are most at risk because
6 they're coming to clinics.

7 What we've discovered in the programs that
8 are working around the country that women who are
9 either teenage pregnancies or they're drug addicted
10 or they're below the poverty level and on public
11 assistance, when offered the possibility of an at
12 home visit or an at home visitation intervention type
13 program 95 percent of the women say yes. They're
14 volunteering because they know they need something.
15 They need some support system.

16 So we can reach those most at risk people
17 I think fairly easily through the clinics. I mean,
18 the program at Hampton, they're lining up around the
19 block. They don't have enough people to facilitate
20 the needs of the women who are asking for help.
21 Lawton Chiles can tell you about Help Them Thrive,
22 Birth to Five. It's the same thing.

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1 And what you're talking about, and you're
2 absolutely right, is it needs to be disseminated to
3 people who are good parents. You know, who are not
4 at risk. Who are basically good, decent, loving
5 people but they can also maximize what can happen to
6 their children in the first three years if they avail
7 themselves of the right kind of parenting programs.
8 It's a matter of education. We just have to keep
9 educating.

10 I think hopefully the show and what you
11 guys can do on a state level is to keep awareness
12 alive and tell people that, you know, what they're
13 doing -- hopefully I'm going to be talking to the
14 President and the First Lady tomorrow about appearing
15 on the show. The message that we have for them is
16 that, you know, obviously there are things you can do
17 that you would do naturally, just your instinct will
18 tell you the right thing to do in terms of your
19 child. But there are so many more things that you
20 can do that are not being done.

21 I agree with you. And I don't know how to
22 reach those people. Most people tell you that they

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1 don't need anything, you know. We can fend for
2 ourselves. But I think a lot of people in this day
3 and age -- you know, we don't live on a farm anymore
4 and we're not immigrants living in the same building
5 where all the aunts and uncles and cousins and
6 grandmas and grandpas are in the same area. We're
7 all kind of separated. So a lot of people would
8 reach out just to feel connected to the community,
9 feel like there's other people going through it.

10 You know, Governor Carper was saying that
11 he had children late in life. I did as well, I have
12 two boys, five and three. You know, I'm an
13 intelligent person, I went to college like everybody
14 else, but nothing prepares you to be a parent. And
15 when that baby comes home the first time you're at a
16 loss. I don't care how smart you are or I don't care
17 how many books you've read, you're at a loss.

18 Everybody can be helped and everybody can
19 be helped by somebody who can help guide them. In
20 nutrition, in discipline issues, sleeping issues, all
21 of these things, you can be helped. That's what
22 we're doing. We're going to try to educate people

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1 and raise awareness and you all can play a part.

2 I think we can reach the at risk people.

3 Oddly enough, the people that will give us the
4 biggest bang for the buck we can reach because they
5 come to the clinics. If we can provide a program
6 that says would you like somebody to come to your
7 house from the time that you get pregnant, prenataally
8 all the way through the first five years 95 percent
9 will say 'Yes, of course I want somebody. I don't
10 know how to raise a child. I don't know what to do.'
11 So we can reach those people.

12 But as far as the average person I agree
13 with you. They're tough to reach. But I think at a
14 certain point the wave, the critical mass builds up.
15 We all agree in this room that you've got to go to
16 school between K and 12. We all agree with that.
17 That's part of what you have to do in America. Now,
18 that's mandatory. We're not going to say that this
19 is mandatory because then it's government coming into
20 your home and telling you how to raise your children.
21 We don't want to do that.

22 But I think ultimately it's got to come

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1 from the people. The people have to see the wisdom
2 of it. Once they see the wisdom of it they'll ask
3 for it rather than saying 'I want this forced upon
4 me.' they're going to ask for it. Then we as policy
5 makers, you as policy makers can say 'Okay. These
6 are the programs we can lay out for you and that you
7 can avail yourself of in the first three years.' I
8 think there will be eventually a critical mass, it's
9 just a matter of time.'

10 GOVERNOR MILLER: I think our Medicaid
11 task force might be able to look into some of those
12 categories that you were talking about, Governor
13 Wilson.

14 I know in our state we're going to work on
15 a cooperative arrangement with every hospital and get
16 into this volunteer network. We estimate over 75
17 percent will volunteer, as Rob has said. I think
18 everybody -- I would have liked to have had that
19 assistance. We were both early in life and late in
20 life; I've got 21, 19 and 7 and I can assure you we
21 still needed help, and still do, trying to figure out
22 how to deal with a seven year old even though we'd

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1 been through it twice before.

2 Governor Chiles, then Governor Nelson,
3 then I'm afraid we'll have to wrap it up.

4 GOVERNOR CHILES: First, Governor Miller,
5 I want to congratulate you. I think for the NGA to
6 take on this topic, as you're talking about doing in
7 your reign this year, is tremendously exciting.

8 And I really want to thank all of our
9 panelists. What a stimulating, exciting program that
10 you bring us. Your prophecy and what we see
11 happening of the wave is just, again, such a great
12 opportunity.

13 I think you can see how you've stimulated
14 the governors here, from Governor Hart to Governor
15 Romer, to Governor Voinovich. You know, you've
16 started us thinking anew of what we need to do.
17 George certainly puts his hand on it of how do we
18 convince some of these people out there that -- the
19 lobbyists for all of these areas in which we're now
20 spending the money that this is something that we
21 should spend.

22 I'm just wondering with the expertise
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1 we're putting together, David, and your resources,
2 Dr. Perry, what you in the university field -- we are
3 now used to econometric models as policy makers in
4 both the public and the private sector, I think.
5 This chart is so graphic and so impressive, I think
6 if we could better model what the avoided costs could
7 be in prisons, in drop out/remedial education, in all
8 of the areas.

9 I immediately know that I spend \$55
10 million a year at my community college level teaching
11 some kids to read that didn't learn to read in high
12 school, you know. So that's a cost you can see.

13 But if we could model that from the
14 juvenile delinquency, from the violence, from all of
15 those things, or try to do it, I think it could be
16 very helpful to us in trying to show some of these
17 people this should not threaten you. This should
18 mean that more resources should be available and our
19 problem would decrease in this ever ascending prison
20 building cycle that we're now in.

21 In my state our people have decided they
22 want criminals to serve 85 percent of their sentence

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1 time. So we've embarked on a huge building program
2 and we have to keep it up all the time. It is self
3 fulfilling. I will just keep going.

4 Any help I think we could get in a
5 dynamite chart or some models could be very helpful
6 to us as we go forward. I think it's very exciting
7 what we're embarking on and I think all of us need to
8 know that we need to try to run as fast as we can to
9 see if we get positioned so that we will be able to
10 get the best result out of the wave that's coming.
11 We're delighted with what you're doing.

12 MR. REINER: Thank you.

13 GOVERNOR MILLER: Governor Nelson?

14 GOVERNOR NELSON: I too want to thank the
15 panelists. You've taken me from instinct to
16 evidence. Instinctively we knew six years ago we
17 needed to have some sort of a program in Nebraska
18 that if we expected to have happy endings for people
19 that we had to have a good beginning. So we embarked
20 on a program of recognizing community based programs
21 for what they've done for early childhood efforts.

22 In addition, we've added free access to
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1 immunization. We've truly sought to bring more
2 people into the process so that it's not just top
3 down government, but the state recognizing community
4 based programs that are working in these early
5 childhood areas.

6 What you've done is you've expanded the
7 horizon here. We can take it from a piecemeal
8 recognition, as we've done in the past, to a
9 comprehensive approach. And we're going to have a
10 conference that will bring together the communities
11 that have already embarked on these early childhood
12 programs to make the communities that haven't more
13 aware of what can be done and to stimulate.

