

number of blacks and Hispanics they were accepting into next year's classes.

The UCLA School of Law, for instance, accepted only 21 African American applicants, down from 104 last year. While these figures are sad, they're also refreshing. Ward Connerly, a black member of the University of California board of Regents, welcomed them as the public unmasking of an "artificially engineered system of preferences that has been propping up diversity. . . . If we really want to help those black and Latino kids, we will give them some tough love and get them channeled into being able to compete."

Connerly led the successful fight for the California Civil Rights Initiative, which bans discrimination by state agencies — including the admissions system that moved blacks and Latinos ahead of whites and Asians who scored higher.

Just last week, a federal judge ruled that an effort by the Arlington (Va.) School Board to achieve racial diversity was unconstitutional because it discriminated by race. Applicants to the popular Arlington Traditional School were assigned numbers in a random lottery, but the board decided to bump 11 white kids who had won in favor of blacks. The judge said no.

Meanwhile, the Clinton administration

is hustling to craft new rules to preserve affirmative action in contracting, despite new court decisions that severely limit the practice. The president also wants to launch a "national discussion about race" this month. But he can't keep ducking the big question that King posed and Connerly echoes.

"On the one hand," said Connerly, a man of guts and principle, "there are those who say that race matters, that we have to use race to get beyond race. Then, there are those of us who believe, as President Kennedy said in 1963, 'Race has no place in American life or law.'"

It's time to choose. ■

89. Roll Call (policy briefing)

June 2, 1997

President's Plan Helps Relieve the 'Tuition Squeeze' **Promoting 'America Reads' and Revisiting the Construction Initiative Should Be Education Priorities**

By Richard Riley

More than any other issue before President Clinton and Congress, education is riding "the Big Mo" — momentum. Since President Clinton proclaimed education to be his top priority for his second term, several bipartisan actions have produced groundbreaking developments that will benefit America's schools and children.

- * Congress reauthorized the Individuals with Disabilities Education Act — a move that resolved longstanding, sensitive disputes regarding how best to serve children with special needs.

- * The Federal Communications Commission voted to give schools and libraries discounted access fees for telecommunications services to help make the Internet and other online materials available in the classroom.

- * The budget agreement reached by Congress and the White House includes plans to provide \$35 billion in higher education-related tax relief to help America's students and families pay for college, as well as important investments in discretionary appropriations for K-12 education.

Each of those actions represents a breakthrough on those issues. Further, during my tour of Congressional hearings this spring, I was greatly impressed by the broad and bipartisan agreement among Members in both chambers on the priorities regarding how best to improve

education. The President's commitment to challenging academic standards; strengthening reading achievement; expanding public school choice; ensuring safe, disciplined, and drug-free schools; getting useful technology into America's classrooms; improving the quality of teaching; and enhancing access to post-secondary education is shared by nearly everyone.

As we seek agreement on several critical spending and tax items and reauthorization of the Higher Education Act, we must continue to put students first and leave politics at the schoolhouse door.

One of our central challenges is helping low- and middle-income families meet the rising costs of college. More than ever before, a person's education attainment is the strongest predictor of his or her economic prospects. A typical college graduate earns 50 percent more than a high school graduate and more than twice that of a high school dropout. Since the best jobs of the information age require at least some education beyond high school, it is in the national interest to help people invest in themselves through education.

The President's fiscal 1998 spending plan offers a comprehensive approach to this issue while staying within the constraints of a balanced budget. For the financially neediest students, the plan provides significantly larger Pell Grants and more college work-study jobs. For

middle-income students, it gives new relief in the form of college-related tax cuts — a tax credit called the Hope Scholarship (patterned after a successful program in Georgia) and a tuition tax deduction.

A 29 percent increase to the Pell program — upping its annual budget from \$5.9 billion to \$7.6 billion — will enable us to help low-income students in several ways. The neediest students will see the size of the maximum Pell award grow from \$2,700 to \$3,000, and more than 890,000 others will see their assistance grow by an average of \$800. Further, revisions in the formula used to determine Pell eligibility will provide grants to an additional 218,000 students.

America's middle class needs help, as well, to deal with what I call "the tuition squeeze." These families earn too much to qualify for aid awarded on the basis of financial need but too little to pay tuition costs out of pocket. We believe that a family earning \$40,000 or \$50,000 while trying to pay for college (for children or adult students) should benefit from the kind of middle-class tax relief that Democrats and Republicans agree is warranted. Families in this income range are taking on increasingly higher levels of debt to pay college costs, and this kind of targeted tax relief can go a long way toward easing their reliance on loans.

There are sound economic reasons for targeting middle-class tax relief in the form

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of a higher education-related tax cut. Throughout the industrial age, America used the tax code to stimulate private-sector investment in plants and equipment. As our economy becomes increasingly knowledge-based, the tax code can and should be used to make such capital investments in our people.

A complement to those proposals will be our plan for reauthorization of the Higher Education Act. After consulting with Congress and the higher education community, we are in the final stages of developing our proposals around four broad principles: (1) access to higher education, which we view as opportunity with responsibility; (2) the support of effective teaching, high standards, and high achievement; (3) simplified program delivery and improved management; and (4) improved outreach to potential students with stronger links among elementary and secondary education, post-secondary education, and employers. We anticipate presenting these proposals to Congress and the public shortly.

In other areas, we have several tightly focused initiatives that tackle some of the most fundamental challenges in American education.

First and foremost on that list is the President's "America Reads Challenge," an initiative that will be aided by the Department of Education but carried out at the grassroots level. The goal of the challenge is to help children read well and independently by the end of the third grade.

Why is mastery of this most basic of basics so critical at that point in a child's education? Research shows that children who cannot meet that standard are less likely to succeed in school and are more likely to drop out. That's what is so disturbing about the fact that 40 percent of American fourth-graders scored below the basic proficiency level on the 1994 National Assessment of Education Progress test. The America Reads Challenge can help to lay the foundation that enables millions of young Americans to lead a fulfilling life in the 21st century.

The President's plan for America Reads will support the work of 25,000 reading specialists and volunteer coordinators across the nation. Their task will be to train and organize one million volunteer tutors nationwide — including parents, teachers, college work-study students, corporate partners, and others — to serve in the Reading Corps. These tutors will work with teachers and librarians to help children who need extra, individualized help by providing them with after-school,

weekend, and summer tutoring.

America Reads is a \$2.75 billion commitment over five years to support local communities and organizations, as well as national and regional efforts. The crux of these efforts will focus on enlisting and training tutors for the Reading Corps. Another component, called Parents as First Teachers, will support programs that assist parents in helping their children learn to read. Such programs put a strong emphasis on helping children before they enter school — a period that the latest research on the brain tells us is vital to the development of a child's cognitive skills.

America Reads will supplement our primary efforts to support education excellence for disadvantaged children. We seek increased investment in Title I, the core federal investment in the teaching of basic skills, to direct more resources to communities and schools with the highest concentration of children from low-income families. A greater commitment to Even Start would expand local family literacy programs that combine early childhood education for pre-schoolers with instruction in basic literacy skills for their parents. Support for bilingual education would give students who speak a language other than English the extra help that they need to learn to read English.

How do we know whether our children are meeting challenging academic standards? Meaningful assessments are a key element to a quality education. They let parents know that their students have mastered essential skills. To that end, President Clinton has proposed the development of voluntary national tests in reading and math so that parents, teachers, and students will know how well students perform in relation to world-class standards. We believe that these tests should be administered at critical junctures in a child's education — fourth grade in reading and eighth grade in mathematics. This will be the first time that rigorous tests of reading and math skills will be tied to national standards.

Although the budget agreement does not include funding for the President's school construction initiative, this pressing issue should be revisited given the current circumstances. The need for help is clear — with the number of K-12 students at an all-time high and growing annually, 6,000 new schools need to be built in the next decade to meet the demand for space. In schools across the country, classes are meeting in closets, alcoves, and other spaces never meant to hold a class. If we expect our children to meet to high standards, we must ensure that they can

assemble in an environment that is conducive to learning.

Before discussing pending appropriations items, I want to address one issue that I hope we can put behind us — the erroneous and misleading claim that there are 788 federal education programs. This line is used to suggest that our current investment in education is excessive, but a cursory examination of the list shows that most of the programs have nothing to do with America's schools. The list includes programs that support scientific research in areas of national concern (including the environment, energy, and biomedical science), programs that provide broad assistance in areas like food and nutrition or road building, and programs that provide specialized professional training. Do we really want to eliminate the FBI Academy? Or training programs for air-traffic controllers? Let's get past these divisive tactics and focus on more constructive endeavors.

