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To: Ann O'Leary

From: Pat McKee

These figures are from a study
done for OERI from
economist Steve Barrett.

Pat

OECD THEMATIC REVIEW OF EDUCATION AND CARE POLICY

USA BACKGROUND REPORT

DRAFT

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See p. 95.
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Section IIIc: Funding Issues for Early Care and Education in the United States

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Early childhood care and education policies in the United States are fragmented, inconsistent, and inadequately funded (Barnett, 1993). The same can be said of statistical information about early childhood care and education, which makes it very difficult to produce definitive and up-to-date descriptions of funding and policy. One important step toward coherent policy would be the development of a better statistical base to assist in decision-making about early childhood care and education policies and programs in this field. In recent years, some steps have been taken in that direction. The National Household Education Survey is a prominent example. However, data are not collected on a regular basis for a representative national sample of early childhood programs with respect to their structure, operation, and finances. Parents are not a reliable source of information on many of these matters and even detailed parent report on early childhood participation is not obtained annually. This paper seeks to present the best data available, but its limitations make the case for an improved early childhood care and education statistics system.

Background

Early childhood care and education is an area of public policy where education and child rearing intersect. A lack of understanding about the importance of formal education for young children (even early childhood educators tend to be hostile towards the phrase "formal education") has led policy-making to be dominated by views about child rearing. Political ideology in the United States emphasizes the primary responsibility of the family for child rearing to an even greater extent than it does for education. The role of government is limited to: (a) assisting all families in meeting their responsibilities by reducing their tax burden (tax exemptions and tax credits for children that are not tied to use of child care); (b) assisting families who cannot fulfill their responsibilities due to the extraordinary circumstances of poverty or a child's disability; and (c) regulating providers (typically only commercial providers) of child care services. Regulation is primarily a state government responsibility. There is a strong tendency for regulated industries to "capture" their regulatory agencies, and regulatory agencies tend to represent the interests of the providers (owners and operators, who are politically active and organized) rather than the consumers. Child care is typical of other regulated industries in these respects.

Despite the rhetoric of early childhood care and education and the genuine overlap in the services provided in child care and education, differences between the two "domains" create problems for analysis. Child care policy and programs are administered by one set of agencies, education by another, and Head Start (a "child development" program) by another. These agencies have different reporting requirements, different constituencies, different views of what are the most important goals of these programs and what constitutes a quality program, and even different views about what is the appropriate role of government. This presents problems for producing a consistent set of information about these programs. Moreover, it highlights the issue of the substantial heterogeneity among programs. Recent studies clearly show that Head Start programs provide substantially higher quality education on average than do child care and other preschool programs that operate as licensed child care centers (Barnett, Tarr, & Frede, 1999; Head Start FACES study, 1999). The primary reasons for

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There is general agreement that the effects of changes in the price of child care on the type of care used are larger than the effects on employment (Hofferth, 1999). For example, Blau and Hagy (1998) estimate that full subsidization of child care would lead to a 20% increase in the use of paid care. Subsidies also seem likely to produce changes in the types of care used, with families moving towards center and family home care and away from other forms (Hofferth, 1999).

In our view, one should not put too much trust in these econometric estimates. For policy purposes one must extrapolate far beyond existing circumstances with respect to the availability of high-quality programs and the level of subsidy. One must also manage to take into account that learning and attitude changes are likely to occur. For example, the take-up rate for Georgia's program for 4-year-olds has risen steadily. In New Jersey one urban public school offering a full-day, extended-year program beginning at age 4 has thousands of applicants for a few hundred places. Apparently, the perception is that close substitutes are not available elsewhere. Enrollment rates are nearly universal for preschool programs in some European countries. We think that this provides evidence of the potential for a large response to increased quality offerings. This can be particularly true if programs meet the educational needs of children and the specific needs of working parents and are based in a setting that the parents trust. As such programs are now rarely available, it is unlikely that this response could be estimated from existing data sets. Of course increased child participation does not guarantee parent participation in the labor force.

In addition, existing estimates tell us primarily about participation rates. Total hours may be more relevant, especially in the form of movement towards long part-time and full-time work that can lift families out of poverty. However, the available estimates indicate small responses in terms of hours worked for those already employed. Other aspects of employment that might be affected are absenteeism, employment continuity, and immediate and long-term productivity (Hofferth, 1999). Whether changes in all of these would be large enough to warrant a particular policy decision depends on the private and public benefits from increased earnings and productivity. Moreover, policy changes in the United States, such as paid parental leave, could increase both maternal employment and maternal investment in children, partly through increased time with children, and partly through increased child-bearing by older, more educated women (Gustafsson & Stafford, 1998). To our knowledge, no one has estimated these benefits so that, together with benefits for child development, they could be compared to the costs of subsidizing high-quality early childhood care and education for either lower-income women or the general population.