14 We appreciate what the ABC affiliates
15 might be able to do to help us promote this process
16 right around the time of your release. I think
17 you've really crystallized for me what we can do to
18 move from individual efforts now to more collective
19 thought processes and sharing the wealth of ideas
20 that are already there that a lot of communities have
21 already developed. Thank you very much.

22 We've been able to do it without creating

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1 a lot of new bureaucracy, but using the existing
2 resources within the state that are there to
3 stimulate people to begin to do this on their own.

4 MR. REINER: You talked about instincts to
5 evidence, which is great that you put it in those
6 terms. The bit of evidence that makes it very clear
7 to a lot of people when thinking about the first
8 three years and how critical that time period is is
9 if you think about a child born in China, by age two
10 he speaks Chinese. If you took that child the day it
11 was born and put it in Greece, he'd speak Greek by
12 the age of two years. So, you know, if you can learn
13 a language as hard as Chinese or as hard as Greek in
14 two years that brain is doing a lot of organizing in
15 those couple of years.

16 It just gives you an idea of how much the
17 brain is taking in in those early years. I mean, you
18 take a 50 year old person, you can spend 20 years and
19 you'll never learn how to speak Chinese, you know.
20 But we know that in two year's time a person can
21 learn to speak any language, whatever language
22 they're presented with. So it's more evidence of

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1 what you're talking about.

2 GOVERNOR MILLER: I want to thank all of
3 our presentors, especially Rob Reiner, for allowing
4 us to be the test audience for his upcoming program.
5 If today is any indication the food for thought that
6 they have provided us has given us an appetite for
7 action, which I suspect will be the case all over
8 this country in April.

9 We will continue to work through the task
10 force and through the other policy components and the
11 committees of this association to help get the
12 message out because it is one that needs to be
13 recognized by all.

14 We'll look forward to seeing you in a few
15 minutes after the conference. Thank you very much.

16 (Applause.)

17 GOVERNOR MILLER: I'd like to bring up
18 Governor Hunt for a moment to bring us a report on
19 the National Commission on Teaching and America's
20 Future.

21 GOVERNOR HUNT: Mr. Chairman, let me say
22 that this is closely related to what we've just been

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1 talking about.

2 Let me say this also while Rob Reiner and
3 everybody is still here. My wife leaned up to say to
4 me in addition to all these other people you're
5 trying to reach, Governor Wilson, we need to reach
6 the day care workers. They may instinctively know
7 some of this but they really need to see this
8 evidence. So that is another group in addition to
9 the parents and all the others that we need to be
10 about.

11 Let me say to all of us also that while it
12 is true, as Governor Chiles and others mentioned,
13 that putting major resources into early childhood may
14 sometimes worry, you know, public school people and
15 others I have found in North Carolina that the
16 teachers and other educators can be the strongest
17 supporters of this, even if it may mean less salary,
18 you know maybe not moving as fast on class size or
19 technology or whatever it may be.

20 The public school people, especially the
21 teachers, really can be the people who give us some
22 of the strongest political support that we need to

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1 have.

2 Let me say as I begin to talk about this
3 work on teaching that after several years of being
4 involved in education leadership, as so many of you
5 have done around this table, and trying to sort out
6 themes -- you know, we only have so much time and so
7 many resources and so forth -- you really have to
8 decide what is most important. What am I going to
9 spend my time on?

10 Let me tell you where I've come out with
11 that. I think the two most important things are
12 early childhood and teaching. Now, you've got to
13 have standards so you know where you're going to with
14 that teaching and, by the way, where you need to go
15 with early childhood development. But those are the
16 two things that I have decided are most important and
17 that I am devoting my life and leadership to in North
18 Carolina.

19 Let's assume for a moment now -- it's easy
20 to say that all these children are not getting what
21 they need so how much can we really do it in the
22 public schools? We can do this job with early

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1 childhood. It's going to be hard to do. It's going
2 to take us a while.

3 But then what happens with the children
4 who have had this nurturing and all of these
5 experiences? They start to school. What are we
6 doing with those children so that they go as far as
7 they can go, become as creative and as innovative as
8 they can be?

9 I would ask you to do two things. First
10 of all, think about the teachers who touched you. I
11 can name mine. I can tell you what they taught me at
12 what grade level. And especially those that were
13 very good and really opened the world and changed
14 your life. We all had them.

15 Second: think about how you feel about
16 your children's teachers. And those of us who are
17 grandparents now, your grandchildren's teachers.
18 Every year we want their teachers to be very good and
19 we get very upset if they're not good. And we've all
20 had some good ones and we've had some bad ones. So
21 this is a very important thing.

22 Now, given that importance, when you think

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1 about those things I think it becomes clear that the
2 recruiting of good teachers, the preparing of good
3 teachers and keeping them well prepared, supporting
4 them in various ways is one of the most important
5 things we can do.

6 I think we have just handed to you -- and
7 I would like for you to just look at it a moment. We
8 won't take long here. But this is a report that says
9 what matters most. Let's say in addition to getting
10 children started right what matters most next? All
11 right, it's having good teachers in schools. That
12 will determine America's future.

13 In this report we set out an audacious
14 goal that some people would say is not achievable.
15 That is that within a decade that we should provide
16 each student in America with an education birthright,
17 let's call it that. A birthright to have a caring,
18 competent, qualified teacher; every child to have
19 that.

20 The Commission on Teaching and America's
21 Future, that Governor Jim Edgar and I served on,
22 started from three premises. First of all, what

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1 teachers know and can do is the most important thing,
2 the most important influence on what students learn.
3 We've just heard that about parents. They're early
4 teachers. That's what you are when you're a parent.
5 So what teachers know and can do is a most important
6 thing determining what students learn.

7 Second: recruiting, preparing and
8 retaining good teachers is the most important
9 strategy in having good schools. I didn't say
10 technology or anything else. It is teachers. If you
11 had good enough teachers you could almost forget all
12 the rest of it. We're not going to forget the rest
13 but having those good teachers is a central matter.
14 And, of course, school reform can not succeed unless
15 it focuses on conditions in which teachers can teach
16 well.

17 The study that Jim Edgar and I were
18 involved in, that Carnegie and Rockefeller sponsored,
19 found this -- and it won't surprise you perhaps:
20 First of all, we have low expectations for student
21 performance in too many cases. Second: we do not
22 enforce high standards for teachers. We really don't

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1 do that. In many cases we don't have them and we
2 wink at them and don't enforce them.

3 For example, we have found that many of
4 the teachers that teach in high school, one-fourth of
5 all the high school teachers do not even have a minor
6 in the field in which they're teaching. You can't
7 imagine that that is the case but it is.

8 We found major flaws in teacher education.
9 Many of you probably suspect this. I went through a
10 teacher education program. I want to tell you, it
11 had huge flaws. I think it's better now but I think
12 it still isn't what it ought to be.

13 We found poor recruitment practices. In
14 too many cases schools take anybody they can get.
15 They take a warm body because you've got to have
16 somebody before those kids when school starts.

17 Then we found that there is a lack of
18 professional development and rewards for good
19 teachers. You don't get something extra, whether
20 it's money or professional opportunities, if you're
21 good and doing a good job.

22 So we recommended five things -- and

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1 again, I would urge you to look at these in this
2 report. First of all, get serious about standards.
3 We want to do it for students but also for teachers.
4 We should have regular standards.

5 We should insure that our schools of
6 education be very good at preparing teachers. We're
7 urging that we require all of our schools of
8 education to be accredited, and if the schools of
9 education aren't good -- and most of us have several
10 -- then we urge that you close them down. Close them
11 down. We ought not have those people coming out of
12 those schools badly prepared to go into the classroom
13 and we ought to take some strong action to stop it.

