

**BUSINESS COMMUNITY VIEWS ON  
REFORM OF THE ELEMENTARY AND  
SECONDARY EDUCATION ACT**

**HEARING**

BEFORE THE

**COMMITTEE ON EDUCATION AND  
THE WORKFORCE**

**HOUSE OF REPRESENTATIVES**

**ONE HUNDRED SIXTH CONGRESS**

**FIRST SESSION**

HEARING HELD IN WASHINGTON, DC, JULY 1, 1999

**Serial No. 106-55**

Printed for the use of the Committee on Education

and the Workforce

---

Committee on Education and the Workforce

Hearing on "Business Community Views on Reform of the  
Elementary and Secondary Education Act"

2175 Rayburn House Office Building

Washington, D.C.

Thursday, July 1, 1999

STATEMENT OF MR. EDWARD B. RUST, JR., CHAIRMAN AND CEO, STATE FARM INSURANCE COMPANIES, BLOOMINGTON, ILLINOIS [\\*](#)

STATEMENT OF MS. PATRICIA WILLIS, PRESIDENT, BELLSOUTH FOUNDATION, ATLANTA, GEORGIA [\\*](#)

STATEMENT OF MS. SUSAN COLLINS, SENIOR VICE PRESIDENT, JOSTENS LEARNING CORPORATION, ON BEHALF OF THE SOFTWARE AND INFORMATION INDUSTRY ASSOCIATION, SAN DIEGO, CALIFORNIA [\\*](#)

STATEMENT OF MS. JOAN VERPLANCK, PRESIDENT, NEW JERSEY STATE CHAMBER OF COMMERCE, TRENTON, NEW JERSEY [\\*](#)

STATEMENT OF DR. RENEE LERCHE, DIRECTOR, WORKFORCE DEVELOPMENT, FORD MOTOR COMPANY, DEARBORN, MICHIGAN [\\*](#)

STATEMENT OF MR. PAUL J. RAAB, PARTNER, FACILITATOR CAPITAL FUND, MEQUON, WISCONSIN [\\*](#)

APPENDIX A -- THE OPENING STATEMENT OF THE HONORABLE BILL GOODLING, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA [\\*](#)

APPENDIX B -- THE WRITTEN STATEMENT OF MR. EDWARD J. RUST, JR., CHAIRMAN, PRESIDENT, AND CEO, STATE FARM INSURANCE COMPANIES, BLOOMINGTON, ILLINOIS [\\*](#)

APPENDIX C -- THE WRITTEN STATEMENT OF MS. PATRICIA WILLIS, PRESIDENT, BELLSOUTH FOUNDATION, ATLANTA, GEORGIA [\\*](#)

APPENDIX D -- THE WRITTEN STATEMENT OF MS. SUSAN COLLINS, SENIOR VICE PRESIDENT, JOSTENS LEARNING CORPORATION, SAN DIEGO, CALIFORNIA [\\*](#)

APPENDIX E -- THE WRITTEN STATEMENT OF MS. JOAN VERPLANCK, PRESIDENT, NEW JERSEY STATE CHAMBER OF COMMERCE, TRENTON, NEW JERSEY [\\*](#)

APPENDIX F -- THE WRITTEN STATEMENT OF DR. RENEE LERCHE, DIRECTOR OF WORKFORCE DEVELOPMENT, FORD MOTOR COMPANY, DEARBORN, MICHIGAN [\\*](#)

Committee on Education and the Workforce

Hearing on "Business Community Views on Reform of the

Elementary and Secondary Education Act"

2175 Rayburn House Office Building

Washington, D.C.

Thursday, July 1, 1999

The committee met, pursuant to notice, at 10:15 a.m., in Room 2175, Rayburn House Office Building, Hon. Thomas Petri, [vice chairman of the committee], presiding.

Present: Representatives Goodling, Petri, Roukema, Castle, Deal, Hilleary, Ehlers, Fletcher, DeMint, Isakson, Clay, Miller, Kildee, Owens, Payne, Roemer, Woolsey, McCarthy, Kind, Kucinich, and Wu.

Staff Present: Robert Borden, Professional Staff Member; Becky Campoverde, Communications Director; Linda Castleman, Office Manager; Mary Clagett, Professional Staff Member; Pam Davidson, Legislative Assistant; Michael Reynard, Media Assistant; Dan Lara, Press Secretary; Gail Weiss, Minority Staff Director; Cedric Hendriks, Minority Deputy Counsel; June Harris, Minority Education Coordinator; Alex Nock, Minority Legislative Associate/Education, and Roxana Folescu, Minority Staff Assistant, Education.

**Mr. Petri.** [presiding] The hour of 10:15, to which this hearing was reset, having arrived, the committee will please come to order.

Mr. Goodling will be here shortly, but asked that we begin in his absence. He had a conflict that couldn't be resolved. Let me read his opening statement. Then we will hear from the opening panel after they have been introduced.

``It is a pleasure to be here today to receive testimony from America's business leaders on an issue of vital importance to all of us: the education of the nation's children. I would like to take this opportunity to welcome each of our witnesses and others in attendance.

``One of our committee's main responsibilities this year is to review the Elementary and Secondary Education Act, as well as to consider other education reform initiatives that offer promise for America's people. This hearing is one in a series of hearings that our committee is holding as part of our responsibility for education in the United States, gathering information and recommendations for reform.

“Today we want to provide the business community with an opportunity to share its views on how to strengthen our U.S. education system, in particular with regard to the upcoming authorization of ESEA. This morning's panel of witnesses is expected to share experiences that their businesses or business organizations have had in working with schools across our country, as well as providing broad recommendations for reform in our education policies.

“In recent years there has been increased interest on the part of the business community in the area of education reform. Because the quality of the U.S. educational system has a direct impact on the skills of American workers, and ultimately on the ability of American businesses to compete, both domestically and internationally, this has become an issue of economics, as well as of social concern. A growing number of U.S. businesses and business organizations are working with state and local school systems by promoting employer involvement in education, building partnerships, and providing significant resources and technical assistance to improve K-12 educational programs with the bottom-line goal of improving student achievement.

“In a recent survey of 196 U.S. businesses conducted by the Conference Board, it was reported that the corporate contributions from these companies amounted to \$1.8 billion each year for improving education. This is only a partial account of the contributions made, not including contributions of time, volunteerism, and partnerships. It represents only the contributions of 196 out of all of America's employers.

“The witnesses testifying at today's hearing represent some of these leading businesses and business organizations in the country that are working with educators and others to reform the nation's schools. We have a distinguished panel of witnesses that have joined us. I would like to thank each of them for being here, and for preparing their testimony today.”

In a few minutes, we will proceed with introductions. Before that, I would like to ask Mr. Clay if he has any comments.

*See Appendix A for the Opening Statement of the Honorable Bill Goodling*

**Mr. Clay.** Mr. Kildee will give our statement.

**Mr. Petri.** Mr. Kildee.

**Mr. Kildee.** Thank you, Mr. Clay. Thank you, Mr. Chairman.

I look forward to hearing suggestions from today's witnesses on ways we can further improve the Elementary and Secondary Education Act. In my 23 years here in Congress, I have been through several reauthorizations of this bill. The business community has been very, very helpful in the past. They were very helpful in Goals 2000 in Congress when I was chairman of the subcommittee at that time. I really appreciate all your help.

The business community certainly has a vital interest in the education of our children. High standards and quality educational programs are essential to the future success of our children and the workforce. In addition, with the demand for skilled workers constantly increasing, the education provided by our school systems becomes a fundamental component in the preparation of our country's future workforce.

I can recall that shortly after the oil embargo hit, I was a member of the state legislature at that time. General Motors in Flint, Michigan had to go through some serious revamping in order to be competitive. The revamping was not just new machinery, but retraining and reeducation of the workers. General Motors has certainly played a very responsible role. Ford is going through the same thing, too. So it is very, very important, not only for those individual workers, but for yourselves to be successful businesses to have educated and trained work people.

I look forward to your continued cooperation. I am very happy to see that the CEO of one my own insurance companies, State Farm, is present here today. I look forward to all your statements. Thank you.

**Mr. Petri.** Thank you. I know there are several members of our panel who would like to introduce witnesses. Ms. Roukema?

**Ms. Roukema.** Thank you. I thank you, Congressman Petri for being here today. I want to congratulate you and the other members here who have organized this panel. We, in the Congress, have a lot to learn from the people out in the real world with practical experience.

But I especially want to welcome an outstanding member of the New Jersey business community, and a friend of mine. She is well-known throughout the State of New Jersey as the president of the New Jersey State Chamber of Commerce, Joan Verplanck. We do welcome you here today.

Ms. Verplanck is also the first woman to be president of the New Jersey Chamber. That is good evidence of what I have always said for many years: all issues are women's issues. Joan Verplanck typifies that. Prior to the New Jersey Chamber of Commerce as president in 1995, she was the president of a county chamber of commerce for eight years. To my surprise, I only learned now that you had previously served as a chamber of commerce leader in Rhode Island. Rhode Island's loss was New Jersey's gain.

I do want to say that it is of particular interest to this committee for having her here today, because she took the leadership in the creation of the New Jersey Chamber of Commerce Education Foundation, in 1996. We look forward to hearing about the wonderful contribution that she has made to education and on-the-job training in the State of New Jersey. We have much to learn from all of you. We especially appreciate and welcome, Joan Verplanck.

**Mr. Payne.** Would the gentlelady from New Jersey yield?

**Ms. Roukema.** I would be happy to yield to my colleague from New Jersey.

**Mr. Payne.** I would just like to echo what my colleague, Ms. Roukema, has said. It is a pleasure to see you here, Ms. Verplanck. We certainly are pleased with the work of the New Jersey State Chamber. I had been a person who participated in the Chamber train ride.

In New Jersey we take a train from New Jersey to Washington, once a year. We have the entire New Jersey delegation come together with business leaders to talk about making New Jersey healthier. In my district, with the Port of Newark, with the airport, with much of intermodal and rebuilding of our principal city, Newark, we certainly encourage the Chamber to continue its fine work. It is a pleasure to see you here this morning.

**Mr. Petri.** And our colleague, former Mayor Dennis Kucinich, has another member he would like to introduce.

**Mr. Kucinich.** Thank you very much, Mr. Chairman. I thank the Chair and all members for helping organize this hearing as part of our committee's consideration of the Elementary and Secondary Education Act.

I appreciate the chance to hear from business leaders about what sort of education and training our young people need to make the transition from school to a productive role in our high-tech economy. I am especially pleased to introduce Mr. Paul Raab.

Mr. Raab is a leader in the financial community in Wisconsin. I am from Ohio, but he is going to be discussing the importance of entrepreneurship education. Mr. Raab is managing director of a venture capital firm that specializes in medium-sized companies. He has an MBA from the University of Chicago. He has been a top manager of First Star Bank. He is also a board member of the Center for Teaching Entrepreneurship. He has seen firsthand how entrepreneurship education can help young people from disadvantaged neighborhoods.

In our rapidly changing economy, it is critical that young people take responsibility for their careers, and the opportunity to choose from many options, including the prospect of starting their own businesses. As the Chair and members of the committee know, I have introduced bipartisan legislation to enable schools and local school districts to offer classes in entrepreneurship education to their students.

I am certain that Mr. Raab's testimony will contribute to our deliberations today. Welcome to the Education and Workforce Committee, Mr. Raab, and all of today's panelists. Thank you, Mr. Chairman.