Costs of Subsidizing High-Quality Programs

There is a lack of general agreement about the level of quality that it is desirable for early childhood care and education in the United States. Yet, quality must be specified to estimate cost. Many existing positions on the desirable level of quality are based upon political calculations about what is currently acceptable and concerns about the impact of raising standards on existing providers of services, as well as evidence regarding the effects of programs on child development and well-being. One contender for a consensus about quality is provided by NAEYC accreditation standards. Our view is that NAEYC accreditation standards set a floor below which quality should not be allowed to fall rather than a goal to which programs should aspire.

Information on the implications of accepting NAEYC accreditation as a standard can be obtained from a GAO (1990) survey of NAEYC accredited full-day year-round centers serving 4-year-olds (and children of other ages as well) in 1988. The average cost of purchased resources for these programs was \$4200 per child. About \$600 in additional resources was donated, bringing the total estimated cost to \$4,800. It is noteworthy that there is substantial regional variation in cost from

\$5610 in the Northeast to \$4500 in the West. In 1999 dollars, the average cost would be about \$6300 per year.

Yet, these accredited programs did fare well with respect to characteristics that are known to be associated with the quality of services provided to children. Despite the fact that teacher salaries in these programs were about half of public elementary school teacher salaries, fifty percent of the teachers had a 4-year college degree. This is better than in most child care programs. Helburn and Howes (1996) found that only 28% of teachers had college degrees. In urban programs in New Jersey, Barnett and colleagues found that about one-third had college degrees and about half of those were degrees in early childhood education or a related field. Thus, accredited programs are better than others, but do they measure up to what we want for our children? Certainly, these programs would not be acceptable for children in kindergarten. Why is would they be acceptable for younger children?

Barnett (1998) and Frede (1998) have shown that there is large gap between the quality of programs that research has shown to provide substantial gains for young children in poverty and the quality of typical Head Start and public school programs. This gap seems likely to be responsible for their lower effectiveness. The quality of the typical child care center attended by children in low income families is much lower even than the typical Head Start program (Barnett, et al., 1999). Of course the quality of child care generally is quite low. While it may not harm most young children, the current level of quality is not necessarily desirable because it does not optimally use the opportunity for education and because children may have better lives in higher quality programs even if this does not contribute to measurably better long-term development. Unfortunately, given the current research base, many questions remain for making an objective determination of the quality of programs "needed" by young children in general (much of the research has been conducted with children in poverty).

In order to provide a basis for estimating the costs of alternative public subsidies for early childhood care and education, we have estimated the costs using three different estimates of program cost: \$12,000 per child, \$8,000 per child, and \$6,000 per child. The \$12,000 figure is in the ballpark of the costs of programs that research has shown to have large benefits for children in poverty and is the figure that we consider a reasonable goal for public policy. The \$6,000 figure is about the cost of NAEYC accredited centers and is a lower-bound estimate of the cost of providing a mix of part-day and full-day programs. These figures must be taken as averages. In New Jersey, a relatively high-cost state, \$6,000 would not be sufficient to provide a quality program. It would not even cover the cost of kindergarten or Head Start. In other states, with lower costs, \$6,000 per child might be enough to provide quality programs. Obviously, the \$8,000 figure provides something in between in terms of quality, hours of service, and comprehensiveness of services.

Estimates of the costs of public subsidies using the three cost estimates and three alternative assumptions about the subsidy level are presented in Table 5. The three alternatives are: a full subsidy, a full subsidy for families below the median income with a sliding scale above the median that cuts the subsidy in half by the 75th percentile, and a sliding fee scale across the entire income range that cuts the fee to half at the median income. These estimates assume 50% participation rates for children under 1, 75% for children ages 1 and 2, and 100% participation rates for children ages 3 to 5. It is assumed that about one-quarter of 5-year-olds are preschool children. These assumptions can be varied to produce alternative estimates. These estimates are based on the population in 1995. Projected decreases in the population of young children in future years would reduce the total cost estimates by at most 5%.

The public costs of universal subsidies range from over \$200 billion annually to about \$100 billion annually at full subsidy, down to about \$50 billion for the lowest subsidy. At the very least this

Summary & Justifications of the OERI Reauthorization Proposal The National Education Research Act

Despite a commitment among federal, state and local educators and policymakers to ensure that each student in this country has access to a high quality education, the goal of equity and excellence for all has not yet been achieved. Research that provides dependable information about best practices in teaching and learning is key to meeting our goals and implementing successful education reform efforts. The Department's proposal to reauthorize the Office of Educational Research and Improvement (OERI) improves research focus and streamlines operations to better respond to the increasing needs of educators, policymakers and practitioners. The proposal builds on the strengths of the current authority, while taking steps to increase quality, improve coordination, and ensure objectivity. The reauthorization proposal affirms the commitment to providing national leadership in the conduct and support of educational research focused on the most important issues in education reform.

Title of Act Is Shortened

The "National Education Research Act" replaces the current "Educational Research, Development, Dissemination, and Improvement Act of 1994."

