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

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

VOICES: So moved.

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

VOICES: Second.

GOVERNOR MILLER: Motioned and seconded.

Any discussions?

(No response.)

GOVERNOR MILLER: If not, call for the question.

All those in favor, say aye.

(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: The motion is carried.

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

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

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

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

Fife and I agreed that whoever lost that
game would have to wear the colors of the other team
at this plenary meeting. Fife is now paying off his
debt.

(Applause.)

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

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

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

(Laughter.)

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

And second, you're quite right. It did
take an Arizona quarterback to beat Arizona State
University at the Rose Bowl. It just means you all
were smarter than we were. It was a great game. I’m happy to honor our bet, and of course red is my favorite color, but I’m going to have trouble wearing this at home. I hope you realize that.

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

GOVERNOR SYMINGTON: Thank you.

GOVERNOR MILLER: Now that we’ve completed our initial discussion of the quality of higher education --

(Laughter.)

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

One year ago, at the conclusion of our winter meeting, we adopted an unprecedented bipartisan agreements on welfare reform, Medicaid, and work force development. These proposals broke the logjam that existed between the Congress and the Administration, resulted in landmark legislation to reform welfare.
We set the mark for consensus building and progress high last year, and we're going to work hard to obtain that level in our deliberations for the next few days and the remainder of this year and this Congressional session.

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

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

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

Our agenda includes the goals of government respected by the people, a government that works harder and smarter and invests in the future, and does so by increasing the efficiency of federal
programs, devolving the responsibility to the states,
ensuring that the benefits of federal programs
justify their costs, and protecting our long-term
investments in the country’s economic future.

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

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

And in the next couple of days, we’re also
going to discuss an issue that I feel has never been
as important or more important perhaps to the future
of this country, and that is the recognition that the
first few years of life might have the most
significant impact upon a person’s future
accomplishments and whether or not they are positive
and productive members of society.
Combining that with the success that we’ve been putting forward in our efforts to revitalize education, reaching back to a portion of American culture that governments have not played a sufficient role in, and that is the first five years of life, I think all of these together certainly give us an aggressive agenda. I look forward to working together with my colleagues in this regard.

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

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

I will be creating two special Governors’ task forces, along with Governor Voinovich, during the course of the next few days.
The first is a task force on children, which will provide us the Guidance on Children's initiative, and it will be co-chaired by Governor Voinovich and myself.

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

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

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

By developing more responsibility for such programs as Hazardous Waste Clean-up and monitoring programs to ensure clean air and water, we're working harder to restore public confidence in government, and we must continue to urge Congress to renew all...
federal programs and review all federal programs that ensure their benefits outweigh their costs.

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

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

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

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

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

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

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

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

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

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

Governor Patton?
GOVERNOR PATTON: We do appreciate your recognition from the National Governors' Association for the progress that we are making in Kentucky.

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

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

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

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

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

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

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

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

(Appause.)

GOVERNOR MILLER: I'm not pleased to call to the podium the Governor of Michigan, John Engler,
to be recognized for their report, "A World Class Education For Every Child."

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

(Applause.)

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

(Laughter.)

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

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

Governor Voinovich.

GOVERNOR VOINOVICH: I won’t be as short as my friend, John. This is our sixth annual goals report. From the beginning, we have made a big deal out of preparing it, reporting it and distributing it. In fact, you can pull up the Ohio report on ACE-FEDERAL REPORTERS, INC. Nationwide Coverage 202-347-3700 800-336-6646 410-684-2550
Ohio’s web page under education. The report is a labor of love between the Governor’s Office and our Department of Education.

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

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

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

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

For example -- and I’m only bringing this up here this morning and talking maybe a little
longer than I should because so often reports are prepared in our respective states and we don’t read them. Too often, we blitz through them, look at them, and don’t pay any attention.

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

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

And all of a sudden, I said we’ve got to do something about it.
On the other hand, that report has kind of followed our progress with the children and families, and I think a lot of you know that I'm devoted to Head Start. By '98, every eligible child in Ohio whose parents want them to be will be in Head Start because the children and family will be monitored. We've reduced dramatically our infant mortality rate, we've increased the number of kids that are being immunized.

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

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

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

Thank you.
GOVERNOR MILLER: Concluding these presentations, I’m pleased to call to the podium the Governor of West Virginia, Cecil Underwood, to be recognized for the report entitled "Mountains of Success."

GOVERNOR UNDERWOOD: Thank you, Governor Miller.

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

(Laughter.)

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

Our Department of Education, a Secretary appointed by a constitutional board and not by the Governor, has made remarkable progress, particularly with the use of technology. We have computers in our...
classrooms, kindergarten through sixth grade now, and our goal in the budget this year is to complete the installation of the computers in all of the classrooms.

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

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

Thank you.

(Appause.)

GOVERNOR MILLER: Following in this important category of education, I'd like to call up the past Chairman of the Association, Governor Tommy Ace-Federal Reporters, Inc.
Thompson of Wisconsin, who is also the Chairman of ACHIEVE, which is the outgrowth of last year's initiative by Governor Thompson to bring forth a revitalization of standards, assessment, accountability and technology in conjunction with corporate America.

Governor Thompson?

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

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

(Applause.)

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

(Laughter.)

GOVERNOR THOMPSON: The quarterback is from Mississippi but he's now a resident of Green Bay, Wisconsin.
I'd like to point out that the great Governor of Massachusetts lost a bet of 31 roast turkeys. I asked if that was emblematic of the team, and he said no, that's our state bird.

(Laughter.)

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

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

Other states are holding smaller meetings with stakeholders around their states to help support the standards in education reform among teachers, school board members, parents, and business leaders.
A number of states, such as Indiana, are working with institutes of higher education to plan their summits on standards and assessments.

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

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

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

We started a new education organization, as you probably know. We had a difficult time at our first board of directors meeting to find out what we should call it. Nobody was totally excited about it,
but we ended up with the word ACHIEVE.

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

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

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

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

It’s moving along very nicely and we hope to be able to have our first director or our first director relatively soon and we will be getting that information out to you and we’ll also be sending you
a copy of our first annual report in March of this year.

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

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

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

GOVERNOR MILLER: Thank you very much, Governor Thompson. I think all of us are in fact excited about it. We were getting sidetracked by
issues of the moment generally once there's some
disagreements, but ACHIEVE and education in
particular are the real core of what hope and aspire
to accomplish in this Association.

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

GOVERNOR LEAVITT: Thank you, Governor
Miller.

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

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

We still have the dilemma of Medicaid.

This year, as we move forward as an Association, it
will be the focus of much of our discussion.
The National Government struggles currently with Medicare. It is one of their greatest financial dilemmas. The 105th Congress will undoubtedly deal with Medicaid and Medicare but they are basically fussing around the edges on both of these issues.

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

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

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

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

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

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

Governor Miller?

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

I'd now like to ask Governor Thompson to
join me for his report on the NGA Center for Best
Practices. That is of course the recent creation of
our Association and recognizes that we can learn from
each other. It's our best effort at plagiarism
that's designed to benefit each state by learning
what the others are doing best.
Governor Thompson is working diligently on developing the resources and the outlines for the Center for Best Practice issues.

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

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

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

As part of this mission, the Center will
identify and share the states' best practices and
innovations. What's working in Utah and be able to
adopt that for Alaska or Guam or Arizona or Wisconsin
or Ohio, and provide expert, customized technical
assistance to Governors.

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

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

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

We also are assisted by a six-member staff
advisory council, and this advisory council is made
up of Governors' policy directors from each of the Board's member states and two at-large states, New Jersey and Kentucky.

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

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

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

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

This Center established a web site

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

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

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

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

In natural resources, Governor Whitman is going to be releasing two key Center reports, one on state-bound field programs, the other on utility...
deregulation during our Committee session this afternoon.

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

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

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

We’d like to be able to be sort of a force that you can utilize and call in. If you want us out west or in the south and so on, we’d have the staff come out and put on a seminar for a day or a
couple days for a group of Governors and their staffs in particular areas of the country.

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

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

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

The business community has responded quite generously so far since we've only been in operation
for six months, we’ve already raised over $2 million. We’ve set a goal of $7 million to raise over a five-year period, and I’m very pleased to announce today that we’ve already secured commitments of $2.1 million of our $7 million goal.

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

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

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

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

I’d like to begin by introducing Chuck Hardwick, Vice President of State Government
Relations and Civic Affairs for Pfizer, Inc. Chuck, if it’s possible if you could come join Governors Miller, Voinovich and myself at the podium, we’d appreciate it.

(Applause.)

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

(Applause.)

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

(Applause.)

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

I also would like to announce that after

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

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

Thank you very much.

(Applause.)

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

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

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

Before his arrival, I would like to have
Governor Engler give us a report on the Council on Competitiveness.

GOVERNOR ENGLER: Thank you, Mr. Chairman.

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

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

(Applause.)

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

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

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

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

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

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

Why are we talking about the Council on Competitiveness? I've just finished my stint, prior
to Governor Hunt’s chairing the National Education Goals panel. One of the things that I tried to do, chairing that panel, was to sort of reach out a little bit to some of these other groups who are going to be our strategic partners in terms of moving the national education goals faster.

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

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

The first one, when foreign and direct investment become a critical factor. I guess the point there, you can see explosive growth in
worldwide investments between locations, not just market share, a very critical factor in global competition.

International trade and investment is shifting increasingly toward developing countries. It's pretty obvious in terms of its implications. The growth of developing economies, particularly in Asia, has out-paced that of the industrialized economies.

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

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

(Laughter.)
GOVERNOR ENGLER: -- will increase their competitiveness. Half the respondents believe the primary competition will be domestic. That’s very important for us because we are sort of competitors. Governor Thompson and I were just talking about just how much we compete for employment, but anyway that’s a very important factor.

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

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

In the U.S. a couple of charts just on the United States, we haven’t lost our lead per capita standard of living as many feared a decade ago. We’ve got the highest standard per capita among the G7. US GDP growth has been stronger than that of
other advanced economies especially over the past six
years.

    Again, that chart shows that, and

obviously following Japan, it looks good there. But
if you follow, as everyone at this table does, the
news, they've tailed off considerably in the last
couple of years.

    This one, U.S. job growth highest among

the G7, again, the report talks about flexible labor
market paying off. Unemployment is the lowest among
all the G7 countries. U.S. share of world markets is
up more than 2.5 percent while Europe's share has
dropped sharply.

    Again, a very good bit of news for us.

    Growth of U.S. exports surged, not as much

as the Pacific Rim. We're working off a little
different base of course. The service exports are
great. U.S. current account deficit cut in half as
percent of GDP.

    Again, good news there.

    Budget deficit relative to G7, again, very

strong. We've done better.
This is probably one of the key findings I thought. Nine out of ten council execs believe that the U.S. competitive position has improved.

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

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

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

Net investment in plant and equipment, low rate. And there even six years of expansion has the U.S. still putting less capital behind U.S. workers than our sort of competitor economies out there. The
way the growth of capital stock is provided.

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

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

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

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

But he’s got in this document a discussion about R&D and about investment. There’s one sentence, though, here’s what it says: The quality of education in our primary and secondary schools is
a disgrace. We have not yet faced up to that fact.

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

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

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

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

The states have a vital and critical role
to play in shaping the national agenda. The top
priority the Governors should address to improve
competitiveness, number one, education; number two, budget deficit; and then policy and regulatory reform.

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

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

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

GOVERNOR MILLER: Thank you very much, Governor Engler.

Now we are pleased to be joined by the new Chief of Staff of the White House, Erskine Bowles.
As many of you are aware, he’s from North Carolina. He’s a Tar Heel fan and since this is his first appearance in front of our group, I’m going to ask his friend and the Governor of North Carolina, Jim Hunt, to give us an appropriate introduction to our new friend, Erskine Bowles.

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

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

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

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

In fact, one of the things I’m proud of is that he reduced the amount of paperwork required for
the application for one from one inch thick to one page.

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

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

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

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

He came because he wanted to serve, he wanted to make things better, and that's what he's
been about.

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

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

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

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

I went and talked to him. He’s a good
friend and he wanted to do it for me, but he had just
committed to be the National President of the
Juvenile Diabetes Foundation of America and to go out
and raise funds all across the country, to really try
to get to the bottom of this and have that research
done, so that we could stop hopefully, end juvenile
diabetes. His son has it.

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

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

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

(Applause.)

MR. BOWLES: Well, I can tell you one
thing for sure. The Governor just made my mama
mighty proud. I hope she's listening.

If I could just take a point of personal

privilege before I start and say two things to two

Governors.

Jim Hunt has been my friend for a long,

long time. He's been our Governor for 12 years of my

home state, and I just want to say that our state has

never had an asset like Jim Hunt. He has done more

to prepare our kids for the 21st century and to lead

our state forward. And when they write the books

about the great Governors of the State of North

Carolina, they will begin and end with the name of

Jim Hunt.

There's one other Governor I'd like to say

something to. For the last four months, I've had the

pleasure of having Governor King's son, Angus, work

for me in my office at the White House. And I tell

you, being a daddy is an important thing to me. And

if my sons turn out to have the drive, the ethics,

the sense of personal purpose and the strength that

your son Angus does, then I know I will have done my

job as a daddy. He's one fine young man. You should
be very, very proud.

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

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

   She said, Daddy, who's talking?

   (Laughter.)

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

   (Laughter.)

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

   I found in my last job, when I was at the Small Business Administration, you need to keep things in perspective. I remember one night I was
sitting at the SBA until about 9:00 o’clock at night, and I’d given my phone number out when I went and made these town hall meetings.

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

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

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

(Laughter.)

MR. BOWLES: That was of course before I learned there was this job called Chief of Staff of ACE-FEDERAL REPORTERS, INC.
the White House, and I've certainly learned that this is a lower job.

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

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

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

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

During the last four years, this
President, with the help of the Congress, brought those budget deficits down from $290 billion each and every year he's been here, to $107 billion this year. Our deficits to GDP ratios have gone from almost five percent down to 1.4 percent.

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

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

During the last four years, we in Washington and you in the Governors' offices have worked hard to make sure that we invest in education and training and early childhood programs so our kids are prepared to enter school ready to learn, and to
invest in technology and research and development so we can remain on the cutting edge of research and development, so we can attract those high wage paying jobs to this country.

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

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

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

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

He also fully recognized the absolutely
critically important responsibility that individuals
have and individuals must play in their communities,
especially in these times of smaller and smaller
federal government.

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

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

I think we've also had some pretty
fabulous results over the last four years here in
this country, thanks in large part to a lot of effort
of people in this room.

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

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

Inflation is clearly under control.

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

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

Economic growth is clearly sound. You've
seen the reports in the papers. Productivity is up.

Business investment is at an all time high. New
business starts are at a post-World War II high, and
the U.S. economy has been voted the most competitive
economy in the world for the last two years for the
first time beating out the Japanese and the Germans in the last ten-year time period.

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

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

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

Lower deficits and reduced deficits and no
deficits also mean lower inflation so we can protect
the purchasing power of the U.S. dollar. Lower
deficits also lead to lower interest rates which
means that our people can go out and refinance their
homes and their businesses.

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

(Applause.)

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

If our kids are going to be prepared to
enter school ready to learn and if our people are
going to have the skills they need to compete for
those high wage paying jobs in the global
marketplace.
I know how hard each of you in this room have worked to give our kids the best education in the world. I've seen evidence of that in my home State of North Carolina where Governor Hunt has pushed through what I believe has been one of the most innovative programs in all the fifty states. It's called Smart Start.

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

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

All around our country, states have been reaching out to the high tech industry. I know as Governor Rowland has in Connecticut. In just a few short years, Governor Rowland has turned his state into what has become a haven for biotechnology research and development.
It's this kind of effort that we must make in our states if we are going to compete for those high wage paying jobs of the future.

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

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

And I can guarantee you, as we stand here today, that 265 million people are going to have to compete with the 350 million people in the European Common Market, and the 130 million Japanese, to provide high value goods and services to these growing markets in East Asia, Russia, and Latin America.
And the only way that we're going to be competitive is if we continue, as a nation and as states, to invest in the education and training and skills of our people in high technology. Otherwise we will never be competitive with the European Common Market and the Japanese. And we are going to continue to make that a focus here in Washington.

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

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

A perfect example of what we think we can achieve together in working in partnership with the states to fight crime in happening in Nevada where
Governor Miller has made juvenile delinquency a first concern. Nevada’s family-based anti-drug initiative brings families, communities and the courts together to give juvenile first offenders a real chance to turn around their lives. We believe this kind of effort is what we need to really be effective in fighting that complex of social problems that we have faced for a long, long time.

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

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

Now we in this room, we in Washington and you in the state houses, we must meet our responsibility to give welfare recipients the
opportunity to work within the President’s budget which he will announce next Thursday. It will make it easier for the private sector to create these jobs. We will provide incentives to the private sector like wage subsidies and tax credits to help move what we hope will be one million additional people from welfare to work.

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

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

Can you think of how much better our schools would be if we could create time for families to spend more time in the schools together.
We also want to finish our job of making sure that we do everything we can to protect the environment, to protect our air and our water and our food.

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

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

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

The President is absolutely committed to working with you, as Governors in the states, to meet our challenges ahead of us.
I know many of you have a number of questions about our balanced budget, especially regarding Medicaid, welfare reform and the environment.

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

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

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

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

Thank you very much.

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

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

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

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

GOVERNOR VOINOVICH: So moved.

GOVERNOR MILLER: Motion by Governor Voinovich.

Is there a second?
GOVERNOR EDGAR: Second.

GOVERNOR MILLER: Is there any discussion?

(No response.)

GOVERNOR MILLER: I'll call the question.

All in favor, say aye.

(Chorus of ayes.)

GOVERNOR MILLER: Opposed, no?

(No response.)

GOVERNOR MILLER: The motion is carried.

We'll now move approval of the Executive Committee policy positions -- I think the members have seen them -- with the exception of the block related to Medicaid which we will discuss separately.

Does any member want to discuss any of these other policies separately other than the Medicaid component?

We're going to move them all separately?

All right.

We'll go down the list, taking them in order.

The first is permanent policy principles for state/federal relations.
I’ll turn to Governor Leavitt.

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

GOVERNOR MILLER: Any discussion?

(No response.)

GOVERNOR MILLER: First, is there a second?

VOICES: Second.

GOVERNOR MILLER: Any discussion on that motion?

(No response.)

GOVERNOR MILLER: If not, call for the question.

All in favor, signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: That motion is carried.
The second is the issue of political self-determination for Puerto Rico.

Governor Rossello?

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

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

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

I move its adoption.

GOVERNOR MILLER: Is there a second?

GOVERNOR CHILES: Second.

GOVERNOR MILLER: Any discussion on the
motion?

(No response.)

GOVERNOR MILLER: If not, call for the question.

All in favor, signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?

(No response.)

GOVERNOR MILLER: Motion carried.

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

Governor Leavitt?

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

GOVERNOR MILLER: Is there a second?

VOICES: Second.

GOVERNOR MILLER: Any discussion of the motion?
GOVERNOR MILLER: If not, call for the question.

All in favor say aye.

(Chorus of ayes.)

GOVERNOR MILLER: Opposed, no?

(No response.)

GOVERNOR MILLER: The motion carries.

Next is Executive Committee Amendment Number 8, Medicaid.

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

Mr. Chairman, I move its adoption.

GOVERNOR MILLER: Is there a second?

VOICES: Second.

GOVERNOR MILLER: Discussion on the
GOVERNOR MILLER: If not, call for the question.

All in favor say aye.

(Chorus of ayes.)

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

GOVERNOR ENGLER: An old legislative trick.

(Laughter.)

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

The thing, and I know in Utah, the particular program we were trying to design with the amount, scope and duration of benefits, that whole question, one of the things that I think has been
vexing about Federal Medicaid policy is sort of one-
size-fits-all. If you’re going to have any size
you’ve got to have this size program, particularly as
there is discussion in the Administration, and the
Chief of Staff has referenced it, really indirectly
and politely; but if they’re talking about proposing
any kind of mandated expansion for coverage of
currently unprotected classes or individuals, it does
seem to me that we ought to be very clear that we
ought to have flexibility in some cases not to have
to provide the full boat load of benefits. The canoe
load will do it. It will allow us to cover more
people. Or, as you talked about, the Chevy for
everyone versus the Cadillac for the few.

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

It strikes me that ought to be a policy.

