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CREATE A NEW DEPARTMENT OF EDUCATION?

JACKSON BAIN: There are those who feel that the proposed Department of Education will be, as illustrated in the Herblock cartoon in this morning's Washington Post, similar to the Department of Energy in bureaucracy and in its total effect on a crisis area in American society. The Department of Education is proposed. The votes are being counted up on Capitol Hill now and to talk about the pros and cons of that issue, we welcome first of all Albert Shankar, President of the American Federation of Teachers, which opposes the creation of the Department of Education; David Denholm who is the President of the Public Research Council, also opposing; and Allen Cohen who is the Chairman of the Ad Hoc Passage Committee, which obviously does not oppose it. We'll also be talking with an associate of yours from Capitol Hill about the issue in our second section of this.

First of all, let's talk about the Department of Education itself, Allen. I want to find out exactly how big it is, how much it is going to cost, and what's it going to do for us.

ALLEN COHEN, AD HOC PASSAGE COMMITTEE: First of all, let me explain the Ad Hoc group, which I am chairman of. It represents some 110 organizations, national organizations that cross the segment from education groups, higher education, elementary school, secondary, labor, civil rights, and these groups united in coalition to seek passage. Because of the present structure of HEW, which it is interesting to know. HEW is the third largest budget in the world, largest only to USSR and the United States. No one man can handle that bureaucracy, and we, dealing with it, I work personally for a state department of education on a daily basis, see the bureaucracy, the duplication. A new department will streamline that organization. The President has proposed it, it's now before the rules committee today and hopefully, on the floor tomorrow.

In the Senate, of course the bill has been passed. Senator Ribicoff has proposed the bill. He was a former secretary of HEW. He knows, and he feels, and he has proposed this bill in the past, and it passed this year 72-21, that no one person can handle that mammoth organization when you deal with health problems, and welfare problems. 92% of the budget of HEW, approximately 200 billion dollars is non education related. Only 8% is education related.

BAIN: Your case for it is centered on the fact that it

would streamline the education interests in this country, is that correct?

ALBERT SHANKAR, AFT: I don't agree at all. I think if you use that sort of an argument, you ought to break health off and have a separate department, you ought to break welfare off and have a separate one, and maybe you ought to break transit into urban and non urban, or mass and local. Everyone of those is a big bureaucracy, and if you want to start having a cabinet that has 50 and 60 and 70 members and building a lot of bureaucracy. Now when Carter ran for the President, he promised the American people he was going to do the opposite. He was going to streamline government by consolidation, and develop a smaller number of agencies.

BAIN: As he did when he was Governor of Georgia.

SHANKAR: And he's doing exactly the opposite here, because he's creating new agencies and he's therefore fragmenting. I say this - no argument has been advanced in favor of it that makes any sense. The one argument that did make sense, which was to take all of the educational programs in the Labor Department and Agriculture and Defense, and all over the place, and put them all together. That argument is dead because they didn't have the guts to put all those programs in, because the people in Labor said if you do that, we'll vote against it. Headstart people said we don't want any part of it. The Bureau of Indian Affairs said leave us alone, so what they've got is a narrow based Department of Education.

BAIN: In other words, even after it's created, the Department of Education would not include those areas of education which are now housed in say, Labor, Interior and Defense, is that correct?

COHEN: That's correct. There are a number of things that it does consolidate. Defense schools from Defense and the House Bill has Indian schools, but there are a number of other groups out there who felt that this was not the time. They wanted to stay where they were. I think you have to look at the organization presently. You have an Office of Education with a commissioner. For the past 14 years, I'm sorry - in the past 13 years, you have 14 commissioners of education. How can you run an organization when on the average of once a year, you're changing the top position?

People have talked about reorganization and the opponents have mentioned. Reorganize within the organization. Every commissioner has come in and attempted and has reorganized. Every secretary has reorganized within so I think you have to look at the structure. We have a commissioner of education, assistant secretary, the new structure would eliminate two layers. Regulations that in the past have taken an average anywhere from 300 to 590 days to pass, going through 21 different offices would be cut in half.