Focus, Relevance, and High-Quality Are Emphasized

The proposal--as defined in purpose and findings--is based on the urgent need for a relevant knowledge base from education research. *Issues raised by outside commissions, recent reports, and practitioners regarding the research agenda, structure, and resources are directly addressed in the proposal.* The Institute would:

- Build a methodologically rigorous, high quality, cumulative knowledge base;
- Establish priorities that focus on raising standards and achievement for all students;
- Coordinate and synthesize the work it supports as well as research from other agencies and public and private entities to improve learning; and
- Obtain expert guidance and make knowledge and information more accessible and useable for practitioners and the public.

The National Institute for Education Research Replaces OERI

The Institute would be established as a largely autonomous component of the Department of Education and would replace the OERI. In addition, the National Education Research Board would establish policy guidelines for the Institute. The Institute's authority would be limited to the activities outlined in the Act, with the possibility of its administering additional programs as assigned by the Secretary, and approved by the National Education Research Board. The proposal would also create a permanent authority for the Institute and would allow for greater fiscal stability and long-term planning and coordination. *Stability and long-term planning are especially critical to an effective and efficient research organization.* The National Center for Education Statistics would not be placed within the Institute; but with enactment of the "National Education Statistics Act," it would become a freestanding entity within the Department of Education.

Institute Director Replaces the Assistant Secretary

The proposal would change the leadership of the Institute from an Assistant Secretary to a Director, who would report to the Secretary of Education. The Director would be a Presidential appointee, confirmed by the Senate for a six-year term. *These changes, particularly the six-year term, would provide greater continuity and would help make the Institute non-partisan by spanning administrations.*

Priorities Are Established to Guide Activity

The Institute would be required to concentrate resources in the following research priority areas:

- Improving teaching and learning of reading, writing, and mathematics for all students, especially for those most at risk of educational failure;
- Aiding schools, districts, and States with reform efforts, particularly standards-based, school choice, teaching quality, and school safety reforms; and
- Incorporating new methodologies and technologies into research strategies to enhance quality and equality in education.

Combined with a renewed commitment to the use of the most rigorous methods, *this more focused research agenda would respond to criticisms that federal research and improvement efforts are too broad and diffuse to have significant impact.*

Senior Scientist, Other Research Specialists Are Specified to Improve Capacity

The staffing provisions reflect the emphasis on improving methodologies and increasing the rigor of the Institute's research. The Institute Director would have:

- Assistance and guidance from a Senior Scientist;
- Authority to appoint up to 60 regular full-time research specialists and scientists or other professional employees through excepted service term appointments; and
- Discretion to award research fellowships to help expand the national capacity for conducting research in education.

A highly qualified Senior Scientist would set the tone for the implementation of up-to-date, rigorous research and evaluation, and flexible hiring ability would improve the Institute's ability to attract and retain high quality researchers.

National Education Research Board Is Modified

The Board would continue to include 15 members (plus non-voting ex-officio members), but Board members would be appointed by the President, instead of the Secretary, and would be confirmed by the Senate. In addition, Board members must be well-qualified and representative of the public and the education professions. Terms would be limited to six years. *Such changes would invite greater attention to federal education research, help to ensure its non-partisan nature, and should attract a larger pool of qualified and knowledgeable professionals.*

Expert Study Panels Take Place of Institutes to Provide Guidance

Organizationally, these changes would allow the Institute to channel its staff and resources more effectively to reduce fragmentation, build capacity and improve focus. The small sub-institute structure would be eliminated. Resources would be regrouped and directed towards priorities identified by the Director and the Research Board. The Director would establish panels of experts to provide continuing guidance in planning, management, and evaluation of major R&D programs. *Consolidating staff would cut down on fragmentation and duplication of resources and research, while focusing the Institute on central priorities. Study panels would be convened to solicit expert assistance at various stages of initiatives and would increase involvement of policymakers and practitioners, while maintaining quality*

control of the Institute's activities.

Research Is Coordinated, Subject to Performance Measures

Existing structures would be modified to improve the synthesis and rigor of research and development and increase accountability to the public:

National R&D centers, awarded on a competitive 5-year renewable basis, would be required to develop performance indicators in leading long-term research;

Field-initiated research would provide real feedback to support the Institute priorities;

Regional laboratories would be designated on a competitive 5-year basis, would agree to performance indicators, and would provide to the public an annual report on outcomes. The labs would provide technical assistance to States, districts, and schools, as well as participate in electronic technical assistance networks. The labs would also continue to conduct applied research and support program and materials development in support of reform implementation in the regions they serve. Governing boards would include teachers, policymakers, and researchers and would determine, consistent with Institute priorities, each lab's agenda operations to ensure that the work responds to the needs of the field.

Integration of research and development activities would support the goals of improved coordination and effectiveness of research efforts, as well as the seamless delivery of knowledge and resources to all practitioners and educators. Performance measures would provide additional accountability and ensure that hold federally-funded educational research is more responsive to the demands of the field.