It isn't the law but at least it's the right position
I think for a group of Governors to take.

How would you feel, Governor Leavitt?

Would you regard that as a friendly amendment?

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

We made a decision in our program that we'd like to reduce that from 130 percent down to about 118 percent to be able to provide coverage for more people. That was actually negotiated among our low-income communities and advocates but we weren't able to do it because of the prescriptive nature of the Medicaid law.
We could have served more people with better than average coverage but were unable to do that. From my own standpoint, that would be a desirable piece of policy and I would support it on a personal basis.

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

GOVERNOR MILLER: Governor Dean, then Governor Romer.

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

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

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

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

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

GOVERNOR ENGLER: I think everybody has a
copy as well. I think we’ve gotten this around to
everyone.

No. The intent here is not to deal with
which groups are covered at all. It’s to deal with
the amount of the benefits. I said amount. The
states should be given the authority to adjust the
amount, duration, and scope of benefits to those in
significant discretionary eligibility groups.

I don't view the children as
discretionary.

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

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

So that's the direction. This isn't a
Congressional bill but it's trying to keep it in the
mind of Congress that there ought to be some state
flexibility here. It doesn’t try to get into where
you’ve drawn a line and what’s the bright line beyond
which you have no flexibility.

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

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

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

GOVERNOR DEAN: That’s a match. I’m not
asking that. I fully support -- if this is about
states having control over their own expenditures, I
fully support that because I think if you’re asked to
match a federal program, you should have the right to make that decision as to state.

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

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

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

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

What I'm trying to do is to get
federal government to cover more children at their expense, without any mandate from the states. I'm just concerned that language like this might complicate that effort.

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

GOVERNOR DEAN: Medicaid didn't start that way.

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

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

GOVERNOR MILLER: I think Governor Romer
had a comment.

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

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

Governor Romer?

GOVERNOR ROMER: That speaks to my concern. I think I’m sympathetic with this point of view, John, but I know there’s a complicated staff relationship with all of the work we do with Medicaid. And I just wonder if they had had a chance to look at this.
But if the staff, I think we need to work through this problem. My only question is procedurally have the people or each of our Governors had a chance to look at this prior to this discussion.

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

Governor Engler?

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

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

(Laughter.)

GOVERNOR ENGLER: That's radical.

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

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

   Governor Voinovich?

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

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

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

GOVERNOR ENGLER: Here’s what I want to
do. Perhaps this will help move us along here today.
Is just this policy is being recommended to the full
group on Tuesday anyway, so I’ll give the staff the
24 hours to meet, then I’ll offer it as a policy
amendment on Tuesday in the plenary session and do it
that way because it’s something that I think
everybody who does have a chance to check with their
staff will find that it would give them greater
flexibility.

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

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

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

It is an issue that I think is very
So why don’t we do that? I’ll withdraw the amendment now, give the staff some time, and then I’ll resubmit it on Tuesday?

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

GOVERNOR ENGLER: It’s already there.

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

GOVERNOR ENGLER: Right.

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

GOVERNOR ENGLER: If you do that, you are held to the state wideness test, so if you have a broader package of benefits today because you’ve chosen to be generous in the past, now if you try to serve people in need and say we’re going to go with the minimum benefit, they’ll say wait a minute, you made a decision once upon a time you were going to
have a broader package of benefits. Now it would be
discriminatory to give this new person zero insurance
less than what you’ve given everybody else.

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

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

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

GOVERNOR MILLER: Let’s have a final
comment on this from Governor Dean.

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

I would accept Governor Engler’s officer
to withdraw this.

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

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

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

GOVERNOR LEAVITT: Mr. Chairman, there's a sheet that's been placed on the desk that list a series of amendments to the printed version in the book. There are a series of them. A couple of them are quite important and substantive. I commend that as reading before people vote.
GOVERNOR MILLER: You're moving the amendments now then?

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

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

GOVERNOR MILLER: Is there a second to the amendment?

VOICES: Second.

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

(No response.)

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

(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: Motion carried.

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

Discussion on the resolution as amended?

(No response.)

GOVERNOR MILLER: If not, call for the question.

GOVERNOR CHILES: Is this on the overall policy now?

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

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

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

GOVERNOR LEAVITT: It is.

GOVERNOR MILLER: That was the amendment
you just approved, the language that you and I
drafted that’s been approved as part of the proposal
that we now vote on.

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

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

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

There’s going to be a number of thousands
in my state that cost my state some $300 million. I
just hope we will be consistent in the policy that
we’ve taken over and over again in regard to cost
shifts.
GOVERNOR MILLER: The question of legal immigration is to be decided in committee tomorrow. There's a proposed resolution to at least a part of that.

Any further discussion of this resolution as amended?

GOVERNOR MILLER: Yes, Governor Romer?

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

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

But I think we all need to recognize we've got to get hold of the spending in this area, and we 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
5 GOVERNOR MILLER: I think the next
6 sentence might clarify part of that. If Congress and
7 the Administration are serious about reducing the
8 cost of the programs, they must reexamine the
9 authorizing legislation that brought us where we are
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
14 If you're going to put a cap in, you've
15 got to rethink how this program operates.
16
17 Do you have anything further on that,
18 Governor Leavitt?
19
20 GOVERNOR LEAVITT: No, that was my
21 comment.
22
23 GOVERNOR MILLER: Any other comments?
24
25 If not, we'll call for the question on the
26 resolution as amended.
27
28 All those in favor, signify by saying aye.

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(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: The motion is carried.

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

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

Any motions or discussion?

Yes?

GOVERNOR ENGLER: I move we approve the policy.

GOVERNOR MILLER: Is there a second?

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

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

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

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

That was a concern that I had.

GOVERNOR MILLER: I don't think that's the intention as it was drafted. Those questions have been raised by other associations, district attorneys, attorneys general, about their responsibility. But if you absent yourself from the question of restitution, you're going to leave a big
vacuum there that’s been lacking in the past.

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

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

GOVERNOR MILLER: Governor Carper?

GOVERNOR CARPER: Governor Whitman raises I think two good points. This paper was just handed to us moments ago, and I haven’t had an opportunity
to explore it with my own staff. I just want to make sure that one, somehow someone who it turns out the defendant is destitute that somebody doesn’t turn back to us and say, by the way, Delaware, New Jersey or some other state, the court’s going to ask you to pick up this cost.

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

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

What we’re suggesting is we want to work with the Congress. There was a bipartisan proposal. Senators Kyl and Feinstein, in the last Congress.
I’m not troubled by the language but I certainly don’t object to any amendment that clarifies it.

I think the concept is the most important component.

Governor Branstad?

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

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

I think that’s what the intent of this is. It’s my understanding that there are some states that already have this, so I would assume there’s probably
some judicial review that's already determined that
this is not a significant risk, but possibly staff
can review it to be sure.

GOVERNOR MILLER: If determinations are to
be a problem.

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

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

GOVERNOR MILLER: Clearly.

Governor Locke?

GOVERNOR LOCKE: Mr. Chairman.
GOVERNOR MILLER: I know this is an Executive Committee action.

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

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

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

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

GOVERNOR ENGLER: Thank you, Mr. Chairman. I'm not a fan of this policy particularly. I looked at 29 states who have it, as some of the Governors have indicated, state constitutional protection for victims' rights. I worry about inviting the federal courts in any further into the
states, and I think that there's a lot of troublesome language in the constitutional amendment that's proposed.

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

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

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

What I've put together is an amendment here that says that in order to further safeguard the rights of crime victims and ensure they are not
relegated to secondary courts in the judicial process, I would support replacing life time tenure for federal judges with a mechanism whereby Congress periodically reviews judicial performance. Performance should be evaluated according to established criteria which includes the judiciary's application of victims' federal constitutional rights.

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

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

I worry that Governor Whitman's question is right on target and I don't think it's resolved, Governor, in anything that I've seen. I think there's some potential for a federal court to find that somehow we weren't making appropriate
restitution and I’ll bet they won’t find that that’s a federal government cost. They’ll say to Governor Chiles, you pay for that restitution out of your already tight budget.

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

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

GOVERNOR MILLER: Is there a second to that amendment?

VOICE: Second.

GOVERNOR MILLER: When we discuss opposition to the amendment, many of you are aware of my background as extensively in law enforcement. I’ve been a policeman and a police attorney and a judge and a district attorney, and I’ve been very actively involved in crime victim rights for 25 years at the local, state, and national level.
While I think that there is merit to the question of whether or not federal judges should be life time in tenure and certainly is a cause of concern in individual cases, depending upon rulings, I personally have never experienced that to be of a national movement that is related to crime victims' rights.

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

I would point out that Senator Dole and President Clinton, the authors of last year's congressional legislation, Senator Kyl and Senator Feinstein, of course did not include this in theirs, and there are some, such as yourself, Governor Engler, who have concerns about the basic concept of
amending the Constitution, which I would hate to see
be further clouded by inclusion of a purportedly
separate but perhaps equally or at least certainly of
some importance separate question such as this.

Yes, Governor Branstad?

GOVERNOR BRANSTAD: Governor Miller, I
have some similar concerns to the ones you’ve
expressed.

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

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

Now we have that in my state. On a few,
very rare occasions, we have had state judges that
weren’t retained. It seems to me that maybe that
might be an alternative. I’m not sure it’s the best
but it seems to me it might be a way to get at what
Governor Engler is concerned about.

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

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

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

Yes, Governor King?

GOVERNOR KING: It seems to me that what we're really talking about is a very fundamental constitutional provision involving the independence of the judiciary, and although we disagree with judges, and I've certainly disagreed with some federal judges in my state from time to time, this is an essential part of the separation of powers in the federal government. And whenever I come to a
constitutional question that involves a change of the fundamental structure, I always analyze it by asking myself the same question which is: Am I smarter than Jefferson.

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

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

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

Governor Allen?

GOVERNOR ALLEN: For my friend from Maine, Governor King, this was a debate in the formation of our country and if we wanted to be consistent with
Mr. Jefferson, he felt that judges should be
appointed for terms, not for life.

It was Hamilton who won out, and
Hamilton’s view was federal judges should be
appointed for life.

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

GOVERNOR MILLER: Thank you.

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

All those in favor, signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: All those opposed?

(Chorus of noes.)

GOVERNOR MILLER: I believe the noes have
it. If you want, we’ll do a show of hands. All
All those in favor, signify by raising your hand.

(Show of hands.)

GOVERNOR MILLER: One, two, three.

All those opposed, signify by raising your hand.

(Show of hands.)

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

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

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

All those in favor, signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?

(Chorus of noes.)

GOVERNOR MILLER: I believe the ayes have that.

The next resolution is a consumer price index.
GOVERNOR THOMPSON: Mr. Chairman, I move it and I certainly hope it passes.

VOICES: Second.

GOVERNOR MILLER: This is a resolution we passed last summer that the consumer price index be reasonably related to reality as opposed to artificial plug-ins to be determined by the deficits.

Governor Weld?

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

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

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

Those are the areas, the positions we've taken relative to Medicaid and child care, etcetera, that's consistent with other NGA policy. But if it
is not desired to be in this particular one, it will
have to be held separately.

Any other questions for discussion?

(No response.)

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

All those in favor, signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: The motion carries.

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

The first is political status of Guam.

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

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

GOVERNOR MILLER: Let's do the political
status for Guam first.
Is there a motion?

VOICES: So moved.

VOICES: Second.

GOVERNOR MILLER: Discussion?

(No response.)

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

(Chorus of ayes.)

GOVERNOR MILLER: Opposed, no?

(No response.)

GOVERNOR MILLER: The motion is carried.

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

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

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

For almost one hundred years, in the case of Puerto Rico and Guam, we have two territories and
I don't think there's any more room for territorial status in the United States.

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

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

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

This language talks about mutual consent.

Mr. Chairman, I know there are some members in Congress who can't understand mutual consent in a
contractual agreement because they think that the territorial clause, having full powers of the Congress to dispose or do whatever they wish with the territories, I think that this language would be very helpful in moving forward that commonwealth act in Congress, and I thank the Executive Committee for moving forward in the reaffirmation of this language.

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

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

I just hope, I’m here I know, that probably all you see is the nameplate here, but I’m going to be sitting here so that Guam is not forgotten.
I know Governor Thompson brought up Guam and I hope that other Governors will think of Guam being a part of the United States and contributing to the United States.

Thank you for moving that.

GOVERNOR MILLER: Thank you very much.

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

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

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

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

GOVERNOR MILLER: Is there a second?

VOICES: Second.

GOVERNOR THOMPSON: Now I'd like to move an amendment. I really would like to have the
Governors pay attention to this because this is going to bring money to each of your states, big money.

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

It’s never passed. Senator Bumpers and Congressman Brooks have introduced legislation.

There’s been Supreme Court decisions which says that we cannot actually collect the sales tax. As a result of that, direct marketers have been able to sell their merchandise across state lines and not have that money go into your state coffers.

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

We’ve been negotiating back and forth between the direct marketers, National Governors’
Organization, led by my state.

To give you some idea of the dollars we’re talking about, I picked out just some states.

California over five years will receive $1 billion; Illinois $400 million, Jim. Indiana $200 million; Kansas $200 million; Michigan over $300 million; New Jersey over $400 million; New York over $600 million; Ohio over $400 million, George. And Pennsylvania over $400 million and Texas over $500 million.

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

Now you will have to introduce some corrective language this year in your budgets, your state budgets that will be prospective. We have that language and we’re setting up a meeting room tomorrow afternoon for any of your aides that want to come in.
and hear about it.

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

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

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

At the same time, the NGA encourages development of reasonable nexus guidelines to clarify tax enforcement policies and encourage out of state marketers to purchase goods and services from in-state vendors.
I move the adoption of the amendment to the existing policy. This allows us to continue and put in formal language what we have negotiated so far and what we intend to finish up over the course of the next 30 days.

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

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

So I move the adoption of the amendment,

Mr. Chairman.

GOVERNOR ENGLER: I support the amendment.

GOVERNOR MILLER: We have a motion and a
second on the motion to amend the existing policy.

Is there any discussion?

(No response.)

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

All those in favor, say aye.

(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: The motion carries.

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

VOICES: So moved.

VOICES: Second.

GOVERNOR MILLER: Any discussion on that motion?

(No response.)

GOVERNOR MILLER: If not, call for the question.

All those in favor say aye.

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?
(No response.)

GOVERNOR MILLER: The motion is carried.

I recognize Governor Dean for some new business.

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

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

With your permission, Mr. Chairman, I would move that we reaffirm these two policies as exist currently for the next two years.
GOVERNOR MILLER: As I understand the rules, that can be voted on by a majority of the Executive Committee. If it's a favorable vote, it would have to go then to a plenary session for three-quarters vote and suspend the rules in order to adopt it.

Any discussion on the motion?

(No response.)

GOVERNOR MILLER: Is there a second?

VOICES: Second.

GOVERNOR MILLER: Call for the question.

All those in favor, say aye.

(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: The motion carries.

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

When Kennedy/Kassebaum was passed, I think all the Governors got letters to this effect. It
turned out that in Kennedy/Kassebaum, which was
certainly laudable, and I think which all of us
supported, that there was a state preemption of
minimum standards of affordability for health
insurance.

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

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

So what I would ask is that the Executive
Committee direct our staff to have regular
communication with the NAIC and to coordinate
lobbying activities, as we do with the many other
organizations that we work with, so that our
interests are appropriately represented when bills like Kennedy/Kassebaum come to the floor, so that we can avoid the question of state preemption in the future.

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

(No response.)

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

There was at least one other request.

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

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

GOVERNOR MILLER: Governor Allen?

GOVERNOR ALLEN: Thank you, Mr. Chairman.

Thank you for those who moved and seconded this matter. It's a matter of concern to me that I have investigated and I think it's not just a good question in Virginia but pervasive in many states.
where there are allegations and actual proven stories
of discrimination against black farmers by the United
States Department of Agriculture.

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

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

The key points of this resolution that I
would bring before my fellow Governors are that we
urge the President and the Secretary and other
appropriate federal officials to ensure that
complaints against agencies and individuals are
fully, adequately, and expeditiously answered, and
that the promised suspensions and foreclosure of
sales pending, if due to discrimination or
inconsistency with program delivery, be carried out.

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

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

GOVERNOR MILLER: Any discussion?

Governor Edgar?

GOVERNOR EDGAR: Second.

GOVERNOR MILLER: Motion and second.

If there’s no discussion, I’ll call for

the question.

Those in favor, say aye.
(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: The motion carries.

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

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

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

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

Ray?

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

GOVERNOR MILLER: We're not in adjournment
yet. If you can be quiet, anybody who is a party, please.

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

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

Thank you.

GOVERNOR MILLER: Any questions or discussion on those items?

(No response.)

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

Thank you very much for your attention.

(Whereupon, at 11:25 a.m., Sunday, February 2, 1997, the plenary session/Executive Committee session was adjourned.)
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.
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
much more cost-effective and efficient Medicaid
program, and we need a few more changes in
immigration and welfare to make the new program work
even better.

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

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

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

I would now like to call upon one of our
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members, Governor Fordice, to make the introduction
of our first guest.

Governor Fordice?

GOVERNOR FORDICE: Thank you, Governor Miller.

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

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

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

He served in the U.S. House of
Representatives from 1973 to '88. I guess that's
about eight terms you served in the House, Trent, and
was elected to the Senate in 1988.
I remember him calling me on the car phone one night in '87, telling me he was going to go for the Senate. And I said, let's go for it. I had hoped he would stay in the House forever but I could tell he was getting restless, so I said, let's go for it.

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

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

Trent does unusually well in representing his constituents in Mississippi, and in 1995, Political Media Research, Inc. took a pole of senators' constituents and asked the constituents to rate the senators. Trent came up with 75 percent positive rating, the second highest in the United States Senate.
Trent was actually born in upstate Mississippi in Grenada County. His dad was a farmer sharecropper. His mom was a school teacher. And when Trent was very young, they moved to the Mississippi Gulf Coast and his dad became a shipyard worker in Pascagoula. That’s what Trent calls home now.

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

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

(Appause.)

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

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

As you know, he took a little detour last
year, was out for awhile and it's great to see him back at this meeting and back working full steam with our state legislature.

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

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

But we're glad to have you back in this city, and I'm honored to be able to speak before you for the first time as the Majority Leader of the Senate.
I think you know that we’re trying to develop a positive atmosphere between the Republicans and the Democrats in the Senate, and hopefully in the entire Congress. We’re trying to reach across the aisle and across town to the President.

The President has been reciprocating and I think we’ve been saying the right things. Now the question is, can we get started doing the right things.

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

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

And I hope that that will carry over to our relationship with the Governors. I suspect that
it will. We have been developing, over the past three years, a new partnership, a partnership between those of us that serve in the legislature and the Executive Branch in Washington, and very importantly, those of you that serve as chief executives of your states and working with your legislatures.

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

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

Because I really do believe that we’ve got an outstanding group of Governors of both parties serving across this country. And you’re out there
where the rubber really does meet the road. You are providing real leadership in your states all across this country. You are working with the state legislatures very closely, and sometimes I know that’s a real opportunity and a challenge.

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

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

But I see good things happening in the states. Innovative leadership, aggressive leadership from the Governors working with the state legislatures, you are addressing the problems, you’re coming up with new ideas. You have not shied away
from taking a greater role and a greater leadership
in terms of some of the things that we have asked you
to do more.

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

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

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

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

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

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

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

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

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

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

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

We think, though, very strongly in a bipartisan way that a constitutional amendment requiring a balanced budget is needed and in fact is essential. We've been talking about it for 28 years. We haven't had one in 28 years. We won't have one for 32 years if we get an agreement this year to come to an agreement by the year of 2002 that we'll have a balanced budget.

Six presidents have talked about it, four Republican, two Democrats, men and women of good will had said we wanted to do it. Tom Carper and I were in the House together too. He talked about, we've talked about it, tried to do it in a bipartisan way.
We tried a lot of legislative -- I won't call them gimmicks -- but procedures to try to make sure it happened, and it still hasn't happened.

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

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

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

So if we get a Balanced Budget Amendment through the Congress, send it to you and your state legislatures, that will take some time, but just about the time that you get that process completed,
we will need that additional leverage.