SHANKAR: That's not really an honest statement because Joe Califano was going to reorganize it, and legislation was passed last year, after you failed to get a Department of Education to prevent him from reorganizing, to make education more effective within HEW, so, first you say they're not going to do it, and then you make

sure that they're not going to do it by passing a law, because you want it to be ineffective in order to

COHEN: I don't believe that's necessarily true, Mr. Shankar, but I think....

SHANKAR: You want legislation to prevent reorganization this year? There was, wasn't there?

COHEN: You've got to look at every commissioner. Commissioners (UNCLEAR) come in and reorganize. Every commissioner you are for. Five former commissioners of education all testified, both in the Senate and in the House, in favor of the reorganization, feeling the structure. Assistant Secretary, Mary Barry, who is presently the Assistant Secretary has supported, and worked very hard for this legislation, feeling that that bureaucracy - education, when you take a budget of that size and considering, if you look at the responsibility of Secretary Califano now, considering that if he only puts the percentage of time of the budget into it, he would spend an average of 8 hour day - 38 minutes...

BAIN: Let's move away from the mechanics.

DAVID DENHOLM, PUBLIC RESEARCH COUNCIL: There's something you're both overlooking and that is, whether you are talking about streamlining the bureaucracy, and I think you have to question whether or not that is a good idea in the first place. A recent article in Fortune magazine referred to a book by Nescannon, whom I am sure you are both familiar with, who says that bureaucracy is being recognized to develop a self interest, and that, by having programs fragmented throughout government, you develop competition for the budget dollars, and therefore, a more effective delivery of service to the people, even though there appears to be an overlap. The question in the first place was, we're going to streamline things and make things better. Well, you may streamline things, and make things a lot worse, and no one has addressed themselves to...

COHEN: That gets back to the point MR. Shankar mentioned. There are a lot of segments of the education component that are not...

DENHOLM: Not from your preference and not because you wanted them, only because of political necessity. The proponents of the department have said, we don't want that, we want it all together.

BAIN: I want to move away from the mechanics of this a moment, and I want to get into the political ramifications of it. First of all, who are the groups that support - who are they specifically? Who support the educational part.

COHEN: I have a list. I'm not going to read 110 organizations but primarily PTA, The National Association of School Boards, The National Conference of State Legislatures, The (UNCLEAR) School Officers, the National Urban League, the United Auto Workers, American

Association of School Administrators.

SHANKAR: Why are you leaving out the one group that got the committment from President Carter and has been putting hundreds of thousands of dollars into it?

COHEN: Mr. Shankar, if you want, I'll read the whole list. NEA is on that list, and they are one of 110. All too often, I think people have been saying it is an NEA bill. The concern is, I contend, that the NFT would not be opposed if it wasn't their biggest rival, and really, they're only rival.

SHANKAR: We're on the same side of 99% of the issues...

BAIN: How many members do you have?

SHANKAR: We have 550,000.

BAIN: How many members does NEA have?

SHANKAR: One and a half million.

BAIN: Almost two million members. All right, right away you're the under dog on this thing.

SHANKAR: I can't say that we're the under dog because we're affiliated with the AFL CIO, which has 14 million members.

BAIN: Does the AFL CIO support the bill?

SHANKAR: No, it opposes the bill. Prominent leaders in the black community like Shirley Chisholm and others, feel that civil rights enforcement will not be right under this, and opposes it. The Catholic conference opposes it, and most higher education groups in this country...

BAIN: It is a known fact that President Carter, during the campaign, this is not what you'd call an original Jimmy Carter idea, this is one that was proposed to him during the campaign by the NEA, isn't that correct?

COHEN: It's not an original idea, first of all, because Senator Ribicoff has proposed a seperate department and there have been bills in Congress for years to propose this. He feels, personally he used to be a School Board member - the President - he feels this is necessary. He would like to have a Cabinet voice for education. He would like to be able to hear - have someone at the Cabinet table that can present the education view.

BAIN: Let me just bring this down to my level. I'm a parent, and I have kids in school. The school system where my kids go, the public school system, is in trouble, budget cuts, funding problems, social responsibilities that perhaps school systems should not be saddled with. That's a philosophical thing we don't need to get in to. I'm a parent. What's it going to mean to the education

of my kids?