Standards and Peer Review Are Emphasized

Standards for the Institute's efforts would be published and revised as necessary, and peer review would be used in all major aspects of the Institute's activities, including the national R&D centers, field initiated research programs, regional laboratories, and other directed research activities. *Published standards and open peer review processes would establish greater legitimacy and accountability for the Institute, and would provide internal standards of quality control.*

Public Dissemination Is Enhanced

Access to the Educational Resources Information Center would be expanded to parents, teachers, and other interested citizens through the World Wide Web and other technologies. *This mode of information sharing and dissemination would be cost-effective yet high in quality and would provide additional sources of technical assistance for States, school districts, and schools.*

On your e-mail:

No word from Andy
but JB says it
looks fine.

If you don't need/want to
review, let me know.

Thanks -
Anna

Draft 10/5/99

A BILL

To reauthorize and improve the educational research and statistical programs of the Department of Education, including the National Institute for Education Research, the National Center for Education Statistics, the National Assessment of Educational Progress, the National Assessment Governing Board, and America's Tests in Reading and Mathematics, and for other purposes.

Be it enacted by the Senate and the House of Representative of the United States of America in Congress assembled.

SHORT TITLE

SEC. 1. This Act may be cited as the "National Education Research and Statistics Act of 1999".

ORGANIZATION OF THE ACT

SEC. 2. This Act is organized into the following titles:

TITLE I -- NATIONAL EDUCATION RESEARCH ACT
TITLE II -- NATIONAL EDUCATION STATISTICS ACT
TITLE III -- AMENDMENTS TO OTHER ACTS

EFFECTIVE DATE; TRANSITION

SEC. 3.(a) EFFECTIVE DATE. The provisions of this Act shall take effect on October 1, 2000.

(b) TRANSITION. The Secretary shall take such actions as the Secretary determines to be appropriate to provide for a smooth transition for programs and activities authorized under the National Education Statistics Act of 1994 to programs and activities under this Act.

TITLE I - NATIONAL EDUCATION RESEARCH ACT

[OERI reauthorization]

TITLE II - NATIONAL EDUCATION STATISTICS ACT

SHORT TITLE

SEC 201. Section 401 of the Improving America's Schools Act of 1994 (20 U.S.C. 9001, et seq.; hereinafter in this title referred to as the "Act") is amended by--

(1) striking out "title" and inserting in lieu thereof "Act"; and

(2) striking out "of 1994".

FINDINGS; DEFINITIONS

SEC. 202. Section 402 of the Act is amended--

(1) in subsection (a)--

(A) in paragraph (2)--

(i) by striking out "within the Office of Educational Research and Improvement"; and

(ii) at the end thereof, by striking out "and";

(B) in paragraph (3), by--

(i) striking out "looking to" and inserting in lieu thereof "entering"; and

(ii) redesignating paragraph (3) as paragraph (6); and

(C) by adding new paragraphs (3), (4), and (5) to read as follows:

"(3) The availability of valid and timely data, delivered in widely accessible formats, provides policymakers, educators, parents, and the public necessary information to make decisions based on school, student, and teacher needs and better supports the implementation of more effective policies and practices to improve education opportunities for all children;

"(4) As schools, districts, States, and the Department continue to move to performance-based systems, where accountability and improvement efforts are driven by student and school outcomes, comprehensive and accurate information and data on such outcomes become increasingly important;

"(5) Recent technological advances permit more efficient and effective strategies for the collection, analysis, reporting and dissemination, and warehousing of data, thereby enhancing the timeliness and usability of the data; and"; and

(2) in subsection (c)--

(A) by striking out paragraph (1);

(B) in paragraph (3), by striking out "section 1201(a)" and inserting in lieu thereof "section 101(a)"; and

(C) by redesignating paragraphs (2) through (7) as paragraphs (1) through (6), respectively.

NATIONAL CENTER FOR EDUCATION STATISTICS

SEC. 203. Section 403 is amended--

(1) in subsection (a), by striking out "the Office of Educational Research and Improvement established under section 208 of the Department of Education Organization Act" and inserting in lieu thereof "the Department of Education";

(2) in subsection (b)--

(A) by amending the subsection heading to

read as follows: "COMMISSIONER, DEPUTY COMMISSIONER, AND ASSOCIATE COMMISSIONERS.";

(B) by amending paragraph (1)(C) to read as follows:

"(C) serve a term of four years, with the terms to expire every fourth July 1st beginning in 2003."; and

(C) by amending paragraph (2) to read as follows:

"(2) DEPUTY COMMISSIONER AND ASSOCIATE COMMISSIONERS.--The Commissioner may appoint a Deputy Commissioner and such Associate Commissioners as the Commissioner determines are necessary and appropriate.";

(3) by redesignating subsection (b) as subsection (c);

(4) by adding a new subsection (b) to read as follows:

"(b) PRINCIPLES OF THE CENTER'S MISSION. The Commissioner shall ensure that the Center--