14 We should also, of course, see that
15 teachers are licensed on their ability, not just the
16 fact that they've been in the profession two or three
17 years or whatever.

18 Second: that we reinvent teacher
19 preparation and professional development. We need to
20 build teacher education programs at high standards.
21 We ought to develop year long internships. I've had
22 the experience of being a practice teacher in a

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1 school where you didn't really have any supervision.
2 We're suggesting you prepare those teachers in
3 professional development schools much like a teaching
4 hospital where they get a lot of help in learning to
5 be good teachers.

6 Then, of course, we're recommending -- and
7 I would suggest this to every one of us -- let's go
8 back and put in our budget money for mentoring.
9 Every teacher the first year -- at least the first
10 year -- ought to have a mentor. I found that you can
11 pay a mentor another hundred dollars a month and
12 probably get them to do a good job, only now for
13 beginning teachers. So it's not an impossible thing
14 financially.

15 Third: that we ought to improve teacher
16 recruitment and put qualified teachers in every
17 classroom. We should insist that unqualified
18 teachers not be hired. We're going to probably have
19 to help low wealth districts to do that, and we ought
20 to provide incentives for teaching in strategic areas
21 that need better teachers.

22 Fourth: that we encourage and reward

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1 teachers for their knowledge and their skill. We
2 really need to develop systems that reward teachers
3 who have a lot of knowledge and skills. The National
4 Board for Professional Teaching Standards has set
5 high standards and assesses teachers to see if they
6 meet these standards. Governor Branstad has served
7 on that board.

8 And I understand that tonight the
9 President is going to recommend more money for
10 developing those standards and also matching money
11 for our teachers who want to go through this process
12 of becoming board certified. So that can help us
13 take a big step toward getting more qualified
14 teachers and having a basis to pay them more.

15 Many of you are interested in merit pay,
16 paying better teachers more money. The tough thing
17 is how do you know that they're better teachers?
18 Well, national board certification is one way to know
19 that.

20 Fifth, and finally: that we create schools
21 that are organized for success. We suggest that we
22 reduce the number of administrators in many cases and

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1 put the money in the classroom. More and better
2 teachers and more good technology. That's going to
3 take a lot of guts. It's going to take getting in
4 there and really mastering this thing and giving it
5 leadership. But that's exactly what we ought to do.

6 Also, that we ought to have safe schools.
7 You can't have good teaching in dangerous, violent,
8 unsafe schools.

9 And that we get good principals who
10 understand and support good teaching. You can not
11 have effective teaching in a school that isn't led by
12 a principal who understands it and believes in it and
13 supports it and encourages it.

14 Well, those are the five recommendations.
15 I would urge you to look at the situation in your
16 state. We have a coalition of states that are
17 working on this already to implement all of these.
18 Eleven partner states have already joined together to
19 do it.

20 But the final thing I want to say to you
21 folks is if this is going to happen in our states we
22 have to lead it as governors. Maybe you haven't been

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1 involved in teaching. Many of you have. Many of you
2 perhaps have said 'I'm not going to get involved in
3 that. I may have some fusses with my teacher
4 organizations or whatever.'

5 Folks, I want to urge you to get involved
6 in improving teaching in your schools. They never
7 will be what they ought to be no matter how much
8 money you get for them unless we improve teaching.
9 So I would urge that as governors we do this and
10 you'll find a lot of allies. You'll find parents as
11 allies, teachers as allies, business people.

12 We really can do this job but we've got to
13 get serious about this, just like we've got to get
14 serious about early childhood education and brain
15 development.

16 Thank you very much, Mr. Chairman.

17 (Applause.)

18 GOVERNOR MILLER: Thank you.

19 I think all of us in life have certain
20 people that we admire, people who maybe we can
21 characterize as heros. It's my pleasure at this
22 point in time to introduce to our association one of

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1 my heros.

2 John Walsh is well known as the host of
3 America's Most Wanted. He bring dedication and
4 charisma to that show. He is clearly a famous and
5 well versed television personality. He has credited
6 our association and many of the members with the
7 retention of that program on Fox television, as many
8 of you wrote and pointed out that this program is a
9 public service.

10 But my admiration for John Walsh
11 considerably precedes his television career and
12 encompasses components of his personality that
13 resulted in his television career but were not the
14 emanation thereof.

15 John is the father of a missing and
16 murdered child and he exemplifies what I think all of
17 us strive to deliver as a message as governors and
18 policymakers, and that is that one person can make a
19 difference.

20 Faced with this situation, with the
21 abduction and murder of his child in Florida, he
22 learned firsthand that there were infirmities in the

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1 laws in this country and insufficient attention being
2 placed on missing children and how they could be
3 located. The parental abduction component thereof
4 seemed to overshadow the need to deal with stranger
5 abduction, and that departments focused only on their
6 local geographic region.

7 He would not take no for an answer. At
8 one time the bane of the Federal Bureau of
9 Investigation because he was their biggest critic.
10 He has now become one of their national models for
11 what American citizenry is all about.

12 He has devoted his adult life to this
13 cause. Once upon a time he was a developer in
14 Florida. Now he is a person who spends every minute
15 of every day trying to make society a safer and
16 better place, and to recognize that those innocent
17 victims of crime deserve an equal footing with those
18 that are accused of committing a crime.

19 So it is my pleasure to bring forth John
20 Walsh to discuss with us the need for a
21 Constitutional amendment for victims of crime.

22 (Applause.)

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1 MR. WALSH: Thank you very much, Bob.
2 Thank you, Governor Voinovich and Governor Miller,
3 for giving me the chance to be here today. I truly
4 appreciate it.

5 I've come to the governors before on
6 issues relating to children and crime, and I come
7 with probably my most serious request to date. That
8 is the request to adopt a Constitutional victims'
9 rights amendment.

10 As Bob mentioned, I've worked with a lot
11 of the governors here -- Governor Chiles, from my
12 home state, has been an outstanding victims' rights
13 advocate; Governor Wilson and I have worked on
14 legislation in California together; Governor Leavitt
15 hosted me during Victims' Rights Week last year in
16 Utah. As Bob also mentioned, we met several years
17 ago when he was a district attorney, a tough DA in
18 Las Vegas, and has been one of my biggest supporters
19 and helped me get lots of legislation passed in the
20 state of Nevada.

21 And as he also mentioned, after nine years
22 America's Most Wanted was cancelled by Fox. They

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1 wanted me to do something else with their news
2 channel or something, and I was heartbroken. I
3 didn't understand how a program that had caught 460
4 fugitives, 11 of the FBI's 10 Most Wanted, could go
5 off the air. I guess the American public couldn't
6 understand it either. 185,000 people wrote Fox, 55
7 members of the United States Congress and 37 of you.
8 37 of the governors here today wrote Rupert Murdoch
9 and said 'This show needs to get back on the air.'
10 And every one of your attorneys general also.

11 We were the shortest cancelled program in
12 television history. In the three weeks that we were
13 off the air someone had come to us with a small case
14 which truly broke my heart. In Salina, Kansas a guy
15 had broken into a home and in one night destroyed and
16 murdered three generations of a family -- he killed a
17 great-grandmother; he killed a grandmother; and he
18 killed the five year old grandson visiting those two
19 elderly women.

20 I knew our show was off the air and we
21 couldn't catch him but the people of Salina, Kansas
22 said 'Please, please. If you ever get back on the

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1 air you've got to profile this guy.' The police
2 department was so small and Salina, Kansas said
3 'We'll never have a chance to get him.'