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

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

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

In some states, I know that we have one of your Senators with us and one on the other side, Senator Edgar. That may be the case in your state. But it's not over yet. You may be able to have an impact, and quite often you'll have that when they are from the same party, that they may disagree within a state. But they will listen to you and we
will all sit down and take note of what the Governors have to say.

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

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

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

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

And I want to note, once again, this is ACE-FEDERAL REPORTERS, INC.
bipartisan. In the Senate, seven Democrats went on our original resolution. We have all 55 Republicans are indicating that they’re going to be for it. We’ve got seven Democrats committed and we think we will get probably at least seven more.

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

So we’ll have the keep the focus, and we will do that.

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

And that’s why just yesterday, we made it official and we put it in writing today, the Speaker
and I, working with the bipartisan leadership, have asked the President to come up and sit down with us immediately. If not Wednesday, Thursday. If not Thursday, as soon as possible, and which we can say at a meeting bipartisan, bicameral, we know where we don’t agree.

We know that we don’t agree on product liability, we know that we don’t agree yet on campaign finance reform. There are other issues where we know we disagree.

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

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

So we seem to be within the same area of
conversation. We are both focusing on the needs to provide some additional help to education. Now, again, we emphasize right up front, we understand that that is a state and local issue principally and primarily. It begins with the parents and the teachers and the administrators and the students at the local level.

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

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

Crime and drugs. We approach this problem a little differently but we think that there's an area of commonality. We recognize, first of all, that we have a major problem in America in this area. Our law enforcement officials, our local policemen,
state officials, federal officials are working to try
to deal with these problems, many of them generated
by drugs.

Can we do something more in that area?

And so we have some bills that would help to address
that question.

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

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

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

We came very close last year. It was one
of two or three major bills that I had hoped we could
complete last year, along with welfare reform and of
course health insurance reform, safe drinking water,
major parks bill. But this is one that we just
couldn't quite get across the threshold at the end of
the session.

We think this year we can maybe do that.

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

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

So we're going to work on those issues in
the next few days. We're going to try to find the
things, some of the media asked me earlier today,
well, aren't you looking for the easy ones where
maybe you can agree?
I admit it. Yes. How about doing some things together that will help the future of our people, that will help our states and will help the families and the workers and the people that need help, whether they’ve got the high paying job or the low income and disabled people.

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

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

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

And I know that you’ve been working with Administration, you like that, Governor, thank you.
Good. I'm glad I woke you up there. I did get a little response to that.

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

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

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

I know that you're concerned about the per capita cap on Medicaid. I believe you probably have done a resolution on that, or if you haven't done a resolution, you've been sending messages through the news media. And we've been seeing them go by outside.
another issue that we talked a lot about last year. I never have liked the idea of the per capita cap.

(Applause.)

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

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

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

We believe that you’re doing a good job, you’re showing real initiative. I think your policy statement that I’ve heard about is right on target,
and we’re not trying here to find a wedge between
you, the Governors, and the Administration. We’re
just saying, we hear what you’re saying.

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

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

I think we did a good job last year. And
we worked hard to stay in touch with the Governors.
Now we’re giving you the flexibility. You are
finding some savings. You are going to be able to
take those savings and use them in other places where
they are needed more.
problems. It would be very hard for us to come back and open welfare up now. As the saying goes, you open that barn door and there's a lot of horses that'll come running out of there because it was very hard to bring it to closure. But we did bring it to closure, consulting with the Governors, passed by the Congress and signed by the President.

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

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

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

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

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

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

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

So we need to encourage that percentage to come down. We need to encourage people that are here for an extended period of time to become citizens.
And I think that the prospects of us doing both of those working together are very strong.

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

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

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

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

(Laughter.)

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

(Applause.)

SENATOR LOTT: I'm looking to see who
applauds. That means you are donors and the donees
are not applauding. Is that right, Governor?

Oh, not on this particular issue?

(Laughter.)

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

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

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

Once again, just so you'll understand the
limits of the majority leaders' leadership abilities,
I said we'd take it up in March, and to which the Committee basically said, we probably won't even take it up in Committee 'til March, because it's going to take a little time.

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

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

But the main thing is to get the highway bill done, and come up with a formula while nobody will necessarily be 100 percent happy with, is fair.
And I do think it’s got to be fairer than the one that’s now on the books. And we’ll be talking about how we’ll get that done.

(Applause.)

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

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

Now I know we’ve got another speaker coming here momentarily and I want to take some questions.

I want us to continue to work with you on unfunded mandates. We made a start in that direction over the past two years, but we know that you still are learning a lot on these unfunded mandates, and we’d like for you all to give us some listing, some priorities as to where maybe we can go the next step in providing relief on the unfunded mandates.
So, Governor, let me stop at that point because I understand the Vice President may be in the area, and see if I could take a couple of questions and make sure we’re responding to questions on the Governors’ minds.

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

(Applause.)

GOVERNOR MILLER: I think Governor Glendening had a question.

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

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

And there seems to be some concern, well, gee, we open this back up what we passed last year. I’m not sure that addressing the issue separately will automatically open everything back up. I think in particular that what we have is a situation where
the national government has approved people to come
into the country and has given legal status and now
by closing off opportunities for the same partnership
that you talked about with regard to nutrition and
with seniors and medical assistance and things like
this, we may end up having all the cost either
shifted to the states or even worse, have either
seniors or young children who are here legally and
who have been sanctioned to be here and in many cases
who are even in the process of citizenship in a very
difficult circumstance.

I would hope that we could work together
and --

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

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

We also have to be sensitive to the fact
we don't want to just pass the burden to you which
you then will have to deal with.

    On the other hand, we are talking about,

you know, a substantial amount of money. We’re
talking about taking away maybe a quarter of what we
had in terms of savings in our welfare bill last
time.

    And so, you know, it is a delicate balance

there. There are some people, for instance, that
felt like some of the things we agreed to at the end
of those negotiations did not get included in the
final bill, and they would like very much to have an
opportunity to deal with that.

    I know about not wanting this burden

passed to you. But you have made your point. We
have heard it and we’re going to work with you in the
days ahead to see if there’s some way, you know,
particularly with the elderly and the disabled, that
we can deal with that problem.

    I’ll take one more question from Governor

Voinovich.

    GOVERNOR VOINOVICH: Trent, you were very

helpful to us in the passage of the unfunded mandate
release legislation, and part of that legislation, there was a request that we look at other unfunded mandates.

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

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

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

SENATOR LOTT: Well, again, we did have good work done on that two years ago. Dirk
Kempthorne was I believe the original sponsor on that. You all had a lot of input. It was a positive start. But we believe we can do a lot more and that's why the Speaker and I sent the letter to the NGA, asked that you all set up a task force to work with your states in a representative way and identify for us where you think more can be done in a way that would be helpful to the states and, for that matter, the local governments.

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

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

Thank you, Governor.

(Applause.)

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

We'll be at ease for just a second. Our next speaker has arrived and Governor Voinovich and I
are going to go escort him in.

Thank you.

(Recess.)

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

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

(Laughter.)

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

(Laughter.)

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

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

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

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

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

Something that we all have in common with you is that desire to reduce government, and no one has been more effective at it than you have at the
Ladies and gentlemen, the Vice President of the United States.

VICE PRESIDENT GORE: Thank you very much.

Thank you. Thank you very much. Thank you.

(Applause.)

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

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

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

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

I appreciate you mentioning my Administration, Governor Miller.
(Laughter.)

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

(Laughter.)

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

(Laughter.)

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

(Laughter.)

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

(Laughter.)

VICE PRESIDENT GORE: In any event, I'm
delighted to have a few moments this afternoon to speak on behalf of the President, about a handful of policy issues. We discussed quite a few this morning.

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

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

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

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

We have to work together to do right by the people that we're all obligated to serve. Voters
who have called for more responsibilities to be
shifted to the states did not do that because they
wanted to sharpen the battle lines between the
federal government and state governments. They want
us, justifiably, to get along and complement one
another’s efforts.

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

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

That freedom to innovate on your own
remains vital, even as we continue to work on
comprehensive national solutions. Of course, one salient example is welfare reform.

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

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

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

But one of the principal reasons for the reduction in the welfare rolls had to do with all of that reinvention that the states, represented around this table, undertook with the waivers that the President instructed to be given to a record number of states.
We're going to follow that process again this year as we work with Congress on the G.I. Bill for Workers, comprehensive legislation to retool and revitalize America's job training system.

Even as we put this legislation together and push for its passage, we will empower Governors to innovate on their own.

For example, today I'm pleased to announce that the Department of Labor is granting the State of Oregon a waiver from JTPA and the Wagner-Peyser Act requirements, and this waiver will allow the state to provide greater choice and opportunity for unemployed men and women seeking to use government services.

It will reduce program administration requirements and costs. It will eliminate requirements that sometimes stand in the way of a job search. And it will permit training while on the job.

If Oregon can do it better, we say, go to it.

And I spoke with Governor Kitzhaber about this again earlier today. We've been working closely
with Oregon on that whole process.

And likewise in the President’s budget, we support eliminating all together the waiver process for managed care and home-based care so that states can spend their time serving people in need, not simply satisfying federal requirements.

We need to focus on results and not process. Sometimes process is critically important as a safeguard of values that would otherwise be trampled upon. But too often, process becomes enshrined as a goal in and of itself.

And where we can focus on the results and achieve greater results without getting mired down in the process and the red tape and the bureaucracy, we need to make that shift.

Incidentally, while we’re on the subject of health care, I’m proud that this Administration is committed to repealing the Boren Amendment, which is wreaking havoc on your health care budgets.

(Applause.)

VICE PRESIDENT GORE: As Laughton Chiles pointed out this morning, it’s not even what David
Boren wrote in the first place. We’ve been trying to get rid of it for some time, as all of you have been, and I’m hopeful that we will succeed this year.

I want you to know that President Clinton and I are ready to work with you, every one of you, to meet our nation’s challenges and project our nation’s values, even when that means getting out of the way.

Believe me, this President, as a former governor, understands your concerns very well.

As I mentioned in different words this morning, you can take the President out of the state house, but you can’t take the state house out of the President.

He continually reviews all of the policy choices that come before him, not only from the perspective he has gained from serving our nation so well as President these last four years, but from the perspective he gained as a long serving governor.

The second change in context, that I alluded to at the beginning of my remarks, is similar to the first in spirit, if different in content.
live in a bipartisan time, or to put it more
accurately, a time when the rewards of bipartisanship
for our nation are as high or higher than they have
ever been.

It has become, in some ways, the central
fact of this political moment. Republicans control
Congress, Democrats hold the presidency.

That means are choices are as simple as
they are stuck. We can have bipartisanship and
progress or we can have partisanship and deadlock.

Everybody’s familiar with the basic
options involved here. If both sides assume that the
other side is going to be partisan and milk every
possible advantage out of each common challenge, then
they both anticipate the attacks and concentrate on
counterattacks and nothing gets done.

But if a sufficient level of trust is
engendered and sustained, then it becomes possible
for both sides to work together on behalf of the
American people. You see that spirit on display so
frequently in meetings of your Association.

It needs to be more commonly on display in
our nation's capital. We saw, at the end of the Congressional session last year, a great many opportunities seized by the President and the Congress, both the Republican leadership and the Democrats in the Congress who played a very constructive role in helping to frame the choices. And the result was a very positive record of bill after bill being passed and signed into law that helped our country.

You know, in Tennessee, we had one of the most colorful elections in the history of American politics years ago. And Don and I participated in the celebration of our bicentennial last year.

The race, as some of you will be interested to know, was for governor, and there were two candidates, Robert L. Taylor, a Democrat and Alfred A. Taylor, a Republican. Bob Taylor and Al Taylor were brothers, two brothers, different parties, running for governor, each the opponent of the other.

As you can imagine, this was pretty hard on the brothers and confusing for the voters. And so
to make identifying the candidates and their parties a little bit easier, Bob and his Democratic supporters wore white roses and Alf and his Republican supporters wore red roses. And it was dubbed by the historians the War of the Roses. It was called that at the time in Tennessee, and you'd be hard pressed to find a kinder, gentler political campaign.

Because early in the race, Mrs. Taylor, the mother of both these boys, sat the two of them down and made them both promise not to say anything nasty about his brother.

And so there were no character attacks, there was no mudslinging, no ads where one brother's portrait was morphed into an image of Jesse James. And so it went.

The year was 1886. Bob and Alf Taylor engaged in 41 joint debates across Tennessee during the campaign. They traveled together. And many times they shared the same railroad car and stayed in the same hotel room.

(Laughter.)
VICE PRESIDENT GORE: The flowers on their lapels may have clashed but they did as their mother asked and refrained from attacks. And it was one of the most inspiring events in Tennessee's proud history, a model to the nation of civility and respect.

And I hold out this model to you and, oh yes, the Democrats did win that election in 1886.

(Laughter.)

VICE PRESIDENT GORE: But as Don Sundquist will tell you, if I don't, not long afterwards, his brother in the red rose came back and won the governorship after that. The Taylors can indeed be a model for our country.

I'm quite serious about this as I know all of you are. We face unprecedented challenges and enormous opportunities and we have this basic choice to make. Are we going to concentrate on division and fighting or are we going to concentrate on getting things done and working together?

The American people certainly expect us to try to work together.
With that as the context, let me just briefly cite three issues where I think it’s particularly important for us to work together:

First, welfare reform. We have entered a new era. Everybody knows it. With the legislation that Congress passed and the President signed this past summer, we are beginning to break the cycle of dependency that has trapped so many good people for so long. We can begin to restore dignity, structure, and meaning to people’s lives.

We have to provide more job opportunities as we move people off of welfare. And the bill is a beginning, not an end. And President Clinton will talk about this in some greater detail tomorrow night.

Welfare reform is not a single moment in time, it is an ongoing process. And there are components of the action that was taken last year that have nothing to do with welfare or welfare reform, strictly speaking, that need to be examined carefully and the nation needs to make some changes in its overall approach.
Whether you describe it as opening up welfare reform or not is not important. What is important is that justice prevails, that the right thing be done, and we need to move forward together, and that's what we're trying to do.

For example, where legal immigrants are concerned, President Clinton has said it is just plain wrong to say to people who work here, live here legally, play taxes, even serve in the military, that if one of their children gets cancer or if a child is born with birth defects that require expensive medical attention or if their spouse is hit by a car on the way to work, that the country's not going to pay any attention to that in the way that we would for everyone else who lives here legally.

That's just not right, and it needs to be addressed, and it can be addressed without, quote, opening up welfare reform, end quote. And as the President did in the private meeting this morning, I would like to formally express gratitude to the Governors who have spoken out on this and those who have helped fashion the common statement, saying that
this issue needs to be addressed.

   I know you've worded it carefully and I understand and respect the reasons why. But the end result again, as I mentioned earlier, is what we ought to focus on, the result, not the process.

   I believe that we also have to work together to create the right incentives for businesses to create a sufficient number of new jobs for all of the people who are coming off the welfare rolls and who are looking for jobs.

   We have plans to move another one million Americans from welfare to work, so we'd like to ask for your help in passing through the Congress the tax credits included in the President's budget to work with the White House, our Reinvention Team, the Domestic Policy Council, and the others, so that we can give you the flexibilities that you will need in order to make welfare-to-work a reality.

   This morning, Governor Voinovich talked about the 600 categorical grants that exist in the federal government. Through a White House task force called "Partnership For Stronger Families," we have
been working with officials from your state
governments to identify the flexibilities that you
need. And I hope that we can count on your support
as we put these changes forward in the form of
legislation.

Let's make another initiative work also.
President Clinton and I are pushing to double the
number of empowerment zones in the nation and make a
stunning success of every single empowerment zone and
enterprise community.

I've seen with my own eyes what these
community empowerment zones can achieve. Not too
long ago, I visited the Detroit empowerment zone, and
I met a woman named Joanne Crowder. She had been on
welfare for eight years, and the entire time that she
was on welfare, she said, in her words, I felt low.
She didn't see a way out. Jobs in her neighborhood
were few and far between.

But then Detroit was named one of our
empowerment zones. A man named Vinnie Johnson, that
many of you will know as a former guard for the
Detroit Pistons, set up a factory in the zone, right
in the shadow of an abandoned Cadillac plant. The company's called Piston Packaging. That's where Joanne Crowder is working today.

She got off welfare and into a good job, not through a handout but through a hand up because government gave her the opportunity or more specifically created the incentives that enabled private enterprise to give her the opportunity. And she took responsibility.

And to hear her today describe the sharp contrast between her feelings of pride in herself and her ability to earn a living for her family and contrast that back to the way she felt during all those years she was on welfare, it is a personal story that many of you, as Governors, have heard from men and women in your states who have made that historic journey from welfare to work.

The truth is that as we achieve more success in moving people off welfare and into work, the ones who remain in welfare will represent progressively tougher challenges. Just in the nature of things, those who are easiest to place or those
who have the easiest time placing themselves will be
the ones who go into the work force first of all.

And so as we proceed, we have to redouble
our efforts to create many more jobs, a million more
Joanne Crowders making that historic transition.

Along with welfare reform, a second issue
operating in this new context is education. Here
too, many of you are taking extraordinary historic
strides.

We will try to complement your efforts by
balancing the federal budget while maintaining
investments in schools and learning.

The President will have a lot to say on
this topic tomorrow night, and he hinted at that in
the private session this morning, and I certainly
don’t want to be one of those sneak preview trailers
in movie theaters that gives away so much information
that you don’t need to go see the movie when it comes
out.

So I’ll just give you one basic fact. We
will balance the federal budget while dramatically
boosting investments in education, and the details
will be presented by the President tomorrow night.

(Applause.)

VICE PRESIDENT GORE: The proposals, as a whole, will move us much closer to our national goal; an America where every eight-year-old can read, every twelve-year-old can connect to the internet, and every eighteen-year-old can go to college, and every adult can continue to learn throughout his or her life.

And related to education is technology, which the President will also discuss tomorrow night. And I understand that just immediately after I leave, you've got a presentation on this topic, and it's one that I, along with many of you, have worked on for many years.

Because as we approach the 21st century, we need to strengthen our national science and technology system.

Building on the work of the State/Federal Technology Task Force, led by former Governors Celeste and Thornburgh, and I believe they are here today, we are ready to launch a new U.S. innovation...
partnership to coordinate federal and state efforts
to stimulate the development and use of new
technologies that can help us meet our common goals
of generating economic growth, improving our schools
and our health care and protecting the environment
better at lower cost.

And along with welfare and education,
there is a third challenge we must confront, and the
final one I'll discuss here this afternoon. To
establish the credibility to achieve all of our other
objectives we must reform our campaign finance
system.

We have got to do better, both political
parties. And there's probably no clearer example of
the maxim I cited a few moments ago about the options
we face.

If we use it as a chance to just have
conflict with one another, nothing will get done.
But if we work together on a bipartisan basis, we can
make historic changes in campaign finance reform.

With Governor Roy Romer here, let me -- I
hope you don't take this as a partisan comment, but I
do want to express pride that my own political party
has adopted a set of internal reforms which we
believe represent the first step to cleaner
campaigns, greater accountability, and tighter rules
on fundraising. And we've done that unilaterally.

I lay it down not as a provocative bitter challenge, but an invitation to say, okay, that's a good step. Others can do that too. But regardless
of whether you do or not, let's try to work together
on legally binding rules that will accomplish this result.

So in the spirit of brotherhood
exemplified by the Taylor brothers of Tennessee, I do
issue that challenge.

And I do think we've simply got to change this crazy system. It was designed and built 20 years ago, and has barely been updated since. And in the mean time, we have improved and revitalized almost every other system that guides the nation's business and government. It's like relying on a clunky 1970s era mainframe computer while everybody else is running more powerful, smaller, cheaper, desk
And that broken down operating system is frustrating both candidates and voters and is diminishing the effectiveness of government. We need an upgrade and we need it now.

And almost everyone of good will and common sense in our nation knows that now is the time for a sweeping reform. We must reform America's campaign finance system, and I would urge you to throw your support behind the bill crafted across party lines by Congressman Shays, a Republican, and Congressman Meehan, a Democrat, Senator McCain, a Republican, and Senator Feingold, a Democrat.

Well, that's where we are on this day just before the State of the Union Address. We have a new political context, real partnership and devolution, combined with real bipartisanship, if we make it real.

And that new context creates a new opportunity to achieve real progress on three of our most pressing challenges: reforming welfare and moving more people to work; creating educational
opportunity for all; and reforming our campaign
finance system.