"(1) collects and analyzes education information and statistics under this Act in a manner that meets the highest methodological standards;

"(2) reports education information and statistics under this Act in a timely manner; and

"(3) collects, analyzes, and reports education information and statistics under this Act in a manner that--

"(A) is objective and free of partisan influence; and

"(B) is relevant and useful to practitioners, researchers, policymakers, and the public.";

(5) by adding at the end thereof a new subsection (d) to read as follows:

"(d) APPOINTMENT OF EMPLOYEES.--The Commissioner may appoint, for limited terms, on a temporary basis, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service and may compensate, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such statistical experts (such as statisticians, mathematical statisticians, economists, mathematicians, computer specialists, social scientists, and sociologists) of the Center as he or she considers necessary to accomplish its mission. Such appointments may not exceed 25 employees of the Center."

DUTIES OF THE CENTER

SEC. 204. Section 404 of the Act is amended--

(1) in subsection (a)(1), in the matter before subparagraph (A), by striking out "and postsecondary" and inserting in lieu thereof "postsecondary, and adult";

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting a new subsection (b) to read as follows:

"(b) PERFORMANCE MANAGEMENT.--The Commissioner shall make customer service a priority and shall ensure a high level of customer satisfaction through--

"(1) establishing and improving feedback mechanisms in order to anticipate customer needs;

"(2) disseminating information in formats that are easily accessible and usable by researchers, practitioners, and the general public;

"(3) utilizing the most modern technology and other methods available, including arrangements to use data collected electronically by States and local educational agencies, to ensure the efficient collection and timely distribution of information, including data and reports;

"(4) establishing, and measuring the Center's

performance against, a set of indicators for the quality of data collected, analyzed, and reported by the Center; and

"(5) continuously improving the management strategies and practices of the Center.".

PERFORMANCE OF DUTIES

SEC. 205. Section 405(b) of the Act is amended--

(1) by redesignating paragraphs (1) through (4) as paragraphs (2) through (5), respectively;

(2) by inserting a new paragraph (1) to read as follows:

"(1) AUTHORITY OVER IMPLEMENTATION OF DATA COLLECTION.--The Commissioner shall have final authority over decisions regarding the implementation of data collection activities, including the appropriateness of specific collection methodologies, consistent with sections 121 and 131."; and

(3) in paragraph (3)(A), as redesignated, by inserting "(including information collected by States and local educational agencies for their own use" before the semi-colon at the end thereof.

."

REPORTS

SEC. 206. Section 406 of the Act is amended--

(1) in subsection (a), by striking out "1995" and inserting in lieu thereof "2001"; and

(2) by adding at the end thereof a new subsection (d) to read as follows:

"(d) PROCEDURES FOR ISSUANCE OF REPORTS.--(1) The Commissioner shall establish procedures to ensure that the reports issued under this section are relevant, of high

quality, useful to customers, and subject to rigorous peer review.

"(2) The Commissioner--

"(A) shall afford the appropriate offices of the Department an opportunity to review and comment on reports under this section before their publication, whenever they relate to matters for which those offices have responsibility; and

"(B) after such review and comment, may publish those reports without further clearance or approval by other offices of the Department."

ADVISORY COUNCIL ON EDUCATION STATISTICS

SEC 207. Section 407(b) of the Act is amended by--

(1) amending paragraph (1)(D) to read as follows:

"(D) the Commissioner and the Director of the National Institute of Education Research, as nonvoting, ex-officio members."; and

(2) by amending paragraph(5) to read as follows:

"(5) DUTIES OF THE COUNCIL.--The Council shall--

"(A) review and advise the Commissioner
on --

"(i) general policies for the operation and activities of the Center;

"(ii) standards to ensure that statistics and other information disseminated by the Center are of high quality and are not subject to partisan political influence;

"(iii) standards for peer review;

"(iv) the development of the data quality indicators under section 112(b)(4); and

"(v) the extent to which the data collected and reported by the Center respond to customer needs;

"(B) annually submit a report to the President and the Congress on the quality and usefulness of data collected and reported by the Center, and on any other issues requiring public attention; and

"(C) advise the Commissioner on technical and statistical matters related to the National Assessment of Educational Progress.".

DISSEMINATION

SEC. 208. Section 409(e)(2) of the Act is amended by inserting a comma and "in the most appropriate form (including, where possible, electronically)," after "access".

COOPERATIVE EDUCATION STATISTICS SYSTEMS

SEC. 209. Section 410 of the Act is amended by--

(1) in subsection (a), by striking out "data on elementary and secondary education, postsecondary education," and inserting in lieu thereof "data on early childhood education, elementary and secondary education, postsecondary education, adult education";

(2) by striking out the subsection (a) designation and heading; and

(3) by striking out all of subsection (b).

REPEAL OF SECTION 413 AND REDESIGNATIONS

SEC. 210. (a) REPEAL.--Section 413 of the Act is repealed.