**Mr. Petri.** Mr. Isakson had a witness that he would like to welcome.

**Mr. Isakson.** Thank you very much, Mr. Chairman. It is a real pleasure to introduce Ms. Pat Willis, who is the president of BellSouth Foundation. BellSouth Foundation covers

nine southeastern states, including my home State of Georgia. I, fortunately, have had a great relationship with the company, and with Ms. Willis, over the last couple of years when I was chairman of the State Board of Education.

I can say, when the committee asked me for suggestions as to who would come, there is no corporation in the southeast that has done more than BellSouth has done. By way of example, first in terms of money, their foundation has donated \$25 million in recent years to elementary and secondary education. It has already announced another \$10 million which will be granted later on this year.

They have been instrumental in the forming and activity in the financing of the Georgia Partnership for Excellence in Education, a program that has involved the business community and private citizens in public education in the state. They have done such things as created the ``teacher toolbox," which takes the best practices of new and innovative techniques that are developed in classrooms, and shared them with every teacher in relevant subjects across the State of Georgia.

Probably most important to the committee, money is one thing, but effort and work and technology is another. Because of BellSouth, in the last few years 6,400 schools in Georgia have either been given access to the Internet, or had wiring and installation for the Internet done all through their effort to bring technology and access to the Internet right to the classroom. They are active in workplace development. They are active in supporting public education. From the CEO to their newest, 85,000th employee in the southeast, they are committed to public education. Ms. Willis is a shining star of what it really means to be a partner with education in Georgia. I am pleased that she is here today.

**Mr. Petri.** Thank you.

We have a vote on the House floor on the journal. I know, Mr. Rust, you are under time pressure. We agreed that we would let you go first and then answer questions. Do you have time for us to go for 15 minutes and come back? Or would you like to give your statement and maybe not have too many questions? It is up to you.

**Mr. Rust.** Fifteen minutes would be fine, here.

**Mr. Petri.** All right. Then we will adjourn and come back 10:45.

[Recess.]

**Mr. Petri.** Well, we are going to have to reassemble. The chairman will be joining us in a bit, but is still detained. I know a number of the members of this panel were already introduced. But I would, just for the record, like to also acknowledge the full panel.

Mr. Edward B. Rust is chairman, president, and CEO of State Farm Insurance Companies in Bloomington, Illinois. We welcome you. Patricia Willis has been introduced. Susan

Collins, senior vice president, Jostens Learning Corporation, San Diego, California. Ms. Joan Verplanck has been introduced by our members, as has Mr. Raab. Dr. Renee Lerche is the director of workforce development for the Ford Motor Company in Dearborn, Michigan.

We welcome all of you. I know Mr. Rust is under some time pressure. The other members will be on their way. We will begin with your statement because of your time constraints and then have a few questions for you. Then the rest of the panel will proceed in regular order. Please begin Mr. Rust.

***STATEMENT OF MR. EDWARD B. RUST, JR., CHAIRMAN AND CEO, STATE FARM INSURANCE COMPANIES, BLOOMINGTON, ILLINOIS***

**Mr. Rust.** Thank you. Congressman and members of the committee. I appreciate the opportunity to testify today on education issues that are top priorities for the business community.

I am Ed Rust, chairman and CEO of the State Farm Insurance Companies. State Farm has about 77,000 employees in offices across the country, and more 16,000 independent-contractor agents who operate significant small businesses in the communities they serve. Our employees and agents, many of whom serve on local school boards or volunteer in other ways, are committed to supporting quality education in their communities.

I am appearing today on behalf of the Business Roundtable and the Business Coalition for Education Reform. The Business Roundtable is an association of chief executive officers of leading U.S. companies, with a combined workforce of more than 10 million employees within the United States. The Business Coalition for Education Reform is made up of 13 national business-led organizations, including the Business Roundtable, and 400 State and local business education coalitions. The Business Coalition is managed by the National Alliance of Business, which is an organization focused on increasing student achievement, and improving the competitiveness of our workforce.

The business community has long valued our public education system as a pillar of American democracy and free enterprise. The challenge we must face together is that the world is changing, and changing quickly. The rate of change is accelerating, and will continue to do so well into the next millennium. Our schools need to be able to keep pace with those changes, and those inherent challenges.

Some of our schools are meeting these challenges. Unfortunately, too many are falling behind. My written statement describes some of the business initiatives that help support educational reform efforts to better align the public school systems with the challenges of today and the coming millennium.



As chairman of the Business Roundtable's Education Task Force, and the National Alliance of Business, and by serving on the board of Achieve, I had the opportunity to work with many committee, business and government leaders who share a similar goal and vision of a systemic education reform agenda that supports high standards and raised expectations for all students.

Recently, I heard a futurist comment that soon we will no longer be talking about the old adage of earning a living, but learning a living. Business is acutely aware of the challenges that graduates face when entering the workplace, and the need for life-long learning that follows. We need to support an educational system that gives students the capacity to achieve the knowledge and new skills they will need to be productive and secure in today's rapidly changing world. Knowledge and skills increasingly define economic success. Education is clearly the closest determinant of individual opportunity.

These premises form the framework for the Business Coalition for Education Reform's joint policy statement concerning the legislation being discussed today. Our statement doesn't attempt to address every education reform or reauthorization proposal. But it does reflect a broad consensus about basic principles we believe should be ingrained in this legislation, principles we know about from our experience in working with state and local levels, and that demonstrate a positive impact on the quality of education our children and grandchildren receive.

We recommend that the following principles be adopted as a framework for reauthorization of the Elementary and Secondary Education Act. First, give states and local schools the flexibility to innovate, but hold them accountable for improved student achievement. Second, focus federal funds on getting results, not on sustaining programs. Thirdly, invest in the scientific collection of data to measure, analyze and report on success, failures, and opportunities for improvement. Fourth, help find better ways to speed up sharing information about exemplary programs and best practices around the country.

In the not too distant past, polls indicated that education ranked thirteenth in the list of concerns for average Americans. As we all recognize today, similar polls place it as the number one concern of our population today. Education has captured America's attention. It is critical that all stakeholders: educators, parents, students, government and business, work to refine and restructure a public education system to be in line with an increasingly global and competitive work environment.

The role of the federal government in this process is essential, a role focused less on running programs, and more on providing the leadership necessary to keep educational reform at the forefront of public policy. There are examples of good schools out there, excellent teachers, and great programs throughout the public education system in this country. It is through a process of systemic educational reform that we can better guarantee that more of our graduates leave public school ready to face the challenges of the workplace.

Based on our experiences in the state, the organizations which are part of the Business Coalition for Education Reform believe that our schools can be even better. We believe there should be standards for student achievement and accountability for obtaining those standards. We believe that we must work together to foster teacher quality. We believe technology must be integrated into the curriculum as part of the educational process. We believe we should support research that leads to sound decision making.

The establishment of high standards for student achievement is the essential foundation for all other reform. The federal government can help states benchmark their standard and achievements against each other in world-class levels. It can continue to support professional development of teachers. Studies have shown that there is direct correlation between teacher quality and student achievement. In too many schools, teachers lack expertise in the very subjects they are teaching. Federal aid should focus on not just bringing them up to speed, but keeping them up to speed in this fast-changing world.

Many national business groups support the work of the National Board of Professional Teaching Standards, a voluntary, independent body that has credibility with governors, school administrators, classroom teachers, and business leaders. We know this organization as having a positive impact on the planning and quality of teacher training and development.

Past federal funding, in combination with financial support from foundations, corporation, and fee income from states and individual teachers, have supported development of standards and assessments of accomplished teaching practices. We encourage continued support for programs such as this that recognize and develop master teachers who directly impact student learning and student outcome.

Two final points. Business knows first-hand the tremendous impact technology has on the modern world. That is not about to change. The federal government has the opportunity to further invest in education, by supporting efforts to increase the integration of technology into curricula. Up-to-date technology will better prepare students to compete in a rapidly-changing world.

Finally, I want to affirm the importance my business colleagues attach to having sound, practical information for decision making about education at all levels. Good, valid, timely information leads to good decisions. Parents and the community should know how their schools compare nationally and internationally. The federal government has a significant role in facilitating research, evaluating progress in educational achievement, and reporting this information to state and local districts, and ultimately parents and the community at large.

Mr. Chairman, the business community understands that education improvement is not a one-time issue addressed in a single bill or single initiative. Because the world outside is changing, education faces an on-going challenge. If we can commit to support an education system that is resilient and flexible, one whose goal is continuous

improvement, we are more likely to have students that graduate prepared for both the new world of work, and the expectations of higher education.

Business is in this effort for the long haul. We are committed, locally and nationally, to improve student achievement. We look forward to working with all of you. Thank you, Mr. Chairman. I will be glad to respond to any questions at this time.

*See Appendix B for the Written Statement of Mr. Edward B. Rust, Jr.*

**Mr. Petri.** Thank you, Mr. Rust.

Mr. Kildee, do you have any questions?

**Mr. Kildee.** Thank you, Mr. Chairman. Thank you, Mr. Rust, for your very good testimony.

You mentioned the National Board of Professional Teaching Standards. Yesterday, we had a markup on a teacher quality bill, in which some members sought to require that teachers be fully-certified in their respective teaching fields by November of 2003. First of all what would you think of this requirement? Direct it more to your own business. Would you ordinarily take one of your top agents in selling and put him in charge of you actuarial department?

**Mr. Rust.** No, I would not, in answer to the tail-end of your question, there. I think looking at the National Board of Professional Teaching Standards, as they have expanded the number of certificates that are available, they are looking at specific types of training or knowledge, be it English, math, or science. So you are really looking at someone, be it in physics, that has the core knowledge and understanding of that subject matter.

What frustrates me is realizing that a very large percentage of teachers today are teaching out-of-field. That is, they are teaching subject matters that they neither majored nor minored in college. They are really very limited in the knowledge that they have of that subject matter, but they are teaching it nonetheless. This is one of the things that I am not sure we can turn around in a short period of time. It is something that we all need to address. In the business community, it is something that we are working with some of the schools of higher education in education to address this issue, and incorporate some of the National Board curricula steps into our schools' education.

One of the exciting things that I have seen with the National Board is that it has given those of us in the business community a handle to use in stressing in the state legislatures ways of increasing compensation for teachers who shown a higher level of skill, and demonstrated at that higher level of skill for teaching in getting results in their classroom.

Just this last session in the State of Illinois, we helped enact a piece of legislation that would allow, while it is modest at this time, an additional \$3,000 a year over the ten-year

certificate of the life of the National Board certificate. That is \$3,000 more per year to that teacher. It is modest, but it is a step toward recognizing teachers who are really showing proficiency and results in their classrooms.

**Mr. Kildee.** You know, I taught Latin for 10 years. I think I was a great Latin teacher, pardon my modesty. I could not have taught calculus. Yet we find that situation very often: someone teaching trig. It is unfair to the student. It is unfair to the parent. It is unfair to the taxpayer, I think. It is not a good utilization of the finances, even. I appreciate your response.

From public K-3, a student learns to read pretty well. And then after that, they read to learn. It is kind of a cute saying, but it contains an element of truth in it. That is why I have always been concerned about having reduced class sizes in K-3. What would you think about reduced class sizes for those grades where you really learning to read? If you don't learn to read, you are going to be behind all of the rest of you educational career.