It won’t be easy but it can be done. We
all understand the necessity of making it a reality.
Any time I doubt our capacity to change, I think
about one other thing that’s going to be happening
this week.

Later in the week, my friend, the Prime
Minister of Russia, Victor Chernomyrdin, is visiting.
His country is undergoing an enormous transformation
to free elections and free markets.

When you think about the challenges that
are being faced by Russians or by South Africans,
where they waited in line for six, eight hours under
the hot sun to vote, and then think about the way too
many of us take our blessed freedoms and privileges
as American citizens, if not for granted, too
lightly.

And so this historic chance to move
forward on the eve of the new century is a chance
that we absolutely must reach out and seize in a
bipartisan manner.
Speaking on behalf of the President, as well as myself, I would like to thank you for all of the wonderful suggestions this morning, all of the wonderful proposals that you have brought to our attention.

And pledge to you again in closing, we want to do everything we can to work closely and effectively with you for the best interests of our people.

Thank you very much.

(Applause.)

GOVERNOR MILLER: Thank you.

Again, thanks to the Vice President for being here and sharing those remarks with us.

The Vice President talked briefly about this cooperative arrangement, the U.S. Innovation Partnership announcement. I had the chance to participate in a regional meeting in Las Vegas last month and was impressed by the group of state, federal, university and private sector representatives who came together on issues that are important to the economic competitiveness of U.S.
And I would like to briefly call upon two of our members, Connecticut Governor John Rowland, and Maryland Governor Paris Glendening, the lead Governors on science and technology, to comment on this partnership that we've now reached with the federal government.

Thereafter, we will be going to our corporate fellows breakout sessions which are essentially related to your committee assignment. Governors Rowland and Glendening.

GOVERNOR ROWLAND: Thank you, Mr. Chairman.

Mr. Chairman, in the spirit --

GOVERNOR MILLER: If everybody could please be quiet on the way out, we do have some more business to take care of. Thank you.

GOVERNOR ROWLAND: Thank you, Mr. Chairman.

Mr. Chairman, in the spirit of the Vice President's five minutes of his Administration and the spirit of cooperation between both the federal
government and the NGA, we’re pleased to engage with
the President and his Administration.

We’ll be accepting the President’s
invitation to establish the U.S. Innovative
Partnership and certainly as Governors, we welcome
this opportunity to bring all the resources together,
as you said, Mr. Chairman, from universities, from
our states, from the private sector, hospitals, and
of course the federal government, to make sure that
we’ve got the best technologies available not only to
our states but to the nation.

Tomorrow morning, the Governors will adopt
a resolution establishing the U.S. Innovation
Partnership. Governor Glendening and I will be
signing the memo of understanding that will establish
the framework.

But I know from talking to Governors
throughout the last two days that we’re all very
excited about these possibilities and working
together.

We all know the importance of the
technologies and the economic impact to all of our
states.

The memo of agreement will mark a milestone for all of us. But most importantly, it'll be the spirit of the cooperation and the commitment by all the partners involved, not just the piece of paper that we sign tomorrow.

I would encourage all the Governors to look at the work that's already been accomplished, going back to last June, the Governors, their representatives and federal officials have been working together to develop an action agenda which we hope will result in a more efficient, more effective national innovation system.

And we want to thank the Vice President for his involvement and interest and the longstanding interest of having the partnership between our states and the federal government, and we look forward to working with that Administration.

I'd now like to yield to my co-leader, Governor Glendening, for a few remarks.

GOVERNOR GLENDENING: Thank you, Governor Rowland.
Let me just say we're pleased that the Administration, both the President and the Vice President, as well as the Science Advisor, have taken a specific interest in this project. And we want to thank the 16 Governors who've already joined us in support of this.

We know increasingly the strength of a country or the competitiveness of a state is going to be based on knowledge and science and education and technology. We also know that beginning back in the 1960s, when President Kennedy challenged the nation about going to the moon, and putting an unprecedented technological effort together, that this country has understood the association between investment in knowledge and technology and economic activities.

I'm also very pleased that we're making a fundamental shift here in that the proposal is that the states will be involved in the development of technological innovation, it will not just be a federal policy for innovation and technology, it'll be a national policy developed in partnership with the states, the federal government and the private
sector.

We hope that by doing so, this innovative partnership will help us build in the research and development that's going on, it will help us expand jobs and opportunities for all of our families and for all of our children.

I especially want to thank the 16 Governors who have initially agreed to participate in the partnership. Your time and your commitment is very, very valuable.

And I also thank the NGA staff for the work that they've put into this.

Somewhat interestingly, it took ten years to get this point of agreement now that the pace of science and technology is changing so rapidly, we hope that it will move much more rapidly in partnership based on the agreement that we'll sign here today or tomorrow.

Thank you.

GOVERNOR MILLER: Thank you both very much.

And I think that although we haven't had...
much time to discuss this today, this is a very
innovative and perhaps a very future-oriented
partnership that might be historic.

We will now break out into our concurrent
sessions with the corporate fellows. The Executive
Committee will be in Salon 1, the Economic
Development and Commerce Committee in Salon E, Human
Resources, Salon J, Natural Resources, Salon F.

I encourage your participation.

Tomorrow morning's plenary session at
9:15. I encourage you to be on time.

The President, as you know, today
mentioned Rob Reiner from Castle Rock Entertainment,
as well as the Carnegie Report, Dr. Hamburg who'll be
with us, and Dr. Perry, a very interesting report on
textile childhood development.

Thank you for your attention.

(Whereupon, at 3:20 p.m., Monday,
February 3, 1997, the Plenary Session of the National
Governors' Association was adjourned, to reconvene
the following day, Tuesday, February 4, 1997, at
9:15 a.m., in the same place.)
TRANSCRIPT
OF PROCEEDINGS

NATIONAL GOVERNORS' ASSOCIATION

1997 WINTER MEETING

PLENARY SESSION

Washington, D.C.

Tuesday, February 4, 1997

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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.
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
serve the people of our individual states.

Our governors only sessions have given us some of the great new ideas that have worked in various parts of the country which we all intend to plagiaries from each other.

A major focus for the best state practices this year will be the development of state programs for child development in the first three years of life. The first three years of a child’s life are critical because of the rapid changes in growth that occur. In those early years much of the basis for later learning and growth is established.

According to Map and Track, the 1996 study by the National Center for Children in Poverty, three-quarters of the states, 37, are supporting one or more state funded comprehensive program strategies that explicitly target young children and their families.

In Nevada the Baby Your Baby program provides referral services for pregnant women who are seeking prenatal care. And since it started in July of 1993 Baby Your Baby has referred over 16,000 women
to prenatal services and has contributed to a
substantial improvement in the rate of infant
mortality and low birth weight babies born in our
state.

To build on this success, I have proposed
a Family to Family program in our state of Nevada.
Family to Family will provide in hospital counseling
and support for all new babies and their families,
followed by a voluntary at home visitation to answer
the questions of new parents, promote healthy family
structures and curb the incidence of child abuse or
neglect.

But more needs to be done. Millions of
young children are not covered by health insurance,
are not fully immunized, are in inadequate child care
settings and enter school not ready to learn.

During the coming months the National
Governors' Association will focus on several
activities that promote an action agenda for states
around the importance of the first three years of a
child's development. These activities will
compliment the national early childhood public
awareness campaign, entitled "I am Your Child."

Rob Reiner is here today with his wife, Michelle Reiner, to talk more about the campaign and tell us about their contribution, a documentary that ABC will air in April to heighten public awareness.

First, let me tell you what you can expect from this Association to promote an early investment in children. I have appointed a Governors' Leadership Group on Children and it is co-chaired by Governor Voinovich of Ohio, and myself, along with a bipartisan panel, including Governors Almond, Dean, Chiles and Ridge.

With guidance from the Gubernatorial Leadership Group, the National Governors' Association Committee on Human Resources will review and, if necessary, revise our national policy on services to young children and their families.

In partnership with the Public Engagement Campaign, if I have asked each governor to identify key contacts within your state that will connect families with the young children of the state and with local resources that serve this particular
population. This list of contacts will be available
to viewers who call a toll free number shown during
public service announcements and the April ABC
television show.

NGA will also produce a media package on
young children, based on our consultation with the
governor’s press secretaries and Ellen Gilbert, from
International Creative Management and ABC’s director
of corporate initiatives, Patricia Goodrich. The
media packages will include resources for governors
to promote an investment in young children and their
families and ideas on how governors can tie into
activities surrounding the broadcast of the ABC
special.

In early March NGA will convene a group of
state and national experts to help governors assess
the current policies on young children and families
and make recommendations for state policy changes.

So with the guidance of the Gubernatorial
Leadership Group and the recommendations of these
experts, NGA will produce a resource guide of useful
information on young children and their families to
be used by all governors and their staffs. It will be distributed at the annual meeting to be held July 27th through the 30th in Las Vegas this year.

As a capstone event a national policy forum for state policy makers will promote adoption of the policy recommendations and best practices identified throughout the course of these activities.

So the information you have in front of you summarizes NGA's upcoming activities on the first three years and lists NGA's resources on children.

This morning we are very privileged to have three national experts on this issue, each in turn will give us an overview of why we should be focusing on the first three years of life.

Much of the dream of focusing on the total development of children from zero to three comes from one of the nation's most acclaimed actors, directors and producers, Rob Reiner. Mr. Reiner is an Emmy award winning actor for his role in All in the Family, a very socially provocative program -- perhaps the most socially provocative of all time.

He is the director of nearly a dozen popular movies.
that have garnered many awards and nominations. The
governors are proud to have Mr. Reiner join us today
to help us focus on our goal of assisting early
childhood development.

Mr. Rob Reiner.

(Applause.)

MR. REINER: Thank you, Governor Miller
and Governor Voinovich, for having me here.

This is truly a great moment in my life.

I’ve been on the Broadway stage, I’ve been on
commercial television, I’ve been in films, but I have
now finally arrived -- I’m on C-SPAN!

(Laughter.)

MR. REINER: So my career is now complete.

There’s a lot of reporters here that we’ll
be talking to aside from C-SPAN, and, you know, I’m
obviously -- I’ll never not be known as the guy who
was on All in the Family, the guy who played "that
part that argued with Archie." I think probably that
will be with me for the rest of my life. Maybe
tomorrow morning some of the headlines will read
"Meathead Addresses the NGA."
MR. REINER: Maybe not. Hopefully we will have moved past that.

I just want to give you a little overview of what lead me to this and why we are doing this.

If you’ve read your Time magazine there was an article. A part of an article about brain development was entitled, I think it said "Hollywood Goes Gaga" and it tried to frame my involvement and others' in show business involvement as kind of a flavor of the month, dilettante kind of thing.

Nothing could be further from the truth as far as my participation is concerned. I’ve been thinking about this for 30 years and actively working on it for the last three.

The thought process has been, like most of the people in this room, I’ve been politically active all my life and we’re all wrestling with the same problems. We’ve been wrestling with these problems as long as I’ve been an adult, which is, you know, 30-some odd years. We have all gathered together in living rooms, rooms like this and we sit down and we...
talk well into the night about how to solve society’s problems.

I can guarantee every person in this room will recognize that the answer we always come up with is education. It happens every time. Whether it’s crime, drug abuse, child abuse, teen pregnancy, welfare, homelessness; it all comes down to education.

We all look at each other and say ‘Well, that’s it. We have to devote our energies towards education.’ But the next question is what does that mean? What does that mean, education? Who do we educate? How do we educate? And in what manner do we educate? That answer has not been so easy. That has eluded us, I think, for quite a long time.

Well, we go down the road in the ’80s. I spent a lot of time in self introspection and in that self introspection I came to an immutable truth, at least to me. That was that what happened to me in my first two or three years of life shaped how I function as an adult in the outside world, the good and the bad, what I got in that first three years.
As a communicator and as a film maker what I do is figure out what is common and trustworthy and what connects to me and then I make a film that encapsulates that. If I am successful I've done something right because what my experience is touches somebody else's experience and that makes for a successful film.

So as I became successful as a film maker I started to think well, maybe this thought that I had about what happened to me in my first two or three years is not so far afield from what happens to everybody on this planet. In thinking about that I said 'Okay, now what do I do with this information? If this, in fact, is true what can I do about this?'

I started reaching out and searching. I was like a babe in the woods. I came to Washington, I called Tipper Gore up, who I had heard was interested in mental health issues, not knowing what I was going to do with it. I met with her, I met with some members of the Department of Education. At the time -- this was about three years ago -- they presented me with their Goals 2000.
The first goal, as you all know, is every child must enter school with a readiness to learn. I looked at that and said 'Well, it seems to me if you can meet that goal all these other goals will take care of themselves.'

Well, how does a child enter school with a readiness to learn? Well, I believe a child enters school with a readiness to learn if his mind is unencumbered by emotional disorders caused by physical abuse or neglect or any number of issues. It could be physical; it could be lack of nutrition. These are things that keep children not ready to learn. So now we have to address that. We can look at it from an education standpoint, we can look at it from a lot of perspectives, but it validated what I was thinking.

I then convened a group of people at my house, people from the Governor’s office in Vermont, from the Vice President’s office, Mayor Riordan, a number of educators, some scientists. We all sat around and talked about this. This was about three years ago.
I realized at that time there is no stomach for federally funded programs, and even if there were it’s not the right way to go. We know that each community has its own needs, there is no one size fits all program that works. We have to address this on a local level.

But first and foremost, we have to educate people because people don’t understand. They can not make the nexus between zero to three and what happens to a child in those three years in terms of crime, drug abuse, child abuse, teen pregnancy, welfare, homelessness and a variety of other social ills. We have to educate the people so that they know there is a direct nexus -- not only a direct nexus but the critical time period in order to reduce some of these societal ills.

So I say to myself 'What do I do?' I put on a show. That’s what I know how to do. I can communicate with people. You are policy makers and sometimes you need some help to educate people in order for you to make effective policy. Well, what I can do is put on a show.
So I went to ABC and I said 'Let me have an hour.' I went to a fellow named Ted Harbick -- who is no longer there -- but I knew he was interested in children and I knew that ABC had an initiative to reach out to children. I went to him and I said 'Give me an hour and I will put on a show that focuses on early childhood development and the needs of young children. And I’ll get you some stars so that people will tune in. It won’t be a dry documentary, it will be entertaining and it will be something that people want to watch.'

I then started realizing that it’s one thing to put on a show but if we don’t have things to follow up, if we don’t have outreach and if we don’t have a public engagement campaign that show maybe goes into the ether.

I was concerned because initially we were going to put on that show in September of last year and I think it might have gone into the ether had we not had some help from Time magazine last week. And we’re going to have a lot of help in the next couple of months to raise the profile of this so that when
the show airs we'll hit the ground running and we'll provide you with tools that you can use to start raising awareness and also creating the programs that we need to focus on early childhood development.

Okay. So the centerpiece of this campaign is the show. And I'll get to the show and what it is in a second but to let you know, there are many other components. IBM has donated some money to us -- given some money to us for a CD-ROM that will deal with parenting issues. Johnson & Johnson has given us money for a video.

Newsweek magazine has devoted an entire special issue that will hit the stands the week that the show airs and will be on the stands for three or four months afterwards. Good Morning America has given us a week of promotion before the show airs and the day of the show we're talking about doing an entire show that morning on it.

I've talked with the President, he's agreed with the First Lady to host some kind of national conference that will hopefully -- you'll be hearing about that tonight in the State of the Union.
which will be brought together some time in April.

We’re going to need your help. We’re going to need governors, we’re going to need members of Congress from both sides of the aisle, both houses. We’re going to need the scientists, we’re going to need the business leaders to come in. It’s going to be a partnership.

You hear that word thrown around all the time but, in fact, the only way this is going to work is if there is a partnership between the federal government, state government, local communities and the business world and the foundation world.

I’ve been very fortunate in making relationships with the Carnegie Institute, with the Heinz Foundation and with AT&T, and a number of other foundations to help us in this effort.

The Starting Points report that came out a couple of years ago was a validation for me. I had not read it before I put all this in motion but as I read it it validated everything I was thinking and it gave me the impetus to go forward.

Let me tell you a little bit about the ACE-FEDERAL REPORTERS, INC.
show so you get an idea of that. Then I will
introduce, first, Bruce Perry, who is a
neurobiologist from the School of Medicine at Baylor,
and David Hamburg, whom you know is head of the
Carnegie Institute, to talk about brain development
and the effects on public policy.

The show is going to be a one hour prime
time special. It’s going to air April 28th, Monday
night, at 8:00. It’s a very good time slot for us
because the night before they’re going to premier
Forrest Gump, the first time that will be on network
television, and Tom Hanks, who is hosting our
special, as you know, stars in that. It will be a
good opportunity for us to promote the show.

Tom Hanks, as I said, will be hosting.

I’m going to take this piece of paper out because
there’s a lot of people involved and they’re very big
and they’re very famous and if I leave them out
they’ll get mad at me -- and since I’m well over 40 I
probably will forget some of them.

We’ve got Arnold Swartzenegger, Robin
Williams, Billy Crystal, Rosie O’Donnell, Shaquille
O’Neil, General Colin Powell, Carl Reiner and Mel Brooks resurrecting the 2000 year old man for people who are fans of that. The President and the First Lady will appear, and a number of other guests.

The form that the show will take is we are going to highlight a community in Virginia, Hampton, Virginia. It’s a community of about 200,000 people that have put into practice a number of early childhood development programs that are working. We will examine those and three particular stories that have come out of Hampton that all exemplify how a community can pull together over this issue.

What we like about Hampton is that the whole community has rallied around it as not only a way of improving the social status of the community but also the economic status as well. This was a community at risk, a mayor who was facing financial collapse.

The thought of building another prison, refurbishing another prison -- he realized, you know, we’re developing, as we know, a permanent underclass. We have to reverse that. We can’t have prisons being
a growth industry in this country. It's just not acceptable.

To that end, he decided to bring together community leaders. He brought scientists and specialists together to create programs designed to help empower parents with their children at a very early age. He brought the banks, the hospitals, the schools, the libraries, the churches, all have rallied around this issue as a way of focusing in on it.

We will spotlight Hampton but we will also have a lot of fun in the show. There will be a lot of comedy with our celebrities. We're going to be doing a thing called "Things you might not know about early childhood development" in which these things -- we'll be telling you things and we'll be doing it in a very funny way. I'm not going to tell you now because you'll see the show and you'll laugh.

Then there's going to be a public policy part of it at the end, a call for public policy in which we will hopefully -- I talked to Governor Hunt about this, and possibly Governor Voinovich will come
out and talk about what's needed on the state level.

From this we'll also have an 800 number that AT&T is providing in which we'll disseminate some fulfillment materials, most asked questions by parents and also a directory of services that exist in the states currently. There are a lot of states that are doing a lot of very good things.

As we said, Governor Voinovich, from Ohio, and Governor Hunt, from North Carolina; Governor Chiles has got some great programs down in Florida. And Governor Roy Romer is doing a great job in Colorado.

One of the programs that we're going to talk about and highlight is David Olds's program -- which started in Elmira, New York if you know about it. It's about 20 years old -- which is a very good longitudinal study that is going to be coming out along with a study of other cost effective programs.

We have hired the Rand Corporation to do a cost benefit analysis of the programs that are working, and there are a few. There are many that don't work but there are a number that do, and work
very effectively to the point where there is a real reduction in crime, a real reduction in teen pregnancy. This is all going to be savings to you.

We have the science. The science is in place, now we've got to get the economics in place. I've got a graph I just want to show to get you thinking about this in a certain way.

We now know through science that the first three years of life is the most critical time period. It is the time period when the brain develops at a greater rate than at any time during the course of a person's life.

As you can see, the red line up there charts the brain development and the growth of a person from zero to 18. Now, the fact is if you played that line out it would still be a flat line from 18 until the time you die.

Actually, it would dip down a little bit because the brain atrophies a little bit as you get older. But by age 10 your brain is cooked and there's nothing much you can do.

There's more cognitive things that you can
get, there's more information that can get in and you can process that information but in terms of growth and development the brain pretty much stops about age 10. But as you'll see, from zero to three is when the lion's share of that growth occurs. Bruce Perry is going to talk about that and we're going to put something on the show that's very, very dramatic.

Then you see that blue line is expenditures, public expenditures on that time period. As you can see, the first three years of life virtually no public money is spent during that time period.