(b) REDESIGNATIONS.--Sections 411 and 412 of the Act are redesignated as sections 412 and 413, respectively.

AUTHORIZATION OF APPROPRIATIONS FOR THE CENTER

SEC. 211. Title IV of the Act is amended by adding a new section 411 to read as follows:

"AUTHORIZATION OF APROPRIATIONS FOR THE CENTER

"SEC. 411. There are authorized to be appropriated such sums as may be necessary for each fiscal year in order to carry out this part, including the necessary salaries and expenses for the Center, other than sections 121 and 131."

NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

SEC. 212. Section 412 of the Act, as redesignated, is amended--

(1) in subsection (a) by--

(A) striking out "with the advice" and inserting in lieu thereof "under the policy direction"; and

(B) striking out "section 412" and inserting in lieu thereof "section 131";

(2) in subsection (b)--

(A) in paragraph (1)--

(i) in the third sentence, by inserting a comma and "in accordance with an assessment schedule developed by the National Assessment Governing Board and a reporting schedule developed and published by the Commissioner," after "Commissioner";

(ii) by amending subparagraph (A) to read as follows:

"(A) for purposes of tracking long-term national trends, collect and report data on a periodic basis, but at least every 4 years, for students at ages 9, 13, and 17 in reading, math, and science and in grades 4, 8, and 11 in writing;" and

(iii) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E);

(iv) by adding a new subparagraph (B) to read as follows:

"(B) For purposes of collecting data on student achievement based on current frameworks, conduct student assessments every year in grades 4, 8, and 12 in public and private schools;"

(v) at the end of subparagraph (D), as redesignated, by striking out "and";

(vi) at the end of subparagraph (E), as redesignated, by striking out the period and inserting in lieu thereof a semi-colon and "and"; and

(vii) by adding a new subparagraph (F) to read as follows:

"(F) provide assistance to interested States that wish to benchmark their State assessments to the National Assessment."; and

(B) by amending paragraph (2)(A)(ii) to read as follows:

"(ii) Each State assessment, in each subject area and at each grade level, shall be conducted in a manner that will produce high-quality data that are valid and reliable.";

(3) in subsection (c)(2)(B), by--

(A) by inserting the clause designation "(i)" after the subparagraph designation "(B); and

(B) by adding a clause (ii) to read as follows:

"(ii) Notwithstanding clause (i), the Commissioner may decline to make available cognitive items for periods longer than ten years if the Commissioner determines that it is necessary to do so in order to protect the integrity of long-term trend data.";

(4) in subsection (e)--

(A) in paragraph (1), by striking out "age and"; and

(B) in paragraph (2)(ii), by inserting "independent" before "evaluation";

(5) in subsection (f)--

(A) in paragraph (1)(B)(i), by striking out "developmental"; and

(B) by amending paragraph (3) to read as follows:

"(3) USE OF FINDINGS AND RECOMMENDATIONS.--The Commissioner and the National Assessment Governing Board shall consider the findings and recommendations of such reviews in carrying out their duties and responsibilities with respect to the design and implementation of the National Assessment.";

(6) by adding at the end thereof a new subsection (h) to read as follows:

"(h) AUTHORIZATION OF APPROPRIATIONS. For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for fiscal year 2001 and for each of the four succeeding fiscal years.".

NATIONAL ASSESSMENT GOVERNING BOARD

SEC. 213. Section 413 of the Act, as redesignated, is amended--

(1) in subsection (a)--

(A) by inserting "within the Department of Education" after "established"; and

(B) by striking out "guidelines" and inserting in lieu thereof "direction";

(2) by amending subsection (b)(2) to read as

follows:

"(2) EX OFFICIO MEMBERS. The Commissioner and the Director of the National Institute for Education Research shall serve as ex officio, nonvoting members of the Board.";

(3) in subsection (c)(1), by striking out "3 years" and inserting in lieu thereof "4 years"; and

(4) by adding a new subsection (i) to read as follows:

"(i) AUTHORIZATION OF APPROPRIATIONS. For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for fiscal year 2001 and for each of the four succeeding fiscal years.".

REDESIGNATION OF TITLE IV OF THE ACT AS THE NATIONAL
EDUCATION STATISTICS ACT; SECTION REDESIGNATIONS; PART
HEADINGS; AND CONFORMING AMENDMENTS

SEC. 214. (a) REDESIGNATION OF TITLE IV. Title IV of the Act, as amended by sections 201 through 213 of the National Education Research and Statistics Act of 1999, is redesignated as the "National Education Statistics Act".

(b) SECTION REDESIGNATIONS.--(1) Sections 401 and 402 of the National Education Statistics Act are redesignated as sections 101 and 102 of the Act, respectively;

(2) Sections 403 through 411 of the National Education Statistics Act are redesignated as sections 111 through 119, respectively;

(3) Section 412, as redesignated, of the National Education Statistics Act is further redesignated as section 121; and

(4) Section 413, as redesignated, of the National Education Statistics Act is further redesignated as section 131.