At the Department of Education, we are committed to quality control. By working with Congress to do away with programs that are no longer necessary, we have eliminated more than 40 programs since the Clinton Administration took office, and we propose to end or consolidate ten more in our fiscal 1998 budget. These steps have produced a more efficient and effective department.

The President's 1998 budget proposes a number of investments in targeted areas to support states and communities that are using standards of excellence in an effort to improve their schools.

- * The Technology Literacy Challenge Fund helps rural and inner-city schools develop links to the Internet and equips teachers with the skills they need to integrate computers into their classroom instruction.

- * Expansion of the Goals 2000 program would permit grants to an estimated 16,000 schools, one-third more than the 12,000 schools now receiving such assistance.

- * Investment in school-to-work opportunities (evenly divided between the Departments of Education and Labor) would help all 50 states to fully implement their strategies for preparing students for careers and further education.

- * A broader commitment to charter schools will promote innovation and provide critical startup funds for as many as 1,100 new schools created by teachers, parents, and community members who want to develop new and effective means of teaching and learning.

- * Our after-school initiative would help

launch as many as 1,000 after-school programs to give families a safe place to extend learning beyond the school day.

Finally, a vital part of helping our children learn more is ensuring that their teachers are challenged and supported in ways that help them do their job better. Expansion of the Eisenhower Professional Development State Grants provides support in an area that local schools often cannot afford, and provides opportunities for teachers to learn from their peers and update their teaching methods. Support for

the National Board for Professional Teaching Standards will speed up the development of standards and assessments in more than 30 teaching fields, and it will enable teachers to go through the rigorous National Board evaluation process — an important step in identifying and rewarding master teachers.

President John Kennedy once observed that our progress as a nation can be no swifter than our progress in education. America's families are committed to doing

what it takes to raise education achievement for all Americans to the levels needed for success in the 21st century. We have enjoyed great success in recent months in this area, and it is my fervent hope that we can continue to set aside politics and come together — Democrats, Republicans, and Independents alike — for the sake of America's children.

Richard Riley is the Secretary of Education. ■

90. Roll Call (policy briefing)

June 2, 1997

Target Education Dollars to Schools, Not Bureaucrats

"We cannot ask the American people to spend more on education until we do a better job with the money we've got now."

— President Clinton to the National Governors' Association, March 1996

By Rep. Pete Hoekstra

There is no question that education is one of the biggest issues on the collective mind of Americans. A week does not go by these days without some major speech or report about the state of education in America. Most everyone seems to agree that something must be done to improve the quality of education in our country. The problem is, no one seems to agree on what to do about it.

There are thousands of schools around America — both public and private — that are succeeding. Although they often differ in their approaches, they all have one thing in common: They focus on children rather than bureaucracy.

Members of my subcommittee and I have had the opportunity to visit schools in California, New York, Arizona, Georgia, Wisconsin, Michigan, and, most recently, Ohio, Kentucky, and Arkansas, to look at what works and what doesn't work in education in our country. Interestingly, some of the most successful schools we visited are located in the toughest, most crime-ridden neighborhoods. Academic achievement in most of these schools has little relationship to income, race, or the amount of money spent.

The House Education and the Workforce Committee currently is engaged in a yearlong study of the federal government's involvement in education. The project, titled "Education at a Crossroads," is intended to look at what works and what is wasted in federal

education programs. Part of this project involves going around the country to hear from educators, parents, students, and other community leaders about education programs in their areas and how they relate to the federal effort.

Among the many successful schools we have visited are Vaughn Learning Center, a public charter school in the Los Angeles area, and Cornerstone School, a private, faith-based school in Detroit. These schools demonstrate that dedicated parents and teachers and a lack of bureaucracy lead to thriving, learning students. They show that there is no direct relationship between the amount of money spent and test scores of students.

Why are they succeeding? Our investigation has found four common traits that we find every time we study a successful school:

- * Basic academics: Reading, writing, and math are taught as the foundation of lifelong learning and high achievement for our children.

- * Parental involvement: Schools thrive when parents are integrated into the learning process and are viewed as partners in decision-making and direction-setting.

- * Dollars to the classroom, not the bureaucracy: Almost 30 cents of every federal education dollar is lost in a maze of bureaucracy and never makes it to the classroom. Successful schools spend less time on paperwork and more time on homework.

- * Safe and disciplined schools: Learning cannot take place in a chaotic environment. Successful schools empower teachers and administrators to do what is necessary to secure a safe and peaceful learning atmosphere.

It is focusing on the basics — not simply pouring more money into a failing system — that appears to work. Nothing is more important to preserving freedom and creating a brighter future for our children than a good education. Yet education in America is at a crossroads today because we are failing to provide a high-quality education to a large number of children.

One reason for the breakdown of the system is that Congress has been unwilling to judge the impact of the money we already spend on education. The term "third rail" is used too often in this town, but it seems that education spending is another one of those topics that has become undebatable.

The conventional wisdom is that more education spending is good regardless of how it is spent, and those who wish to scrutinize education expenditures and results are anti-education and anti-kids. These are conclusions that we must re-evaluate.

Spending taxpayers' dollars is serious business, regardless of the intent of that spending. Shouldn't we require the same accountability from education programs that we do from other sectors of the government? If the Pentagon paid billions

of dollars for a new fighter jet that had a failure rate of 50 percent, Congress and the public would be justly outraged and demand answers. Certainly we wouldn't consider spending more money on the project until we were assured that the problems had been fixed.

Yet, when it comes to education, we often throw accountability out the window simply because it is for education. No questions asked. Many of our schools are failing 50 percent or more of their students, and that is entirely unacceptable.

While everyone agrees that something must be done about the state of education in America, there are two different visions of how to address the problem. One vision puts bureaucracy first, moving responsibility and resources to the bureaucracy in Washington, DC. The other vision puts children first, empowering parents and teachers who know the names of each child in their classrooms and understand their needs. We must choose which vision to pursue.

There is an almost irresistible temptation to look to Washington for solutions to problems. In 1979, the Department of Education was created out of the old Department of Health, Education, and Welfare to consolidate and refocus federal education efforts as a national priority. Eighteen years later, it has failed to achieve this goal. The Washington education bureaucracy has become a maze of more than 760 programs, spanning 40 different federal agencies — just one of which is the Department of Education — at a cost of nearly \$100 billion per year.

What do we have to show for it? Declining test scores and lower student achievement, parents who are concerned their children aren't being taught the basics, and general dissatisfaction with education in America.

Has this mushrooming bureaucracy improved education? The demonstrable answer is no. One-half of all adult Americans are functionally illiterate. Fifty-six percent of college freshmen need some kind of remedial education. More than 60 percent of high school seniors cannot read at a proficient level. Kids are not safe at school. The top concern of teachers is not gum chewing or note passing, but rather personal safety.

In light of these facts, you would think President Clinton would want to streamline and focus the federal education bureaucracy instead of expanding it. Actually, as the quote at the top of this article indicates, even the President recognizes that something must be done. But in the heat of the campaign, the President could not resist promising more federal intervention.

The facts remain. The education bureaucracy is a costly, wasteful maze of duplicative and inefficient programs. It is not coordinated by any one person in the federal government. In fact, in testimony before Congress, neither the Secretary of Education nor the Secretary of the Treasury had any idea how many federal education programs there are, or who is responsible for their effectiveness.

Of course, this did not stop the Administration from requesting an additional \$55 billion to be spent on more

federal programs, the President's statement notwithstanding.

Apparently, President Clinton's vision is an excessively bureaucratic education system in which Washington bureaucrats build local schools, decide what technology to put in classrooms, certify teachers, develop curricula and tests, teach children about sex and drugs, tutor them after school, and provide them with midnight basketball.

Of course, each of these programs requires another bureaucrat in Washington, who must write the rules and regulations for what food the children may eat, or what computers they must use, or what construction workers must be paid, or what stories the children may read. Other than that, the President believes in local and parental control in education.

It is foolish to put more money into a failed system. Successful education must be child-centered. Resources must be directed to teachers who know the names and needs of each child. This is a vision for education that is already a reality in thousands of schools across America. By focusing on what works — empowering parents and teachers and driving decision-making and resources to the state and local level — this vision of world-class education can be a reality for all American children.