So what we're seeing now is that during the greatest time of opportunity and the greatest time of risk the least resources are being put. It seems pretty silly. We're not getting the bang for our buck, and if we want to start turning things around we've got to restart.

We've got to rethink this and we all have to have a mind set if we're going to do the job. We've got to look at policy through the prism of zero to three because it will affect everything. Science
is telling us this.

We will be fools if we don’t start addressing this now. It doesn’t mean abandoning programs we have now. There is still help needed and there has been help needed all along. But if we want to reduce the burden of those programs, crime, health care, all the things we talked about, we’ve got to make an investment in the first three years. It’s absolutely critical.

One of the things we’re going to show on the show is we’re going to put up two brains -- I think Dr. Perry is going to show this in his talk. Those two brains will be a perfectly formed brain and a brain that’s about two-thirds the size of the first brain -- all the gray matter is filled in; the other brain has got big, black crevices through it.

He shows this to neurosurgeons and neurotechnicians and he says 'What do you make of these two brains?' As we know, the brain grows to 90 percent of its adult size by age three so they look at these two brains and they say 'Well, this is a normal brain over here and this brain is the brain of
a person who has Alzheimer's disease.'

And he says 'No, no. These are both brains of three year olds. This is a brain of a person who has been nurtured and properly taken care of and this is a brain of a person who has been subjected to either child abuse or neglect.' That brain does not grow beyond that point and those black crevices don't get filled in. The window of opportunity shuts and we -- essentially the child is not lost forever, we're not saying that, but to recapture that child and to rehabilitate -- and we all know what that is in terms of delinquency and drop out rates and all of that -- is incredibly expensive.

What's not expensive is to do what we're talking about. I mean, there is cost involved but the benefits far outweigh the costs. So we're going to show that.

This this is all what we're doing. We need your help. We need you to start thinking differently. You guys have been solving problems your whole lives.
and legislatures your whole lives. But we can start
turning things around if we start focusing on the
most important first three years.

Thanks for having me. I’m going to turn
it over to Bruce Perry, who is going to tell you
about what goes on in the brain in those first three
years and, very specifically, about the fact that
there are neurobiological things that occur. It’s not
-- well, he’ll tell you better than I am. He’s more
eloquent and he’s better schooled than I am in that.

Thank you very much.

(Applause.)

DR. PERRY: Hi, my name is Bruce Perry. I
am a developmental neurobiologist and a child and
adolescent psychiatrist.

Those of you who are too close may want to
move back. You’re safe back there. I can’t read
your minds that far away.

I have eight minutes to talk to you about
brain development in a way that will make you want to
go out and spend more time learning about brain
development.
The reason that I am very, very happy to be here is that I think that if you learn a little bit about brain development you will be able to take the current resources you have, use them in a more focal way and have much healthier communities because you have much healthier children and families.

Now, that sounds like a wonderful thing but I hope that if you take the time to read this one page paper that we put together for another purpose you’ll see that that actually is something that makes a lot of sense.

I hesitate to put government and brain in the same sentence but I think that it’s extremely important that government understands what the brain is, how it works, how it grows. It is, after all, the brain that allows us to think, to walk, to talk, to feel, to love, to laugh, to be happy, to argue with each other, to come up with all those elaborate things you guys come up to raise money with. It’s your brain that allows you to do that. Our brain allows us to be humans.
brain which allow us to be connected to each other, which allow us to create. But there are also properties of the brain which can allow us to hate and to kill and to stalk and to rape. Those properties don’t come from genetics. There is no biogenetic code to create a murderer. There is no biogenetic code to create a Michelangelo.

Genetics is clearly very important in the way we function but the experiences that determine whether or not you are going to be creative and contribute or be impaired and consume come from childhood. And not just all of childhood. All experience doesn’t have equal value.

The rate of change in the human brain in infancy and the mailability, the ability of the brain to soak in new information and organize itself in the infant is 10,000 times more powerful than it is in a 50 year old person. It’s easily 1,000 times more powerful than it is than when somebody is 15. That’s why all of you who have tried to work in the juvenile justice system or with adolescents who have problems with teenage pregnancy or problems with
academics or problems with all of these social ills
that we have to focus on, realize that it takes a
thousand man hours of service to reverse three hours
of bad early life experience.

Now, that sounds completely crazy but the
fact is that’s the way the brain works. The brain at
birth is undeveloped and what makes it organize in a
healthy, flexible fashion is healthy, flexible
experience.

Let me take a moment and talk a little bit
about the brain in abstract. The brain isn’t just
one big blob that does all these things, it has
different components. It has different parts that do
different things. Each one of these parts has a set
of connections with other parts of the brain and when
you have a healthy brain they all work together in an
integrated fashion.

But at birth you don’t have the ability to
walk, you don’t have the ability to talk, you don’t
have the ability to think. Only the lowest, most
primitive part of the brain, the part of the brain
that controls heart rate and blood pressure, has been
organized.

It is through consistent, predictable
nurturing experience that the capability to regulate
sleep and appetite gets built in in the first six
weeks, then that part of the brain, because the brain
stem is healthy -- I'm sorry. I used a word like
that. I'm sorry. Forget that. Don't be afraid.
That word will not hurt you.

The lower parts of the brain that regulate
these more primitive functions really are the
foundation upon which all other parts of the brain
must develop. That foundation, the foundational
organization of the human brain is in place by age
three.

So that in order for you to remedy
something that happened, that malorganized at two or
at one, you have to literally deconstruct -- you have
to deorganize. Imagine what it would be like if
you'd built a house where there's a wonderful
foundation and a wonderful frame and you put in the
wiring and put in the plumbing and put in the carpets
and put in the furniture and did all that stuff, and
then somebody came by and said 'You know what? I really want to change the plastic plumbing to lead plumbing.' You would have to deconstruct the whole house. It would be much more expensive than if you had up front said 'You know what? Let’s put in the right plumbing when we’re organizing and building this house.'

Now, this has profound implications for all other things we were talking about this whole week -- welfare, education, substance abuse problems, violence. All of these things are dramatically impacted by the foundational organization of the brain. And we can create consistent, predictable nurturing structured experiences that build in a healthy foundation or we can have inconsistent, unpredictable, chaotic and terrorizing experiences which build in a disorganized, non-empathic brain.

Let me take one moment to just describe a little bit about how that can happen.

Most of us don’t think about it this way, but at birth even though the infant is now physically separate the infant is biologically linked to other
human beings to the primary care giver, biologically linked. When the mother looks in the eyes of the infant and touches the infant there are biological things that happen in the brain and those biological things that happen allow the brain to grow in a healthy way. So if a child is touched and looked at while it’s fed and hummed to and rocked, that combination of sensory experience helps organize the brain in a healthy way.

And just as there are parts of our brain that allow us to think and there are parts of our brains that allow us to feel attached to other people, if you do not get that appropriate combination of early life touch and gaze into your eyes at the right time the part of your brain that will allow you to be empathic, to be a good citizen, undevelops. It is, unfortunately, in many cases of profound emotional neglect irretrievably lost.

Most of you I think can recall the visual images of the Romanian orphans. Remember those images? Those kids are not genetically that way. The reason that they are that way, the reason that
they are physically small and that they rock and that
they can't form appropriate relationships is because
part of their brain is physically different by virtue
of not having critical organizing experiences.

No matter what you do -- you could bring
in every tutor, you could send them to the best
schools in the world, you could intervene out the
wazoo -- these kids have some of their potential
irretrievably lost.

We do this to our kids in this country all
the time. We don't do it on purpose, but there are
children right now who are being born today who not
by virtue of their genetics but by virtue of the fact
that they will get neglected, that they will not hear
a lot of conversation, that they will not be touched
in a certain way, that they will not have consistent
times to go to sleep, that they will not have
consistent response when they cry -- these kids will
have impulsive, disorganized brains.

And when they get to be five and six and
we put them in school is it any surprise that they're
going to have attention problems or is it any
surprise that they are going to be behaviorally
impulsive and more likely to be aggressive?

Is it any surprise then that this failure
to be able to take advantage of public education
leads to self esteem problems and then leads to
primitive, immature problem solving that’s violent by
nature?

None of this is a surprise. Sometimes I
feel like I’m a politician out on the stump who has a
one issue campaign. But no matter what question
anybody asks me about I say ‘Well, you know, it’s the
brain, stupid.’

(Laughter.)

DR. PERRY: You could ask me about
substance abuse and I’ll tell you we can relate that
right back to early life experiences and brain
development. You can ask me about adolescent
violence and I’ll say ‘Hey, we can link that right
back to early life experience and brain development.’
You can ask me about an economic issue about the loss
of taxpayers in the inner city. You can link that
right back to early life experiences and the
deterioration of communities and the lack of appropriate caregivers to step in when the mom has to go to work.

You can link this to violence. You can link this to creativity. Now, see, we’re focusing on a lot of the bad things but I would like you to keep in mind that in the same way that you can provide experiences that make the brain undevelop and have impairments there are also unrealized potentials.

We can take children who aren’t going to be abused, who aren’t going to be neglected and provide enrichment experiences that will make them even more socially connected, even brighter, even more creative, even more empathic. We can shift the entire curve by refocusing on the development of children.

And if we do shift the curve not only will we be decreasing the burden on society from all of these ills but we will be increasing the productivity and the greatness of society by more creativity, more creation and the capacity to do new great things.

Now, I’m just a shrink. I can’t tell you...
exactly how to do this. I can tell you the concepts and I can tell you the principles but you all have to go back and figure out how to translate that into policy.

I would like to say that there are a lot of people in my field, and there are a lot of people that have been put together in collaboration with what’s going on the Carnegie and with what Rob is doing who are willing to participate in this process. We have to work together to find these answers. We can no longer have compartmentalization of information and expertise in our culture. We have to learn how to manage the information we have and rapidly use it in a way that helps our societies.

We are in a resource diminishing situation, not just in the United States. This has profound implications for what happens in other countries. Our capacity to engage in foreign trade and engage in foreign policy is dramatically influenced by the way they raise their kids.

If any of you have any questions about this I will talk about it some more, and I’d be happy
to talk about it. Those of you who are interested in
some of this stuff you can go ahead and contact us or
contact people through the other information that was
provided.

There are so many more things that I would
like to say.

MR. REINER: Talk about disease and brain
food.

DR. PERRY: Well, here, let me just try.

Rob wants me to emphasize these two points so I will.

(Laughter.)

DR. PERRY: Literally these early life
experiences are nutritional. We don’t think of touch
and of eye contact and these other things as
nutritional but they literally are nutritional.

In order for the baby to appropriately use
the calories that it eats there has to be a release
of certain hormones. In order to get those hormones
to be released there has to be certain kinds of
sensory stimulation. And in order to get that
sensory stimulation there has to be a certain pattern
of touch and eye contact and sound that makes the
brain release the stuff. It’s nutritional.
Experience grows the brain. It organizes and grows healthy brains.

Was that good?

(Laughter.)

Now, the other thing is when you’re trying to communicate these concepts --

MR. REINER: I’m a director. I can’t help this.

(Laughter.)

MR. REINER: I take good direction.

One of the things that’s been very frustrating for me in my field is that it’s difficult -- I mean, if it’s hard for you all to grasp this, one of the things that’s hard to communicate is that these are urgent public health issues. If there was a visible manifestation of the physical damage that went with abuse and neglect there would be a tremendous public outcry. But because these things are not visible and frequently don’t manifest in ways that are linked to childhood until someone is 10, 11, 12, 13 there’s no connection between the two.
We see children every day who have unrealized potential, not just because of the mental health issues -- because I'm a mental health provider -- but we see kids in regular classrooms. We see kids from my own family, unrealized potential because we don't know this stuff and we don't think about these things in the way that we should.

I think if there was a virus -- literally, if there was a virus that caused 5,000 children a year to be impulsive, aggressive, act out, fail in school and be permanently intellectually impaired do you think that there would be a public health outcry? Absolutely. But we're doing that. This is what's happening. It's not a virus but it is equally physical. It's an equally physical phenomenon that deserves aggressive public health attention.

Is that okay?

MR. REINER: That's it.

DR. PERRY: Cut.

(Laughter.)

(Applause.)

GOVERNOR MILLER: One of the most
informative studies, as they do in many other circumstances, was performed by the Carnegie Corporation and Dr. David Hamburg, president of the Carnegie Corporation is also going to give us some insight into this topic.

(Applause.)

DR. HAMBURG: Thank you very much. I'm delighted to be back here among old friends. I had the privilege of addressing you two years ago, shortly after the Starting Points report came out, and I think some very good things have happened since then, largely thanks to the broadening base and deepening knowledge of the governors.

It's been our privilege at Carnegie to work with the NGA over a period of years, and I must say I don't see any more dynamic focus in any field in our country than the leadership provided by the governors.

What Carnegie has been trying to do over the past 15 years is to foster a very broad examination of growing up in America under the radically transformed circumstances of contemporary
life, the huge changes in our families and our communities. We've been asking what can science tell us over a broad range of biological and behavioral sciences?

What can science tell us about the main problems, opportunities, policies and practices needed to essentially increase the chance of having kids grow up healthy and vigorous, inquiring and problem solving, decent and constructive? And what could be more worthwhile than that sort of aspiration?

In Starting Points we started at the beginning -- although I should say our whole developmental strategy has gone from conception through adolescence and it's all important. But it would take a Kremlin-type three hour speech to get to the importance of the entire span of childhood and adolescence. So let's zero in, as we have under the great directorship of Rob Reiner, on zero to three.

We've just had a glimpse of the majesty of brain development in the earliest years. How can we protect that marvelous brain from lasting injury?
Or, more broadly, what are the essential requirements for healthy child development in the zero to three span?

During those early years of growth and development children need dependable -- and I emphasize dependable -- nurturance, not revolving door caregivers. They need attachment, protection, guidance, stimulation and the basic elements of learning to cope with adversity.

Infants in particular need dependable caregivers who can promote secure attachment, the first really significant human relationship that provides a fundamental underpinning for decent human relationships throughout the child's life. The Starting Points addressed these needs. It had four main thrusts in its recommendations, which I will state very briefly.

The first was preparation for responsible and competent parenthood. Preparation for parenthood in many different ways, all the way from education in the life sciences in junior high school to pervasive opportunities for substantial parent education --
parent education folded into prenatal care, folded
into primary health care, folded into child care
centers or into Head Start.

Rob Reiner, among other things, is making
a video for new parents which could be exceedingly
helpful. People see this ABC special, get
interested, find out what else they can do, and the
video for new parents could be in many different
settings, in principle in every community across the
country.

The second main thrust of Starting Points
was health care -- comprehensive, prenatal and
primary health care. By comprehensive I mean, first
of all, early contact for prenatal health care and
concomitant educational and social services. In
other words, the core medical response which is
essential, indeed vital, for survival but also
education at a very teachable moment in the life of
young parents -- you fathers as well as young mothers
-- about what it means to be a parent, about how to
take care of yourself and your baby and even to think
ahead of what are your options in the rest of your
life. So that educational component to be built in
is exceedingly important.

Of course, not to be done by obstetricians
or even primary care physicians -- although they have
some responsibility -- but by some conjunction of
physicians, nurses, teachers and people who can
deliver appropriate social services, which are
especially important in poor communities. And all
that in a determined outreach to make prenatal care
available early, first trimester, and accessible to
all.

There is no simple intervention that can
make a bigger difference in terms of protecting this
brain and shaping the growing connections in a
constructive way than having an effective,
comprehensive, early accessible prenatal care.

Similar considerations apply to perinatal
care and primary health care in the first couple of
years of life but it's the same principles that are
involved.

Third: we addressed child care. For
example, we emphasized training to strengthen the
quality of child care; to get wider use at earlier
stages of the Head Start model that combines strong
parental involvement with disease prevention and
stimulation of cognitive functions as well as social
skills.

Fourth: to implement all of the first
three we recommended a variety of approaches to
community mobilization -- family/child resource
centers; the state and local councils for
intersectoral cooperation to assess specific needs
and formulate ways of meeting the needs; service
integration at accessible sites; business
participation locally; media participation locally;
participation of key professionals in every
community, especially health and education
professionals.

Now, I think that is one point where the
power of the governors is unsurpassed -- the
convening power, the informing functions, the
inspiration, eliciting cooperation across different
sectors, bringing some modest but significant
economic incentives to bear. The governors can do
probably more than anybody to bring us together for
our children and thereby for our future.

Evidently the Starting Points report
touched a nerve because when it came out in 1994 it
had extraordinary news coverage. Never has anybody
in the field of children, youth and families been
able to recall a report that had such extensive, such
constructive and largely accurate coverage. In an
age of cynicism there was no cynicism to speak of in
response to this report.

So it gives us a basis for hope. This
hope can be brought to fulfillment by the impressive
impact made possible by the brilliant leadership of
our director this morning, Rob Reiner.

The governors are in a strong position to
take advantage of the unique public engagement
campaign that you heard about this morning. For
example, in town halls or other convening throughout
the state focusing on zero to three the materials
from this campaign can be helpful. Local people and
local resources can be very helpful.

Examples of excellent innovations and
services within your own state: involve gifted,
dedicated people on the firing line with young
children and their families in your own state.

Bringing different sectors together. For example,
encouraging the formation of community councils for
young children. We have had occasion to be rather
deeply engaged with Governor Hunt as he’s done that
at the county level in North Carolina, and similar
things are going on in other states.

You can tap into the scientific community
and medical institutions in your own state and ask,
in effect, what is current and choice in this state
with respect to our youngest children? How are we
shaping these brains in that crucially formative
moment? Are we lighting up those brains in ways that
can illuminate the path to a decent future?

Governors can also foster continuing media
interest in each state. No one special -- however
brilliant, no one set of media initiatives over a
short time frame can do much more than to stimulate
nationwide interest. And then what? There’s a lot
to follow over years to come and governors can do a
lot to keep the local media stimulated to focus on this crucially formative time. Public understanding is vital.

There is to some extent a constituency preventing damage to children. A constituency for promoting healthy development of the earliest years, but that constituency can grow. It has to grow.

Public understanding of what? First, to get the facts straight based on science to the extent possible. Then what each family can do and then what each community can do.

We've had further reason for hope in the past couple of years since I last spoke to you by a follow up to Starting Points, a state and community partnership initiative. We made grants around the country, led by two wonderful staff members, Michael Levine and Vivian Stewart -- both of whom are here today -- working with the NGA and others. We now have grants in 10 states. 10 statewide initiatives, that is to say, and six major cities as well.

All I can say at the moment under time constraints -- I don't want the director to jerk me
off the stage -- is that there is inspiring

ingenuity, dedication and skill in public/private

partnerships in these various states and major
cities. There are different combinations for these
partnerships -- state, local, federal, government and
the private sector. Both the for profit and the non-
profit parts of the private sector are important.

We have tried to foster the pooling of
information and ideas among the states to strengthen
knowledge and skill for our common problems across
state boundaries and to take advantage of emerging
opportunities.

There are so many outstanding examples,
it's undoubtedly a mistake to mention any but just
from my own experience or firsthand knowledge I would
call attention among current governors to Governor
Romer in Colorado, Governor Voinovich in Ohio,
Governor Hunt in North Carolina, Governor Chiles in
Florida, Governor Karlson in Minnesota, Governor Dean
in Vermont, Governor Ridge in Pennsylvania, Governor
Whitman in New Jersey.

I know I should have mentioned others but,
in any case, it seems to me there's a broadening and
deepening of the leadership that is extremely
important here.

By the way, in generating these Starting
Points reports we had the brilliant service of two
former governors at the time, Governor Reilly, who
was the first chairman, and Governor Tom Kane, who's
been involved in almost everything Carnegie has done
over the 15 years of the developmental strategy
efforts.

But in any case, we have a new report out,
three through ten. It's called Years of Promise. As
it looks at ages three and four in particular -- by
the way, Years of Promise was spearheaded by Admiral
James Watkins, known to many of you, and Dr. Shirley
Malcom. Governor Roy Romer was a member of that task
force.

In Years of Promise one of the conclusions
reached is that we have to begin thinking seriously
when we look at preschool education, at quality child
care and preschool education. We have to think
about a public commitment roughly similar to the
public commitment we've made to elementary schools, secondary schools and higher education in this country. Again, it means public/private partnership.

It does not mean a massive federal system but it means broadly a public spirited commitment to the significance of preschool education in the very early years.