(c) CONFORMING AMENDMENTS. The National Education Statistics Act is amended--

(1) in section 102(c)(6), as redesignated--

(A) in subparagraph (A), by striking out "section 411" and inserting in lieu thereof "section 121"; and

(B) in subparagraph (B), by striking out "section 411" and inserting in lieu thereof "section 121";

(2) in section 117(e), as redesignated, by striking out "section 408" and inserting in lieu thereof "section 116";

(3) in section 121, as redesignated--

(A) in subsection (a)--

(i) by striking out "section 412" and inserting in lieu thereof "section 131"; and

(ii) by striking out "section 407" and inserting in lieu thereof "section 115"; and

(B) in subsection (e)(1), by striking out "section 412" and inserting in lieu thereof "section 131";

(4) in section 131(e), as redesignated--

(A) in paragraph (1)--

(i) in subparagraph (A), by striking out "section 411(b)(1)" and inserting in lieu thereof "section 121(b)(1)";

(ii) in subparagraph (B), by striking out "section 411(e)" and inserting in lieu thereof "section 121(e)";

(iii) in subparagraph (D), by striking out "section 407" and inserting in lieu thereof "section 115"; and

(B) in paragraph (6), by striking out

"section 411(e)" and inserting in lieu thereof "section 121(e)"; and

(5) by striking out "this title" wherever it appears and inserting in lieu thereof "this Act".

(d) PART HEADINGS. The National Education Statistics Act is further amended by--

(1) inserting before section 111 the following Part heading: "PART A -- NATIONAL CENTER FOR EDUCATION STATISTICS";

(2) inserting before section 121 the following part heading: "PART B -- NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS"; and

(3) inserting before section 131 the following part heading: "PART C -- NATIONAL ASSESSMENT GOVERNING BOARD".

AMERICA'S TESTS IN READING AND MATHEMATICS

SEC. 215. The National Education Statistics Act is further amended by adding at the end thereof a part D to read as follows:

"PART D - AMERICA'S TESTS IN READING AND MATHEMATICS

"FINDINGS; PURPOSE

"SEC. 141. (a) FINDINGS. The Congress finds that:

"(1) The fourth grade is a significant transition point for students with regard to proficiency in reading. Recent studies have indicated that it is critically important for all students to be able to read independently by the end of the third grade in order to make satisfactory progress in school and learn to high standards.

"(2) Likewise, the eighth grade serves as another milestone in the learning cycle of students. It is critically important that by the end of the seventh grade all students master analytical problem-solving as well as

the fundamentals of mathematics needed to understand algebraic and geometric concepts and applications.

"(3) Significant disparity exists between many States' assessments of student performance compared to their students' performance on the National Assessment of Educational Progress, indicating a need for measuring student performance to rigorous standards.

"(4) Rigorous voluntary national assessments in reading and mathematics will provide necessary national and international benchmarks against which teachers, administrators, parents, policymakers, and students can assess learning at key points.

"(5) When shared with students, parents, teachers, and principals, individual questions and answers from assessments that are aligned to challenging content standards can serve as valuable tools for assessing instructional strengths and developing effective strategies to improve teaching and learning.

"(6) The results of an assessment based on national and international benchmarks can provide schools and communities with a clear picture of student performance that can inform better investments of time, energy, and resources in schools in addressing the academic needs of the students.

"(7) A national assessment of reading and mathematics, that is aligned to rigorous standards, involves teachers, content specialists, principals, parents, and business and community leaders in test development, provides immediate reporting of individual student scores, allows for release of all test items and materials, and introduces a new test each year, can provide parents and teachers with important tools to enable them to improve education from the grassroots level.

"(b). PURPOSE. It is the purpose of this part is to support the development of, and make available, valid, voluntary national tests in reading, for fourth grade students, and in mathematics, for eighth grade students, in order to--

"(1) give parents and teachers, on a timely

basis, the information they need to assess student achievement and needs in reading and mathematics for students in elementary and middle schools; and

"(2) assist States and localities in improving and ensuring high-quality instruction in reading and mathematics in all elementary and middle schools.

"AMERICA'S TESTS IN READING AND MATHEMATICS

"SEC. 142. (a) IN GENERAL. From funds available under subsection (g), the National Assessment Governing Board (hereinafter in this part referred to as the "Board"), established under part C of this Act, shall, through one or more grants, contracts, or cooperative agreements, develop and make available valid tests that assess the individual performance of fourth-grade students in reading, and eighth-grade students in mathematics, for voluntary use by States, local educational agencies, private schools, other educational entities, and parents.

"(b) DUTIES OF THE BOARD.--(1) In carrying out subsection (a), the Board shall develop--

"(A) test objectives and specifications;

"(B) test methodology; and

"(C) guidelines and criteria for--

"(i) test administration (including guidelines for the inclusion of, and accommodations for, students with disabilities and students with limited English proficiency);

"(ii) compiling and using data from such tests (including the security of test items);

"(iii) reporting test results (including the use of appropriate performance levels and the timely return of test results); and

"(iv) the use of the tests.