Rep. Pete Hoekstra (R-Mich) is the chairman of the Education and the Workforce subcommittee on oversight and investigations and is also a member of the Budget Committee. ■

91. Roll Call (policy briefing)

June 2, 1997

Taxpayer-Funded Scholarships Can Deliver America's Neediest Students From Failing Systems

By Rep. Frank Riggs

Rarely do special-interest groups claiming to lobby for the rights of children or "average people" find themselves more at odds with their usual backers than over the issue of school choice.

Left-leaning organizations from the NAACP to the politically potent teachers' unions have fought every attempt to give parents any type of choice in where their children can attend school.

This flies in the face of recent Gallup polls, which show that up to 80 percent of the minority population support the right of

parents to choose among competing schools for the education that best suits their children.

Despite this overwhelming support, the teachers' lobby, the White House, the NAACP, and many other traditionally left-leaning special-interest groups oppose Congressional plans that would give taxpayer-funded scholarships to low-income parents whose children attend failing public schools.

In America's poorest inner-city schools, children are far more likely to exhibit low

levels of achievement and are more likely to drop out of school than their peers from other areas. For the poorest of children in the poorest of America's neighborhoods, school choice is an idea whose time has come. Parents whose children are in danger of becoming yet another statistic on the "lost generation" scorecard feel school choice can't come soon enough.

Consider this: In 1990, the Rand Corporation estimated that only 25 percent of New York City's public school students graduate and that only 16 percent take the

SAT college entrance exam. The small elite in the neighborhood public schools that did take the SAT in 1990 averaged a combined 642 out of a possible 1600, and those in magnet schools (a form of public school choice) scored little better, averaging only 715.

By contrast, the Catholic schools in New York graduate 95 percent of their students and 75 percent take the SAT — with an average score of 815.

A 1993 New York State Department of Education report showed that Catholic schools with demographics similar to public schools outscored them by 17 percent in third-grade reading, by 10 percent in third-grade math, by 6 percent in fifth-grade writing, and by 11 percent in sixth-grade math.

Catholic schools in the inner cities tend to be more, not less, integrated across lines of race and ethnicity. Now, in New York, they are poised to challenge the public-school monopoly by reminding us that the neediest kids are educable — and that spending extravagantly isn't the answer.

Recently, the Education and the Workforce subcommittee on oversight and investigations held a field hearing at Cardinal Hayes High School in the Bronx. We heard an extraordinary outpouring of interest in and support for school choice and privately funded scholarships from poor parents whose children are trapped in the Big Apple's failing public schools.

Little wonder that the demand among poor parents for an innovative private-school choice scholarship program is so great. The program was undertaken after Cardinal John O'Connor offered to educate 1,000 of New York City's lowest performing students in the Catholic schools. Mayor Rudolph Giuliani (R) agreed to the offer but, because of the church/state issues, sought private-sector support to fund the initiative.

The scholarship program has five basic elements:

- * The scholarships will cover up to \$1,400 in annual tuition costs and are guaranteed for three years.
- * The scholarships are need-based.
- * Scholarships will go to 1,300 students this year.
- * Students must currently attend a New York City public school and be entering grades one through five in September 1997.
- * Students will be selected by lottery this month with preference given to students in the city's lowest-performing schools, based on a ranking by the New York City Board of Education.

Parents receiving the scholarship will be allowed to select any public or private school, religious or non-sectarian, that is recognized by the state of New York.

Some 23,000 families have applied for these 1,300 scholarships. The massive number of families applying for the scholarships is viewed widely as a vote of "no confidence" in the New York City public school system.

Dr. Rudy Crew, chancellor of New York City Schools, acknowledged that parents "want schools of high quality. And they are going to use any consumer mechanism to access them. It pushes us to really move as aggressively as we can in creating good schools throughout the city so parents do not have to look at other schools."

Peter Flannigan, a respected New York City businessman who spearheaded the effort to raise the private funds for the School Choice Scholarships Foundation, perhaps put it best: "When schools are accountable to parents and students who have the freedom to choose where they wish to be educated, they will become good schools. If they do not meet the demands of parents and schools, they will and should close. The price of failure should not be, as it now is, more money, more attention, and more students. The price of failure should be a closed school."

The alternative to a stagnant monopoly is competition. When a monopoly faces real competition, it always reacts by improving itself. As Flannigan puts it, "The argument that vouchers would destroy the public school system is entirely false. Vouchers would save the public school system. When enough children are given the opportunity to leave the system because it does not meet their and their parents' needs, the system will reform itself.... Competition will only come about when parents and students are free to choose the schools that they think are best able to educate them."

This theory dates back to 1955, when Nobel economist Milton Friedman first proposed using vouchers to break the government's near-monopoly on education and subject schools to competition.

Put simply, competition means choice. That choice can be provided through intra-district magnet schools, inter-district transfer agreements, decentralized and deregulated (public) charter schools, and, most importantly, through scholarships (vouchers) and tuition tax credits. Choice also means more accountability and better education results, including increased parental involvement and higher pupil achievement.

If we want grassroots improvement of our schools, we must change the education paradigm by shifting the focus from the providers of education to the consumers of education. That is why such strange policy bedfellows as William Galston, President Clinton's former domestic policy adviser, and Diane Ravitch, President Bush's Assistant Secretary of Education, have joined forces to support federal taxpayer funds for demonstration projects on school choice that include religious schools.

They applaud the charter-school experiment under way in 26 states, the District of Columbia, and Puerto Rico that allows new or existing public schools to function independently, free of most regulations. Additionally, the recent report, "Reclaiming a Nation at Risk," finds that decentralization and site-based management are the keys to education reform and improvement of our schools. The early evidence suggests that public schools can compete with the best private schools if they are deregulated.

However, Galston and Ravitch, writing in the *Washington Post* on Dec. 16, 1996, conclude: "For the poor children — those most at risk of failure — even stronger measures have to be tried. We cannot afford to write-off another generation of urban school children.... It's time to put ideology and politics aside and put our children first."

They note that Milwaukee and Cleveland have passed laws creating means-tested scholarships with which poor parents can send their children to any school of their choice. Evaluations of the five-year-old Milwaukee choice program show choice students do better and parents are more satisfied.

According to an editorial in the *New York Times*, after three years, students who chose private schools scored 5 percentage points higher on math achievement tests. After four years, the gap widened to almost 11 percent. Reading scores moved in the same direction, though differences were less pronounced.

The *Times* opined: "[T]he Milwaukee data should serve notice on the teachers' union — large, urban districts everywhere — that if schools do not improve quickly, vouchers could become irresistible."

One experiment in Milwaukee doesn't prove much by itself, but it does warrant further experiments around the country. That's why the results of the School Choice Scholarships Foundation in New York City will be watched closely by school-choice proponents and education policy decision-makers.

Every reasonable approach must be

tried. Galston and Ravitch rightly argue for "a national demonstration program involving poor children in no fewer than ten hard-pressed urban school districts for a period of no less than five years, with carefully designed monitoring and evaluation plans."

I introduced a federal school choice demonstration bill in 1995 with Rep. Dave Weldon (R) of Florida.

This year, a school choice component is a major feature of the bipartisan American Community Renewal Act, sponsored by Republican Reps. J.C. Watts of Oklahoma and Jim Talent of Missouri, and by Democratic Rep. Floyd Flake of New York.

Two questions about voucher programs remain unanswered: Do vouchers motivate public schools to do better to stay competitive? Do poor students attending lousy public schools benefit through improved education achievement?

The only way to develop the hard

evidence needed to show that parental choice will indeed improve education performance is to allow a serious experiment to proceed. The Talent/Watts/Flake proposal or a bill like my Low-Income School Choice Demonstration Act from the last Congress would do just that.

I am absolutely convinced that vouchers empower parents and foster competition and innovation. One of the reasons some special interests are so strongly opposed is that we have created these monolithic education bureaucracies across the country that, in many cases, absolutely resist school choice and have no desire to compete.

If you can introduce choice and competition into the education marketplace, it leads to more parental involvement, higher parental satisfaction, and greater pupil achievement. If we can ever create a large enough experiment, we will then be able to demonstrate this link.

For now, I would propose the idea of extending public school choice by creating more charter schools. Twenty-three states, including my own, have charter school laws on the books.

The President called for a 100 percent increase in federal taxpayer funding for the start-up of charter schools in his State of the Union message and his budget proposal to Congress. When my subcommittee addresses the President's proposals, I would like to attach a large demonstration project in the use of vouchers. The bottom line on vouchers is that we have never used them long enough to know whether they really do improve education performance. It's time to give choice a chance.