**Mr. Rust.** I think it is important as you look at the process of helping children learn to read. First of all, you have to have a qualified teacher/instructor involved in that process. Whether or not the exact size of the class is determinative, I think is going to depend upon the location, and what kind of parental involvement has been with that child before they show up the first day of school. There are a lot of programs, locally, that schools and parents are involved in to help in that process.

I think this brings back part of the point of what we are stressing in our business Coalition statement. It is allowing localities to build a type of program training experience that best fits the dynamics of that local community. I know some recent work in Chicago, Paul Vallis, in an interview is talking about doing more work in the pre-K environment to help enhance disadvantaged youth coming in so they are more in a mindset, if you will, to enter school, looking back at some experimentation in a variety of things that can be used to address the local environment.

**Mr. Kildee.** I know that. I recognize your point in the pre-school. It is very strong. I have two grandchildren, the oldest being 14 months. The brain is being developed. It is very important that we really work with that development of the brain.

**Mr. Rust.** It is building blocks. You are building a foundation. If you do not develop those core skills in reading and comprehension at an early age, in today's world I don't know when you have time to go back and rebuild that foundation.

**Mr. Kildee.** Thank you very much, Mr. Rust, for your testimony.

**Mr. Petri.** We have been joined by Chairman Goodling.

Mr. Deal do you have any questions?

**Mr. Deal.** Thank you, Mr. Chairman. I would like to thank Mr. Rust for being here today, and for what the Business Coalition for Education Reform is doing across this country.

I have stated before that my wife is a sixth-grade, middle school teacher. I come from a family of school teachers. I have somewhat an appreciation. I think one of the real interesting and helpful things that has happened over recent years is the coalition between schools and the business communities. Schools are adopted by a particular business entity or enterprise of a local community.

I think, more than anything, what that does is it breaks the closed environment in which we have traditionally placed education. It has been, perhaps, an unintentional enclosure. Teachers and principals and administrators have become so busy. Sometimes their busyness is attributable to the paperwork and reporting requirements that we have placed here from the national level on them. They have to live in this environment that does not allow them the opportunity to break out of it in many instances, to know what is going on in the business world that their students will have to enter into.

I think one of the refreshing things is to have members from the business community come into that school environment somewhat of a viewpoint of what the outside world is beyond the academic environment in which they live. So I commend your organization and the other industries that are represented here for those efforts.

I suppose if we want to take it one step further, it would go to the question of allowing the teacher base to include those who have, maybe, come from that outside world. We have looked at it in a variety of ways. Many times the certification requirements are barriers to that. I just wondered if you might have some comments about the desirability, perhaps, of bringing in those with outside expertise into the actual teaching arena itself.

**Mr. Rust.** I think that approach and thinking is critical as we look at the staffing needs that we face in schools over the next ten years, of recognizing people who may not have gone through a traditional education background, but have core skills and abilities that can be conveyed in the classroom that they have developed over 20 or 30 years in a career outside of education.

One of the things that we have been working on is the attempt to recognize, within the states, alternative certification programs that would recognize them. You may have someone in the technology field that grew up over 35 years, from the infancy of semiconductors to the state-of-the-art today, that under traditional setting would not be qualified to convey to students what they know. We need to find ways to tap those who would be successful in the classroom, to allow them to come in and share that knowledge with our students.

**Mr. Deal.** Thank you for being with us. Thank you, Mr. Chairman.

**Mr. Petri.** Thank you. Mr. Owens? Ms. Roukema? Chairman Goodling.

**Chairman Goodling.** Several of you mentioned quality, which is the theme of leadership of this committee, rather than quantity.

I notice Ms. Verplanck talks about quality management practices. Could you explain a little more what you have in mind and how that fits in with the school system?

**Ms. Verplanck.** Actually...

**Chairman Goodling.** Oh, I am sorry. Apparently, this is being done differently. Apparently, you only listened to one, instead of all?

**Mr. Petri.** Mr. Rust has to leave.

**Chairman Goodling.** I will take that back. I will pass.

**Ms. Verplanck.** Now I can prepare for the question.

**Mr. Petri.** Well, we will get back to you. Mr. Roemer or Ms. McCarthy, do you have any questions?

**Mr. Roemer.** I am having an important conversation with my colleague. Do I have the opportunity to ask a question? Thank you, Mr. Chairman.

Thank you, first of all, for your testimony. We apologize for having it interrupted with a floor vote.

As I go around my district in Indiana, I am constantly reminded from my business community that public education reform is the single most important item on their agenda. We have slightly over a three percent unemployment rate. The most important thing to my CEO, CFO, and human resource director is the fact that the public schools continue to need to work in a partnership to get better. We have some great public schools out there. We need to work to make sure they get even better.

Since that our young students have a better and better understanding of the Internet, computer science skills, and technology skills, is playing such a crucial role for us in the future, whether they are going into hospital administration, assembly line work, or working in cells on a computer with two or three other employees, what are your recommendations that we do with respect to technology and respect to professional development on ESEA? Secondly, what can the business community contribute?

**Mr. Rust.** I am not sure we have enough time to address all of that in one day. I think as you look at technology, the one the business community has painfully learned over the years is that strictly saying, "Okay we will implement technology into our organizations," is far more difficult than just mandating from the senior levels of management that technology will be implemented. It brings about, as you recognized, tremendous training needs, not just from the human capital, but the whole issue of how

do you bring that technology in, wire it up, and get it functioning properly. Many older buildings were never conceived, from an architectural design standpoint, with today's needs from technology.

I think there are a lot of opportunities to share experiences with what companies have done to avoid some of the pitfalls that we have found ourselves in. We can share this with schools, school districts, and school administrators to avoid some of the problems that can be rather expensive. I think you have to recognize, going in, that with technology there is a significant learning curve. It is a curve that doesn't always end. By that I mean the constant change in technology requires this lifelong learning.

So I see really an opportunity for some good partnership between local schools, state school leaders, and businesses in sharing that kind of information. We have, in Illinois, a joint program that is starting in a week, I think. It is supported by some in the business community, along with the University of Illinois. It is bringing in teachers in about seven locations around the state for a two-week training session on some of the basic Microsoft Office Software. Teachers can either take that for continuing education, or be compensated for that time in that classroom.

**Mr. Roemer.** Does the school district pay for any of that, or does the business subsidize all of that?

**Mr. Rust.** The school districts are involved, to a degree, monetarily. I know in our case, we are picking up about two-thirds of the cost. Some of it is providing the teachers, when they exit that training, with the software. Right now they get the training, but do not have the manuals and the software when they leave the program. We in the business community are making that software available.

So I am back to my point. There are a lot good things going on that not enough people know about. This was part of my statement of trying to share some of the best practices and examples so we are not reinventing the wheel at every individual school or school district.

**Mr. Roemer.** Well I think those kinds of joint-partnerships between the business community and our schools are exceedingly important, whether it is what you are doing with the software programs. I understand that Motorola, another Illinois company, provides some of the leadership training programs for principals in Illinois. It pays, I think, for nearly 100 percent of it. I understand that my colleague from Wisconsin, Mr. Kind, is very active and interested in the training issue for principals. So thank you for your testimony, once again.

**Mr. Petri.** Mr. Ehlers, do you have any questions?

**Mr. Ehlers.** In the interest of helping Mr. Rust keep to his schedule, I will pass at this time. Thank you.

**Mr. Petri.** Mr. Isakson.

**Mr. Isakson.** Only a comment. The testimony of Mr. Rust reinforces what we did yesterday with the Teacher Empowerment Act in terms of its emphasis on teacher training and keeping them continually up to speed. Secondly, it reinforces Mr. Roemer's "Trips to Teachers" program and other programs for alternative certification, which are going to be critical if we are going to meet the math and science demand in high schools in classrooms in America. So I want to say how much I appreciate the testimony.

**Mr. Rust.** Mr. Chairman, if I might add along that line on the alternative certification. I was listening to someone the other day make the observation, again coming out of an elective public policy setting, that they did not have the necessary teacher certification. He made the observation; he said, "In today's world, I would not be able to teach a course on the development of public policy, even though I have been in my state legislature for 30 years, because there is not a way of recognizing that."

So I think, again, if we find innovative ways to address the needs of the classroom in the future, that sharing of some of these experiences is most important.

**Mr. Petri.** Thank you. Ms. McCarthy.

**Ms. McCarthy.** I will just make a brief comment. When I came here in 1997, one of the first meetings I went to was the Business Roundtable. I have to tell you I was nervous, because I knew nothing about business. I chose to talk about education. Because I found that even during my campaign when I was talking to business leaders on Long Island, I also knew a lot of my schools were in trouble. They responded tremendously. With them we have had a partnership. When I see some of my schools need a little extra help, whether it is computers, or teaching teachers how to use computers, the business community has always responded. Now we have a real partnership going through all of Long Island with all of schools. I think it is terrific. I think all of you, and I have read your statements, have done a great job.

One of the things I will bring out is even the small business can get involved. We have a program in one of my schools where we go to each little store and ask them to donate, like \$100. With that, we do a program where teachers put in for grants that will help the whole school. That little bit of money actually goes a long, long way.

So I thank all of you for taking an interest. I think with all of us working together, we can make a difference. I thank you for your testimony.

**Mr. Petri.** Ms. Woolsey.

**Ms. Woolsey.** Thank you, Mr. Chairman. I would just like to welcome Mr. Rust. I represent Rohnert Park, California, where you have a large facility. I want to thank you for coming. Thank you for being the employer you are. Your facility in Rohnert Park reaches out to activists in the community, brings them on campus and asks the questions



that allow us to have two-way dialogue that is very, very healthy. Thank you for coming today.

**Mr. Rust.** Thank you.

**Mr. Petri.** Mr. Kind.

**Mr. Kind.** Thank you, Mr. Chairman. I will try to keep this brief. I apologize for coming in late and missing your testimony. I was going to ask something that Mr. Isakson brought up in terms of alternative certification and where the Business Coalition was on it. It sounds like you addressed that in your testimony. I will read what you have submitted and if there is any follow-up, we will certainly get in touch with you on that.

There is no question that we face some tremendous challenges in the improvement of the education system. It is great to see the recognition that is taking place across the country in the variety of proposals and ideas that are out there that there is a crucial role for business and business leaders to play.

Back in Wisconsin in the district I represent, we have had a tremendous response from large and small business alike, going in and helping in both urban and rural areas for wiring needs that a lot of schools had. It was amazing that there were many schools, especially in rural western Wisconsin, that didn't have sufficient work done for the technological capability that the teachers and students need in those schools. The business community, by and large, stepped up and helped with volunteers, equipment, and underwriting the expenses of that. We have been successful in doing that in quite a few schools.

The question I have for you requires a lengthy response. If you could just touch upon what the Business Coalition has been doing with regards to the needs in rural America in the rural school districts because, obviously, most of the larger businesses are in the urban setting. But there is a tremendous shortfall, I think, of attention and resources going in rural school districts. I would be interested in hearing your comments.

**Mr. Rust.** Let me address that. First of all the Business Coalition, as you can tell, has a rather broad base of business representation.