"(2) In carrying out its duties under paragraph

(1), the Board shall--

"(A) have final authority over test design and implementation of the guidelines and criteria under paragraph(1) (C);

"(B) ensure that all items selected for use in the tests are free from racial, cultural, or gender bias;

"(C) ensure that test items adequately assess student reading and mathematics knowledge and skills in the form most likely to yield accurate information regarding student achievement in reading and mathematics;

"(D) ensure that test items and test administration appropriately accommodate the needs of disadvantaged, limited English proficient, and disabled students;

"(E) ensure that Spanish-speaking students with limited English proficiency are assessed using tests written in Spanish, if Spanish language tests are more likely to yield accurate and reliable information about what those students know and can do;

"(F) make widely available, through the World Wide Web and through other means, information about the tests (but not individual results), including test items and answers, norms and benchmarks, and explanatory information, in easily understandable form;

"(G) ensure that all test questions, test results, student answers, and the answer key are returned to students, their families, and their teachers not more than 30 days from the day the test was administered;

"(H) ensure that information is provided to parents, students, and educators about the achievement of individual students in relation to the content and the rigorous performance standards of the National Assessment, as set by the National Assessment Governing Board for fourth grade reading and eighth grade mathematics; and

"(I) ensure that all test items are released each year.

"(c) TEST CONTENT FRAMEWORKS AND PERFORMANCE LEVELS. All tests under subsection (a) shall be based on, and be at least as rigorous as, the content frameworks and performance levels used for the National Assessment of Educational Progress under part B of this Act.

"(d) VOLUNTARY NATURE OF THE TESTS.--(1) The Federal government shall not--

"(A) require participation by any State, local educational agency, private school, other educational entity, or individual in any tests under subsection (a);

"(B) make participation in a test under subsection (a) a condition for receiving Federal funds; or

"(C) require test participants or administrators to report test results to the Federal government.

"(2) (A) All tests under subsection (a) shall be made available to all States, local educational agencies, private schools, other educational entities, and parents, who wish to participate.

"(B) States, local educational agencies, private schools, other educational entities, and parents that choose to make available or use the tests shall comply with the policies, guidelines, and criteria set forth by the Board under this part.

"(e) USE OF TEST. Results from tests under subsection (a) shall not be used by States, local educational agencies, schools, or other educational entities in making decisions involving--

"(1) the retention or graduation of students;

"(2) the rewarding or punishing a teacher, school, or district; and

"(3) the closing or State take-over of schools.

"(f) REVIEW AND INDEPENDENT EVALUATION. The Secretary shall provide for continuing review and an independent evaluation of the tests developed under subsection (a).

"(g) AUTHORIZATION OF APPROPRIATIONS. For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for fiscal year 2001 and for each of the four succeeding fiscal years."

TITLE III - AMENDMENTS TO OTHER LAWS

SEC. 301.(a) THE DEPARTMENT OF EDUCATION ORGANIZATION ACT. Title II of the Department of Education Organization Act (20 U.S.C. 3401, et seq.) is amended-

(1) in section 202(b), by-

(A) re-designating the paragraph (3) enacted by P.L. 103-227 as paragraph (4);

(B) in paragraph (4), as redesignated by subparagraph (A)-

(i) in the matter before subparagraph (A), by striking out "an Assistant Secretary for Educational Research and Improvement" and inserting in lieu thereof "a Director of the National Institute for Education Research"; and

(ii) in subparagraph (B), by striking out "National Educational Research Policy and Priorities Board" and inserting in lieu thereof "National Education Research Board";

(C) by adding a new paragraph (5) to read as follows:

"(5) There shall be in the Department a Commissioner of Education Statistics who is appointed in accordance with section 111(b) of the National Education Statistics Act.";

(2) by amending section 208 to read as follows:

"NATIONAL INSTITUTE FOR EDUCATION RESEARCH
"SEC. 208. There shall be in the Department of Education a National Institute for Education Research, to be administered by the Director of the National Institute

for Education Research appointed under section 202(b)(4) in accordance with the National Education Research Act."; and

(3) by adding at the end thereof a new section 220 to read as follows:

"NATIONAL CENTER FOR EDUCATION STATISTICS

"SEC. 220. There shall be in the Department of Education a National Center for Education Statistics, to be administered by the Commissioner for Education Statistics appointed under section 111(b) of the National Education Statistics Act in accordance with that Act.".

(b) POSITIONS. 5 U.S.C. 5315 is amended by-

(1) striking out "Assistant Secretaries of Education (10)" and inserting in lieu thereof "Assistant Secretaries of Education (9)"; and

(2) inserting "Director of the National Institute for Education Research" and "Commissioner for Education Statistics" after "Assistant Secretaries of Education (9)".

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