Rep. Frank Riggs (R-Calif) is the chairman of the Education and the Workforce subcommittee on early childhood, youth, and families. ■

92. Roll Call (policy briefing)

June 2, 1997

Charter Schools: 'New Dem' Reform of Choice

By Sen. John Breaux

The quality of American public education frustrates many parents, teachers, and students. That's why more and more parents are finding ways to send their children to private schools or are moving out of inner-city school districts. And the political debate going on in Washington concerning public school education does not always offer new and innovative solutions.

Some on the left argue that the problem is too little money, although per-pupil expenditures have gone up over the last two decades. And some on the right claim the problem is a stifling bureaucracy, teachers' unions, and politicized school administrators. The truth probably involves all of these concerns, and more.

Sometimes, public school systems need more money. Sometimes, local politics interferes with the goal of educating children. And sometimes, top-heavy bureaucracies hurt accountability and suffocate innovation. These problems are not new. What has been missing is a "break the mold" way of tackling our growing education concerns.

We need a progressive strategy to rebuild our public schools that focuses on ways to bring the consumers of public

education back to the table. Schools and educators must assume accountability for success and for failure. They must have flexibility from the bureaucracy. And parents must have a choice of where they send their children so they have a reason to invest their time and energy in their schools.

The leading progressive experiment in public schooling today is the charter-school movement. This is an idea that the Progressive Policy Institute, the research arm of the Democratic Leadership Council (DLC), developed. As a former DLC chairman and longtime supporter of its New Democrat ideals, I support expansion of charter schools nationwide.

In fact, in my home state of Louisiana, the state House of Representatives recently passed legislation to expand our pilot charter-school program to 42 schools — to communities that are willing to try this new and innovative approach to educating their children.

I believe expansion of charter schools will speed up the rate of change. And, finally, people, in addition to the local school boards, will try different forms of public education and encourage innovation in teaching and learning.

What Are Charter Schools?

Charter schools provide an alternative to a traditional public school education. They offer greater choice to students and parents. And one of the reasons charter schools are such a promising educational tool is that they are accountable for their results.

These public schools operate under a "charter" that spells out instructional, financial, and management plans, as well as the school's education objectives and how to measure them. A charter usually lasts five years, at the end of which it is renewed if, and only if, the school has reached previously agreed-upon goals. That way, public authorities retain final say over charter schools. With a binding charter to a public agency, a combination of administrators, teachers, parents, and others governs the school. If the school produces the promised results, its charter is renewed.

The charter generally gives teachers complete control of their schools' budgets, staffing, teaching methods, and curriculum. And the schools themselves are freed from many of the education regulations and restrictions of state and local school boards in exchange for

conducting performance reviews.

Charter schools are primarily creatures of state law. The regulations and restrictions are waived depending on each state's authorizing legislation. Some examples of the kinds of autonomy granted to charter schools are in staffing and budget decisions, curricula, class sizes, length of school days, the school calendar, and textbooks. And charter schools are not exempt from health, safety, and civil rights laws.

Public Support

Charter schools are public schools, supported by public money. They are freed, however, from most district and state regulations, providing flexibility and independence.

Charter schools are open to all students. They cannot charge tuition or fees or have any religious affiliation. Public funds finance charter schools, with the per-pupil state funding following a student in a charter school.

In many states, K-12 financing systems use individual student counts as the main way to distribute state or federal aid. In some states, like Louisiana, charter schools by law receive the full state and local per-pupil average, contingent on local school board sponsorship. In others, state law guarantees charter schools only a minimum percentage of state or local revenues. An individual school's funding is based on its enrollment.

In Louisiana, lawmakers have moved cautiously in the experiment of charter schools, starting in 1995 with a limited pilot program that allowed only eight of the state's 66 school districts to participate. And, so far, only three charter schools have opened, because getting them up and running does take time, energy, and perseverance.

Organizers must persuade local school boards to approve their applications. And although the law allows charter schools to receive the same per-pupil funding that other public schools receive, start-up money is not included.

Charter schools, which agree to meet state performance standards in exchange for greater flexibility in making their own rules, have to pay for construction, textbooks, and teacher training before they open. They rarely get state money until they open their doors to students.

The Department of Education, under its Public Charter Schools Program, has limited funds to provide discretionary grants to states for start-up costs. States allocate those funds to the charter schools.

Charter-school founders — often groups of teachers or parents, or small,

non-profit organizations — often suffer from cash-flow problems when they start. Most states do not give them money until they have enrolled students, and, like traditional public schools, they are forced to wait a month or two into the school year before they get their state-aid checks. Most districts have adjusted their bookkeeping to deal with the built-in cash-flow problems, but that job is harder for a brand-new school.

Accountability

Today, more than half of all states, including Louisiana, have enacted charter-school legislation. In 1991, Minnesota passed the nation's first charter-school legislation. Since then, more than 400 charters have been issued nationwide.

A charter school must follow the outcome-based performance model outlined in its charter. If the school doesn't produce the promised results, its charter is not renewed.

Charter schools introduce a measure of competition into the public education system. Traditional public schools either improve with the introduction of charter schools or lose students to them. In the words of an ardent supporter, "Teachers trade away regulation for results and bureaucracy for accountability."

And the charter schools' make-up must mirror the school district, which includes abiding by any federal desegregation court orders. A charter confers on a school a license to provide a different kind of public education to children who want it, not to violate the Constitution or federal law.

Higher Standards

By providing an alternative, charter schools promote positive competition. They provide an incentive for public schools to improve, while keeping students and tax dollars in the public system. And charter schools offer another opportunity for students who may not have done well in a regular public school.

This alternative was demonstrated in a recent letter to the editor from a mother in the New Orleans area. She wrote the New Orleans Times-Picayune newspaper, and said that "it was out of frustration that I have decided to pursue the organization of a charter school in New Orleans."

She said she was worried about the academic achievement of her seventh-grader, who was neither a gifted nor a learning-impaired student, but rather an average student whose learning was suffering at a middle school with large classes that lacked "individualized attention and had low academic expectation."

This New Orleans mother concluded

her letter by urging all parents and educators who are similarly frustrated with the current system to write their state legislators and ask them to pass charter-school legislation "to make true reform of our public schools possible."

Commitment to Public Education

Charter-school advocates and organizers like myself are committed to the public school system as an effective way to educate all of America's children.

The unique fit between universal parental concern with the public school system and the strengths of the charter school model have made charter schools the fastest growing education reform in the country today.

The reason for this is that charter schools are good for education and for our children. The benefits are twofold: Better schools are created, which in turn creates pressure on existing schools to improve in order to compete for students.

Mainstream and Special Needs

Most charter schools serve a cross-section of the student population. But a good number address the special needs of at-risk students, such as teen mothers and the hearing impaired.

Other charter schools typically offer integrated curricula that stress mastery of the "basics" and modern technology, while some even offer increased learning opportunities.

Ongoing Concerns

Last September, the charter-school movement marked its fourth birthday. Two issues have come forward after several years of having charter schools up and running.

First, I believe it would be useful to have solid information on how these charter schools are performing. For example, charter schools in California, Colorado, and Minnesota have been operating long enough to provide some early evidence of student achievement. Positive evidence would help persuade state legislatures to lift their caps on the number of charter schools allowed in the state and permit more to open.

Second, we need to consider ways to address the crushing costs of starting a charter school. Generally, state funds don't start going to charter schools until they are up and running. It's time we invest some venture capital in the future of charter schools — and our children's education.

The Charter School Alternative

Charter schools are a tangible, achievable piece of the progressive, New Democrat agenda for revitalizing our nation's public schools.

They are not the end-all and be-all of

education reform, but they have enormous potential for good. They provide many crucial elements now missing from too many public schools — accountability, flexibility for innovation, and incentive for parental involvement.

They have the power to alter for the better what traditional public schools are doing, and they can serve as

"demonstration projects" for the best ideas that American educators have. Without more charter schools, I'm afraid that more parents and their children will continue to flee the public school system.

Unlike some on the right, we progressives believe public education is worth saving. Unlike some on the left, we believe saving it will require some

sweeping change.

If the measures of public disenchantment are accurate, most Americans are on the progressives' side — and the side of charter schools.