I will take that to the State of Illinois. We started the Illinois Business Education Coalition about seven or eight years ago. It includes the Illinois Chamber, Illinois manufacturers, the Illinois Business Roundtable, and a host of others. While a lot of the attentions can be seen to surround Chicago and the collar counties, a good number of our members are from down-state, and are concerned about what is going on in their local schools. So as we work within the state capital, we try to convey throughout the state, be it metropolitan, collar counties, or rural settings, the need for education improvement. We are looking at business leaders in whatever county it might be to be involved in education reform.

One of the things we are doing in Illinois through the leadership of the Illinois Business Roundtable, is working to try to make sure we have a National Board of Professional Teaching Standards scholarship available in each county all 102 in the State of Illinois. We think back in our own experiences of teachers that had a profound impact on our learning as we were going through the school system. What we are trying to do is find ways to increase that number, and make sure that those types of teachers of that high caliber are available throughout schools, regardless of location.

**Mr. Kind.** Thank you.

**Mr. Petri.** Mr. Rust, thank you very much for being here under such tight schedule constraints. I am glad we were able to get your testimony and your questions in between votes. We are going to have to recess for another. We will come back as quickly as we can to hear the rest of the panel. I apologize, and I thank you for your patience. The committee will be recessed until 11:35.

[Recess.]

**Mr. Petri.** [presiding] The hearing will resume. My colleagues are on their way back.

I think you know the drill. We have your prepared statements here. We will proceed with the panel. Each of you will summarize your remarks for approximately five minutes. Then we will have questions of you all.

Shall we start with Ms. Willis, and then go right down the line?

***STATEMENT OF MS. PATRICIA WILLIS, PRESIDENT, BELLSOUTH FOUNDATION, ATLANTA, GEORGIA***

**Ms. Willis.** Thank you, Mr. Petri. I do appreciate the generous introduction of Representative Isakson.

I am pleased to present today the observations and experiences of BellSouth and the BellSouth Foundation in working with schools and education issues over our 15-year history.

Since its inception in 1986, the BellSouth Foundation has been committed to education reform in nine southeastern states where we provide local telephone service. As an employer of more than 85,000 people in the region, we feel an urgency to support the south in moving student performance from the lowest-ranking in the country to competitive positions.

Going from worst to first, even though the Atlanta Braves did it, may sound like a mighty task for an annual expenditure of only about \$3.5 million. But our stakes in the region are high. We are determined to accelerate school improvement for our communities and our workforce.

Today I would like to share with you two program investments of BellSouth that involve both the corporation and the Foundation. They address the issues of technology and professional development, two needs that are well understood by the business community and a very good match for employer involvement in education.

We have a significant program in education technology that leverages our intellectual capital, as well as our funds. It started as support for NetDay, the national grassroots movement to wire the schools. We provided \$25 million in free telecommunications and Internet services for the entire 1997-1998 school year. Working with over 6,400 schools, this is what we learned.

First, education leaders often lack experience for planning, budgeting, and implementing technology in the classroom. Their technology plans are very limited. Second, when you network 100,000 schools, you create a demand for technical support that exceeds the current supply. If those networks don't run smoothly, lesson plans fall apart. Third, teacher use of technology for instruction requires more than point-and-click training. They must know how to apply that technology to the curriculum. They need time, lots of time, with each other to share their experiences, successes, and failures.

In short, NetDay taught us that money for infrastructure is not the missing ingredient for successful deployment of technology. Investment in wiring and hardware, without investment in people, will result in doing what we have always done, and achieving the results we have always achieved.

As a result of the lessons of NetDay, the BellSouth Foundation made a commitment in March to a new program called "EduPwr3," the power to lead, the power to teach, and the power to learn. Over the next two years we will invest \$10 million in the professional development of superintendents and teachers, so they can effectively deploy and use technology in the classroom.

Earlier this year, the Department of Education released its report on wiring in the schools. The south, indeed, has gone from worst to first in four years. It is now the region with the most schools wired to the Internet. So our mission now is to move the south to first place, not just in infrastructure, but in the impact of technology on student achievement.

The second program investment is in the area of workforce development. BellSouth needs a prepared workforce. We have hired 36,000 new employees in the past three years. Through the work of the BellSouth Foundation, we identified both good news and bad news regarding teachers' capacity to open up career opportunities for students. The good news was that educators are really willing to help transition students from school to

careers. The bad news is that teachers have very little experience in the larger world of work. They cannot teach what they do not know.

We experimented with apprenticeship programs for students. But we decided to redirect our resources from student apprenticeship programs to teacher internships, in order to reach larger numbers of students more quickly. In 1997 through the BellSouth Foundation, we launched "Educators in the Workplace" to find promising ways that schools and communities could provide teacher internships systematically. Grants of \$60,000 each were awarded to eight communities in seven states. The results of that are in your packet in a new report.

Our learning from this program includes specifically that elementary, middle, and high school teachers benefit from workplace experiences. Two, teachers need time, lots of time, to work with colleagues and employers to translate that experience into curriculum and instruction changes. Finally, while employers want to contribute to teacher learning, they need a third party to manage all those administrative burdens or recruiting and matching applicants.

We don't leave students out. We have a tremendous job shadowing program that we started in 1997 that we have extended to Colin Powell's America's Promise and Junior Achievement.

To close, the benefits of business involvement in school reform become clearer daily as the labor market becomes tighter, and customers have more choices for quality products. There are wonderful examples of business success, but we have to move from pockets of success to garments of excellence. We are prepared to do that. Thank you.

*See Appendix C for the Written Statement of Ms. Patricia Willis*

**Mr. Petri.** Thank you. Ms. Collins.

***STATEMENT OF MS. SUSAN COLLINS, SENIOR VICE PRESIDENT, JOSTENS LEARNING CORPORATION, ON BEHALF OF THE SOFTWARE AND INFORMATION INDUSTRY ASSOCIATION, SAN DIEGO, CALIFORNIA***

**Ms. Collins.** Good morning, Mr. Chairman and members of the committee. My name is Sue Collins. I am a senior vice president of Jostens Learning Corporation, an educational software company that provides curriculum assessment and management solutions for K-12 schools.

I am also pleased to be here today representing the Software and Information Industry Association, where I serve on the board of directors and Government Affairs Council, and chair its Education and Workplace Development Committee. The perspective that I will share with you today is one based on my 30 years of experience as a teacher, district and state-level administrator, and hardware and software company executive.

In the information age, intellect and innovation give the United States its competitive edge, making a highly-educated citizenry essential. At a time when there is a shortage of high-skilled workers, global competition, and a bewildering array of federal, state, and local regulations and requirements, the need for education reform has never been greater. We are pleased that under this committee's leadership that these are being addressed head on.

We believe a two-prong strategy is necessary. First, it is essential that Congress focus national investment in the general area of public education. A primary goal must be the development of well-rounded individuals who have the ability and knowledge to contribute productively in our high-performance global economy, both as citizens and workers. We should not be afraid to innovate inside our classrooms, or grant flexibility to school decision makers to enable reform. But in doing so, we must be prepared to invest heavily in the core elements that will make school-based innovation purposeful. That includes improvements in school infrastructure; professional development for teachers, administrators, and parents, and accountability and assessments measures so that we can be sure that we are getting the biggest bang for our education investment buck.

Second, it is also vital that we continue sustained investment in the effective utilization of technology in all aspects of elementary, secondary, and post-secondary learning. We strongly believe that a hallmark of education reform and innovation inside the classroom is the deployment of modern learning tools, in concert with specific local curriculum objectives geared toward student achievement.

The federal role in connection with this two-pronged education reform strategy is historic and clear. The federal government must lead the way in establishing the core expectations of what a good education means today in America, and what resource priorities are necessary to improve student achievement.

No better opportunity exists to enunciate the federal role, than through the reauthorization of the Elementary and Secondary Education Act. After 35 years, its purpose and objectives are still valid and sound. But the Act clearly must be revised to reflect the realities of the global economy, technology use at school and home, and heightened skill level expectations in the workplace.

With that in mind, I would like to summarize several core recommendations that focus on establishing high standards and measures of accountability. First, we believe federal support for education should require that state and local school districts adopt high standards of educational excellence and comprehensive accountability mechanisms geared toward achieving high results.

Second, greater flexibility and discretion in how federal funds are used to advance educational objectives should be provided to states and local school districts to encourage school-based innovations in learning. This should include the leeway to commingle funds from distinct K-12 programs, such as between title I and technology, or professional development, in order to better leverage resources to address unique local education needs.

Third, the federal role in education was premised on concentrated assistance to address specific educational needs of under-served, at-risk school populations who do not benefit from state and local aid. We believe it is important to maintain the separate protected education programs. However, within these priorities there sometimes exist an incoherent pattern of funding that inhibits effectiveness. Some program consolidation and realignment is necessary to leverage better results, reduce administrative burden, and build local capacity. Your own title II reform legislation, the "Teacher Empowerment Act," is a good case in point.

Fourth, it is critical the federal government fund its legal commitments. Simply stated, we believe it is important to match the time and energy Congress is investing to revise federal K-12 programs with resources necessary to get the job done.

In addition to these overall recommendations, we also support five specific proposals that we believe will significantly improve school technology access, and help to close the gap between the "haves" and the "have-nots." Foremost to us is to maintain a direct and strong federal commitment to education technology investment. Despite solid annual appropriations of one-half billion dollars over the past five years, only 10 percent of schools have had the means and ability to fully integrate technology use in teaching and learning. A striking 80 percent of teachers are insufficiently prepared to classrooms equipped with technology.

We believe that the key to effective classroom technology integration is local empowerment. That is, building the capacity of local school officials, teachers, parents, and others to understand the connection between technology use and local learning objectives. Likewise, it is crucial to embed technology integration within other key education priorities such as title I, special education, and professional development. In fact, technology integration should be considered a core element of each of these authorizations in any evaluation of program success.

Next, we believe that federally-supported research should focus on building a deeper understanding of the critical factors of effective technology programs, and the mechanism for disseminating good practice. The federal government should not establish content standards, or fund the development of digital content applications that compete with the private sector.

Finally, the federal government should also resist the temptation to judge content quality at the national level. Rather, its role is best suited to assist states, local school districts, and educators in utilizing appropriate processes and available information as a means of

evaluating software, electronic content, hardware, and other instructional technology resources to meet their educational goals.

In conclusion, the nation's leading technology companies understand the severe implications for our businesses if schools fail to prepare students for the dynamic world that they will inherit. We also recognize that our best hope lies in a world-class, U.S. K-12 public education system. We firmly believe that the present ESEA reauthorization process offers a real chance for making substantial progress toward effective education reform.

Thank you for the opportunity to testify.

*See Appendix D for the Written Statement of Ms. Susan Collins*

**Mr. Petri.** Thank you, Ms. Collins.

Ms. Verplanck.

***STATEMENT OF MS. JOAN VERPLANCK, PRESIDENT, NEW JERSEY STATE CHAMBER OF COMMERCE, TRENTON, NEW JERSEY***

**Ms. Verplanck.** Thank you, Mr. Chairman. The New Jersey Chamber of Commerce fully endorses and supports the concepts and philosophies outlined in the document, "Principles for Reauthorizing the Elementary and Secondary Education Act," as put forth by the U.S. Chamber of Commerce, working as part of the Business Coalition for Education Reform.

I would like to provide you with information about how those principles translate into program and policy initiatives that support the business agenda in education reform in New Jersey. There are thousands of New Jersey businesses involved in supporting education in the state, involvement that goes well above and beyond the call of duty.