COHEN: It's hard to say how will it effect Johnny in reading and so on. A concern, I think, is that right now, that the bureaucracy we feel, wastes money, in duplication, and we predict in the administration say that they can save an estimated 100 million dollar, approximately 19 million dollars immediately in the reorganization. Those funds can be better spent, better utilized for delivery of services. The monitoring of federal programs, and again, in no way, and the opponents have stated this to the contrary, in no way, does this in any way, infringe on local and state government's responsibility for education.

SHANKAR: Nobody's going to believe that creating a new bureaucracy is going to cost less money and nobody's going to believe that employing all these new top level bureaucrats is going to mean that they are going to sit there and they are not going to have anything to do with what's happening in education.....

COHEN: First of all, Congress...

SHANKAR: I contradict two things. They are going to spend a lot of money and that they are going to interfere with people at the local level...

COHEN: The spending level. In Congress and the House, it's put those limitations on the bill, and I believe the administration will live up to that. The new secretary, it's mandated that there is a ceiling on growth, and there will be reduction in staff.

DENHOLM: So you'll fire four low level clerks in order to put one more guy into a super grade job, who will just use that position to go around and meddle in other people's affairs, and issue more regulation, and have local school boards, like on a string, wondering what the federal department of education is going to do next in order for them to qualify for the 10% of the money to get from the federal government. Now the NEA, which is the prime mover behind all this, has said that the federal contribution to education ought to be 33% of the budget, and, if they acquire the power, the higher visibility, which you have stated is one of the goals for education, having somebody sitting there at the cabinet table - they are going to just have more power for a better position from which to insist that more federal funds go into education. We're spending now 22 million dollars on education, that's estimated at 10%. That means that an increase from 10% to 33% would cost about 42 billion dollars. That's the goal of the people who are the prime movers behind....

SHANKAR: That's the goal, but I think they are going to get less money, and not more, which is why I'm opposed to it. Education has done very well in the last few years within HEW. It has gotten more and more money. As a matter of fact, just during Carter's administration, there has been an increase of 60% at a time when budgets are being cut. Now why is that? It's because education is not isolated, and that it's not alone. Every time there is a budget fight, all the people involved in health and education, and welfare, all come down there and push together for increases in all three areas,

which are related to each other. You know there is one thing we haven't covered here, which ought to be. Within a year, or two years, or three, we're going to get something like welfare reform in this country, and there are going to be welfare recipients who are going to go back to work. Who is going to take care of the child care? Who is going to provide education for skills for these welfare people who are going to go back? There are interconnections between Health, Education and Welfare, and if you rip them apart, you prevent education from being able to properly deliver the services that are supposed to....

COHEN: Please clarify one thing. To my knowledge, no one as far as the Ad Hoc committee has ever stated that creation of anew department will give more money to education. We feel that the streamlining, the reduction, and the better utilization of the funds existing..

DENHOLM: Now you say you favor the bill but it won't result in an increase. You're working to defeat your own purpose...

BAIN: We are going to continue this harangue - this intelligent discussion in just a moment when we come back.

We have been joined in this discussion of the proposed Department of Education, by Marilyn Harris, who is a professional staff member of the Senate committee on governmental affairs, and who worked on drafting the legislation for Senator Ribicoff, one of the chief sponsors of the bill. Good to have you with us on Panorama and to continue the discussion.

As we left our story, we were talking about the efficiency of a proposed Department of Education. Do you consider that the tax dollars that we spend on the Department of Education would be efficiently spent? More efficiently than if those tax dollars were directed within HEW?

MARILYN HARRIS, STAFF, SENATE COMMITTEE: I think what you have to do as Allen mentioned, is to look at the existing situation now. Senator Ribicoff called for a Department of Education in the mid- 1960's. Education was just beginning even then, under the Johnson years has progressed, with developing more and more education programs. The federal role and the federal presence in education does exist to the tune of 25 billion to 30 billion dollars. It exists a large percentage, within HEW. The Inspector General, last year, discovered 8 billion dollars in fraud and abuse. Now 8 billion dollars within the entire department of HEW.

BAIN: How much of that was focused within the education...

HARRIS: I think that about one third of it was focused within the student loans, maybe less than that. A large percentage of it was in the Medicare-Medicaid.

BAIN: One third of 8 billion dollars?