Sen. John Breaux (D-La) is the Chief Deputy Minority Whip. ■

93. Roll Call (policy briefing)

June 2, 1997

Uneasy Truce Between Direct and Private Student Loans Threatens Improvements

By Sen. James Jeffords

Gen. George Patton advised, "Don't fight a battle if you don't gain anything by winning." His words ring true today and serve as a warning as Congress again begins the process of re-examining the two competing federal student loan programs.

Whether or not one program "wins" is neither the relevant nor the appropriate question. The relevant question is how to make both programs strong, effective, and efficient for our nation's students. Little can be gained by engaging in a destructive battle just for the sake of declaring a winner. I'm afraid, however, that not all the parties have agreed to this cease-fire.

In 1992, Congress authorized the Federal Direct Student Loan Program (FDSLP). Under the direct loan program, the federal government — not a private lender — lends money directly to schools to be provided to eligible student loan borrowers. The program is operated and managed by the Department of Education. As opposed to the direct loan program, the private sector provides the loan capital in the Federal Family Education Loan Program (FFELP), but the federal government is on the hook to cover most of the costs if a borrower defaults.

Clinton Administration officials and some Members of Congress saw the federal direct loan program eventually becoming a total replacement for what they considered a costly, complicated, and corrupt private-sector loan program. Others saw direct lending as a new government bureaucracy doomed to be less efficient and more costly than a privately run program.

Still others, and I consider myself among this group, saw direct lending as a trial, designed to introduce some necessary competition into the student-loan

monopoly. That competition would lead to lower costs and better services for borrowers and the government, the ultimate guarantor of both programs.

Since 1992, both loan programs have had their successes. Roughly 35 percent of total student loan volume is now handled by the FDSLP. Institutions that participate report satisfaction with its central features and are relieved not to have to deal with numerous lenders and guarantee agencies. Still, many more schools have opted to remain with FFELP, reporting that they, too, see significant strides made by the private loan industry.

Few can argue that the creation of the direct lending program has led to changes in the private loan sector that would not otherwise have occurred. The mere existence and threat of another major player in the game forced many in the private sector to improve their service and cut costs to students. For example, the Vermont Student Assistance Corporation, my state guarantee agency and state lender for the FFELP program, offers students a one percent lower interest rate than is available in the FDSLP. That alone has saved Vermont students hundreds of thousands of dollars a year.

In addition to lower interest rates, many of these agencies — which, candidly, should have thought of these customer-friendly changes sooner — are cutting costs to students in other ways as well. The Illinois agency provides discounts on aid to students who perform community service. California reduces interest rates by 2 percent for students who make their loan payments on time. The agency realized that it would save administrative costs if it had to send out fewer reminders to late payers and had

fewer loan defaults, so it put together a program to pass the savings on to its customers — the students.

Getting to this point has not been easy or satisfying. Between the 1992 amendments and today, a fierce war has been waged between the FDSLP and FFELP. Discussions about whether one or both loan programs would continue dominated budget negotiations in 1995, and after much debate and discussion, a truce was achieved between the two combatants.

But can that truce be sustained? In this year's budget proposal, the Administration proposed crippling cuts in the guaranteed loan program. Of the \$4.6 billion in suggested cuts, \$4 billion came from the private sector and only \$600 million from the direct loan program. That, to me, doesn't suggest an even-handed approach.

Meanwhile, the \$600 million proposed to be cut comes from a bloated administrative account, the funding level of which had been established in 1993 in anticipation of direct lending consuming 60 percent of the market for student loans. With direct-loan volume in 1998 projected to be half of that amount, one would assume that there is a great deal of excess in the Education Department's administrative account. Unfortunately, little of that excess has been offered up by the Administration in the balanced budget debate.

At the same time, the Department of Education's conduct in running the direct loan program has been so chaotic that the Labor and Human Resources Committee felt it necessary to hold a hearing on May 15 devoted solely to the department's administration of the direct loan program and the student-aid delivery system.

Hundreds of millions of dollars later, the department continues to experience major operating problems. It has come under intense scrutiny by its own Inspector General and by the General Accounting Office. Admittedly, the task of managing student-loan data systems is a difficult one. Nevertheless, if federal funds are not being accounted for, it is critical that changes be made to the program.

Unfortunately, because the truce between both programs remains so uneasy, department officials are unwilling to admit to mistakes and allow Congress to help correct the problems. Evidence of this attitude was seen in the conflicting testimony presented by the Administration and by the GAO about the difficulties in managing the program. This bickering only serves to frustrate and, in the end, doesn't do anything to improve services to students and institutions.

All interested parties must understand that, for the sake of students, true

competition must exist between both programs. It is disturbing to hear some institutional representatives argue that the borrower benefits which certain FFELP organizations are offering are unfair and should be curtailed. At a time when many of us in Congress are concerned with disturbingly high college costs, those who represent postsecondary institutions should not be arguing to take away benefits that lower the cost of going to college. These arguments appear to be wolves in sheep's clothing, attempting to steal a feature from FFELP that direct lending either is unwilling or unable to offer.

True competition does not mean a plain vanilla wrapper. If the Ben and Jerry's ice cream company in my home state of Vermont were forced to offer only one, non-descript flavor, I dare say it would go out of business and the world would be deprived of Cherry Garcia, Phish Food, and Rainforest Crunch. If the loan

programs could not offer product differentiation, both FFELP and the FDSLPL would lose their edge and student and parent borrowers would be deprived of benefits that could save them thousands of dollars.

As Congress moves through both reconciliation and reauthorization, both programs should be treated equitably, and neither side in this debate should try to inflict either a knock-out blow or death by a thousand cuts. My goal, when we are done, is to position both programs to be healthy competitors and not to artificially prop up one program that is not well run, does not offer borrower benefits, and cannot learn to economize in a costly world. Then, maybe we can have real peace and not a phony imitation.

Sen. James Jeffords (R-Vt) is the chairman of the Labor and Human Resources Committee. ■

94. Roll Call (policy briefing)

June 2, 1997

Direct Loans Are Simpler, Faster, and Better for Students

By Rep. William Clay

In less than three years of operation, the Department of Education's Federal Direct Student Loan Program already accounts for one-third of the total student-loan volume. Few new businesses can boast this kind of market share in such a short period of time.

The direct loan program won this significant percentage of the student-loan business because it provides a simpler, faster, and more efficient way to get loans to students. USA Today reported last year that the program's "simplicity has proved hugely popular at colleges across the country."

Each year, more colleges join the program. Today, more than 1,200 campuses, representing more than 1.5 million students, participate in the direct loan program.

Direct Lending Is a Success

Prior to direct lending, schools and borrowers had no choice but to deal with a vast network of middlemen — including more than 7,000 lenders, over 50 guarantee agencies and 44 secondary markets, and dozens of loan servicers. Few students, parents, and colleges could

navigate this bureaucratic maze of loan origination, servicing, and collection services.

Students complained that their loans were sold and resold, or contracted out to servicing agencies, sometimes without notice. Colleges received loan funds from different lenders at different times, often with different forms and policies. Delays, errors, and confusion dominated loan processing. Compounding the confusion, colleges also had to deal with multiple guarantee agencies, each with its own procedures and forms.

With direct lending, students get their loan proceeds directly from their schools, usually much faster than through a lender. Upon graduation, borrowers are provided more flexible repayment options that take into account their post-college income. Borrowers only deal with one loan servicer.

Direct lending has made loan administration easier for schools. Loan approvals are given by the Department of Education electronically, often in one day. Recently, Barbara Tornow, the chief student aid officer at Boston University,

stated in testimony before the Senate Labor and Human Resources Committee that direct lending was "easier and more efficient" and resulted in a "significant improvement in service to students."

Conversely, under the Federal Family Education Loan Program (FFELP), she complained, poor service by lenders and guarantee agencies delayed student checks, and these entities "had varying degrees of competence and interest in service."

A survey of FFELP and direct lending schools completed earlier this year by Macro International reported that more than 60 percent of direct-lending schools were "very satisfied" with their program, compared with only 25 percent for FFELP schools.

For those schools that participate in both programs, direct-lending is strongly preferred by schools and borrowers. Of the \$9.8 billion in loan volume by schools in both programs for the 1996-97 school year, \$8.6 billion, or 89 percent, was in direct loans, versus \$1.2 billion, or 11 percent, for the FFELP program.

Both proponents and opponents of direct lending agree that the competition

created by the Direct Student Loan Program has improved service by some FFELP lenders and guarantee agencies.