New Jersey businesses contribute millions of dollars to education through direct financial support of school-based initiatives and individual student scholarships. Corporations also provide many other resources to schools: discount programs, supplies, meeting facilities, and most importantly, human resources and expertise. While an accounting of all these resources has never been made, it is our estimate that the total would far exceed the billion dollar mark.

If I were to list for you here all of the corporations, both large and small, that were working to improve education in New Jersey, the list would seem endless. I would tell

you how PSE&G, our state's largest electric and gas utility is working to improve school in the south ward of Newark. Johnson & Johnson is providing support to a statewide robotics competition involving thousands of students and dozens of other corporate volunteers. Merck is supporting a K-8 professional development program that focuses on increasing teacher understanding in basic science and mathematics, and their ability to deliver inquiry-based classroom lessons.

Prudential, Bell Atlantic, KPMG, and Microsoft are working together to provide support for a program run by the State Chamber that helps schools infuse computer technology into the classroom. Small corporations like Edwards & Kelsey, Heavenly Ham, the Evidence Store, and Henry's Homemade are working with the State Chamber to place teachers in a job for a month over the summer so educators can better prepare students for their roles in the workforce of tomorrow based on their own first-hand experience.

This is but a small sample of the kinds of investment the business community in New Jersey is making in our schools. The New Jersey Chamber of Commerce had made a substantial commitment to education with the establishment of a full-time staff position dedicated to education and workforce development. Additionally, our education foundation employs two individuals who implement a number of education programs. All of the Chamber's initiatives tap into our single biggest asset: the willingness of our members to donate time and resources, and to get involved.

Tech Corps New Jersey is a program that places business volunteers with expertise in computer technology in schools to help educators purchase, network, and integrate computers into their classrooms and into their curricula. Thanks to training delivered by Tech Corps volunteers, every one of New Jersey's school districts now has a strategic technology plan in place. Tech Corps New Jersey delivers some level of service to over 50 percent of the state's school districts -- 300 each year.

Educators in the Workplace is a program that places teachers in business and industry for a month over the summer. Employers define a task that the company needs to have completed, and a teacher is selected, placed, paid, and evaluated. Teachers who participate in the program are required to develop a lesson plan for their classroom that reflects the real world of business and industry.

Children Designing and Engineering operates under a grant from the National Science Foundation, in partnership with the College of New Jersey and various businesses. This program develops curriculum for the K-5 classroom that is both academically rigorous and relevant to the world of work. Two classroom lessons or modules have already developed, one with Six Flags Great Adventure Safari Park, and one on Using Light for Communications, with Lucent Technologies.

Cross Content Workforce Readiness Teacher Awards provides \$5,000 to teachers who design and implement learning experiences that relate academics to the world of work. Teachers are asked to use one-half of that funding to purchase equipment or supplies for



the classroom, but are allowed to keep the other \$2,500 as a performance incentive, or a personal bonus.

School Counts is an effort that will change the way employers hire entry-level employees. School Counts employers will require that young adults seeking part-or full-time employment submit a record or transcript of high school performance, thus reinforcing the message that academics count. Two hundred employers will have committed to this effort by the end of this summer.

Each of these programs is steered by committees consisting of business people, educators, and representatives from the Department of Education. In aggregate, these committees function as the Chamber's committees on education, and are known as the Business Coalition for Education Excellence.

The Business Coalition also addresses policy in support of the business agenda in educational reform, forming ad hoc committees around specific issues as necessary, lobbying policy makers as appropriate. The policy initiatives of the Business Coalition are lead by Arthur Ryan, Chairman and CEO of Prudential.

The educational community in the state has come a great distance in the last few years. The State Board of Education has recently mandated core curriculum content standards in seven academic areas; the infusion of workforce readiness skills across each of those seven academic areas, and is now requiring that New Jersey teachers continue their education with 100 hours of professional development every five years. But we have a long way to go. The State Department of Education is just now beginning to field test the assessment system that will evaluate student progress toward the academic content standards. New Jersey will benchmark its own assessments against national and international student achievement tests.

The business community will be looking over education's shoulder as the State Department moves toward revising New Jersey's core curriculum content standards, ensuring that the standards are continuously improved and strengthened. We will also be moving to close gaps in the current standards.

For example, at this time New Jersey is the only state in the nation that has not addressed the issue of technology education. A clear distinction must be made between technology education and educational technology. Technology education, the study of the designed world, can prepare students for careers in materials science, engineering, and architecture, and should not be confused with educational technology.

The business community in New Jersey will continue to expand the definition of school-to-work. The old concept of apprenticeship, or placing students into workplace situations, is too limited and impacts relatively few students. Workplace skills should be infused into every lesson plan and every curriculum unit, providing a rigorous and relevant learning opportunity.

Finally, the business community is united in realizing that nothing is more important than teacher professional development. University of Tennessee studies show that the quality of teacher in the classroom is 20 times more important than any other factor, including facilities, educational technology, or student socio-economic levels. Those same studies indicate that one year of a less-than-adequate math teacher sets a student back a minimum of four years. Assuring that New Jersey's new mandate for teacher professional development is appropriately administered will be an ongoing challenge to both the business and education communities.

In summary, the business community in New Jersey acknowledges that a thriving educational system is the only way in which this nation will retain its economic competitive edge. While basic skills are important, schools need to go much further than ever before to prepare students to meet and exceed the challenges that lie ahead. While the three "R's" are still important, reading, writing, and arithmetic are no longer sufficient. We call on you to encourage the educational system to deliver three new "R's" necessary for success in the coming millennium: rigor, relevance, and responsibility.

Thank you for your attention.

*See Appendix E for the Written Statement of Ms. Joan Verplanck*

**Mr. Petri.** Thank you. Dr. Lerche.

***STATEMENT OF DR. RENEE LERCHE, DIRECTOR, WORKFORCE DEVELOPMENT, FORD MOTOR COMPANY, DEARBORN, MICHIGAN***

**Ms. Lerche.** On behalf of the Ford Motor Company, I would to thank you for inviting me here to testify about business community views on reform the Elementary and Secondary Education Act.

Today I will focus my remarks on Ford, and the role it has played, and is currently playing, in public education reform. In doing so, I will highlight Ford's motivation for its extensive involvement in secondary and elementary education, its flagship activities with the education community, and the public policy issues which interest and concern us as we extend the depth of our partnerships with education. At Ford our commitment to education not only is an issue of good corporate citizenship, it is also a part of our history.

Throughout his lifetime, Henry Ford had a deep interest in education, founding 74 schools all across the country and around the world. However, beyond citizenship and legacy, Ford's position is that education is also intimately linked to workforce

development for the company. The educational system is our pipeline for talent. We have a vested interest in how well it operates, and in the quality of its output.

In recent years, education has also become an issue of employee retention and attraction. As parents, grandparents, and family members, our employees are deeply concerned about education quality as it relates to their children. So we, too, must be concerned. If we hope to remain an employer of choice for the best and the brightest of our country's talent, we must be visibly and intensely involved in education reform at every level. And if we want a true affiliation with the public education community, and the students of that community, we need direct, hands-on partnerships in program and curriculum design and development.

Simply put, Ford's approach to the issue of education reform is all about building what I would call "profound partnerships" with the public education system. We are not in the business of creating a private, alternative educational system.

Examples of some of the profound partnerships that Ford has with public education at this time include, the Ford Academy of Manufacturing Science, "FAMS." FAMS is a rigorous academic and work-based high school career academy designed to introduce students to the concepts and skills that they will need to understand and succeed in the complex and ever-changing manufacturing world, and in the world of work, in general.

FAMS is currently in 76 high schools in 16 states, Canada, and South Africa. At this time over 5,000 students have participated in FAMS programs. This fall, Ford will begin a major revision of this award-winning program, to create a new cutting-edge curriculum that is web-based and modular in design. Educators will be able to go online to choose specific FAMS modules, tailor them to fit their unique curricular needs, and deliver them to students online, or in more traditional forms.

In 1996, Ford with its partner, the Henry Ford Museum and Greenfield Village, launched the Henry Ford Academy, a public high school academy located on the grounds of the museum. Chartered by the Wayne County Regional Educational Services Agency in Michigan, the Academy is designed to serve as a national model for education reform, and a national resource for educators. The Academy will use a variety of methods, including distance learning, the Web, conferences and symposia to share its experiences, curriculum, and community-building strategies with educators from across the country and around the world. We are currently working on plans to open more Ford academies, specifically in the city of Detroit.

Ford is also active in building national educational partnerships. After the passage of the School-to-Work Opportunities Act 1994, Ford founded and led 17 other corporations to form the first national corporate partnership organization devoted solely to promoting work-based learning opportunities for all students: the National Employer Leadership Council. The NELC has since grown to include over 100 corporate partners.

Finally, this fall we will launch a new non-profit foundation, the Fair Lane Learning Institute. The Fair Lane Learning Institute will be dedicated to investigating, creating, and supporting innovative and alternative learning environments and partnerships that support the role the American public education system has always played in helping people achieve their individual dreams and aspirations.

As Congress works to reauthorize the Elementary and Secondary Education Act, you are faced with a number of complex public policy issues and concerns. Let me conclude my testimony by touching briefly on several issues and questions that I know you will consider, and we will also, as Ford redefines its involvement in education reform for the new millennium.

First is a rapidly changing educational landscape. With the advent of public school choice in the form of charter schools, vouchers, tuition tax credits, and other less-charted changes, such as business looking at education as business, policies and initiatives must be nimble enough to ensure equity and educational excellence for all students in this country.

However, after almost 20 years of reform effort, our education system is still not uniformly producing an acceptable outcome in terms of graduates, with the knowledge, skill, and ability to apply them in a variety of contexts necessary to succeed in the world of work. If we cannot figure out a way to simultaneously jump start schools systems across the country, I am afraid that the slow pace of change will tempt many businesses and other partnering organizations to opt out of the public education reform effort. We need to explore strategies that promote speed, depth, and breadth of reform.

Technology innovations may be key to effecting the speed and breadth of reform. We need to look at the potential of new multimedia communication technologies, as well as the Web, to create new ways in which information is shaped, shared, and even processed by the human brain. Online schools are cropping up all across the country.

These technological breakthroughs pose questions for us. What will education look like? Will our focus on schools shift to a focus on learning environments and communities that are fluid and more virtual than bricks and mortar? Is it wise, therefore, to invest billions of dollars in building or rehabbing schools and classrooms as we know them? Or should we be looking at creating a variety of learning not necessarily in school-building environment in workplaces, cultural institutions, and even shopping malls, that offer the potential of more direct involvement of the community in shaping a new kind of schooling process?

Finally, there is this issue of lifestyle match. As we enter the new millennium, peoples' lives are dramatically different than they were even five years ago. Work/life issues such as two-earner families, access to quality childcare, telecommuting, et cetera, have enormous impact on our nations families in the way they work and live. Schools in this country, however, are not set up to handle the kinds of pressures facing most families

today. What opportunities or experiments can we create that provide a greater lifestyle match between the education community and its stakeholders?

To conclude, I would encourage this committee to explore policy initiatives and legislation, such as Florida's innovative "Charter Schools in the Workplace" legislation, that can truly facilitate what I have called profound partnerships between employers and public education providers, to design and develop creative learning environments and opportunities. Providing this kind of benefit to employees, the promise of a safe, high-quality education for their children is an enormously appealing option for many companies striving to become an employer of choice. I believe that you will find the business community eager to join you these efforts.