Both this report and Starting Points converge here. In my judgment, this frontier in education and health of our youngest children constitutes a great leadership opportunity for the governors, not only in public policy but also in the bully pulpit functions of your high office so that the American people can truly understand what is at stake and what we can do together for the future of our unique country.

Thank you.

(Applause.)

GOVERNOR MILLER: I wouldn't be surprised if many of you, like myself, was just reexamining the first three years of the lives of each of my three children, trying to see where we went right and where
we went wrong.

We have a real opportunity here through early attention to create a scenario of ultimate prevention of many of the problems that we unfortunately have to focus on in the course of these meetings.

Our guests have agreed to take a couple of questions. We’ll start with Governor Carper.

GOVERNOR CARPER: First of all, heartfelt thanks to each of you. I speak not only as the governor of Delaware, but also as the father of two boys who are six and eight years of age. Having become a father rather late in life, I’ve always been struck by how they have been from the very first days of their life just little sponges. They’re soaking up so much. We’ve read to them literally from the first week that they were born and tried to do the kinds of things that you’ve talked about, I hope with some success.

The policies that we’ve put in place in our state reflect our experiences as parents, from my wife and myself and with great support from our
They include when people walk out of a hospital with a newborn baby they walk out with something about this size, it's really a five year calendar or portfolio that says "Helpful Tips for Nurturing Your Baby's Intellect," "Nurturing Your Baby Physically," nutritional tips, immunization schedules, helpful phone numbers to have.

The idea is for people to go home and put it on their refrigerators and every couple of months turn over a page. First and second month, turn over a page; third and fourth month, and so forth up to the age of five.

We provide in home visits, follow up visits for everybody who wants to have someone come to their home within 72 hours after the birth of a baby. Physical for mom, physical for the baby. Who is at risk? How can we bring resources to the children who appear to be most at risk?

We've taken a program from Missouri, Governor Carnahan's state. We've taken statewide up to three years of in home teachers by parenting training. We've made parenting training a
requirement for eligibility for welfare in our state.

We’re trying to introduce it into our prisons.

Those are just some of the things we’re trying to do. I have learned that not everybody who takes that five year calendar or portfolio home -- I call it the Cliff’s Notes of Parenting Training. But not everybody who takes those Cliff’s Notes of Parenting Training home uses them. A lot of us learn as much by video these days as by anything else.

One of our speakers mentioned the idea that you’re creating a video that might be used for parenting. I’m thinking not only should we send that five year calendar or portfolio home from the hospital but wouldn’t it be great if we could send a video as well.

If we could use that video in our Parents As Teachers program, if we could use it in our parenting classes for welfare recipients, if we could use it in our prison programs for parenting training.

I hope it’s good. My guess it will be. I hope it that it’s something that we might be able to use and afford to use in a wide variety of applications in
our state, and perhaps in others.

MR. REINER: We’re hoping to distribute not only the video but the CD-ROM that we’re also creating to hospitals, clinics, libraries, schools all around the country. Hopefully you can be helpful to us in talking with our distribution wing to say what kind of needs you’ll have and where you feel these materials should be targeted. We’ll be prepared to do it. We’re going to produce them on a mass level. So whether it’s the video or the CD-ROM or whatever you feel would be appropriate.

GOVERNOR CARPER: We have got a little state with about 700,000 people. 10,000 babies are born in our state every year. The thought that comes to my mind is when every one of them goes home from the hospital to make sure their parents take with them perhaps the video that you’re talking about.

MR. REINER: Great.

GOVERNOR MILLER: Governor Romer.

GOVERNOR ROMER: This is an idea that’s been stirring in my mind sometimes. I’m a little hesitant to mention it because it’s a radical one but
maybe some variation would work.

There's a connection between the prison population and the absence of the proper kind of stimulation when you're very young. As we think about what stimulates the brain books and creative toys are one of the two best things you can do for the early child idea.

Could we suggest that we take one-quarter percent of all of our prison budgets and set it aside for the prisoners themselves over a period of time to create creative reading material and toys for that percent of our population that is underprivileged, that can't get access to it? The connection is you not only provide a product but you do a great connection educationally for the public to say 'That's what happens when it doesn't occur.'

MR. REINER: That's a great idea. The fact of the matter is everybody in this room knows -- I mean, you can't meet a person who is in jail for a violent crime who was not either sexually, physically abused or neglected in the first three years of life. There is not one of them that does not have some
horror story in their past. So I think it’s a great idea.

I actually got a letter recently from somebody in prison who basically was trying to reach out -- didn’t know how to do it -- but was trying to reach out in a way saying ‘This is what happened to me. What can I do to help people not be in the position that I’m in?’ I think that’s a great idea.

GOVERNOR MILLER: Governor Hunt?

GOVERNOR HUNT: Mr. Chairman, I’m thinking about how we really mobilize our states to respond to this. It strikes me that that chart is powerful. We need everybody to see that chart and think about it. We were talking about this in the Human Resources Committee the day before yesterday. If you’re going to get resources to do this thing right in those early years you’re going to be getting resources that the public school people want and the university people want and the prison people want, and all the rest.

I want to tell you, I’m right in the middle of it. I’ve been trying to get this money,
and many of us have -- and I mean in big blocks --
for four years in North Carolina and it is tough to
do. But if people understand what we have heard this
morning I think they'll be behind us.

I just had a little idea. I think, Rob,
what you all are doing is just wonderful. When you
get that out there on public television and all the
folks involved that you're going to have involved,
that is going to help us immensely because it's going
to go right down into the minds and the hearts of
average folks who elect us and who vote.

But I was just thinking also maybe there's
a special thing each of us could do in each of our
states. Most all of us have a medical school at one
of our universities, and some of us have several.
Suppose the deans of the medical schools -- maybe
along with some other folks, but particularly them --
had a statewide conference to bring the results of
this brain research on children to our people's
attention.

If they did it right -- for example, in
North Carolina if the University of North Carolina
and Duke University and Wake Forest all got together and put on a big conference -- and they've got the resources to do it -- I think about everybody in our state would hear about this and start thinking about this, particularly if it came along about the time -- when is your show going to be on ABC, Rob?

MR. REINER: It's going to air April 28th.

GOVERNOR HUNT: If it came about that time, you know, and we were talking about it -- our people talking about our state, our experiences -- I think that might be something all of us could do. And I think our university people would be willing to do it.

I just suggest that as something we might go home and really get going, Mr. Chairman.

GOVERNOR MILLER: I think certainly our task force can review that. It might be a very good idea.

Governor Voinovich?

GOVERNOR VOINOVICH: I'd like to build on something that Jim has said.

I think one of our biggest problems is to
convince the superintendents of our public
instruction in our respective states and our school
superintendents on the local level about how
important this is.

As many of you know, we made a very early
commitment to Head Start in the state of Ohio. By
the end of '98 every eligible child in our state
who's parents want them to be will be in a preschool
program.

Initially when we got started with this we
encountered a great deal of flak from the regular
education community who didn't want to count early
childhood education as part of the education formula.
Part of it driven because they looked at it as
threatening in terms of taking resources away from K-
12.

I think with this new information we need
to get back and work with those individuals to
convince them as to how important this early
childhood is to the education system. And we may
even have to look at maybe reorganizing the way that
we provide this education because in most states it's
ad hoc of the regular education system. In some
instances that's really good, in some instances it's
not that good.

I think we even need to start to work with
the national unions -- the NEA, the AFT -- to get
them also to make a commitment to this if we expect
to be successful and really make an impact upon this
zero to three challenge that we have.

GOVERNOR MILLER: Governor Whitman?

GOVERNOR WHITMAN: I first of all want to
compliment the panel and say what a good discussion
this has been this morning.

We have a number of initiatives in the
most recent budget that I announced that go toward
children of domestic violence. We often deal with
the victim of domestic violence as the adult, the
wife or the husband. We don't always put our
attention to the children, which is what we now are
going to do.

Children of parents, particularly single
women who are drug addicted, child care for them.

I'm sure you've done this, I just wonder if it's
going to be part of it. Or in the handouts that you have that are geared particularly to the day care providers, what we are doing for those women.

We’re going to have a residential facility for women with drug addiction problems and their children. What we particularly need to focus on is the guidance that we give the child care providers who have those children and need to work with them, understanding that those kids from the get-go have special needs.

I wonder whether you have a particular part that’s geared towards that type of situation, where it’s not the parent per se -- I mean, yes, you’re working with the mother but the mother’s going to be in some classes where we’re trying to deal with her drug addiction problem, but we also have the child and the ability to nurture and affect that child’s future.

MR. REINER: What we’re going to talk about on the show -- there’s a lot to touch on in 46 minutes, which is all the air time we have from that hour. But one of the things we’re going to talk...
about is the fact that if a child gets the right kind
of nurturing and the right kind of connection is made
with an adult it does not necessarily have to be the
mother or the father. If there is an adult person in
that child's life that is consistent and dependable
and reliable that will go a long way.

So a big component of what we need to do -
- and not just for drug addicted women like you talk
about but, I don't know, is it 50 or 60 percent of
the people in this country have two wage earners.

We have to make sure that there is quality
child care during the day. We don't want to drop our
kids off and say 'Well, it's enough to get them from
one end of the day to the other safely.' We want to
make sure that those children are being attended to
and that whatever special needs they have. Because
this small, little window of opportunity, zero to
three, is the time that we can do a lot of good. So
that is going to be a big component of all of this.

And, you know, we're also going to be
providing you with the ABC affiliates for all of you
governors to know right around the time the show is
airing. The ABC affiliates will make themselves available for you to hook into with whatever kinds of messages or programs or town hall meetings, whatever it is that you guys feel you should be doing. The ABC affiliates said that they would avail themselves. So that's a resource to hook into right around the time of the show airing.

GOVERNOR MILLER: Governor Wilson.

GOVERNOR WILSON: First of all, I think this has been one of the best presentations I've seen during six years of attending these meetings. It is of such importance that it occurs to me that we really need to give special thought to how we reach the audience that is most in need of this message and who often simply do not give the help that we're trying to provide them.

I think of Medicaid eligible populations of young women who get neither information about prenatal care, about health care for their children generally. And if we rely on the school system to be the major disseminator of this information I think we're going to miss the mark clearly because kids
don't get it early enough. Kindergarten is for five
year olds; preschool is for four year olds, three
year olds. So it seems to me that to reach the
audience that must get this you really have to rely
upon a different approach that can supplement it.
Obviously, zero to three is the beginning.

As the other Carnegie Foundation report
has indicated, there are opportunities that follow.
But the mention of a video to go home from the
hospital -- something has to reach these people very
early. We've had a very difficult time trying to get
prenatal care to be used by all of the people to whom
it is available. The same thing is true with family
planning services.

So it seems to me that that is necessarily
a part of the focus that has to occur if we are not
to see segments of our population miss the kind of
child stimulation that should occur in these early
years.

So I would suggest that as we work on
this, Mr. Chairman, we give special emphasis and
special focus to that problem. Because in my state
the problem is, as you know full well, there are a lot of people who need this who just won’t get it.

MR. REINER: You know, you’re absolutely right. The obvious people that we can reach most easily are the people that are most at risk because they’re coming to clinics.

What we’ve discovered in the programs that are working around the country that women who are either teenage pregnancies or they’re drug addicted or they’re below the poverty level and on public assistance, when offered the possibility of an at home visit or an at home visitation intervention type program 95 percent of the women say yes. They’re volunteering because they know they need something. They need some support system.

So we can reach those most at risk people I think fairly easily through the clinics. I mean, the program at Hampton, they’re lining up around the block. They don’t have enough people to facilitate the needs of the women who are asking for help.

Lawton Chiles can tell you about Help Them Thrive, Birth to Five. It’s the same thing.
And what you’re talking about, and you’re absolutely right, is it needs to be disseminated to people who are good parents. You know, who are not at risk. Who are basically good, decent, loving people but they can also maximize what can happen to their children in the first three years if they avail themselves of the right kind of parenting programs. It’s a matter of education. We just have to keep educating.

I think hopefully the show and what you guys can do on a state level is to keep awareness alive and tell people that, you know, what they’re doing -- hopefully I’m going to be talking to the President and the First Lady tomorrow about appearing on the show. The message that we have for them is that, you know, obviously there are things you can do that you would do naturally, just your instinct will tell you the right thing to do in terms of your child. But there are so many more things that you can do that are not being done.

I agree with you. And I don’t know how to reach those people. Most people tell you that they
don't need anything, you know. We can fend for
ourselves. But I think a lot of people in this day
and age -- you know, we don't live on a farm anymore
and we're not immigrants living in the same building
where all the aunts and uncles and cousins and
grandmas and grandpas are in the same area. We're
all kind of separated. So a lot of people would
reach out just to feel connected to the community,
feel like there's other people going through it.

You know, Governor Carper was saying that
he had children late in life. I did as well, I have
two boys, five and three. You know, I'm an
intelligent person, I went to college like everybody
else, but nothing prepares you to be a parent. And
when that baby comes home the first time you're at a
loss. I don't care how smart you are or I don't care
how many books you've read, you're at a loss.

Everybody can be helped and everybody can
be helped by somebody who can help guide them. In
nutrition, in discipline issues, sleeping issues, all
of these things, you can be helped. That's what
we're doing. We're going to try to educate people
and raise awareness and you all can play a part.

I think we can reach the at risk people.

Oddly enough, the people that will give us the
biggest bang for the buck we can reach because they
come to the clinics. If we can provide a program
that says would you like somebody to come to your
house from the time that you get pregnant, prenatally
all the way through the first five years 95 percent
will say 'Yes, of course I want somebody. I don’t
know how to raise a child. I don’t know what to do.'
So we can reach those people.

But as far as the average person I agree
with you. They’re tough to reach. But I think at a
certain point the wave, the critical mass builds up.
We all agree in this room that you’ve got to go to
school between K and 12. We all agree with that.
That’s part of what you have to do in America. Now,
that’s mandatory. We’re not going to say that this
is mandatory because then it’s government coming into
your home and telling you how to raise your children.
We don’t want to do that.

But I think ultimately it’s got to come
from the people. The people have to see the wisdom of it. Once they see the wisdom of it they’ll ask for it rather than saying ‘I want this forced upon me.’ they’re going to ask for it. Then we as policy makers, you as policy makers can say ‘Okay. These are the programs we can lay out for you and that you can avail yourself of in the first three years.’ I think there will be eventually a critical mass, it’s just a matter of time.’

GOVERNOR MILLER: I think our Medicaid task force might be able to look into some of those categories that you were talking about, Governor Wilson.

I know in our state we’re going to work on a cooperative arrangement with every hospital and get into this volunteer network. We estimate over 75 percent will volunteer, as Rob has said. I think everybody -- I would have liked to have had that assistance. We were both early in life and late in life; I’ve got 21, 19 and 7 and I can assure you we still needed help, and still do, trying to figure out how to deal with a seven year old even though we’d
been through it twice before.

Governor Chiles, then Governor Nelson,
then I’m afraid we’ll have to wrap it up.

GOVERNOR CHILES: First, Governor Miller,
I want to congratulate you. I think for the NGA to
take on this topic, as you’re talking about doing in
your reign this year, is tremendously exciting.

And I really want to thank all of our
panelists. What a stimulating, exciting program that
you bring us. Your prophecy and what we see
happening of the wave is just, again, such a great
opportunity.

I think you can see how you’ve stimulated
the governors here, from Governor Hart to Governor
Romer, to Governor Voinovich. You know, you’ve
started us thinking anew of what we need to do.

George certainly puts his hand on it of how do we
convince some of these people out there that -- the
lobbyists for all of these areas in which we’re now
spending the money that this is something that we
should spend.

I’m just wondering with the expertise
we’re putting together, David, and your resources,
Dr. Perry, what you in the university field -- we are
now used to econometric models as policy makers in
both the public and the private sector, I think.
This chart is so graphic and so impressive, I think
if we could better model what the avoided costs could
be in prisons, in drop out/remedial education, in all
of the areas.

I immediately know that I spend $55
million a year at my community college level teaching
some kids to read that didn’t learn to read in high
school, you know. So that’s a cost you can see.

But if we could model that from the
juvenile delinquency, from the violence, from all of
those things, or try to do it, I think it could be
very helpful to us in trying to show some of these
people this should not threaten you. This should
mean that more resources should be available and our
problem would decrease in this ever ascending prison
building cycle that we’re now in.

In my state our people have decided they
want criminals to serve 85 percent of their sentence
time. So we’ve embarked on a huge building program
and we have to keep it up all the time. It is self
fulfilling. I will just keep going.

Any help I think we could get in a
dynamite chart or some models could be very helpful
to us as we go forward. I think it’s very exciting
what we’re embarking on and I think all of us need to
know that we need to try to run as fast as we can to
see if we get positioned so that we will be able to
get the best result out of the wave that’s coming.
We’re delighted with what you’re doing.

MR. REINER: Thank you.

GOVERNOR MILLER: Governor Nelson?

GOVERNOR NELSON: I too want to thank the
panelists. You’ve taken me from instinct to
evidence. Instinctively we knew six years ago we
needed to have some sort of a program in Nebraska
that if we expected to have happy endings for people
that we had to have a good beginning. So we embarked
on a program of recognizing community based programs
for what they’ve done for early childhood efforts.

In addition, we’ve added free access to
We've truly sought to bring more people into the process so that it's not just top down government, but the state recognizing community based programs that are working in these early childhood areas.

What you've done is you've expanded the horizon here. We can take it from a piecemeal recognition, as we've done in the past, to a comprehensive approach. And we're going to have a conference that will bring together the communities that have already embarked on these early childhood programs to make the communities that haven't more aware of what can be done and to stimulate.

We appreciate what the ABC affiliates might be able to do to help us promote this process right around the time of your release. I think you've really crystallized for me what we can do to move from individual efforts now to more collective thought processes and sharing the wealth of ideas that are already there that a lot of communities have already developed. Thank you very much.

We've been able to do it without creating...
a lot of new bureaucracy, but using the existing resources within the state that are there to stimulate people to begin to do this on their own.

MR. REINER: You talked about instincts to evidence, which is great that you put it in those terms. The bit of evidence that makes it very clear to a lot of people when thinking about the first three years and how critical that time period is is if you think about a child born in China, by age two he speaks Chinese. If you took that child the day it was born and put it in Greece, he'd speak Greek by the age of two years. So, you know, if you can learn a language as hard as Chinese or as hard as Greek in two years that brain is doing a lot of organizing in those couple of years.

It just gives you an idea of how much the brain is taking in in those early years. I mean, you take a 50 year old person, you can spend 20 years and you’ll never learn how to speak Chinese, you know. But we know that in two year’s time a person can learn to speak any language, whatever language they’re presented with. So it’s more evidence of
what you’re talking about.

GOVERNOR MILLER: I want to thank all of our presentors, especially Rob Reiner, for allowing us to be the test audience for his upcoming program. If today is any indication the food for thought that they have provided us has given us an appetite for action, which I suspect will be the case all over this country in April.

We will continue to work through the task force and through the other policy components and the committees of this association to help get the message out because it is one that needs to be recognized by all.

We’ll look forward to seeing you in a few minutes after the conference. Thank you very much.

(Applause.)

GOVERNOR MILLER: I’d like to bring up Governor Hunt for a moment to bring us a report on the National Commission on Teaching and America’s Future.

GOVERNOR HUNT: Mr. Chairman, let me say that this is closely related to what we’ve just been
talking about.

Let me say this also while Rob Reiner and everybody is still here. My wife leaned up to say to me in addition to all these other people you're trying to reach, Governor Wilson, we need to reach the day care workers. They may instinctively know some of this but they really need to see this evidence. So that is another group in addition to the parents and all the others that we need to be about.

Let me say to all of us also that while it is true, as Governor Chiles and others mentioned, that putting major resources into early childhood may sometimes worry, you know, public school people and others I have found in North Carolina that the teachers and other educators can be the strongest supporters of this, even if it may mean less salary, you know maybe not moving as fast on class size or technology or whatever it may be.

The public school people, especially the teachers, really can be the people who give us some of the strongest political support that we need to
Let me say as I begin to talk about this work on teaching that after several years of being involved in education leadership, as so many of you have done around this table, and trying to sort out themes -- you know, we only have so much time and so many resources and so forth -- you really have to decide what is most important. What am I going to spend my time on?