Last March, the president of Macalester College in New Jersey, a noted expert on higher education, remarked that "banks and guarantee agencies are alert to the fact that they're working in a competitive environment.... It's important to keep the direct lending program, even though my own college is not currently a participant."

FFELP Is Inefficient

The General Accounting Office has repeatedly criticized the FFELP program because "nearly all the risk of financial losses from loan defaults" is assumed by the federal government. In 1992, the GAO found that "traditional business incentives do not govern the Department of Education's relationship with guarantee agencies." It noted that the department had reimbursed the guarantee agencies for about 99 percent of the \$3.6 billion in default claims paid to lenders.

The GAO has also noted that the complex array of lenders and guarantee agencies under the FFELP program makes it impossible to audit them, thus inviting fraud and abuse. The GAO has concluded that direct lending would improve program accountability.

Guarantee agencies have also been cited by the GAO for diverting reserve funds to pay for facilities, furniture, computers, and exorbitant salaries. This March, the Baltimore Sun reported that USA Group, a non-profit guarantee agency, paid its top executive a lavish compensation package worth more than \$1 million. The USA headquarters, valued at more than \$30 million, reported profits of more than \$100 million for 1995. As a student-loan middleman, the guarantee agency incurs little risk, but rakes in millions of dollars through substantial federal government subsidies.

Despite competitive pressures, the inefficiency in the FFELP is perpetuated by special interests. Student loans continue to be a no-risk venture for banks. If there is a default, lenders are reimbursed 98 percent by the federal government. Lenders are also reimbursed interest on loans — not at the 5 percent it costs to borrow — but at a rate of 3.1 percent above the government rate.

My good friend, former Illinois Sen. Paul Simon (D), sharply criticized this process for establishing the program's federal subsidy on the Senate floor last

year: "Why do we pay banks 3.1 percent over the Treasury rate? Not because of any market competition that led to the price. Not because of any study by economists, but it is what the lobbyists said the industry could live with."

Competitive pressures have induced some lenders to engage in predatory pricing. For example, lenders have provided select students a discount on loan origination fees or a reduction of interest rates.

The Direct Student Loan Program is not authorized to provide discounts. The funds for discounting are not generated by the efficient operation of private lenders; they come from the overly generous federal cost allowance provided to all lenders, irrespective of their performance.

This practice undermines the student aid program's commitment to provide equal benefits to all students based on financial need. A federal aid program should offer a Columbia University student the same percentage discount it offers a student at Washington University or Dade County Community College.

FFELP Needs Reform

Unlike the FFELP program, the Direct Student Loan Program chooses contractors based on performance. No contractor is given a flat-rate payment, irrespective of performance. President Clinton's fiscal 1998 budget proposes a number of FFELP reform measures that would curtail the cache of entitlements for lenders and guarantee agencies. The measures would reward those participants that provide high-quality services to students and schools and penalize those that do not. Most importantly, the measures strengthen the relationship between the actual cost of providing services and the amount paid by taxpayers.

For example, the federal government pays guarantee agencies 27 percent of any defaulted loan they collect. This is a clear disincentive for agencies to prevent defaults. President Clinton, over the objection of special interests, proposed in his budget to reduce that amount to 18 percent to reflect the true collection costs to the guarantee agencies.

Other budget provisions would reduce the cost allowance for lenders that is currently built into the interest subsidy, take back agency reserves by establishing a performance-based contractual relationship with the Department of Education, and increase risk-sharing for

lenders so they have a greater incentive to prevent defaults.

President Clinton's budget also includes a number of measures that would allow the direct loan and FFELP programs to compete with each other more fairly.

Student origination fees would be cut in half, benefiting students and minimizing the opportunity for discriminatory discounting. FFELP lenders would be given more flexibility in designing repayment plans and allow borrowers to use a variety of repayment options after graduation. Automatic payments to guarantee agencies for pre-claims assistance to lenders would be replaced by performance-based payments linked to success in bringing delinquent loans current.

Finally, the President's proposals would create a level playing field for real competition between the two loan programs. If we can ensure equivalent ground rules for both programs, families will have real, open competition and genuine choices.

Direct Lending Saves Taxpayers Money

The desirability of making the student aid program more cost efficient has always been a major advantage of the Direct Student Loan Program. In 1992, the GAO predicted that the program could "save billions" if properly implemented. The Department of Education calculates that for each \$1,000 loaned, the federal government subsidizes the FFELP program by \$110, compared with only \$55 for the direct loan program.

In the fiscal 1996 budget resolution, Republicans rigged the budget scoring rules to mask savings by the direct loan program. It singled out the direct loan program to be scored using special rules that unfairly inflated its cost compared with the cost of the FFELP program. An independent scoring rule analysis recently demonstrated a substantial savings by moving to direct lending.

As Congress begins consideration of the Higher Education Act reauthorization, I am hopeful that we can avoid a bitter partisan fight over the Direct Student Loan Program. This will help us to focus all our attention on the vital task of making higher education more accessible and affordable for all Americans.

Rep. William Clay (D-Mo) is the ranking member of the Education and the Workforce Committee. ■

95. Roll Call (policy briefing)

June 2, 1997

Imagine Having a Mortgage Without a House

Out-of-Control College Tuition Leaves Students With Debt That Threatens a Successful National Economy

By Rep. Bill Goodling and Rep. Buck McKeon

When it comes to higher education, Members of Congress, college presidents, students, and parents all share common goals. These goals include: making college affordable, making student aid simple and understandable, and ensuring that academic quality is the top priority.

How many parents do we all know who at this time of the year sit at the kitchen table with their son or daughter about to graduate from high school, eyeing the family budget and agonizing over how to pay for the upcoming college years?

It's probably more hardworking Americans than we would like to admit. There is no question about it — the price of a college education at many institutions has skyrocketed at alarming rates. Many parents and students are right to fear that a college education, and perhaps even the American dream, may not be available to them.

This year, Congress will update and improve the Higher Education Act, which provides student loans, grants, and other federal financial aid to about one out of every two college students. The federal government will provide in excess of \$35 billion in federal student aid this year. State governments, institutions, and various philanthropic organizations will contribute vast sums toward higher education. And yet, many parents and students still tell us that they cannot afford to pay for college — even if they have been planning and saving for 18 years!

Over the last three years, the maximum Pell Grant awarded to low-income students has increased to its highest level in history, and college work-study funding has increased by 35 percent. Student loans are and will remain available to all who need them.

But are taxpayer subsidies the only means available to make college affordable for capable students? Or can the federal government, state governments, and college presidents across the country work together to find solutions to keep tuition prices at a reasonable level?

Since the early 1980s, the price of going to college has spiraled upward at a rate of two to three times the rate of

inflation every year. According to a report released recently by the General Accounting Office, between the school years of 1980-81 and 1994-95, tuition at four-year public colleges and universities increased by 234 percent, while median household income rose only 82 percent, and the Consumer Price Index rose only 74 percent. Simply put, college prices have increased almost three times faster than family incomes.

To make matters worse, there is also a growing concern about the quality of the education that is being purchased — that perhaps parents and students are paying more, and getting less for their "investment." Financial incentives favoring research over teaching have led to professors spending little time in the classroom, and students are increasingly spending time in large and impersonal class settings.

Still, there are colleges out there that are a good buy, and there are college presidents dedicated to keeping a quality postsecondary education affordable. One example is York College of Pennsylvania, which provides a high quality education at roughly half the price of other private colleges and universities in the area.

York College does this by following fiscal and education policies designed to provide the highest quality at a moderate price. For instance, York College has stayed debt free, eliminating the need to spend scarce revenues on interest payments and debt servicing. York College also maintains its scholarship endowment fund at a level suitable to fund all of its institutional scholarships and aid awards. This allows it to avoid the common practice of "tuition discounting," by which students and parents from middle-income families are expected to foot some of the bills for others.

At the same time, York College has kept its administrative staff lean and insists that faculty members spend 12 to 15 hours per week in the classroom or lab. These common-sense practices have allowed it to remain affordable. But, some would ask, how much has this hurt the quality of a York education? Certainly you can't get a

top-notch education for less than \$10,000 per year? And therein lies part of the problem.

People actually believe that a quality education should cost roughly as much as the gross national product of a small developing country. The fact is that York College, at about half the price of most similar schools, was rated by US News & World Report as being in the top 20 percent of regional liberal arts colleges for program quality.

Now, we're not arguing that the York model could or should be applied to every college across the country. But what is working in York might serve as a model for some schools, and that information needs to be readily available.