*See Appendix F for the Written Statement of Dr. Lerche*

**Mr. Petri.** Thank you, Doctor.

Mr. Raab.

***STATEMENT OF MR. PAUL J. RAAB, PARTNER, FACILITATOR CAPITAL FUND, MEQUON, WISCONSIN***

**Mr. Raab.** Mr. Chairman and members of the committee, I appreciate this opportunity to appear in front of you today to discuss what sort of education is needed for our young people to achieve employment security in our modern economy.

I am a partner in a private equity firm, venture capital is another name for it, the Facilitator Capital Fund, a small business investment company, or "SBIC," as licensed by the Small Business Administration. We exist at Facilitator to provide entrepreneurial management teams with the capital necessary to own and grow their businesses. Our fund invests capital in small-and mid-sized businesses run by entrepreneurs. Each and every day I am challenged and energized by entrepreneurs.

When I was a teen I had numerous entrepreneurial ideas, and still do come up with them once in a while. I developed my interest in entrepreneurial issues early on in life. While I am not a world-beating entrepreneur perhaps "not yet" should be inserted here I have remained an active participant in the entrepreneurial world, and am committed to educating young people about entrepreneurship.

I have worked with the Milwaukee Junior Achievement Office as a team leader for one of their inner-city locations. I found that experience enlightening and did recognize that entrepreneurial spark in many of those children. I have served on the Board of the Center

for Teaching Entrepreneurship, since 1995. This organization provides young people with the level of training contemplated by the subject legislation. A marvelously dedicated woman, Redonna Rogers, runs the program primarily for young people within the city of Milwaukee. While many lives have been touched by these programs, budgets are limited and the programs reach only a fraction of the children in Milwaukee.

A year ago Redonna informed me of a piece of legislation that had been introduced by Congressman Kucinich that would create a system to teach entrepreneurship to junior high and high school students. This immediately struck that same entrepreneurship chord with me. I firmly believe that all young people could benefit from entrepreneurship education, regardless of whether they end up starting their own business or owning their own business. Our goal should be to reach students with this sort of education. Our public schools would be an excellent way to deliver these classes. My entire background and experience tells me that this sort of education could make a huge difference in our country.

In the lives of young people, role models have always been important. Today I will posit that these role models are just as likely to be Bill Gates and Paul Allen of Microsoft, than the sports heroes of our youth. These were young people who had an idea, lots of ideas, and were willing to do anything and everything to see them flourish. Of course today those time frames from concept to investment community recognition and acceptance are incredibly compressed. Ideas are developed and taken public in months, or just a few short years, with Internet ideas, creating phenomenal amounts of wealth for the economy.

I think we can all agree, and other panelists have put forth, that the world is moving at a very rapid pace. This pace of change does create more opportunity for young people. Against this backdrop of celebrity status for entrepreneurs, in this fast pace of change our youth are positioned well, and are actually drawn in to participate in a meaningful sense in the economy. Not as employees with some distance hope that someday they would be the boss, but rather with a real shot today at playing a significant entrepreneurial role in the work world by the time they are 22, 25, or 52, or 55 years of age.

If we agree that education is necessary to equip young people to deal with the world as it exists today, and as it will metamorphose tomorrow, we realize that our educational system needs to change, as well. The world is changing. It has changed. One of those changes is a rapidly-moving business and work environment. In my parent's generation, and indeed when I first joined the work world, the view was similar, expected to have long careers at one or a few employers.

Today our students cannot count on that level of workforce stability. Alternatively, they have opportunities beyond anything we dreamed of in the past. However, the bulk of our children continue to be educated in a more traditional way which leaves out education about the economy, their role within it, and the possibilities it presents. If you look at the current state of entrepreneurial education in the U.S., it does seem to be a scattered approach. There are several large organizations dedicated to providing entrepreneurial education. They are doing a marvelous job within their scope.

Springing from these leaders are hundreds of programs underway on a grassroots level around the country. Public school involvement would help round out the entrepreneurial education program, which I feel is so important to continuing to motivate the U.S. economy. Given that so much of our country's success stems from its entrepreneurial nature, our national economic policy needs to reflect and support this.

I wholeheartedly support the legislation introduced by Congressman Kucinich to make federal resources available for this purpose. Entrepreneurship education needs to part of our national education policy. I hope Congress and this committee will give serious consideration to this. Thank you for the opportunity.

*See Appendix G for the Written Statement of Mr. Paul J. Raab*

**Mr. Petri.** Thank you. Thank you all for your testimony.

Mr. Kildee, would you like to ask questions?

**Mr. Kildee.** Thank you very much, Mr. Chairman. I thank the panel for their good testimony.

In my 23 years in Congress, I have tried to visit every school in my Congressional district. I have visited many schools throughout the country. Whenever I find a truly great school, some of them blue ribbon schools as designated by the Department of Education, I find many variables. The one constant element in those truly great schools is a great principal, a principal strong in motivational and managerial skills. You have to have good managers in your businesses. What can you, or we do to help develop really strong educational leaders?

**Ms. Verplanck.** To whom?

**Mr. Kildee.** Want to try?

**Ms. Verplanck.** Okay. To your question, we in New Jersey are actually reaching out to the administrators in the schools, as well as the teachers. We know that is where it all starts.

Business education partnerships in the early days were business to children; you know, the plant tours, the mentoring that sort of thing. With that kind of opportunity you change a child. When you change a teacher, you change many children. Certainly, when you build in support in the administration, you help that as well.

We have focused our help in the administration on the technology side of it; going in and teaching school administrators, principals, and superintendents how to use technology; how to use the computers that sit on their desk and they, by and large, don't know how to use, and how to integrate that across the board, even into managing budgets so they can

allocate their resources better. Sometimes it is not more money, it is just using the money you have a little bit more efficiently.

So obviously the answer is to have every school principal in the country so enthusiastic and excited about what they do that they become a beacon for their school. It doesn't necessarily exist across all schools. I don't think you can legislate that, unfortunately.

**Mr. Kildee.** Any other ideas on how business, or what we can do?

**Ms. Willis.** It seems to me that our principals generally come from the ranks of teachers. In doing that, they don't come with management skills. They don't come with concepts of human resource selection and development. They don't come with strategic planning for organizations. I think it is really important that we set a tone for both where we get principals -- do they have to come from the ranks of teaching -- and how we prepare those that are going to be principals, either at the academic level or in the community. The more we can demonstrate models of the preparation process, and an accountability system that shows they are accountable for the management of their schools, and the particular functions of human resource planning and evaluation and strategic planning and so on, the better off we will be.

I think the federal government in its programs has a wonderful chance to send a message about just what our expectations are among the leadership, and not just the teachers. We have to pull out those models and hold them up for others to see.

**Mr. Kildee.** You know you raise a very good point. I taught school for ten years. Very often, a truly great classroom teacher, because he or she was truly great and was promoted to a leadership role, that left the classroom bereft sometimes. It really was a great classroom teacher. I am wondering if that teacher, in order to him-or herself financially, felt compelled to move in administration. I wonder if there is a better way?

I don't think we want to preclude the classroom teacher from promotion to administration. But sometimes, maybe that teacher really does better in the classroom and should not have to make that terrible choice to financially better themselves by taking the administration position.

We invest hundreds of thousands of dollars in training our future military leaders at West Point, and places like that. I am not saying we have a VMI or West Point for teachers, but we do invest hundreds of thousands of dollars in each one of those individuals. I think we should explore how we can really find a great educational leaders without always just taking from the classroom. At the same time, the teacher should be able to move up, promotionally and fiscally, without leaving that classroom. It is something that has been troubling me for a long time.

**Ms. Collins.** I want to just add a couple of points. One, I think it is not only principals, I think it is the middle management of school districts as well that come out of classroom and become the science administrator, or the title I coordinator, or those kinds of things.



The other piece is that they could take a lesson from businesses. Most of the companies that I have been with in my career have a dual career paths. So you don't have to lose that good teacher to become a principal because they need to increase their salary. You have a job path that is very much an individual contributor/teacher kind of job path, and you have a management job path. So people can make a decision. If they want to stay in the classroom in that role, they can still be rewarded monetarily by doing that. The person who really wants to get into management takes the other path and goes into becoming a building principal.

My sister happens to be an elementary school principal. She was a great teacher. I think she was exactly the story you state. She would have been great staying in the classroom for her entire career. She is a great building principal, as well. But they lost that classroom teacher at the same time.

**Mr. Kildee.** Thank you very much, Mr. Chairman. I appreciate this panel. They are very, very helpful.

**Mr. Petri.** Thank you. Mr. DeMint.

**Mr. DeMint.** Thank you, Mr. Chairman. Thank all of you for what you are doing in forming partnerships with our schools. I am convinced that if we are going to improve education in our country, it is because you and companies like you decide to get involved with education.

I just have a kind of a perspective and then a question. I will direct it at Ms. Willis, since BellSouth has been so involved in my state, South Carolina. But, please all of you feel free to respond.

It appears to me that we have a potential problem with what you are doing. From being in business myself, I learned, as most of the companies I worked with, that we have to change almost every day. There has to be a culture of change, and a culture of continuous quality improvement.

The contrast to that I see in our schools because of the multilevels of authority: local, state, and federal is that they are very resistant to change, very afraid to change. I am afraid that some of the laws and things that we have done here and at the state level are going to make it harder and harder for you to pull education along with you, because you continue to change daily. It is hard for education to even change yearly. We will debate something here for months before we change.

Some of the things that were mentioned, like the creative possibilities of virtual learning, I think that we are resistant to. We seem to think that everything has to be the same for every student, or it is not equal. How can we possibly create the diversity, the competition, and the choice with the structure we have? That may be too big a question for any of you to jump in and help. Ms. Willis, maybe you can at least identify some

problems that are caused by laws and regulations that are making it harder for you to do what your foundation was set up to do.

**Ms. Willis.** Let me first address the notion that this constant change is a problem for schools to adjust to. I think a lot talked about the need to get teachers experience other than the classroom, where they are more personally confronted with the urgency of what they teach and how they teach, so that students are better informed and prepared about those changes. Teachers, principals, and superintendents aren't going to feel that sense of change and urgency if they are only in the classroom. Eighty percent of our teachers have ever only been in the classroom as a place of employment. So some kind of continuous opportunity for educators to experience the other employment sectors I think is really important.

Now in terms of what laws specifically might hinder their ability to respond to us or to change, a lot of us have also talked about the need for local accountability and flexibility. As the problem in one school or district might be more impacted by one issue than another, the funding sources, whether it is from the state, the district, or the federal government, if they could be brought to bear with some flexibility to be responsive to that local situation as opposed to the smokestacks of programs, where there can be an integration of funding that then addresses that local situation. If the accountability for results, as opposed to the definition of inputs could be the target for all of us, then I think we can generate a much more responsive system at the local level.

**Mr. DeMint.** Thank you. Dr. Lerche.

**Ms. Lerche.** I am not going to necessarily address what laws constrain. From my experience as chair of the Workforce Development Board in Detroit, I am not sure it is the constraints of laws all the time. I do think it is constraint of mind and a particular mind set. As my colleagues on this panel have pointed out, we need to get educators in schools out into the community. We have to create schools in communities as well. I think one of the things that has happened in education, maybe because of laws, maybe because of unions, we are very pro-union at Ford, it is the issue of separation that has really happened. Even if school buildings are sitting in the middle of a community, they may go out for field trips; there may programs where they come in and out, but they are not designed in-community.