Let me tell you where I've come out with that. I think the two most important things are early childhood and teaching. Now, you've got to have standards so you know where you're going to with that teaching and, by the way, where you need to go with early childhood development. But those are the two things that I have decided are most important and that I am devoting my life and leadership to in North Carolina.

Let's assume for a moment now -- it's easy to say that all these children are not getting what they need so how much can we really do it in the public schools? We can do this job with early
childhood. It’s going to be hard to do. It’s going
to take us a while.

But then what happens with the children
who have had this nurturing and all of these
experiences? They start to school. What are we
doing with those children so that they go as far as
they can go, become as creative and as innovative as
they can be?

I would ask you to do two things. First
of all, think about the teachers who touched you. I
can name mine. I can tell you what they taught me at
what grade level. And especially those that were
very good and really opened the world and changed
your life. We all had them.

Second: think about how you feel about
your children’s teachers. And those of us who are
grandparents now, your grandchildren’s teachers.
Every year we want their teachers to be very good and
we get very upset if they’re not good. And we’ve all
had some good ones and we’ve had some bad ones. So
this is a very important thing.

Now, given that importance, when you think
about those things I think it becomes clear that the recruiting of good teachers, the preparing of good teachers and keeping them well prepared, supporting them in various ways is one of the most important things we can do.

I think we have just handed to you -- and I would like for you to just look at it a moment. We won't take long here. But this is a report that says what matters most. Let's say in addition to getting children started right what matters most next? All right, it's having good teachers in schools. That will determine America's future.

In this report we set out an audacious goal that some people would say is not achievable. That is that within a decade that we should provide each student in America with an education birthright, let's call it that. A birthright to have a caring, competent, qualified teacher; every child to have that.

The Commission on Teaching and America's Future, that Governor Jim Edgar and I served on, started from three premises. First of all, what
teachers know and can do is the most important thing, the most important influence on what students learn. We've just heard that about parents. They’re early teachers. That’s what you are when you’re a parent. So what teachers know and can do is a most important thing determining what students learn.

Second: recruiting, preparing and retaining good teachers is the most important strategy in having good schools. I didn’t say technology or anything else. It is teachers. If you had good enough teachers you could almost forget all the rest of it. We’re not going to forget the rest but having those good teachers is a central matter. And, of course, school reform can not succeed unless it focuses on conditions in which teachers can teach well.

The study that Jim Edgar and I were involved in, that Carnegie and Rockefeller sponsored, found this -- and it won’t surprise you perhaps:

First of all, we have low expectations for student performance in too many cases. Second: we do not enforce high standards for teachers. We really don't
do that. In many cases we don’t have them and we
wink at them and don’t enforce them.

For example, we have found that many of
the teachers that teach in high school, one-fourth of
all the high school teachers do not even have a minor
in the field in which they’re teaching. You can’t
imagine that that is the case but it is.

We found major flaws in teacher education.
Many of you probably suspect this. I went through a
teacher education program. I want to tell you, it
had huge flaws. I think it’s better now but I think
it still isn’t what it ought to be.

We found poor recruitment practices. In
too many cases schools take anybody they can get.
They take a warm body because you’ve got to have
somebody before those kids when school starts.

Then we found that there is a lack of
professional development and rewards for good
teachers. You don’t get something extra, whether
it’s money or professional opportunities, if you’re
good and doing a good job.

So we recommended five things -- and
again, I would urge you to look at these in this report. First of all, get serious about standards. We want to do it for students but also for teachers. We should have regular standards.

We should insure that our schools of education be very good at preparing teachers. We’re urging that we require all of our schools of education to be accredited, and if the schools of education aren’t good -- and most of us have several -- then we urge that you close them down. Close them down. We ought not have those people coming out of those schools badly prepared to go into the classroom and we ought to take some strong action to stop it.

We should also, of course, see that teachers are licensed on their ability, not just the fact that they’ve been in the profession two or three years or whatever.

Second: that we reinvent teacher preparation and professional development. We need to build teacher education programs at high standards. We ought to develop year long internships. I’ve had the experience of being a practice teacher in a
school where you didn’t really have any supervision.

We’re suggesting you prepare those teachers in
professional development schools much like a teaching
hospital where they get a lot of help in learning to
be good teachers.

Then, of course, we’re recommending -- and
I would suggest this to every one of us -- let’s go
back and put in our budget money for mentoring.
Every teacher the first year -- at least the first
year -- ought to have a mentor. I found that you can
pay a mentor another hundred dollars a month and
probably get them to do a good job, only now for
beginning teachers. So it’s not an impossible thing
financially.

Third: that we ought to improve teacher
recruitment and put qualified teachers in every
classroom. We should insist that unqualified
teachers not be hired. We’re going to probably have
to help low wealth districts to do that, and we ought
to provide incentives for teaching in strategic areas
that need better teachers.

Fourth: that we encourage and reward
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teachers for their knowledge and their skill. We really need to develop systems that reward teachers who have a lot of knowledge and skills. The National Board for Professional Teaching Standards has set high standards and assesses teachers to see if they meet these standards. Governor Branstad has served on that board.

And I understand that tonight the President is going to recommend more money for developing those standards and also matching money for our teachers who want to go through this process of becoming board certified. So that can help us take a big step toward getting more qualified teachers and having a basis to pay them more.

Many of you are interested in merit pay, paying better teachers more money. The tough thing is how do you know that they're better teachers?

Well, national board certification is one way to know that.

Fifth, and finally: that we create schools that are organized for success. We suggest that we reduce the number of administrators in many cases and
put the money in the classroom. More and better
teachers and more good technology. That's going to
take a lot of guts. It's going to take getting in
there and really mastering this thing and giving it
leadership. But that's exactly what we ought to do.

Also, that we ought to have safe schools.

You can't have good teaching in dangerous, violent,
unsafe schools.

And that we get good principals who
understand and support good teaching. You can not
have effective teaching in a school that isn't led by
a principal who understands it and believes in it and
supports it and encourages it.

Well, those are the five recommendations.

I would urge you to look at the situation in your
state. We have a coalition of states that are
working on this already to implement all of these.

Eleven partner states have already joined together to
do it.

But the final thing I want to say to you
folks is if this is going to happen in our states we
have to lead it as governors. Maybe you haven't been
involved in teaching. Many of you have. Many of you perhaps have said 'I'm not going to get involved in that. I may have some fusses with my teacher organizations or whatever.'

Folks, I want to urge you to get involved in improving teaching in your schools. They never will be what they ought to be no matter how much money you get for them unless we improve teaching. So I would urge that as governors we do this and you'll find a lot of allies. You'll find parents as allies, teachers as allies, business people.

We really can do this job but we've got to get serious about this, just like we've got to get serious about early childhood education and brain development.

Thank you very much, Mr. Chairman.

(Applause.)

GOVERNOR MILLER: Thank you.

I think all of us in life have certain people that we admire, people who maybe we can characterize as heros. It's my pleasure at this point in time to introduce to our association one of
my heros.

John Walsh is well known as the host of America’s Most Wanted. He bring dedication and charisma to that show. He is clearly a famous and well versed television personality. He has credited our association and many of the members with the retention of that program on Fox television, as many of you wrote and pointed out that this program is a public service.

But my admiration for John Walsh considerably precedes his television career and encompasses components of his personality that resulted in his television career but were not the emanation thereof.

John is the father of a missing and murdered child and he exemplifies what I think all of us strive to deliver as a message as governors and policymakers, and that is that one person can make a difference.

Faced with this situation, with the abduction and murder of his child in Florida, he learned firsthand that there were infirmities in the
laws in this country and insufficient attention being placed on missing children and how they could be located. The parental abduction component thereof seemed to overshadow the need to deal with stranger abduction, and that departments focused only on their local geographic region.

He would not take no for an answer. At one time the bane of the Federal Bureau of Investigation because he was their biggest critic. He has now become one of their national models for what American citizenry is all about.

He has devoted his adult life to this cause. Once upon a time he was a developer in Florida. Now he is a person who spends every minute of every day trying to make society a safer and better place, and to recognize that those innocent victims of crime deserve an equal footing with those that are accused of committing a crime.

So it is my pleasure to bring forth John Walsh to discuss with us the need for a Constitutional amendment for victims of crime.

(Appause.)
MR. WALSH: Thank you very much, Bob.

Thank you, Governor Voinovich and Governor Miller, for giving me the chance to be here today. I truly appreciate it.

I've come to the governors before on issues relating to children and crime, and I come with probably my most serious request to date. That is the request to adopt a Constitutional victims' rights amendment.

As Bob mentioned, I've worked with a lot of the governors here -- Governor Chiles, from my home state, has been an outstanding victims' rights advocate; Governor Wilson and I have worked on legislation in California together; Governor Leavitt hosted me during Victims' Rights Week last year in Utah. As Bob also mentioned, we met several years ago when he was a district attorney, a tough DA in Las Vegas, and has been one of my biggest supporters and helped me get lots of legislation passed in the state of Nevada.

And as he also mentioned, after nine years America's Most Wanted was cancelled by Fox. They
wanted me to do something else with their news channel or something, and I was heartbroken. I didn’t understand how a program that had caught 460 fugitives, 11 of the FBI’s 10 Most Wanted, could go off the air. I guess the American public couldn’t understand it either. 185,000 people wrote Fox, 55 members of the United States Congress and 37 of you. 37 of the governors here today wrote Rupert Murdoch and said ‘This show needs to get back on the air.’ And every one of your attorneys general also.

We were the shortest cancelled program in television history. In the three weeks that we were off the air someone had come to us with a small case which truly broke my heart. In Salina, Kansas a guy had broken into a home and in one night destroyed and murdered three generations of a family -- he killed a great-grandmother; he killed a grandmother; and he killed the five year old grandson visiting those two elderly women.

I knew our show was off the air and we couldn’t catch him but the people of Salina, Kansas said ‘Please, please. If you ever get back on the
air you've got to profile this guy.' The police department was so small and Salina, Kansas said 'We'll never have a chance to get him.'

Well, thanks to you and the American public we went back on the air on November 9th. I named him my public enemy number one, and in 25 minutes we caught him hiding out in a homeless shelter in Boston and brought him back to justice. So I thank you for getting the show back on the air.

(Applause.)

MR. WALSH: It's been a great month and a half. We've had our highest ratings in five years and we caught seven guys in two weeks, which is our all time effort. So I guess once in a while the powers in Hollywood do listen to the American public.

But what I wanted to talk to you about is in the 15 years since my son was murdered I've learned firsthand that the criminals have all the rights in this country and victims have none. Only criminal defendants have Constitutional rights.

This is a great chart that's put out that shows the 15 rights that criminals have, the

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protections they have under the United States Constitution. Here's the list that victims have:

none. None whatsoever.

Many of your states this year passed state constitutional victims' rights amendments. Indiana passed a very good one; 95 percent of the voters voted for that. But states rights don't compare with the rights on the federal level. The 29 states that have victims' rights constitutional amendments are a patchwork. Some have very tough state constitutions amendments, some have very weak. I don't think in my lifetime I'm going to see that parity amongst the 50 states.

So what we have done is go before the United States Congress with a bipartisan group of United States senators and congressmen and women and drafted a victims' rights Constitutional amendment.

The United States Constitution has been amended 27 times in the history of this country, four times for criminals rights. Never have victims been mentioned in the Constitution or in those 27 amendments. Never.
Our forefathers made provisions in the Constitution for it to be changed if the majority of the American public wanted it to be changed. Our polls show that 90 percent of the American public is sick of the treatment of victims, sick of the level of violence in this country, and want to see victims at least get the same rights in the courtroom as the criminals get.

This recommendation grew out of a 1982 President’s Task Force on Victims of Crime, which Bob Miller was on and that’s where I met him. It has taken this long to get this before the United States Congress. Both parties’ platforms have endorsed this victims’ rights Constitutional amendment. And I was in the Rose Garden June 26th where President Clinton endorsed the victims’ rights Constitutional amendment -- the first Constitutional amendment that he has endorsed.

The problem is once it gets out of the United States Congress -- and I believe that it will. We’ve had great hearings on the Senate side with Senator Hatch. We’ve had hearings on the House side.
with Congressman Hyde. We're going to have new
hearings in another month. I believe it will get out
of the United States Congress.

But the real battle comes to you. To you,
ladies and gentlemen, that run the states. Three-
quarters of the states have to ratify a victims'
rights Constitutional amendment in order for that
Constitutional amendment to become the law of the
land.

Now, what does it do? I've got to clarify
it. There's a lot of misconceptions about this
victims' rights Constitutional amendment.

It does not -- and I reiterate this -- it
does not take any rights away from the criminals
whatsoever. It does four simple things. It says
that victims like myself or anyone that you know be
treated with dignity and be apprised and notified of
every step of the hearings and procedures in their
trial.

For example, a Maryland state trooper who
was killed two years ago on the roadside by two drug
dealers who shot him in his car. His wife's in bed
70 miles away with their three infant sons. It comes to trial. The defense attorney subpoenas her as a witness even though she was nowhere near the scene of the crime, every single day during that trial to preclude her from sitting in that courtroom and looking at that jury. Is that justice that the wife of that murdered state policeman can’t go into that courtroom? No, it’s not justice.

Need to be notified. Notified of parole or release dates. Kenneth McDuff, a guy I tracked in Texas, killed three teenagers -- two 14 year old boys, raped and tortured the 13 year old girl that was with them. Murdered all three of them, put them in the trunk of the car and ate their fast food. He was sentenced to the Texas electric death chair. Twice strapped in the chair, last minute commute. Sentence reduced to life without possibility of parole. That sentence reduced to life.

And guess what? He comes up for parole. The parole board never, ever notified any of the survivors of those three children. He paid $500 to a former parole board commissioner who is now a
consultant to defense attorneys. She called up two
members of that parole board and said 'You don’t even
need to review the file, Kenneth McDuff is
rehabilitated. Recommend that he be paroled.’

I got a call from Ann Richards, the
Governor of Texas. She said 'John, Kenneth McDuff
got out and we suspect that he’s killed five women in
five months.' And what did he do to taunt the Texas
Rangers and U.S. Marshalls that were tracking him?
He buried these women with their heads out of the
sand as a marker that 'I’m out and I’m doing what
I’ve done all my life.’

Why couldn’t those people be notified of
that parole hearing? Why couldn’t those survivors
come in and say to that parole board -- and why
wasn’t that parole board mandated to look at every
aspect of his criminal behavior and his behavior in
prison?

Restitution. Many of you governors do not
have Son of Sam laws in your states. Let me tell you
something, if somebody plans to kill Governor Wilson
-- he’s well known -- premeditated, first degree
murder. The average time served in the United States for premeditated first degree murder is 5.9 years in the states that don't demand the convicted criminal give the money to the victim.

A guy that kills Governor Wilson could get $250,000 for his movie deal. He could get $50,000 for his book rights. He can buy drugs and sex in prison -- because I did a special on Folsom Prison, where they have conjugal visits. The female guards are not allowed to inspect the female visitors of the prisoners. They smuggle in ounces of cocaine and heroin in their vaginas, then it's put up the anuses of the prisoners. The warden said to me 'My prison is full of heroin and cocaine. People die in their cells from overdoses.' Can people buy things with money in prison? He says 'Yeah, they can buy sex from male prostitutes. They can buy drugs.'

So the guy who kills Governor Pete Wilson and gets infamous for that can have a lot of fun -- like the video we all saw of Richard Speck in prison snorting cocaine and having sex with his lover on videotape while he was in prison for killing nine
women. That man will get out after six years. He'll walk out of prison in California with a quarter of a million dollars because he killed a famous governor.

Restitution. No criminal in this country should profit by his crimes. Victims need the money for counseling if they survive; the families need the money for counseling. No one should profit from crime.

Impact statements. This country was mesmerized by the Polly Klass trial. We all saw what Richard Alan Davis did at that trial. This man spent 17 years of his adult life in and out of prison. He kidnapped and tortured and raped three women on three separate occasions in the state of California and was paroled. He got out and kidnapped and raped and murdered Polly Klass.

That trial cost the taxpayers of California about $4 million. During the two weeks of the sentencing phase Richard Alan Davis had something like 35 witnesses, paid for by the taxpayers of the state of California, including the victims'. $800 a day experts who said Richard Alan Davis should be
spared the death penalty because he killed Polly Klass and raped those women because he was fat when he was young, he had acne when he was young, he was an alcoholic.

I'm so sick of listening to the perpetrators of these crimes blame their crime on somebody else. But you know what? Mark Klass -- and California is one of the few states that allow victims to make a victim impact statement. Mark Klass got 10 minutes to tell that jury what it was like to be the father of Polly Klass.

I have seen parents go to sentencing hearings with pictures of their murdered children, begging judges for five minutes to say 'I'll never see this little girl grow up. I'll never have any grandchildren. I'll never go to her wedding. This man gave her a death sentence and he's given me a life sentence of heartbreak, but you won't give me five minutes to speak to this jury to recommend a certain penalty.'

Victims' impact statements. Believe me, every victim in this country should have the right to
get up there and tell that judge and that jury how this criminal impacted their life.

It’s a very, very simple Constitutional amendment. Very, very simple. It would somehow try to balance the scales of justice.

Again, it doesn’t take anything away from the criminals. Victims are not about vigilante justice. I’m not about that. We’re about equal justice.

43 million Americans were victims of crime in this country last year. This victims’ rights Constitutional amendment would give a new definition of justice and that definition would for the first time in the history of this country include victims.

Now, societies through the ages have been judged by how they treat their elderly and their children. I say this society should be judged not only by that but by the value they place on the lives of victims. Victims like myself who have no choice in being molested, abused, raped or murdered.

Victims have no choice but they should be treated with some dignity and that’s what this
amendment is about. It’s about treating those who
have no rights in the criminal justice system with
some dignity. Victims like myself, that’s all we ask
for. We ask to be treated with some dignity.

And what does it take? There’s no huge
fiscal impact to this victims’ rights Constitutional
amendment. A parole board will only have to take an
envelope and put a stamp on it and say to the woman
that was raped -- I testified before the Senate
hearing that the guy who broke all her ribs and slit
her throat with a beer can after he raped her, that
she could have come to that parole hearing. He got
out, he raped again and the second victim was not
allowed to be at that parole hearing either when he
re-offended and got out again.

There’s no great fiscal impact. It just
simply tries to even the playing field.

Three-quarters of the states have to
ratify this. Many of you have already led the charge
for victims’ rights. Many of you have worked hard to
amend your state constitutions. But believe me, when
it comes down to a courtroom and a judge has to

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decide what precedent takes precedence always they
defer to the federal statutes, to the federal laws
that relate to criminals.

We want to see victims have the same
rights as criminals in every courtroom in this
country, whether it be on the state level or the
federal level.

The battle will be up to you. I truly
believe that this United States Congress will move
out this victims' rights Constitutional amendment.
And those of you that just passed the victims' rights
constitutional amendments, again I reiterate, almost
90 percent of your voters ratified those
constitutional amendments. But it's a patchwork.

We need to amend the United States
Constitution so that victims have the same rights as
the criminals. The battle is up to you.

I look forward to working with every one
of you because victims' groups all over the country
are on for this fight and they're going to take it to
the state level. We have seven years to ratify this
once it passes Congress. I hope it doesn't take
seven years. I don’t think it will.

And again, I see many, many champions of victims’ rights in this room. Many of you I’ve had the privilege to work with in the past. I really look forward to you because this battle is now up to you to lead the fight for those of us, particularly women and children who have no place in the courtroom and have no voice.

Thank you for your time today.

Governor Miller, thank you for having me, and God bless you.

(Applause.)

GOVERNOR MILLER: As you can see, John delivers a very strong message. And I can tell you, besides hosting that TV program he spends most of his life on airplanes, as he has for the last 15 or 20 years, traversing this country trying to bring that statement to the American public.

As this progresses I have not a doubt in my mind that if any of you request John to be there at a particularly poignant or given moment in your state when this issue is being decided that he would
be there. He always makes time for this, and we’re
very appreciative for all you do, John. Thank you.

Yes, Governor Graves?

GOVERNOR GRAVES: If you wouldn’t mind,
Mr. Walsh mentioned our situation in Kansas. I’m
sure that everyone at this table has an anecdotal
story that he could tell where John Walsh has had an
impact on fighting crime in our various states.

I have to say, one: thank you.