As we prepare to update and improve the Higher Education Act, the House Education and the Workforce Committee will be called upon to make recommendations for legislation to the full House based on our determinations as to the effectiveness of the existing programs as well as the need to address specific problem areas.

The committee has been conducting hearings all across the country, and one consistent theme from parents and students is the reality that paying for college is a huge financial burden, and that for some, college is simply out of reach even though they have worked very hard for the opportunity to earn a college degree their entire lives. These are not the poorest of the poor. They are middle-income Americans, and they are struggling.

On May 13 of this year, the House unanimously passed legislation introduced by Rep. Buck McKeon (R-Calif), which was reported by the Education and the Workforce Committee, that would establish a commission to find out why the price of a college education has become so ridiculously high.

The Cost of Higher Education Review Act of 1997 establishes a bipartisan commission consisting of seven members — to be selected from experts in higher education administration, economics, business, and business cost reduction programs. The commission will be

appointed by the House and Senate leadership and the Secretary of Education.

This panel will function for six months and will issue its report within four months of its inception. Findings of the commission are intended to be used as Congress works to update and improve the Higher Education Act later this year so that college can be a reasonable and achievable goal for more of our nation's young people.

We hear nearly as many reasons for tuition increases as there are types of schools and institutions. We read almost weekly the horror stories in the press. While there is a lot of information out there on college costs, no one can provide definitive explanations for what is happening, and students are caught in the middle. This commission is needed to help us sort the myths from the facts and find hard and fast answers to our questions:

- * Why are prices so high, and why have they increased so much faster than the rate of inflation?

- * What are colleges doing to control their costs and, therefore, the price charged to students?

- * Can some of these innovative practices be instituted across the country and serve as models for other colleges and universities?

- * What role should Congress and the Administration play when it comes to college prices?

- * Could the Administration reduce the regulatory burden faced by institutions of higher learning enough to significantly impact tuition?

Answers to these questions are critical not just to students, parents, and college presidents who might want to keep tuition low, but quite possibly to the future of our nation and our global competitiveness. If our children are saddled with a lifetime of taxes to pay for our generation's excesses, and in addition must pay off college debt the likes of which most of us could never imagine just 15 years ago — something akin to having a mortgage without the house — then how can they expect to have a successful economy?

As a college education becomes more and more important to being successful in

our society, we must help ensure it is accessible to the average American who can make the grade and wants to go to college.

We share the concerns of students and parents that college costs are rising so rapidly. Students, parents, and taxpayers are having trouble keeping pace, and the American Dream of a better life for one's children could be in jeopardy.

Students — as well as their parents (and not to mention the nation's taxpayers) are working longer and harder and going deeper into debt to foot the bill for college. If we are to keep this trend from becoming unsustainable, we must act in a serious, thoughtful manner and give colleges, the Administration, and Congress the tools to keep college affordable.

Rep. Bill Goodling (R-Pa) is chairman of the Education and the Workforce Committee. Rep. Buck McKeon (R-Calif) is chairman of its subcommittee on postsecondary education, training, and lifelong learning. ■

96. Roll Call (policy briefing)

June 2, 1997

The Bell Is Sounding for School Choice: DC Example Shows Why Support for It Is Growing Inside Congress

By Sen. Dan Coats

There is a simple, unavoidable fact at the center of the school-choice debate. When education collapses, it is generally not middle-class children who suffer. Their parents have already chosen private schools or exercised the commonplace school choice of moving to desirable suburbs with working schools. This leaves low-income, particularly African-American, children in violent, dysfunctional institutions with little pretense of learning.

So we are left with situations like the Philadelphia school system, in which just 6 percent of the city's high school students test competent in reading. That means 94 percent of children are being defrauded. And, understandably, 75 percent of African-Americans in Philadelphia favor a voucher system to allow parents a choice of schools.

School choice, in circumstances like these, is not an attack on public schools, which clearly must be fixed, not abolished. It is not an attack on teachers, who often perform heroically in an atmosphere of

constant crisis. It is a recognition that the futures of children are being sacrificed while we debate long-term, structural education reform.

And it's not just children's futures that are being threatened, but sometimes their lives, in hallways and playgrounds occupied by gangs and abandoned by indifferent, inertial education bureaucracies.

School choice is the one reform effort that does not take valuable time to put in place. This is one reform that tells parents that their children matter now, at this moment. It says to a family: You will no longer be asked to wait while the politicians campaign, the education experts study, and the schools promise reform.

There is no doubt that school choice is seen as a controversial reform option. But the truth is that it is only controversial to those individuals whose children are not consigned to a violent or underperforming public school.

Consider one instructive fact: While education unions oppose school choice,

many inner-city public school teachers regularly practice school choice by sending their children to schools other than those in which they teach. They are, in fact, two to three times more likely than other parents to send their children to private schools.

For instance, in Milwaukee and Cleveland, more than 50 percent of public school teachers send their own children to private schools. Yet the National Education Association (NEA) is committed to ending programs in these cities that enable poor parents to send their children to the same private schools attended by the children of public school teachers.

This is an issue of survival for our nation's poorest students — it is not a Republican issue, nor is it an approach that Democrats have always opposed. The Milwaukee and Cleveland school-choice programs, the only ones of their kind, were not started by Republicans. They were started by parents fed up with the schools their children were compelled to attend.

There is also a growing consensus for school choice in Congress, rooted in a

sense of equity and a sense of desperation. In February 1996, during the passage of the 1996 DC appropriations bill, 56 Senators voted in support of the DC scholarship program for low-income students. Tragically, this program, which would have benefited 5,000 of our nation's most needy students, was blocked by the threat of Democratic filibuster.

The DC schools have not improved since the defeat of this critical scholarship program. Rather, the schools are so bad that the DC Control Board fired Superintendent Franklin Smith, stripped control of the schools from the DC Board of Education, and installed a new chief executive and superintendent, retired Army Gen. Julius Becton Jr.

Perhaps Becton can turn the DC school system around. But I am not willing to tell a family who fears for the safety of its child that it should wait and give Becton five or ten years to test his approaches, especially because changes have been promised by five new superintendents in the last 15 years.

In February of this year, the Washington Post ran a five-part series on the DC school system, chronicling its complete breakdown: a school system in which jobs for bureaucrats are more important than providing textbooks; a school system that employs almost two times more central office administrators than the national average, despite a decreasing student population and a shortage of qualified teachers and principals.

Many of the District's 152 schools are in a state of terrible disrepair. Students and teachers contend with leaking roofs, bitterly cold classrooms, and thousands of fire code violations. Yet, in 1996, the DC Board of Education allocated \$1.4 million for its own use, an amount far greater than that spent by neighboring counties, and \$200,000 more than is spent by the Chicago school system, which is five times larger.

Unfortunately, these problems of infrastructure are minor concerns

compared with violence and basic education failure. Violence in the schools is at an all-time high — both student on student, and student on teacher — even as the violent-crime rate in the country as a whole drops.

And stories of academic mediocrity have become so common that they have lost their power to shock. Why is there no public outcry that the DC school district, which spends the most per pupil of any district in the country, has the nation's lowest reported scores on the National Assessment of Education Progress exams? Where is the outrage that only 35 percent of students are reading at grade level?

Students are routinely promoted regardless of whether they have progressed in their studies, and they graduate from the school system with little to show for their 12 years of schooling. Eighty-five percent of DC public school graduates who enter the University of the District of Columbia need two years of remedial education before beginning their course work toward degrees.

And more than half of all graduates who took the US Armed Forces Qualification Test in 1994 failed. This last statistic is particularly troubling because it blocks a traditional escape route for the economically disadvantaged.

We are asking poor, inner-city children and their parents to tolerate circumstances that most middle-class and affluent Americans would not tolerate for one moment. Why should these families have to suffer violence and the lack of education opportunities for another week, let alone the years that Becton himself admits it will be before reform has any effect?

But those of us concerned about this issue face an obstacle. No one seems outraged enough about the betrayal of these children by indifferent adults to make major changes. Not suburban whites, who are often satisfied with their schools. Not many Democrats, who are blindly obedient to teachers unions. Not many Republicans, who have different political constituencies than these kids and their parents.

But an attempt is being made to end this conspiracy of complacency. A coalition of Republicans and Democrats in both houses of Congress plans to introduce a bill that provides scholarships for low-income students in the District of Columbia to enable them to attend the public or private school of their choice or to receive tutoring assistance.

This would be the single, most practical, immediate, and effective way to help actual children, with flesh and blood and futures, rather than saluting some political agenda.