I think that is one of the things we were trying to do with the Academy was look at ``how" with a public academy. In Michigan the law is you do not preselect; we take who comes. We get about 600 applicants for every 100 slots we have. We do have a number of resources. The museum is a cultural institution. The company is a business. The University of Michigan-Dearborn, the Henry Ford Community College the way we have designed it is that we were able to build in-community. I think that is a difference in mind set, than necessarily a difference in law set.

**Ms. Verplanck.** Mr. Chairman? I would like to comment on the quality issue.

We are involved right now in an experiment in New Jersey. We are putting two schools through ISO 9000 training. One is a suburban, rather wealthy district. The other is an inner-city, challenged district. We want to get them into the continuous improvement mode, get everybody to buy into it. Unfortunately, we have to raise nearly \$50,000 a school to do that.

Maybe that is something that the surplus could provide for at this point: some sort of grant for states to explore this. It is working. It takes a long time, though. I think you kept saying, ``Teachers need time. Teachers need time." It is very rigorous. Baldrige is probably too rigorous. ISO 9000 seems to be somewhat user-friendly.

The only other point I would make is that there is a political mine field out there, as well. Certainly at the state level. I know in our state we are going for standards. We are going for measurements and outcomes. All of those things that we never had before which set a political stage for incumbents to be holding a bag that says we haven't done very well with our children when those measurements start coming in.

So as much as we in New Jersey expected resistance from the educational community, we are seeing more resistance from the elected community. They don't necessarily want to see that their child got a 3.8 average all the way through school but cannot pass the standardized test at the end. Where did we go wrong? How wrong have we gone?

If New Jersey is any sign, across the country it is going to be a political issue, as well.

**Mr. DeMint.** Mr. Chairman, I would like to make just one last point. It does sound like flexibility with accountability is an idea we should consider in this committee.

[Laughter.]

**Ms. Verplanck.** Thank you.

**Mr. Petri.** Representative Major Owens.

**Mr. Owens.** I too, associate myself with the gentleman's remarks.

Ms. Willis, I want to thank you for a very comprehensive and exciting testimony. I thank BellSouth, also. I thank you for their participation in our Education Brain Trust activities of the Congressional Black Caucus, last fall. Your power to lead, power to teach, and power to learn approach is quite comprehensive.

I just wonder. We have the topic today, ``Business Community Views on Reform of the Elementary and Secondary Education Act." At least half of the testimony has dealt with technology. It is interesting. I hope my colleagues will take note of that.

What I am experiencing from the teachers and parents when I talk about technology in my district is that, ``This is a luxury. Please help us take care of the basics, first. Then we

can address the luxury of technology: computers, Internet, et cetera." With all of your generosity and intelligent approach in working with schools, have you encountered that kind of resistance? Have you been able to overcome it? Has any school system been willing to embrace what you were trying to do sort of in a comprehensive manner? They jump at the volunteer wirings of the school for NetDay; then they don't want to deal with the rest of it. You have to train the staff. You have people available to repair the stuff when it breaks down, et cetera.

**Ms. Willis.** You know, it is interesting. You say they consider it a luxury. There is no business in this country that considers technology a luxury. I think if we are hearing that from teachers, it is because they don't have the experience of the value of technology for what they do, for their mission.

It is not enough to teach teachers how to use PowerPoint and word processing. If they don't understand how to engage that technology in teaching more kids to higher standards in different ways that are more responsive to the individual student's learning styles, then that is the job we have to do.

We just finished putting 375 superintendents through a simulation about their leadership role in technology in the schools. One of the real findings that came of that was their feeling that they don't personally use technology sufficiently to really understand the value of it. If superintendents aren't using it sufficiently, then we know principals and teachers aren't. We have to find a way for them to use technology for their business so that we create an urgency for deploying that technology into the classrooms. When those students get out of there, they are coming into our businesses that use that technology as matter of course.

**Mr. Owens.** In your range of experience in your geographical jurisdiction, have you found a school system, or local education agency that has been willing to embrace the comprehensive approach?

**Ms. Willis.** We can identify individual schools, and a couple of districts. We have actually looked around the country. The power to learn component of our new program is intending to find few schools where we can really support their total deployment of technology, and bring those lessons back to other schools for student achievement, for parent communication, and for how schools are organized. But they are hit-and-miss around the country right now.

**Mr. Owens.** Ms. Collins, could you expand a little bit on the statement you made on page seven of your testimony, which I think this committee needs to hear more about. You mention, "Such surgical consolidations, rather than wholesale categorical block granting can also help promote healthy markets."

I think in your testimony, or somewhere there was mention made that most of the investments in technology in schools has been through the federal government. So that is one area we would have had block granting, where if it is strictly left up to the states and

localities it will probably get left if they can take the federal money and with it whatever they want to do with. You can see I am editorializing on your answer. Can you expand on that about surgical consolidation versus wholesale block granting?

**Ms. Collins.** Sure. Just as a point of reference, probably six percent of the money that goes to a local school district comes from a federal source. But a disproportionate amount of that goes to technology. Maybe up to 25 percent of the technology purchases in this country come from federal dollars. The local and state dollars go to support what you would think of as overhead: salaries, facilities, and those kinds of things in the school district. It would be a mistake to underestimate the importance of federal dollars in the implementation of technology across this country.

There are two pieces to this. One is an educational piece. One is a market piece. I truly believe that the role of the federal government is to establish some parameters along with the accountability that has been talked about across this panel, and not to block grant things for two reasons. One is that the block grant does get lost. It can go many places. It does not address specific problems that I think are important, and the federal government has deemed important in some of the titles in the ESEA.

I would give you examples of where school districts and states have decided that technology is not a luxury, but truly is the answer to their basic skills issue, and have shown great progress in achieving basic skills improvement. The State of West Virginia is one of those. It is in the tenth year of a concentrated program, starting in kindergarten, to improve student achievement through the use of technology: basic reading, math and language arts. It is still about fortieth in per capita income, which is a very good indicator of student achievement. It is seventeenth in states based on pure student achievement over a nine-year period. This is really great improvement for a state. So there are some places where that has been the answer. It is not a luxury. It is a way to get to better basic skills.

On the education software side, we need to know that there is going to be a sustainable, stable market in order for us to move the technology forward. Right now in the education business, we are very much interested in interest by investment bankers and people who do that kind of thing. We have proven, over time, that this is a stable market. It is a good place to be. If that starts to fall or disintegrate, then we don't have the wherewithal to develop new products to push the technology to work on additional ways for kids to learn; teachers to use technology to be better teachers; building administrators to be better administrators, and so on.

It is important that there is some stability in this market. Block granting and putting money just into sort of a generic pot does not give you that from a business standpoint.

**Mr. Owens.** Thank you. Dr. Lerche, I share your impatience when you say that, "If we cannot figure out a way to simultaneously jump start school systems across the country, I am afraid that the slow pace of change will tempt many businesses and other partnering organizations to opt out of the public education reform effort."

Later on in your testimony you talk about we should be looking at creating a variety of learning environments in workplaces, cultural institutions, and even shopping malls that offer the potential of a more direct involvement in the community than the schooling process.

We have about 53 million children in public schools across the country. What portion of those do you think could be absorbed in these alternative places? More specifically, you mentioned charter schools in the workplace. To what degree is your industry prepared to accept large numbers of students into the workplace in charter schools, or any other form of alternative schooling?

**Ms. Lerche.** Well I can speak for Ford Motor Company. I am not sure I can speak for the whole industry, except to say that I think as we look at the kinds of things we are trying to do, we are trying to create models that can be replicated around the country. So it is not an attempt to set up a number of charters, each independent.

We don't necessarily consider ourselves or our Academy, or some of the things we are doing, as fellow travelers with the charter movement. Again, what we are trying to look at is to be partners with public education system, and to ensure that what we do can be replicated. I think what we are starting to see is business viewing education as a business. And that is looking for opportunities to invest.

Companies are starting to build their own elementary schools. They are building them because their employees, who really like childcare services, want to move up and they don't want to go into a bad school system. So you start to see companies building private systems, almost. They are also building them to ensure their own pipeline for employees.

This is a real driving need. I think this stuff isn't being charted quite yet. We don't even know what is on the map, totally. My concern about all that is an equity concern. The kids of parents who are well off or work for major employers, they are going to get taken care of.

The issue that I am most concerned about, one of the keys is technology. But a real look at technology that has the potential to be the key to making a faster, deeper, more consistent, more equal system. In answer to how many of these Ford is going to do, we are going to continue to invest to try and create models other people can copy and we can encourage other copies of in the public system.

**Mr. Owens.** My time is long up. Thank you, Mr. Chairman, for indulging me. If I could ask one more question I will just throw it out. Before this is over, I would like to hear from the some estimates of the cost-per-child that they would see as business people. Are we spending a sufficient amount per child to cover these costs of professional development and technology? How much more would it cost if we were doing it in the optimum way?

**Mr. Petri.** You can think about that. We will let Dr. Fletcher ask his questions.

**Mr. Fletcher.** Well thank you, Mr. Chairman. I appreciate each of you for coming, and I appreciate the testimonies, and the work that you have done in your communities to help partnership and further the education of our future generations.

I took a trip back to my elementary school. It was the 100th-year anniversary of that school. It was that long since I have been there. I ran into my second grade teacher. She was the only one who was still with us. We went back to the second grade classroom. I sat in there. There was not much technology as we see it today. We talked about the students and the different environment that exists today, versus years ago in the late 1950's, and how much more difficult students' lives are today.

Let me ask you this. What examples do you have of how technology is helping in schools? I will give you all a chance to comment on that. With a limited amount of resources, where do you start putting your focus on technology? Do you wait until a child has some of the basics? Or with the new software, are the basics more developed toward the younger ones? Where do you put your focus?

**Ms. Willis.** I don't have a direct answer to that. I do think that I like to work from the other end. Because as students near their high school graduation, we have to assure that every student comes out of their basic schooling with an experience with the technologies they are going to be using in the workforce. Most kids go to work at 15 or 16, at least part-time jobs.

So if we could assure that the high schools have the latest in technology, then we can even think about working backwards to how students are using technology in preparation for that state-of-the-art when they get into high school. I have seen kids, two and three years old, using technology with a comfort level that I don't have yet. If we think about technology as the same way that we think about reading books, it is an instrument of your every day life that somehow we have to make available to all students, and disadvantage those that don't have it.

**Ms. Collins.** I think it is not an easy answer because there is so many benefits in technology for every grade level. It is almost like you want it all now. You don't want to wait.

My company happens to specialize in what is called, ``comprehensive software." We specifically create K-8 basic skills software that starts in grade one. If you use the software in conjunction with all the other things that go into making a great classroom, a good teacher, well-managed time, thoughtful implementation, and tie-in to local goals you can actually get great student achievement results. Kids learn to read better. They do better at math after two or three years.

In my company, we collect what we call reports of program effectiveness, which are school districts' reports of how they have been effected based on their standards and assessments, not ours. I can give you one real quick example.

In a school district in Michigan, they started a program. When they started, 25 percent of fourth-grade kids passed the reading achievement tests, which was a Michigan test. Only 10 percent passed the mathematics test. That was in 1995. This year 48 percent of the fourth-graders passed the reading test, and 72 percent passed the math test. The math kids went from 10 percent to 72 percent.