And for all of those of you who assume
that it never happens to you or it doesn’t happen in
your neighborhood, I wrote Chairman Miller to tell
him that I grew up in deference to Salinas,
California -- we say "Salina" in Kansas. I grew up
in Salina. It is my home town. It’s where I
continue to call home. My parents still live there.

In fact, the home where this crime occurred, I can
stand in my front yard and throw a rock and hit the
house. It is across the street from where my mother
and father continue to live.

It’s unfortunately -- and I say this, John
-- it seems as though it’s not until it does land in
our front yard that we tend to think seriously about
this. But you've done a great service to law
enforcement in this country and on behalf of all of
those that you've impacted so positively, we thank
you.

GOVERNOR MILLER: Thank you again.

I will just conclude. As I say,
frequently in my own state John Walsh is living proof
that one person can make a difference.

I'd like to call now on Governor Engler
and Governor Carper for some brief remarks on the
Citizen Service Summit, then we're going to proceed
to policy. I know Governor Carper has a commitment
he has to make.

GOVERNOR ENGLER: Thank you.

This is a delightful opportunity to talk
about a summit that's going to be held this year.
It's a summit entitled "The Presidents' Summit for
America's Future." That's "Presidents'" plural.
President Clinton was joined by President Bush,
General Colin Powell, Secretary Cisneros. They also
released at that time statements from President Ford
and some of the former First Ladies.

The goal of this summit is very, very important. It follows a life long dream of George Romney. After he left the Michigan governor’s office and served in President Nixon’s cabinet George Romney wanted to have a national gathering of leaders to talk about some of America’s problems.

George used to say that people helping people is the greatest force in democracy. He had promoted this. We all have a packet that’s on the table in front of us. There’s a little story of some of the history -- and I won’t go into that -- but George literally had a meeting and died three days later, vigorous to the end at age 88, on the treadmill. But he was working to make this summit a reality.

My predecessor and I had a similar kind of summit in Michigan and it worked together the goal of this, and this really is for volunteerism. It brings together players from virtually every walk of American life. It is, I think, an unprecedented opportunity to draw public attention to the
importance of and the need for service and
volunteerism.

What we want to do today is to invite the
governors to participate. President Clinton said
that the summit can shine a spotlight on what is
working somewhere in America so that it can be
adopted everywhere in America.

Each governor who attends the summit is to
have a role. First off, before you get to the summit
our papers say a five person statewide delegation.
Really it would be a seven person delegation, I
understand. So you could think about who that might
be from your respective states.

We think there will be an opportunity for
each state to highlight some of the things that are
taking place. But more importantly, this is really
the beginning of a multi-year effort.

The goal, after meeting in Philadelphia,
is to then go back to the respective states and
communities within those states and to look at what
can be done. And, as the accompanying material
shows, there is a tremendous involvement forming on
the part of national organizations, corporations,
people taking up the challenge. And for the
children’s issues that were being talked about
earlier, for the senior issues that we’ve discussed,
for education in general, for some of the things that
Governor Hunt talked about, this ties in beautifully.

So, Mr. Chairman, one of the things that I
think we need to have is a bit of a task force here,
just to kind of make sure the governors are part of
the organization of this. This, like a lot of
national meetings, you get a lot of people working on
this and things get started and get out before
there’s been proper notice.

But I think what we’re doing from this
point forward is making it very clear that the
National Governors’ Association would be very much a
part of this, and that’s appropriate since much of
the follow up I’m sure there would be an interest in
having the governors coordinate.

General Powell will be writing us all at
home next week to lay out some other ideas.

The other thing I just would mention is

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April 27-29 in Philadelphia, that spans the period.

I was just mentioning to Mr. Reiner on the way out the Monday night that his show will air is the Monday night that this is all taking place in Philadelphia. So we want to have perhaps -- they're different but there certainly is linkage, as we know, -- some way to kind of accommodate or integrate the two. At least if we've got a lot of national leaders in Philadelphia maybe there's a way that show becomes part of that agenda.

But I appreciate the opportunity to raise this. And George Romney -- I'm sure he's up there smiling at us today, very pleased at this vision. It is to be non-partisan, bipartisan. But George always felt that service knew no political boundaries and that every American regardless of income, ethnicity, gender, geography, ought to be able to do something in terms of giving back to the community.

GOVERNOR MILLER: Thank you, Governor Engler.

GOVERNOR CARPER: Let me add to those
comments and say that every governor here, Democrat and Republican alike, knows that the government does not have all the resources that we need to meet the problems and the challenges in our own home states.

We also know that not only do we not have the answers, we don’t have the resources in our state. I suspect we could go around this table and each of us could point to areas within our own states, in our own communities where volunteers, people who are committed to community service, to serving others, are coming forward to help meet the needs and the challenges that we all face.

And Governor Wilson actually has offered a policy initiative we’re going to bring up in just a minute, on mentoring. In our own state we have about 110,000 kids in schools. We’re on our way to recruiting 10,000 mentors to work with at risk children.

About one out of every 10 kids in the country today lives in a home with neither a mother nor a father. One out of 10. There are so many kids out there that need positive role models. We’re not
going to be able to put 10,000 state employees out
there to work with those kids but boy, if we could
get 10,000 mentors out there to be that positive role
model just think what a benefit and what a difference
it will make in their lives. I know other governors
are introducing similar kinds of initiatives.

We have a great opportunity to use this
national summit on volunteerism April 27-29 to help
serve as a vehicle, to help put a spotlight on the
need for -- whether it's mentors, tutors or whatever
it might be -- to put a spotlight on the need for
volunteer service and people to give a little of
their time.

The wonderful thing we're finding out in
our mentoring program is that it not only helps the
kids -- it helps them to do better academically, it
helps with their behavior -- for the folks who are
the mentors they get a sense of fulfillment and
enrichment that's just hard to put a price tag on.
So it's a win-win situation.

This is a great opportunity for us as
governors to use to bring again attention within our
own states to how well we can help, I guess, some of
the human resources that we need to fight the good
fight.

GOVERNOR MILLER: Thank you very much.

Yes, Governor Graves?

GOVERNOR GRAVES: I’d like to follow up on
Governor Engler.

As this was originally pitched to us there
was a lot of involvement by governors and I just want
to point out I’m already hearing from volunteer
groups in my state who have been contacted
independently. There’s already been some designation
of cities to be highlighted. That has occurred
without a lot of input and I’d only encourage John,
if he’s the point person for the association, to make
sure -- I mean it’s great that we can take five or
seven but originally we were talking about having a
much greater role in the structure of this. I
realize there’s a time crunch here but I hope John
will certainly take that leadership.

GOVERNOR MILLER: Governor Engler?

GOVERNOR ENGLER: Thank you, Mr. Chairman.
To Governor Graves, absolutely. I think, you know, the sponsorship is The Corporation for National Service and the Points of Light Foundation. I think just recently there’s been an effort made to add a staff person and to kind of understand the need to be reaching out to us.

I would hope that when it comes to the communities -- there is a listing of some communities apparently that have been contacted but I think we need to make sure that every governor gets updated ASAP on what has been done, what contacts have been made in your respective states, and give you the lay of the land in terms of what lies ahead.

Because I think just as every governor has probably a state commission or an advisory group, you’d want that chair perhaps and the executive director, since they probably have the responsibility for a lot of the follow up -- they need to be in the loop on this. And you need to be able to have some impact on what’s happening in terms of invitations.

I do think they are intent, as it’s been told to me, the 50 largest cities in America are to
be invited, regardless of where they fall. But then beyond that I think there's an idea of going to some type of maybe exemplary communities that are doing things in community service. And I would presume that the governors would have a role in that. That would certainly be my expectation, and I'll carry that message.

Thanks, Governor.

GOVERNOR MILLER: Thank you.

The end of April is obviously going to be an exciting time on many fronts.

At this point in time we will move forward with the adoption of the proposed policy positions. I believe all the members received the various proposals in your rooms last night. They look somewhat like this, especially for our new members, in case you have any questions.

We're going to do it by committee, then we will conclude with the executive committee, and lastly, those four items to be discussed in which suspension of the rules would be necessary.

I'm going to start with the Committee on

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Human Resources and recognize Governor Carper.

GOVERNOR CARPER: Thank you very much, Mr. Chairman.

Let me just extend my thanks to Governor Ridge, of Pennsylvania, who is the vice chair of the Human Resources Committee, to each of the other 17 governors who served on the Human Resources Committee, and to our staff, who has worked very well with NGA staff to try to formulate these policy recommendations.

Before us today are the adoption of three new policy positions, amendments to four existing policy positions, and the reaffirmation of two existing policy positions.

Among these are two policy issues that were very closely related and intertwined and the subject of some controversy. They deal with whether or not legal immigrants should be eligible at all, for example, for food stamps or for Supplemental Security Income. It’s a problem not for most of our states but for a handful of states it’s a very significant problem.
What we've done here with this set of policy recommendations, in both the immigration policy and in the welfare reform policy, is to draw the attention of the Congress and the President to this as an issue, to say that it's a significant problem for a number of states, for some states, and to call on the Congress without specificity and to call on the President without specificity to addressing the problem and to saying that we look forward to working with them to provide some relief.

I just want to say this is a ticklish issue, as we all know, and I want to express my heartfelt thanks to everybody who has played a role in getting us to this compromise language.

GOVERNOR MILLER: Did you want to move your policies en bloc?

GOVERNOR CARPER: I move the policies en bloc.

GOVERNOR WILSON: Second.

GOVERNOR MILLER: Second by Governor Wilson.

Any discussion on any of these matters
from the Committee on Human Resources? Yes, Governor Wilson?

GOVERNOR WILSON: Mr. Chairman, in offering the second I would also like to say that I think Governor Carper as the chair did an outstanding job of dealing with a ticklish issue. And I also thank him for his noting of the mentoring initiative which we have brought forward.

I’ll just say in about two sentences I think it is worthy of attention. What he is attempting to do in Delaware we are attempting to do in California. He put it very well when he said there are countless children growing up in homes without fathers. People whose youngsters can in fact be affected.

But if there is not some caring adult in their life it is very easy for them to choose the wrong path and lead to tremendous costs both in taxes and, more importantly, human costs of the kind we’ve been hearing about all morning. So I commend him for that effort and I thank him for the support.

I would just hope that we can make that an...
issue that receives a great deal of attention because I think it needs it.

GOVERNOR MILLER: I think so.

Any other comments?

(No response.)

GOVERNOR MILLER: We'll call for the question on the vote for the various proposals that came through the Committee on Human Resources. All those in favor signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: The motion is carried.

Next will be the Committee on Economic Development and Commerce. Governor Patton?

GOVERNOR PATTON: Thank you, Mr. Chairman.

The Committee on Economic Development and Commerce had a very stimulating and informative discussion. We discussed issues such as fast track authority for the President on international trade agreements.

We heard from the Ford Motor Company and ACE-FEDERAL REPORTERS, INC.
Federated Stores of how much these companies can save if our transportation systems are more efficient.

We discussed the problems that our outdated tax systems are causing telecommunication companies that are entering new businesses, expanding nationwide. And we talked about the U.S. innovative partnership and several other interesting topics.

Mr. Chairman, the committee adopted nine policies and three resolutions after making technical amendments to two resolutions and adding clarifying language to one policy. I know of no real controversy. If there's no objection I move that they be approved en bloc.

GOVERNOR MILLER: Is there a second?

VOICE: Second.

GOVERNOR MILLER: Any discussion of the motion?

(No response.)

GOVERNOR MILLER: If not, we'll call for the question. All those in favor signify by saying aye.

(Chorus of ayes.)
GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: Motion carried. Thank you, Mr. Chairman.

The next will be the Committee on Natural Resources; the chairman, Governor Whitman.

GOVERNOR WHITMAN: Thank you, Mr. Chairman.

The Committee on Natural Resources took action on nine policies and one resolution. The resolution on clean air supports the efforts to extend the comment period by 60 days and the deadlines for the proposed National Air Standards. States obviously need more time to comment.

I understand that Governor Voinovich has supplied the governors with some maps that show the possible impacts of the proposed standards on those states. I'd just like to point out that that's one piece of information interpreted by an industry coalition.

During the next few months governors are obviously going to hear a lot, both pro and con, in
terms of what these proposed air standards might do
and the impact it might have on their particular
states.

I just want to say that the Natural
Resources Committee staff can provide any governor
who is interested with additional information on both
the sources of pollution and the known and potential
impacts on their states.

The committee also approved an amended
version of the Superfund policy. All governors want
to see this program actually work and see some site
remediation and clean up for less money, and our
policy we believe offers a number of ways to improve
the Superfund program.

One of the new policies calls for a
federal emphasis on pollution prevention. Many of
the states, New Jersey included, have pursued
programs that are reducing the amount of waste
created by manufacturing processes. In order to
reduce waste that must be regulated and managed by us
as governments we certainly know that an ounce of
prevention is worth a pound of cure, particularly in
the environmental area.

I want to thank Chairman Nelson and the NGA staff for their hard work.

I would like to forward all the policies of the Natural Resources Committee as well as the resolution on clean air as an en bloc, except for the low level radioactive waste policy, which I would like to offer for a separate vote.

GOVERNOR MILLER: All right.

Is there a second to the motion?

GOVERNOR SHAHEEN: Second.

GOVERNOR MILLER: Any discussion?

(No response.)

GOVERNOR MILLER: That will be all policies except low level radioactive nuclear waste disposal. All in favor signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: Motion carries.

Governor Whitman?

GOVERNOR WHITMAN: I would now like to
offer the low level radioactive waste policy.

VOICES: Second.

GOVERNOR MILLER: Any discussion?

GOVERNOR NELSON: Just for the record, Mr. Chairman, I will be abstaining from the vote.

There’s litigation in Nebraska and an abstention would be appropriate for the record.

GOVERNOR MILLER: Any other comments?

(No response.)

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

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?

(No response.)

GOVERNOR MILLER: The motion carries.

The next item on the agenda will be actions by the Executive Committee. There are six. I know there’s an amendment to at least one. I recognize Governor Engler.

GOVERNOR ENGLER: Mr. Chairman, I move that five of them be approved and just exempt the Medicaid for a moment. We’ll come back with the
amendment.

VOICE: I second that, Mr. Chairman.

GOVERNOR MILLER: Any discussion on the motion which would be to adopt the five policies of the Executive Committee exclusive of Medicaid?

(No response.)

GOVERNOR MILLER: If not, we'll call for the question. All in favor signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?

(No response.)

GOVERNOR MILLER: Governor Engler?

GOVERNOR ENGLER: Mr. Chairman, on the Medicaid policy I would first move that it be adopted, then I'll move an amendment to the policy.

VOICES: Second to that, Mr. Chairman.

GOVERNOR MILLER: There's a motion and a second to adopt the amendment that you should have all received that was discussed by Governor Engler briefly the other day.

GOVERNOR ENGLER: Let me just explain that the task force staff -- congratulations to them.
They really did take this and work with it and came up with an amendment that I think is a really important policy and it goes a long way toward trying to meet a lot of the concerns that states like Michigan have. So I think they did a nice job and it's a nice addition to the policy. So I am pleased.

GOVERNOR MILLER: Thank you.

Other discussion on the amendment?

(No response.)

GOVERNOR MILLER: If none, call for the question. All those in favor signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Any opposed?

(No response.)

GOVERNOR MILLER: Motion carried. It was as amended was the motion, was that correct? All right.

The next item is the policies that need suspension of the rules. There are four. I would entertain a motion to suspend the rules for the four of them.

GOVERNOR THOMPSON: So moved.
GOVERNOR MILLER: Is there any discussion on the motion to suspend the rules?

(No response.)

GOVERNOR MILLER: If not, I'll call for the question. All those in favor signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?

(No response.)

GOVERNOR MILLER: Motion carried.

We will now do the four individually. The first is a proposed policy position ending discrimination by the U.S. Department of Agriculture.

Governor Allen?

GOVERNOR ALLEN: Thank you, Mr. Chairman.

I don't know how much of an explanation you need for all this. We've discussed it and I appreciate the support of the Executive Committee for this, which is a national disgrace, which is that black farmers who are discriminated against in lending practices by the United States Department of Agriculture.
Agriculture in the Farm Credit program.

This is a problem of the federal government. I commended personally Secretary Glickman as well in this resolution for his leadership. This is not something that arose just recently. It’s been around, disgustingly as far as I’m concerned, for decades and he is taking proper leadership action in it.

This encourages him to stop any foreclosures from those who have civil rights complaints. Many have already been documented and found to be actual cases of discrimination. To me, to continue with foreclosures where you have these pending cases will only exacerbate the damage that’s already inflicted.

We, as governors, I feel have a duty and a role to play -- a supportive role -- in working with the USDA as they go forward to fashion a proper remedy for those who have been wrongfully discriminated.

GOVERNOR MILLER: Do you have a motion as well?
GOVERNOR ALLEN: I so move we adopt this
resolution.

GOVERNOR MILLER: Is there a second?

GOVERNOR CHILES: Second.

GOVERNOR MILLER: Is there discussion?

(No response.)

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

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?

(No response.)

GOVERNOR MILLER: Motion is carried.

The second item is the proposed
reaffirmation on ethics in government.

Governor Chiles?

GOVERNOR CHILES: This proposal and the
next proposal having to do with equal rights --

GOVERNOR MILLER: You can move both
together if you desire.

GOVERNOR CHILES: Yes, sir.

They're both continuations of existing
policy. All members have a copy of them. They've
been discussed by both sides. I don’t think we need further discussion. We’re just continuing.

I move them in en bloc.

GOVERNOR MILLER: Is there a second?

GOVERNOR WHITMAN: Second.

GOVERNOR MILLER: Any discussion?

(No response.)

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

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?

(No response.)

GOVERNOR MILLER: The motion carries.

The last is a proposed policy position of the Committee on Economic Development on Surface Transportation Financing.

GOVERNOR PATTON: This proposed policy, Mr. Chairman, reaffirms an existing NGA resolution that’s due to sunset at this meeting. If we governors are going to have any influence in the Congress during this important debate on the
transportation policy we need to have consensus.

The arguments for increased investment in transportation are very strong: transportation is critical to productivity; today’s level of transportation funding is inadequate to maintain current conditions; and revenues from the federal gas tax are growing rapidly while the expenditures are decreasing significantly. The Congressional and administrative budget plans would decrease transportation funding over the next five years.

I’d like to have Governor Schafer add some comments.

GOVERNOR SHAFER: Thank you, Governor Patton.

We heard the other day, as Governor Patton mentioned, some strong testimony from the Ford Motor Company and Federated Stores representing business and the investment they’re making in maintaining inventory and on time delivery to customers. We’re going to form a nice coalition with business and governors’ groups to get some of this legislation --
get some attention paid to some funding for highways.

I think Governor Patton said it well in
his previous comments covering our message, and I'll
go back for the amendment.

GOVERNOR PATTON: There is a floor
amendment to the policy emanating from the concerns
that were expressed as the task force met the other
day. I think you have a copy of that.

This floor amendment would extend our
understanding of the current federal fiscal
environment faced by the Congress; it would highlight
the divergence between the growing revenue and the
decreasing expenditure; it would add our support to
that expressed by many in the Congress; and there is
a letter where 57 members of the Senate have endorsed
basically this concept. It would also point out that
allowing our transportation systems to deteriorate is
short sighted.

I would move, sir, the adoption of the
floor amendment prior to the adoption of the policy.

GOVERNOR MILLER: Is there a second on the
motion to adopt the amendment?
VOICE: Second.

GOVERNOR MILLER: Any discussion on that motion?

(No response.)

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

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?

(No response.)

GOVERNOR MILLER: The motion carries.

Is there any motion on the adopted amendment?

GOVERNOR PATTON: So moved.

GOVERNOR MILLER: Any discussion?

(No response.)

GOVERNOR MILLER: All in favor signify by saying aye.

(Chorus of ayes.)

GOVERNOR MILLER: Opposed?

(No response.)

GOVERNOR MILLER: The motion is carried.

Before I conclude let me remind you that
our annual meeting will be July 27-30 in Las Vegas, Nevada. No matter how hot the discussions get inside I can assure you it will be hotter outside. We will hopefully provide you with warm hospitality.

I thank all of you for being here. My predecessor and successor should note that I'm ending 30 seconds early as a precedent for future reference.

(Applause.)

GOVERNOR MILLER: This meeting is concluded.

(Whereupon, at 11:45 a.m. the meeting was concluded.)