HARRIS: No I don't mean that. I mean the large percentage was within Medicare- Medicaid. Some of the percentage was in student loans. Now what the Department of Education does is centralize student loans. The point I'm making, it's not where the fraud and abuse exists in HEW. The fact is that HEW is so large that 8 billion dollars of wasted and misspent money is larger than 5 other existing departments. Now, so when a federal department is wasting 8 billion dollars, which is larger than 5 other existing cabinet departments, we think that that department is too big. Now Mr. Shankar mentioned some prohibitions...

SHANKAR: It's time to let a separate department waste the money instead of HEW.

HARRIS: No, I don't think so. I think one of the problems has been accountability, that there has been no accountability. As Mr. Cohen mentioned, the turnover of education commissioners reflects the lack of effectiveness for education within a large department. If you separate education from health and welfare, which are largely income maintenance programs, you have more accountability at the federal level. There is a federal presence now in education.

SHANKAR: But that isn't the only way of doing that. Sure you had a commissioner of education a few years ago who was earning only \$35,000. They could become state commissioner or Superintendent of Schools in almost any large school system and do better. As a matter of fact, Dr. Bell left because he said he couldn't afford to stay, but if you hadn't passed legislation last year that would have prevented HEW from creating a kind of defense department model with a separate top level secretary, and reorganizing it in order to give it enough people to be able to function, if you hadn't done that, we would today have a different structure in HEW and we wouldn't be talking about - we're not saying the present structure is a good one, we're saying that if you've got a bad structure, the first thing you do is try to improve it, try to change it, try to modernize it within, because there is a lot of strength in what's there. You don't throw out the whole thing. Your approach is, well, there are a few things wrong here, so let's....

BAIN: I have a question about a few of the things you said, David. You said that in the existing structure, that the efficiency level was not great, but it wasn't horrible. Didn't you say that in the Department of Education it would be. What's the situation - what comparisons can you make with the Department of Energy?

DENHOLM: I'm not sure about the Department of Energy. I think you'd find the same situation as anybody pleased with what's happening with energy? Have they got a program? Are they going anywhere with it? Have they improved anything? But you can look back in an historical area, where you can actually see what happened. Look for example, when they took the Department of the Navy, and the Department of the Air Force, and the Department of the Army, into the Department of Defense. At that time, with the competition between the defense agencies, for example, trying to develop a better

fighter plane, or a better weapons system, they were scrambling for budget dollars for Congress and saying, we can do this better. Now the incentive to do that has been lost, and they've created an enormous bureaucracy...

BAIN: I don't see that, and let me tell you why. What you are saying, and as you mentioned sort of this bureaucratic free enterprise, everybody going for the same budget dollar, is now focused in the Department of HEW, OK?

DENHOLM: No, no, no, the Department of Labor - all of the various federal agencies have education programs and they are trying to talk about bringing these things out. Now they did not succeed, as Al mentioned, bringing them all in, but you have to look at the goals of what they are doing, and what their next step would be. They'll establish a Department of Education and two years down the line, when it has become more expensive and less efficient, they'll say, ah, it didn't work because we didn't get these other programs, so if you want it to work, we've got to have this, and we've got to have this. Two years down the line, what it doesn't work, and becomes more inefficient, you'll come up with another excuse for it and you'll end up with one huge federal bureaucracy and nothing in the way of delivery.....

BAIN: Is there no real value then in coordination, in collecting any of these elements together?

SHANKAR: Look, of all the billions of dollars that were mentioned, less than half of those programs are being put into a new department, less than half. So let's stop kidding ourselves. We would be in a totally different position if we really talked about putting all these education programs together, but what they have here, is not a separate department that makes sense. What they have is a political compromise that makes no sense at all. The majority of programs - by the way, why don't any of these programs want to come into the new department? Why does the Bureau of Indian Affairs want to stay out? Why do the job training programs, school lunch programs, Headstart, why are all these people coming and saying, leave us alone, we don't want to go into the new department? There's got to be a reason for it.

HARRIS: I'm glad to answer that. I don't think that the arguments that were based on our wanting a Department of Education, I speak, I represent a governmental affairs committee, and Senator Ribicoff who is chairman, and the main sponsor of the bill in the Senate - those arguments were based on lack of visibility for education, the importance of education to the nation, and other arguments other than what is in and what is out. A large majority of the programs that are not in the Department of Education are tied closely to the Department where they are now existing - such as NASA programs and research. Those programs are tied to the missions of those agencies.