So there are great results like that that occur. Would you not want those fourth-graders to have that opportunity? I am not saying that it is not important that kids in high school also have access to that technology. If you want the best for kids, you want it all now.

**Mr. Fletcher.** I am not sure we can have our cake and eat it, too.

**Ms. Collins.** I know. I know.

**Ms. Verplanck.** You know, I kind of make the argument that it is probably less important when you engage the child, than how well engaged the teachers are. I have friends who have children in elementary school. The parents come home crazy because their child is being taught to turn on the computer, when at home he has created his own website. The teachers just aren't where the kids are.

One of the programs that we have found to be quite innovative in New Jersey a few years ago was a partnership with Stevens Institute. We trained teachers, specifically math teachers, how to use technology to teach algebra. All the studies pointed out that if you could teach algebra and geometry and get into three-dimensional models, a huge percentage of those kids would go on to calculus and upper-level math when they would have dropped out, otherwise. I would argue that getting the teachers to understand how to use the technology to teach the students is more valuable than whether the child has a computer in the third grade or the sixth grade.

**Mr. Fletcher.** Let me ask you something in addition to that. I wonder as we consider the authorization of the ESEA somehow ensure that teacher training and curriculum development are adequately emphasized, without jeopardizing the state and local control, and the flexibility they have there? How far should we go in encouraging in ESEA that funds be spent on those priorities?

**Ms. Lerche.** I would argue that curriculum development has to be a major priority, particularly in looking at how the technology is used. It is not just using technology to deliver the curriculum. It is not just another format. Curriculum should be developed that really integrates the technology. I think that is critical and not necessarily happening now.

The potential of the technology is that it is flexible. Things can be adapted very easily, as opposed to textbooks. So it is an issue of exploring the potential that I think has not been fully utilized. It takes a lot of money to do that kind of curriculum development. That is why federal monies in that area are really helpful, I think. It is why Ford has had to make major contributions to see curriculum be developed that has that kind of flexibility for adaptation in local sites.



**Ms. Willis.** May I provide an answer to that? If you are going to provide dollars for training, if you provide for the instructor and the materials and you don't provide it for the teacher's time to be spent in that training, all you are going to do is substitute one form of training that they might already be taking, for another.

We have to have more time for teachers to continuously upgrade their content knowledge of their disciplines, upgrade their understanding of the workforce environment, and upgrade their understanding of technology. We are going to short-change one piece of that. All we are doing is substituting the training that takes place during the teacher workdays in discipline, for another discipline. We have to have more time for teachers.

**Mr. Fletcher.** Thank you all very much.

**Mr. Petri.** Thank you. Representative Payne.

**Mr. Payne.** Thank you very much. Unfortunately, I missed most of the testimony. I have been browsing through some of your prepared text, here. It is very exciting, the amount of things that are going on in different parts of the country. Since so many good experiments are going on, I wonder if any of you have any ideas as to how these ideas and programs that are working, they could get into one big computer, or some way that for those of us who are interested in project that work, that this can be in a central place? I was reading where the NAM is doing a number of exciting programs, and have groups of governors, business people, and so forth.

Of course, I am familiar with many of the projects going on in New Jersey. Does anyone have an idea of how we can we can codify this, or put it together? What type of a group do you think could come out of all of your findings to start to narrow down what does or doesn't work? How do we move from here? Anybody could try to answer that.

**Ms. Collins.** That is one of the issues that we have tried to address in education for a long time. If you remember the old title IV(c) that was part of ESEA back in the 1970's and 1980's, the purpose there in the end was specifically to keep these collections of great programs.

We can do that. We can figure out if there is a great way to record programs. I think what gets lost in the translation when you put on paper, or put it into the computer is what really happens at the local level, the meeting of local goals. My school district is going to look at this and say, "Yes, that is great, except we don't have \$10 million." Or, "I don't have that population. I have six schools. I don't have 20 schools." It has always been that customization and localization of how you disseminate programs and truly do pass innovation along from one school district to another.

I can't tell you there is an answer. Could somebody put together a form? Could we put some space on a web server and collect ideas? Yes, we could do that. We could make it searchable and do all those things. I don't think that really answers the question. I think the question is how do we really understand what is good innovation? How do we then

disseminate that result? My sense of it is that it is not a database of ideas. So that is a ``no" answer to your question.

**Mr. Payne.** I know it is a difficult question. If we had the answer, I would not have had to ask.

[Laughter.]

Let me just ask our representative from New Jersey. I did hear your testimony. The Business Coalition for Educational Excellence run by Mr. Art Ryan, who I think, first of all, is an outstanding individual. That is a great move. Does the group meet with superintendents, or at least in special needs districts where the problem? To your knowledge, have state legislators, or people who are involved in on a state level, been engaged in this Business Coalition? I, too, would actually like to find out when they meet to see about having some input into it. To your knowledge, does it expand outside of the business group?

**Ms. Verplanck.** Yes, Congressman, it does. I think, as you understand being a local, if you have Bell Atlantic and Prudential involved, you can bet that we are in Newark. It is kind of the deal.

We do engage local legislators. We are heavily involved with both the Department of Education and the Department of Labor. We have tied those two together whenever we can because we really see it as more than education. We see it as a workforce issue. So everybody is actively engaged. They are into their next round of goal-setting and measurements.

I think one of your questions as a group was, ``How could we measure the impact of what we have done against previous performance?" The problem is those performances haven't been adequately benchmarked yet. So we have no real way to measure whether these initiatives have increased anything by 5 percent or 50 percent. So we are probably another year or so away from understanding the impact of what we are doing.

**Mr. Payne.** Finally, I know one of the project grants that Lucent Technology is involved in at Malcolm X High School with the feeder schools, which makes a lot of sense to deal with the elementary schools coming in, I think is a very exciting program. I have been involved directly with that, and of course PSE&G's new program in the south ward with the industrial site.

I just have a quick question about your Tech Corps in New Jersey. You say they are in most school districts. Do they differ in districts? How is working in Newark? What is a typical Tech Corps? What would it do in a particular school?

**Ms. Verplanck.** Actually, I think you have heard mention of NetDay. In very many locations NetDay was a big brouhaha and got a lot of publicity. They wired the schools,

walked away, and nothing happened. Because they either didn't have enough computer equipment, or people who knew how to use it. It just didn't go anywhere.

That is really the purpose of Tech Corps. We get the computer nerds from our companies to go in and work with the administrators and teachers, and show them how to boot up the computer; how to load programs; how to get programs off the system; how to access the Internet, and do all those things. We have been in over 300 schools, any of them inner-city schools. We anticipate that we will have gone to all the schools in the state within the first 18 months of program. So we have great support from the business community in the state, all of those heavily involved in technology. It is not just Lucent. It is the banks. Everybody that is totally integrated in their facilities is saying, "Sure, I would love to help." It is everything from running wire to plugging it in. It has been very effective.

**Mr. Payne.** Thank you very much. Thank you, Mr. Chairman.

**Mr. Petri.** Mr. Kildee.

**Mr. Kildee.** Just one final statement and question. Major Owens cited this. Dr. Lerche, I know that Ford Motor Company is something like the U.S. Government. All statements have to be cleared, like through OMB and U.S. Government. So these aren't just obiter dicta. These are cleared statements.

Your statement that, "Unless we find ways to simultaneously jump start school systems across the country, we are afraid that the slow pace of change will tempt many businesses and other partnering organizations to opt out of the public education reform." I commend you for your very honest, but very ominous statement.

Since Sputnik, the oil embargo, and the emergence of the global economy, the greatest ally for public education has been business. But your statement, which I have myself independently felt among some business groups, needs to challenge us. I feel it, too. Your statement summarized well, what I have been feeling talking to business. They are impatient. I think it would be a tragedy, however, if business in this country would opt out of support of public education. Your statement, though, is honest. I appreciate that. I think we should take it as a distant, early warning signal, that business has become impatient. I implore business to stick with us. If we really don't have that support for improvement and reform of public education, I am afraid we are going to build two different societies in this country.

**Ms. Lerche.** It is exactly my concern, Congressman, and the concern of a lot of us at Ford who talk about this a fair amount. We are committed to public education. We have gone on the record on that.

**Mr. Kildee.** I know you have. I appreciate that.

**Ms. Lerche.** But I just see a number of companies that give things to schools. They participate in various committees. It is an issue of employer retention and attracting, and getting your pipe line. So that is a business issue. This very good economy has driven companies to say, "Okay, let us build our own schools. Let us build our own pipe line, because we need to." A colleague of mine has said, "I am tired of going to Moscow state to recruit engineers." I think employers are saying, "We want good education for our kids. We can't even get them in the good private schools. There are waiting lists."

So I am really concerned that we look for and I encourage you to consider legislation and policy that encourages bold partnerships between education and the business community that really look at not just changing teacher professional development, or principals. It really looks at creating some models that will work to satisfy all the stakeholders.

**Mr. Kildee.** I think that your very honest and ominous statement has to be a challenge for us. This committee is really the committee of the Congress that sets policy for public education in this country. The great bulwark of our country has no public education. I say that as one who went to parochial school, but I still recognize that the bulwark has to remain public education.

So I would implore business to help us to continue to hang on, as you got involved after Sputnik and the oil embargo and the emergence of the global economy. We really need business to make public education to work in this country.

Anyone else have any comments on that?

**Ms. Willis.** You know, so much of business' intensive involvement has come from a nation that risks going forward. The first ten years of our involvement was not really connecting our workforce interest. It was a very social concern that was appropriate, but it didn't engage us in our gut, which is our workforce.

I think it is now, more in the last five to seven years, especially with the labor market as tight as it is, that we have seen a new challenge. That is, to create the system between education and the workplace that brings us into the operations on a day-to-day basis. Not just giving away attendance awards, but really figuring out not just our role, but what our responsibility is. What can't they do without us that is going to get us what we need? You need to continue to challenge us to do that as well.

**Mr. Kildee.** It is a light and soft interest now, right? Thank you very much. I really thank you, Mr. Chairman, for assembling such a good panel.

**Mr. Petri.** Mr. Raab, you have been very quiet. Maybe I should allow you. You are outnumbered in some sense. Do you have anything you would like to say for the record before we conclude?

**Mr. Raab.** Well, working primarily with smaller businesses, certainly the resources aren't there as a BellSouth would have, or some of the larger banks where I spend a lot of

my time, or Ford Motors. The small businesses are out there doing things on a very grass roots level. We have a portfolio company that has developed a partnership in the inner city of Milwaukee to do post-high school education. They are teaching the basic skills to folks so that they can come to work and do the things they need to do -- basic production math, et cetera.

I would say that it is unfortunate that they don't come out of some kind of 12-year process of education where they could have been tracked into recognizing, one, that they need to work for a living; and two, tracked into a program that would give them skills to earn a living for their family. Unfortunately, it has to be done after the fact. I have heard plenty of times here today, after the fact is too late. You spend a lot of money before hand.

It is a critical issue that as we are out talking to these companies that probably issue number one or two is the availability of resources. Not all of clients are in the inner city of large metropolitan areas. That is an issue out in the heartland that has not gotten a lot of mention today, but the rural areas feel these as well.

**Mr. Petri.** Thank you all very much. We appreciate your being here today. This hearing is adjourned.

[Whereupon, at 1:02 p.m., the committee was adjourned.]