4 Well, thanks to you and the American
5 public we went back on the air on November 9th. I
6 named him my public enemy number one, and in 25
7 minutes we caught him hiding out in a homeless
8 shelter in Boston and brought him back to justice.
9 So I thank you for getting the show back on the air.

10 (Applause.)

11 MR. WALSH: It's been a great month and a
12 half. We've had our highest ratings in five years
13 and we caught seven guys in two weeks, which is our
14 all time effort. So I guess once in a while the
15 powers in Hollywood do listen to the American public.

16 But what I wanted to talk to you about is
17 in the 15 years since my son was murdered I've
18 learned firsthand that the criminals have all the
19 rights in this country and victims have none. Only
20 criminal defendants have Constitutional rights.

21 This is a great chart that's put out that
22 shows the 15 rights that criminals have, the

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1 protections they have under the United States
2 Constitution. Here's the list that victims have:
3 none. None whatsoever.

4 Many of your states this year passed state
5 constitutional victims' rights amendments. Indiana
6 passed a very good one; 95 percent of the voters
7 voted for that. But states rights don't compare with
8 the rights on the federal level. The 29 states that
9 have victims' rights constitutional amendments are a
10 patchwork. Some have very tough state constitutions
11 amendments, some have very weak. I don't think in
12 my lifetime I'm going to see that parity amongst the
13 50 states.

14 So what we have done is go before the
15 United States Congress with a bipartisan group of
16 United States senators and congressmen and women and
17 drafted a victims' rights Constitutional amendment.

18 The United States Constitution has been
19 amended 27 times in the history of this country, four
20 times for criminals rights. Never have victims been
21 mentioned in the Constitution or in those 27
22 amendments. Never.

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1 Our forefathers made provisions in the
2 Constitution for it to be changed if the majority of
3 the American public wanted it to be changed. Our
4 polls show that 90 percent of the American public is
5 sick of the treatment of victims, sick of the level
6 of violence in this country, and want to see victims
7 at least get the same rights in the courtroom as the
8 criminals get.

9 This recommendation grew out of a 1982
10 President's Task Force on Victims of Crime, which Bob
11 Miller was on and that's where I met him. It has
12 taken this long to get this before the United States
13 Congress. Both parties' platforms have endorsed this
14 victims' rights Constitutional amendment. And I was
15 in the Rose Garden June 26th where President Clinton
16 endorsed the victims' rights Constitutional amendment
17 -- the first Constitutional amendment that he has
18 endorsed.

19 The problem is once it gets out of the
20 United States Congress -- and I believe that it will.
21 We've had great hearings on the Senate side with
22 Senator Hatch. We've had hearings on the House side

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1 with Congressman Hyde. We're going to have new
2 hearings in another month. I believe it will get out
3 of the United States Congress.

4 But the real battle comes to you. To you,
5 ladies and gentlemen, that run the states. Three-
6 quarters of the states have to ratify a victims'
7 rights Constitutional amendment in order for that
8 Constitutional amendment to become the law of the
9 land.

10 Now, what does it do? I've got to clarify
11 it. There's a lot of misconceptions about this
12 victims' rights Constitutional amendment.

13 It does not -- and I reiterate this -- it
14 does not take any rights away from the criminals
15 whatsoever. It does four simple things. It says
16 that victims like myself or anyone that you know be
17 treated with dignity and be apprised and notified of
18 every step of the hearings and procedures in their
19 trial.

20 For example, a Maryland state trooper who
21 was killed two years ago on the roadside by two drug
22 dealers who shot him in his car. His wife's in bed

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1 70 miles away with their three infant sons. It comes
2 to trial. The defense attorney subpoenas her as a
3 witness even though she was nowhere near the scene of
4 the crime, every single day during that trial to
5 preclude her from sitting in that courtroom and
6 looking at that jury. Is that justice that the wife
7 of that murdered state policeman can't go into that
8 courtroom? No, it's not justice.

9 Need to be notified. Notified of parole
10 or release dates. Kenneth McDuff, a guy I tracked in
11 Texas, killed three teenagers -- two 14 year old
12 boys, raped and tortured the 13 year old girl that
13 was with them. Murdered all three of them, put them
14 in the trunk of the car and ate their fast food. He
15 was sentenced to the Texas electric death chair.
16 Twice strapped in the chair, last minute commute.
17 Sentence reduced to life without possibility of
18 parole. That sentence reduced to life.

19 And guess what? He comes up for parole.
20 The parole board never, ever notified any of the
21 survivors of those three children. He paid \$500 to a
22 former parole board commissioner who is now a

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1 consultant to defense attorneys. She called up two
2 members of that parole board and said 'You don't even
3 need to review the file, Kenneth McDuff is
4 rehabilitated. Recommend that he be paroled.'

5 I got a call from Ann Richards, the
6 Governor of Texas. She said 'John, Kenneth McDuff
7 got out and we suspect that he's killed five women in
8 five months.' And what did he do to taunt the Texas
9 Rangers and U.S. Marshalls that were tracking him?
10 He buried these women with their heads out of the
11 sand as a marker that 'I'm out and I'm doing what
12 I've done all my life.'

13 Why couldn't those people be notified of
14 that parole hearing? Why couldn't those survivors
15 come in and say to that parole board -- and why
16 wasn't that parole board mandated to look at every
17 aspect of his criminal behavior and his behavior in
18 prison?

19 Restitution. Many of you governors do not
20 have Son of Sam laws in your states. Let me tell you
21 something, if somebody plans to kill Governor Wilson
22 -- he's well known -- premeditated, first degree

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1 murder. The average time served in the United States
2 for premeditated first degree murder is 5.9 years in
3 the states that don't demand the convicted criminal
4 give the money to the victim.

5 A guy that kills Governor Wilson could get
6 \$250,000 for his movie deal. He could get \$50,000
7 for his book rights. He can buy drugs and sex in
8 prison -- because I did a special on Folsom Prison,
9 where they have conjugal visits. The female guards
10 are not allowed to inspect the female visitors of the
11 prisoners. They smuggle in ounces of cocaine and
12 heroin in their vaginas, then it's put up the anuses
13 of the prisoners. The warden said to me 'My prison
14 is full of heroin and cocaine. People die in their
15 cells from overdoses.' Can people buy things with
16 money in prison? He says 'Yeah, they can buy sex
17 from male prostitutes. They can buy drugs.'

18 So the guy who kills Governor Pete Wilson
19 and gets infamous for that can have a lot of fun --
20 like the video we all saw of Richard Speck in prison
21 snorting cocaine and having sex with his lover on
22 videotape while he was in prison for killing nine

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1 women. That man will get out after six years. He'll
2 walk out of prison in California with a quarter of a
3 million dollars because he killed a famous governor.

4 Restitution. No criminal in this country
5 should profit by his crimes. Victims need the money
6 for counseling if they survive; the families need the
7 money for counseling. No one should profit from
8 crime.

9 Impact statements. This country was
10 mesmerized by the Polly Klass trial. We all saw what
11 Richard Alan Davis did at that trial. This man spent
12 17 years of his adult life in and out of prison. He
13 kidnapped and tortured and raped three women on three
14 separate occasions in the state of California and was
15 paroled. He got out and kidnapped and raped and
16 murdered Polly Klass.

17 That trial cost the taxpayers of
18 California about \$4 million. During the two weeks of
19 the sentencing phase Richard Alan Davis had something
20 like 35 witnesses, paid for by the taxpayers of the
21 state of California, including the victims'. \$800 a
22 day experts who said Richard Alan Davis should be

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1 spared the death penalty because he killed Polly
2 Klass and raped those women because he was fat when
3 he was young, he had acne when he was young, he was
4 an alcoholic.