It is true that some of the programs that we would like to have had in the Department are not in the department, that is correct, that does not mean that there should not be a Department of Education.

We feel that education is so important that the Congress has said that there is a federal role in education because the large amount of expenditures that are being in are being expended in education, that you need a central focus, you need someone at least, to be the spokesperson for education at the federal level, and to try and attempt to coordinate with other programs, and other departments that are important.

BAIN: You mentioned that one of the key factors is - or actually what David mentioned, or Allen mentioned - was that there would be a limit on growth, in this department, but wouldn't the House bill create something like 56 supergrade positions to ...

HARRIS: No, supergrade positions are eliminated in both bills. The Congress...

BAIN: What do you mean eliminated?

HARRIS: There are no supergrade positions. Congress enacted last year, the civil service reform act, which put ceilings on the numbers of personnel, and the numbers of supergrade positions. There is no other cabinet department that exists now, other than the Department of Defense, the Congress puts a ceiling on the number of personnel. The Department of Education is the first attempt to do this by Congress. In other words, OMB does not set the ceilings of the number of personnel for the department, but the Congress sets that, so Congress will be responsible for the growth of that department.

DENHOLM: I think the political compromise, in order to get the bill through Congress, and I think that as soon as it was an established fact that there was a Department of Education, you'd be back budget year after budget year finding that Congress could very easily say, well, we only need ten more new supergrades this year, they only need 15 more in this for that, and they could find rationales for those, and before you knew it, going down the road 4, 6 years, you would have this bureaucracy, and perhaps at that point, just say, why bother to have a

SHANKAR: It's also a very poor way to organize a department, to have the Congress of the United States, sitting there, just deciding which positions are what.

HARRIS: Congress exercises its oversight function, sometimes it does not do it effectively, as effectively as it should. This is another tool Congress has to affectuate a good oversight function. Now I think that the Appropriations Committee wants this role, and they look at the number of personnel, whether they have that authority or not, but they do have this authority, and we think it's very good. This is something that was added in the Senate bill last year. It was improved upon this year by Senator Bellman, but it was added last year by Senator Roth, who was very interested.

BAIN: I just want to clarify something. The Washington Post editorial, this morning, was talking about - is that totally wrong - about the 56 supergrades?

HARRIS: Yes, as far as I know the House bill and it's definitely wrong in the Senate bill. I think what they talked about was an increase of a certain number of positions, a decrease of the 350 to 14 and the assumption was, as I believe you mentioned, that the decrease would come from lower level positions and you would still have the upper grades.

Congress is also controlling the amount of supergrades, and the amount of executive levels. There is no new authorization for additional supergrades in this Department..

SHANKAR: Nobody is going to believe. I don't believe. Nobody is going to believe, nobody listening out there watching is going to believe that you're going to create a new bureaucracy for education and that you're really going to spend less money, and have fewer jobs. What's it going to do? Nothing? It's not going to have people, it's not going to spend money, and it's not going to control state or local level of education. What's it going to do?

HARRIS: I think what it will do, and I disagree with what you said, and I can take each point and respond as far as local control, which is important one, and I'd like to, but this department I don't think it matters whether you have 12 cabinet departments or 13, or 5, or 4, or 3. What matters is, how effective is the federal government responsibility in education. Or, in respect to the entire government. It doesn't matter as far as the number of cabinets. What makes it is how effective is that cabinet department going to operate? HEW, we believe, is ineffective, it has grown....

SHANKAR: Doesn't the access to the President change when you have more cabinet people, rather than fewer. The President has to relate to 20 people, rather than 3. If you're in charge of a huge department, isn't the President going to spend a lot more time with you...

DENHOLM: You're talking about a department that would have a budget of what - about 13 billion dollars, 16 billion dollars now, and that is roughly 2% of the federal budget. Going on that basis you'd have to have 50 cabinet members... That doesn't make sense.

BAIN: The bill now is in the House Rules Committee, and should be up on the floor tomorrow. The Senate has already passed it. We will find out. We will count some votes for you on Panorama. Thank you all for being with us on this show today.