5 I'm so sick of listening to the
6 perpetrators of these crimes blame their crime on
7 somebody else. But you know what? Mark Klass -- and
8 California is one of the few states that allow
9 victims to make a victim impact statement. Mark
10 Klass got 10 minutes to tell that jury what it was
11 like to be the father of Polly Klass.

12 I have seen parents go to sentencing
13 hearings with pictures of their murdered children,
14 begging judges for five minutes to say 'I'll never
15 see this little girl grow up. I'll never have any
16 grandchildren. I'll never go to her wedding. This
17 man gave her a death sentence and he's given me a
18 life sentence of heartbreak, but you won't give me
19 five minutes to speak to this jury to recommend a
20 certain penalty.'

21 Victims' impact statements. Believe me,
22 every victim in this country should have the right to

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1 get up there and tell that judge and that jury how
2 this criminal impacted their life.

3 It's a very, very simple Constitutional
4 amendment. Very, very simple. It would somehow try
5 to balance the scales of justice.

6 Again, it doesn't take anything away from
7 the criminals. Victims are not about vigilante
8 justice. I'm not about that. We're about equal
9 justice.

10 43 million Americans were victims of crime
11 in this country last year. This victims' rights
12 Constitutional amendment would give a new definition
13 of justice and that definition would for the first
14 time in the history of this country include victims.

15 Now, societies through the ages have been
16 judged by how they treat their elderly and their
17 children. I say this society should be judged not
18 only by that but by the value they place on the lives
19 of victims. Victims like myself who have no choice
20 in being molested, abused, raped or murdered.

21 Victims have no choice but they should be
22 treated with some dignity and that's what this

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1 amendment is about. It's about treating those who
2 have no rights in the criminal justice system with
3 some dignity. Victims like myself, that's all we ask
4 for. We ask to be treated with some dignity.

5 And what does it take? There's no huge
6 fiscal impact to this victims' rights Constitutional
7 amendment. A parole board will only have to take an
8 envelope and put a stamp on it and say to the woman
9 that was raped -- I testified before the Senate
10 hearing that the guy who broke all her ribs and slit
11 her throat with a beer can after he raped her, that
12 she could have come to that parole hearing. He got
13 out, he raped again and the second victim was not
14 allowed to be at that parole hearing either when he
15 re-offended and got out again.

16 There's no great fiscal impact. It just
17 simply tries to even the playing field.

18 Three-quarters of the states have to
19 ratify this. Many of you have already led the charge
20 for victims' rights. Many of you have worked hard to
21 amend your state constitutions. But believe me, when
22 it comes down to a courtroom and a judge has to

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1 decide what precedent takes precedence always they
2 defer to the federal statutes, to the federal laws
3 that relate to criminals.

4 We want to see victims have the same
5 rights as criminals in every courtroom in this
6 country, whether it be on the state level or the
7 federal level.

8 The battle will be up to you. I truly
9 believe that this United States Congress will move
10 out this victims' rights Constitutional amendment.
11 And those of you that just passed the victims' rights
12 constitutional amendments, again I reiterate, almost
13 90 percent of your voters ratified those
14 constitutional amendments. But it's a patchwork.

15 We need to amend the United States
16 Constitution so that victims have the same rights as
17 the criminals. The battle is up to you.

18 I look forward to working with every one
19 of you because victims' groups all over the country
20 are on for this fight and they're going to take it to
21 the state level. We have seven years to ratify this
22 once it passes Congress. I hope it doesn't take

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1 seven years. I don't think it will.

2 And again, I see many, many champions of
3 victims' rights in this room. Many of you I've had
4 the privilege to work with in the past. I really
5 look forward to you because this battle is now up to
6 you to lead the fight for those of us, particularly
7 women and children who have no place in the courtroom
8 and have no voice.

9 Thank you for your time today.

10 Governor Miller, thank you for having me,
11 and God bless you.

12 (Applause.)

13 GOVERNOR MILLER: As you can see, John
14 delivers a very strong message. And I can tell you,
15 besides hosting that TV program he spends most of his
16 life on airplanes, as he has for the last 15 or 20
17 years, traversing this country trying to bring that
18 statement to the American public.

19 As this progresses I have not a doubt in
20 my mind that if any of you request John to be there
21 at a particularly poignant or given moment in your
22 state when this issue is being decided that he would

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1 be there. He always makes time for this, and we're
2 very appreciative for all you do, John. Thank you.

3 Yes, Governor Graves?

4 GOVERNOR GRAVES: If you wouldn't mind,
5 Mr. Walsh mentioned our situation in Kansas. I'm
6 sure that everyone at this table has an anecdotal
7 story that he could tell where John Walsh has had an
8 impact on fighting crime in our various states.

9 I have to say, one: thank you.

10 And for all of those of you who assume
11 that it never happens to you or it doesn't happen in
12 your neighborhood, I wrote Chairman Miller to tell
13 him that I grew up in deference to Salinas,
14 California -- we say "Salina" in Kansas. I grew up
15 in Salina. It is my home town. It's where I
16 continue to call home. My parents still live there.
17 In fact, the home where this crime occurred, I can
18 stand in my front yard and throw a rock and hit the
19 house. It is across the street from where my mother
20 and father continue to live.

21 It's unfortunately -- and I say this, John
22 -- it seems as though it's not until it does land in

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1 our front yard that we tend to think seriously about
2 this. But you've done a great service to law
3 enforcement in this country and on behalf of all of
4 those that you've impacted so positively, we thank
5 you.

6 GOVERNOR MILLER: Thank you again.

7 I will just conclude. As I say,
8 frequently in my own state John Walsh is living proof
9 that one person can make a difference.

10 I'd like to call now on Governor Engler
11 and Governor Carper for some brief remarks on the
12 Citizen Service Summit, then we're going to proceed
13 to policy. I know Governor Carper has a commitment
14 he has to make.

15 GOVERNOR ENGLER: Thank you.

16 This is a delightful opportunity to talk
17 about a summit that's going to be held this year.
18 It's a summit entitled "The Presidents' Summit for
19 America's Future." That's "Presidents'" plural.
20 President Clinton was joined by President Bush,
21 General Colin Powell, Secretary Cisneros. They also
22 released at that time statements from President Ford

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1 and some of the former First Ladies.

2 The goal of this summit is very, very
3 important. It follows a life long dream of George
4 Romney. After he left the Michigan governor's office
5 and served in President Nixon's cabinet George Romney
6 wanted to have a national gathering of leaders to
7 talk about some of America's problems.

8 George used to say that people helping
9 people is the greatest force in democracy. He had
10 promoted this. We all have a packet that's on the
11 table in front of us. There's a little story of some
12 of the history -- and I won't go into that -- but
13 George literally had a meeting and died three days
14 later, vigorous to the end at age 88, on the
15 treadmill. But he was working to make this summit a
16 reality.

17 My predecessor and I had a similar kind of
18 summit in Michigan and it worked together the goal of
19 this, and this really is for volunteerism. It brings
20 together players from virtually every walk of
21 American life. It is, I think, an unprecedented
22 opportunity to draw public attention to the

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1 importance of and the need for service and
2 volunteerism.

3 What we want to do today is to invite the
4 governors to participate. President Clinton said
5 that the summit can shine a spotlight on what is
6 working somewhere in America so that it can be
7 adopted everywhere in America.

8 Each governor who attends the summit is to
9 have a role. First off, before you get to the summit
10 our papers say a five person statewide delegation.
11 Really it would be a seven person delegation, I
12 understand. So you could think about who that might
13 be from your respective states.

14 We think there will be an opportunity for
15 each state to highlight some of the things that are
16 taking place. But more importantly, this is really
17 the beginning of a multi-year effort.

18 The goal, after meeting in Philadelphia,
19 is to then go back to the respective states and
20 communities within those states and to look at what
21 can be done. And, as the accompanying material
22 shows, there is a tremendous involvement forming on

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1 the part of national organizations, corporations,
2 people taking up the challenge. And for the
3 children's issues that were being talked about
4 earlier, for the senior issues that we've discussed,
5 for education in general, for some of the things that
6 Governor Hunt talked about, this ties in beautifully.

7 So, Mr. Chairman, one of the things that I
8 think we need to have is a bit of a task force here,
9 just to kind of make sure the governors are part of
10 the organization of this. This, like a lot of
11 national meetings, you get a lot of people working on
12 this and things get started and get out before
13 there's been proper notice.

14 But I think what we're doing from this
15 point forward is making it very clear that the
16 National Governors' Association would be very much a
17 part of this, and that's appropriate since much of
18 the follow up I'm sure there would be an interest in
19 having the governors coordinate.

20 General Powell will be writing us all at
21 home next week to lay out some other ideas.

22 The other thing I just would mention is

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1 April 27-29 in Philadelphia, that spans the period.
2 I was just mentioning to Mr. Reiner on the way out
3 the Monday night that his show will air is the Monday
4 night that this is all taking place in Philadelphia.
5 So we want to have perhaps --they're different but
6 there certainly is linkage, as we know, -- some way
7 to kind of accommodate or integrate the two. At
8 least if we've got a lot of national leaders in
9 Philadelphia maybe there's a way that show becomes
10 part of that agenda.

11 But I appreciate the opportunity to raise
12 this. And George Romney -- I'm sure he's up there
13 smiling at us today, very pleased at this vision. It
14 is to be non-partisan, bipartisan. But George always
15 felt that service knew no political boundaries and
16 that every American regardless of income, ethnicity,
17 gender, geography, ought to be able to do something
18 in terms of giving back to the community.

19 GOVERNOR MILLER: Thank you, Governor
20 Engler.

21 Governor Carper?

22 GOVERNOR CARPER: Let me add to those

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1 comments and say that every governor here, Democrat
2 and Republican alike, knows that the government does
3 not have all the resources that we need to meet the
4 problems and the challenges in our own home states.

5 We also know that not only do we not have
6 the answers, we don't have the resources in our
7 state. I suspect we could go around this table and
8 each of us could point to areas within our own
9 states, in our own communities where volunteers,
10 people who are committed to community service, to
11 serving others, are coming forward to help meet the
12 needs and the challenges that we all face.

13 And Governor Wilson actually has offered a
14 policy initiative we're going to bring up in just a
15 minute, on mentoring. In our own state we have about
16 110,000 kids in schools. We're on our way to
17 recruiting 10,000 mentors to work with at risk
18 children.

19 About one out of every 10 kids in the
20 country today lives in a home with neither a mother
21 nor a father. One out of 10. There are so many kids
22 out there that need positive role models. We're not

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1 going to be able to put 10,000 state employees out
2 there to work with those kids but boy, if we could
3 get 10,000 mentors out there to be that positive role
4 model just think what a benefit and what a difference
5 it will make in their lives. I know other governors
6 are introducing similar kinds of initiatives.

7 We have a great opportunity to use this
8 national summit on volunteerism April 27-29 to help
9 serve as a vehicle, to help put a spotlight on the
10 need for -- whether it's mentors, tutors or whatever
11 it might be -- to put a spotlight on the need for
12 volunteer service and people to give a little of
13 their time.

14 The wonderful thing we're finding out in
15 our mentoring program is that it not only helps the
16 kids -- it helps them to do better academically, it
17 helps with their behavior -- for the folks who are
18 the mentors they get a sense of fulfillment and
19 enrichment that's just hard to put a price tag on.
20 So it's a win-win situation.

21 This is a great opportunity for us as
22 governors to use to bring again attention within our

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1 own states to how well we can help, I guess, some of
2 the human resources that we need to fight the good
3 fight.

4 GOVERNOR MILLER: Thank you very much.

5 Yes, Governor Graves?

6 GOVERNOR GRAVES: I'd like to follow up on
7 Governor Engler.

8 As this was originally pitched to us there
9 was a lot of involvement by governors and I just want
10 to point out I'm already hearing from volunteer
11 groups in my state who have been contacted
12 independently. There's already been some designation
13 of cities to be highlighted. That has occurred
14 without a lot of input and I'd only encourage John,
15 if he's the point person for the association, to make
16 sure -- I mean it's great that we can take five or
17 seven but originally we were talking about having a
18 much greater role in the structure of this. I
19 realize there's a time crunch here but I hope John
20 will certainly take that leadership.

21 GOVERNOR MILLER: Governor Engler?

22 GOVERNOR ENGLER: Thank you, Mr. Chairman.

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1 To Governor Graves, absolutely. I think,
2 you know, the sponsorship is The Corporation for
3 National Service and the Points of Light Foundation.
4 I think just recently there's been an effort made to
5 add a staff person and to kind of understand the need
6 to be reaching out to us.

7 I would hope that when it comes to the
8 communities -- there is a listing of some communities
9 apparently that have been contacted but I think we
10 need to make sure that every governor gets updated
11 ASAP on what has been done, what contacts have been
12 made in your respective states, and give you the lay
13 of the land in terms of what lies ahead.

14 Because I think just as every governor has
15 probably a state commission or an advisory group,
16 you'd want that chair perhaps and the executive
17 director, since they probably have the responsibility
18 for a lot of the follow up -- they need to be in the
19 loop on this. And you need to be able to have some
20 impact on what's happening in terms of invitations.

21 I do think they are intent, as it's been
22 told to me, the 50 largest cities in America are to

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1 be invited, regardless of where they fall. But then
2 beyond that I think there's an idea of going to some
3 type of maybe exemplary communities that are doing
4 things in community service. And I would presume
5 that the governors would have a role in that. That
6 would certainly be my expectation, and I'll carry
7 that message.

8 Thanks, Governor.

9 GOVERNOR MILLER: Thank you.

10 The end of April is obviously going to be
11 an exciting time on many fronts.

12 At this point in time we will move forward
13 with the adoption of the proposed policy positions.
14 I believe all the members received the various
15 proposals in your rooms last night. They look
16 somewhat like this, especially for our new members,
17 in case you have any questions.

18 We're going to do it by committee, then we
19 will conclude with the executive committee, and
20 lastly, those four items to be discussed in which
21 suspension of the rules would be necessary.

22 I'm going to start with the Committee on
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1 Human Resources and recognize Governor Carper.

2 GOVERNOR CARPER: Thank you very much, Mr.
3 Chairman.

4 Let me just extend my thanks to Governor
5 Ridge, of Pennsylvania, who is the vice chair of the
6 Human Resources Committee, to each of the other 17
7 governors who served on the Human Resources
8 Committee, and to our staff, who has worked very well
9 with NGA staff to try to formulate these policy
10 recommendations.

11 Before us today are the adoption of three
12 new policy positions, amendments to four existing
13 policy positions, and the reaffirmation of two
14 existing policy positions.

15 Among these are two policy issues that
16 were very closely related and intertwined and the
17 subject of some controversy. They deal with whether
18 or not legal immigrants should be eligible at all,
19 for example, for food stamps or for Supplemental
20 Security Income. It's a problem not for most of our
21 states but for a handful of states it's a very
22 significant problem.

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1 What we've done here with this set of
2 policy recommendations, in both the immigration
3 policy and in the welfare reform policy, is to draw
4 the attention of the Congress and the President to
5 this as an issue, to say that it's a significant
6 problem for a number of states, for some states, and
7 to call on the Congress without specificity and to
8 call on the President without specificity to
9 addressing the problem and to saying that we look
10 forward to working with them to provide some relief.

11 I just want to say this is a ticklish
12 issue, as we all know, and I want to express my
13 heartfelt thanks to everybody who has played a role
14 in getting us to this compromise language.

15 GOVERNOR MILLER: Did you want to move
16 your policies en bloc?

17 GOVERNOR CARPER: I move the policies en
18 bloc.

19 GOVERNOR WILSON: Second.

20 GOVERNOR MILLER: Second by Governor
21 Wilson.

22 Any discussion on any of these matters

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1 from the Committee on Human Resources? Yes,
2 Governor Wilson?

3 GOVERNOR WILSON: Mr. Chairman, in
4 offering the second I would also like to say that I
5 think Governor Carper as the chair did an outstanding
6 job of dealing with a ticklish issue. And I also
7 thank him for his noting of the mentoring initiative
8 which we have brought forward.

9 I'll just say in about two sentences I
10 think it is worthy of attention. What he is
11 attempting to do in Delaware we are attempting to do
12 in California. He put it very well when he said
13 there are countless children growing up in homes
14 without fathers. People whose youngsters can in fact
15 be affected.

16 But if there is not some caring adult in
17 their life it is very easy for them to choose the
18 wrong path and lead to tremendous costs both in taxes
19 and, more importantly, human costs of the kind we've
20 been hearing about all morning. So I commend him for
21 that effort and I thank him for the support.

22 I would just hope that we can make that an

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1 issue that receives a great deal of attention because
2 I think it needs it.

3 GOVERNOR MILLER: I think so.

4 Any other comments?

5 (No response.)

6 GOVERNOR MILLER: We'll call for the
7 question on the vote for the various proposals that
8 came through the Committee on Human Resources. All
9 those in favor signify by saying aye.

10 (Chorus of ayes.)

11 GOVERNOR MILLER: Any opposed?

12 (No response.)

13 GOVERNOR MILLER: The motion is carried.

14 Next will be the Committee on Economic
15 Development and Commerce. Governor Patton?

16 GOVERNOR PATTON: Thank you, Mr. Chairman.

17 The Committee on Economic Development and
18 Commerce had a very stimulating and informative
19 discussion. We discussed issues such as fast track
20 authority for the President on international trade
21 agreements.

22 We heard from the Ford Motor Company and

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1 Federated Stores of how much these companies can save
2 if our transportation systems are more efficient.

3 We discussed the problems that our
4 outdated tax systems are causing telecommunication
5 companies that are entering new businesses, expanding
6 nationwide. And we talked about the U.S. innovative
7 partnership and several other interesting topics.

8 Mr. Chairman, the committee adopted nine
9 policies and three resolutions after making technical
10 amendments to two resolutions and adding clarifying
11 language to one policy. I know of no real
12 controversy. If there's no objection I move that
13 they be approved en bloc.

14 GOVERNOR MILLER: Is there a second?

15 VOICE: Second.

16 GOVERNOR MILLER: Any discussion of the
17 motion?

18 (No response.)

19 GOVERNOR MILLER: If not, we'll call for
20 the question. All those in favor signify by saying
21 aye.

22 (Chorus of ayes.)

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1 GOVERNOR MILLER: Any opposed?

2 (No response.)

3 GOVERNOR MILLER: Motion carried. Thank
4 you, Mr. Chairman.

5 The next will be the Committee on Natural
6 Resources; the chairman, Governor Whitman.

7 GOVERNOR WHITMAN: Thank you, Mr.
8 Chairman.

9 The Committee on Natural Resources took
10 action on nine policies and one resolution. The
11 resolution on clean air supports the efforts to
12 extend the comment period by 60 days and the
13 deadlines for the proposed National Air Standards.
14 States obviously need more time to comment.

15 I understand that Governor Voinovich has
16 supplied the governors with some maps that show the
17 possible impacts of the proposed standards on those
18 states. I'd just like to point out that that's one
19 piece of information interpreted by an industry
20 coalition.

21 During the next few months governors are
22 obviously going to hear a lot, both pro and con, in

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1 terms of what these proposed air standards might do
2 and the impact it might have on their particular
3 states.

4 I just want to say that the Natural
5 Resources Committee staff can provide any governor
6 who is interested with additional information on both
7 the sources of pollution and the known and potential
8 impacts on their states.

9 The committee also approved an amended
10 version of the Superfund policy. All governors want
11 to see this program actually work and see some site
12 remediation and clean up for less money, and our
13 policy we believe offers a number of ways to improve
14 the Superfund program.

15 One of the new policies calls for a
16 federal emphasis on pollution prevention. Many of
17 the states, New Jersey included, have pursued
18 programs that are reducing the amount of waste
19 created by manufacturing processes. In order to
20 reduce waste that must be regulated and managed by us
21 as governments we certainly know that an ounce of
22 prevention is worth a pound of cure, particularly in

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1 the environmental area.

2 I want to thank Chairman Nelson and the
3 NGA staff for their hard work.

4 I would like to forward all the policies
5 of the Natural Resources Committee as well as the
6 resolution on clean air as an en bloc, except for the
7 low level radioactive waste policy, which I would
8 like to offer for a separate vote.

9 GOVERNOR MILLER: All right.

10 Is there a second to the motion?

11 GOVERNOR SHAHEEN: Second.

12 GOVERNOR MILLER: Any discussion?

13 (No response.)

14 GOVERNOR MILLER: That will be all
15 policies except low level radioactive nuclear waste
16 disposal. All in favor signify by saying aye.

17 (Chorus of ayes.)

18 GOVERNOR MILLER: Any opposed?

19 (No response.)

20 GOVERNOR MILLER: Motion carries.

21 Governor Whitman?

22 GOVERNOR WHITMAN: I would now like to

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1 offer the low level radioactive waste policy.

2 VOICES: Second.

3 GOVERNOR MILLER: Any discussion?

4 GOVERNOR NELSON: Just for the record, Mr.

5 Chairman, I will be abstaining from the vote.

6 There's litigation in Nebraska and an abstention

7 would be appropriate for the record.

8 GOVERNOR MILLER: Any other comments?

9 (No response.)

10 GOVERNOR MILLER: If not, I call for the

11 question. All in favor signify by saying aye.

12 (Chorus of ayes.)

13 GOVERNOR MILLER: Opposed?

14 (No response.)

15 GOVERNOR MILLER: The motion carries.

16 The next item on the agenda will be
17 actions by the Executive Committee. There are six.

18 I know there's an amendment to at least one. I
19 recognize Governor Engler.

20 GOVERNOR ENGLER: Mr. Chairman, I move
21 that five of them be approved and just exempt the
22 Medicaid for a moment. We'll come back with the

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1 amendment.

2 VOICE: I second that, Mr. Chairman.

3 GOVERNOR MILLER: Any discussion on the
4 motion which would be to adopt the five policies of
5 the Executive Committee exclusive of Medicaid?

6 (No response.)

7 GOVERNOR MILLER: If not, we'll call for
8 the question. All in favor signify by saying aye.

9 (Chorus of ayes.)

10 GOVERNOR MILLER: Opposed?

11 (No response.)

12 GOVERNOR MILLER: Governor Engler?

13 GOVERNOR ENGLER: Mr. Chairman, on the
14 Medicaid policy I would first move that it be
15 adopted, then I'll move an amendment to the policy.

16 VOICES: Second to that, Mr. Chairman.

17 GOVERNOR MILLER: There's a motion and a
18 second to adopt the amendment that you should have
19 all received that was discussed by Governor Engler
20 briefly the other day.

21 GOVERNOR ENGLER: Let me just explain that
22 the task force staff -- congratulations to them.

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1 They really did take this and work with it and came
2 up with an amendment that I think is a really
3 important policy and it goes a long way toward trying
4 to meet a lot of the concerns that states like
5 Michigan have. So I think they did a nice job and
6 it's a nice addition to the policy. So I am pleased.

7 GOVERNOR MILLER: Thank you.

8 Other discussion on the amendment?

9 (No response.)

10 GOVERNOR MILLER: If none, call for the
11 question. All those in favor signify by saying aye.

12 (Chorus of ayes.)

13 GOVERNOR MILLER: Any opposed?

14 (No response.)

15 GOVERNOR MILLER: Motion carried. It was
16 as amended was the motion, was that correct? All
17 right.

18 The next item is the policies that need
19 suspension of the rules. There are four. I would
20 entertain a motion to suspend the rules for the four
21 of them.

22 GOVERNOR THOMPSON: So moved.

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1 VOICES: Second.

2 GOVERNOR MILLER: Is there any discussion
3 on the motion to suspend the rules?

4 (No response.)

5 GOVERNOR MILLER: If not, I'll call for
6 the question. All those in favor signify by saying
7 aye.

8 (Chorus of ayes.)

9 GOVERNOR MILLER: Opposed?

10 (No response.)

11 GOVERNOR MILLER: Motion carried.

12 We will now do the four individually. The
13 first is a proposed policy position ending
14 discrimination by the U.S. Department of Agriculture.

15 Governor Allen?

16 GOVERNOR ALLEN: Thank you, Mr. Chairman.

17 I don't know how much of an explanation
18 you need for all this. We've discussed it and I
19 appreciate the support of the Executive Committee for
20 this, which is a national disgrace, which is that
21 black farmers who are discriminated against in
22 lending practices by the United States Department of

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1 Agriculture in the Farm Credit program.

2 This is a problem of the federal
3 government. I commended personally Secretary
4 Glickman as well in this resolution for his
5 leadership. This is not something that arose just
6 recently. It's been around, disgustingly as far as
7 I'm concerned, for decades and he is taking proper
8 leadership action in it.

9 This encourages him to stop any
10 foreclosures from those who have civil rights
11 complaints. Many have already been documented and
12 found to be actual cases of discrimination. To me,
13 to continue with foreclosures where you have these
14 pending cases will only exacerbate the damage that's
15 already inflicted.

16 We, as governors, I feel have a duty and a
17 role to play -- a supportive role -- in working with
18 the USDA as they go forward to fashion a proper
19 remedy for those who have been wrongfully
20 discriminated.

21 GOVERNOR MILLER: Do you have a motion as
22 well?

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1 GOVERNOR ALLEN: I so move we adopt this
2 resolution.

3 GOVERNOR MILLER: Is there a second?

4 GOVERNOR CHILES: Second.

5 GOVERNOR MILLER: Is there discussion?

6 (No response.)

7 GOVERNOR MILLER: If not, call for the
8 question. All in favor signify by saying aye.

9 (Chorus of ayes.)

10 GOVERNOR MILLER: Opposed?

11 (No response.)

12 GOVERNOR MILLER: Motion is carried.

13 The second item is the proposed
14 reaffirmation on ethics in government.

15 Governor Chiles?

16 GOVERNOR CHILES: This proposal and the
17 next proposal having to do with equal rights --

18 GOVERNOR MILLER: You can move both
19 together if you desire.

20 GOVERNOR CHILES: Yes, sir.

21 They're both continuations of existing
22 policy. All members have a copy of them. They've

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1 been discussed by both sides. I don't think we need
2 further discussion. We're just continuing.

3 I move them in en bloc.

4 GOVERNOR MILLER: Is there a second?

5 GOVERNOR WHITMAN: Second.

6 GOVERNOR MILLER: Any discussion?

7 (No response.)

8 GOVERNOR MILLER: If not, call for the
9 question. All in favor signify by saying aye.

10 (Chorus of ayes.)

11 GOVERNOR MILLER: Opposed?

12 (No response.)

13 GOVERNOR MILLER: The motion carries.

14 The last is a proposed policy position of
15 the Committee on Economic Development on Surface
16 Transportation Financing.

17 Governor Patton?

18 GOVERNOR PATTON: This proposed policy,
19 Mr. Chairman, reaffirms an existing NGA resolution
20 that's due to sunset at this meeting. If we
21 governors are going to have any influence in the
22 Congress during this important debate on the

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1 transportation policy we need to have consensus.

2 The arguments for increased investment in
3 transportation are very strong: transportation is
4 critical to productivity; today's level of
5 transportation funding is inadequate to maintain
6 current conditions; and revenues from the federal gas
7 tax are growing rapidly while the expenditures are
8 decreasing significantly. The Congressional and
9 administrative budget plans would decrease
10 transportation funding over the next five years.

11 I'd like to have Governor Schafer add some
12 comments.

13 Governor Shafer?

14 GOVERNOR SHAFER: Thank you, Governor
15 Patton.

16 We heard the other day, as Governor Patton
17 mentioned, some strong testimony from the Ford Motor
18 Company and Federated Stores representing business
19 and the investment they're making in maintaining
20 inventory and on time delivery to customers. We're
21 going to form a nice coalition with business and
22 governors' groups to get some of this legislation --

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1 get some attention paid to some funding for highways.

2 I think Governor Patton said it well in
3 his previous comments covering our message, and I'll
4 go back for the amendment.

5 GOVERNOR PATTON: There is a floor
6 amendment to the policy emanating from the concerns
7 that were expressed as the task force met the other
8 day. I think you have a copy of that.

9 This floor amendment would extend our
10 understanding of the current federal fiscal
11 environment faced by the Congress; it would highlight
12 the divergence between the growing revenue and the
13 declining expenditure; it would add our support to
14 that expressed by many in the Congress; and there is
15 a letter where 57 members of the Senate have endorsed
16 basically this concept. It would also point out that
17 allowing our transportation systems to deteriorate is
18 short sighted.

19 I would move, sir, the adoption of the
20 floor amendment prior to the adoption of the policy.

21 GOVERNOR MILLER: Is there a second on the
22 motion to adopt the amendment?

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1 VOICE: Second.

2 GOVERNOR MILLER: Any discussion on that
3 motion?

4 (No response.)

5 GOVERNOR MILLER: If not, call for the
6 question. All in favor signify by saying aye.

7 (Chorus of ayes.)

8 GOVERNOR MILLER: Opposed?

9 (No response.)

10 GOVERNOR MILLER: The motion carries.

11 Is there any motion on the adopted
12 amendment?

13 GOVERNOR PATTON: So moved.

14 GOVERNOR MILLER: Any discussion?

15 (No response.)

16 GOVERNOR MILLER: All in favor signify by
17 saying aye.

18 (Chorus of ayes.)

19 GOVERNOR MILLER: Opposed?

20 (No response.)

21 GOVERNOR MILLER: The motion is carried.

22 Before I conclude let me remind you that

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1 our annual meeting will be July 27-30 in Las Vegas,
2 Nevada. No matter how hot the discussions get inside
3 I can assure you it will be hotter outside. We will
4 hopefully provide you with warm hospitality.

5 I thank all of you for being here. My
6 predecessor and successor should note that I'm ending
7 30 seconds early as a precedent for future reference.

8 (Applause.)

9 GOVERNOR MILLER: This meeting is
10 concluded.

11 (Whereupon, at 11:45 a.m. the meeting was
12 concluded.)

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