It is inconceivable that anyone in good conscience could condemn low-income children to attend schools that not only fail to educate them but also cannot even assure their personal safety. Some of our public schools have become wastelands of violence and despair. We cannot begin to imagine the fears of a mother who is forced to send her child through barbed wire and metal detectors into a combat zone masquerading as an education institution.

The introduction and ultimate passage of this bill will signal a fundamental shift in priorities. It would indicate to parents all across America that we care about their children more than we care about maintaining the status quo, that we understand the depth of the problem in our nation's public schools, and that we are finally willing to address it.

Opponents of this bill should carefully consider what they would do if they had a child assigned to a school where physical attacks, robberies, and drug sales are rampant. Low-income parents, who face this circumstance every day, deserve a voice and a choice. We will begin in the District of Columbia, but we should not end until every child is in a safe and effective school.

Sen. Dan Coats (R-Ind) is the chairman of the Labor and Human Resources subcommittee on children and families. ■

97. Roll Call (policy briefing)

June 2, 1997

Paying the Price for a College Education

Tax Breaks and Increased Grants Help Send Poorer Students to School, But Debt Still Limits Career Choices

By Sen. Edward Kennedy

What the nation does tomorrow depends on how we prepare today. America's strength in the next century depends heavily on the investments we are making now and will be making in the years ahead. Education is at the heart of a wise investment strategy at every level of government — federal, state, and local.

The federal government cannot do the job alone. A shared commitment needs to be made involving parents and students, teachers and administrators, public and private schools and colleges, and federal, state, and local governments. The current budget plan strengthens the federal investment in education, and it is a necessary step. But far more needs to be done.

In higher education, expanding access to college is essential. Every qualified student across the country needs to know that a college education is within reach. Yet higher education today is becoming increasingly stratified by income level. Students from low-income families do not attend college at the same rate as those from high-income families, and when they do, they often stop at an associate's degree.

President Clinton's proposal for tax credits and tax deductions for higher education will help reduce this gap, but it is far from enough.

In elementary and secondary education, we must work with local communities to improve quality and accountability in public schools, to rebuild crumbling public schools, to prepare teachers for the 21st century, and to provide adequate technology to classrooms across the country.

The federal government should give its strong support to state and local efforts to set high academic standards. There should be clear definitions of what students should know and be able to do. By defining specific goals for learning, states and communities can better identify what classroom tools to use, what information to test and how to test it, and help all students meet the standards.

A balanced budget is important for the nation's future economy. But as we meet the challenge of balancing the budget by

2002, we must also ensure that federal aid to education does not suffer.

Federal support for colleges and universities has helped to foster extraordinary growth over the past half-century. The great developments in knowledge and research, the end of the Cold War, and much of the economic growth of the last 50 years rest on the extraordinary education base.

The federal government's first major investment in higher education was with the G.I. bill. The economic payoff of that investment is well known. According to a 1988 staff analysis for the Joint Economic Committee, for every dollar the government invested in education under the G.I. bill, the nation received as much as \$12.50 in benefits.

We can build on these successes. Higher education has never been more important. The Bureau of Labor Statistics projects that three-fifths of all the jobs that will be created between 1992 and 2005 will require education beyond high school.

Although students are seeking higher education in record numbers, higher education is becoming increasingly stratified. In 1994, nearly 90 percent of 18-year-olds in the highest quarter of family incomes attended college, while only about 60 percent of those from the lowest quarter of family incomes went to college.

Even among low-income students who went to college, more of them stopped at the associate's degree level, forgoing the higher-income jobs that require a bachelor's degree. Only 8 percent of students at the lowest income level completed a bachelor's degree by age 24, while 79 percent of the highest income students did.

The President's initiatives incorporated in the budget plan will do more to make college affordable for needy students. The increase of \$300 in the Pell Grant maximum for fiscal 1998 will bring the maximum grant per student to \$3,000, but even that level is far from sufficient in the era of rising college costs.

In the 15-year period between the 1980-81 school year and the 1995-96

school year, tuition at four-year public colleges and universities increased by 256 percent. The HOPE tax credit and the \$10,000 tuition tax deduction, the principal education investments in the President's plan, will help large numbers of families meet these rising costs.

One of the most serious current problems is the heavy debt burden plaguing college graduates. In 1975, student aid was 80 percent grants and 20 percent loans. Now, the ratio is 20 percent grants and 80 percent loans. Too many students today choose not to attend college at all for fear of accumulating large debts. These burdens raise the additional concern that students will limit their choice of careers to high-paying occupations in order to ease the repayment of their debt.

It is the nation's loss if college graduates are reluctant to choose careers in teaching or public service because of the burden of their college loans. A major concern of Congress in the coming months should be the development of more effective ways to address this serious problem.

On the elementary and secondary levels, the need for greater investment is overwhelming. The nation's public schools are crumbling. They face enormous problems of physical decay. Fourteen million children in one-third of the nation's schools learn in substandard school buildings. Half the nation's schools have at least one unsatisfactory environmental condition.

Demographics will only make the problem worse. This year, kindergarten through 12th grade enrollment hit an all-time high, and it will continue to rise.

Teachers need more training, too. A quarter of teachers do not have a major or even a minor in the main subject that they teach. Half of all teachers have little or no experience using technology in the classroom. Greater efforts must be made both to improve initial teacher training and to help teachers already in the classrooms.

Currently, ten million students and one in every four schools do not have sufficient computers to meet their needs. Only 14 percent of all classrooms are connected to the Internet. Technology is transforming

fixing our schools.

Specifically, SIBs will be created with federal seed money and will offer a flexible menu of loan and credit enhancement assistance, terms, and maturities, such as low-interest loans, bond financing security, loan guarantees, or credit support for financing projects — all of which will allow local school districts to save taxpayer dollars. This funding would not be used like traditional grant programs. As loans are repaid, the SIBs' funds would be replenished, and the banks could make new loans or loan guarantees for other education infrastructure projects.

The State Infrastructure Banks for Schools Act is based loosely on the Administration-proposed and Congressionally backed State Infrastructure Banks for Transportation Act, which passed during the 104th Congress as part of the National Highway System Bill. The idea is very similar to the very successful State Revolving Funds (SRFs) that have been used for the last decade to finance Clean Water Act projects; without SRFs, many of the mandated improvements to local water and sewage systems may not have been completed due to prohibitive financing costs to local governments.

My proposal would authorize \$250 million per year for five years to initially fund the various SIBs. While \$1.25 billion alone will not come close to solving all of the infrastructure problems facing our

nation's schools, the State Infrastructure Banks for Schools Act is a modest attempt to leverage more dollars to meet some of the urgent needs for school infrastructure funding. Under this legislation, each state will offer a 25 percent match to all leveraged loans. If the program proves to be as successful as other revolving loan programs, it could be expanded.

What also makes the idea of SIBs so appealing is that they would save local taxpayers' money by allowing communities to avoid the pressures of the bond market, which often force communities to borrow more than they really need. Typically, the bond amount includes fees and other administrative costs associated with the bond market that would not come with the SIB. In addition, often it is not profitable for the bond market to approve loans for many small projects. As a result, localities are often forced to request bigger loans for bigger projects, and then the local taxpayers refuse to approve the bond measures.

More often than not, when citizens are voting on bond measures, they are voting for an amount that is significantly more than the cost of the facility repair. School districts across the country have been confronted with this problem all too frequently. By supporting this proposal, we would not only be wisely utilizing limited federal funds, but we would also be saving local taxpayers money otherwise spent on inflated bond requests, fees, and other

costs associated with the for-profit market.

In addition, state infrastructure banks are insulated to a great degree from the political process. Instead of relying on the traditional appropriations process that necessarily results in Members of Congress fighting for limited funding for their own districts, this program avoids the battle over specific earmarks by leaving the decision up to the banks.

If we are ever going to solve our huge backlog of needed improvements to our nation's education infrastructure, we are going to have to develop new and innovative ways of solving these problems. The use of state infrastructure banks are an ideal solution for an increasingly budget-conscious Congress.

With \$112 billion of education upgrades needed, this proposal is one of several first steps that can be made toward addressing this overwhelming issue. This is a modest, common-sense, and cost-effective proposal that would benefit the entire nation.

Congress needs to start finding new and innovative ways of financing the construction, modernization, and upkeep of our schools. In the end, we all get more funding for our schools while at the same time making good use of constituents' valuable tax dollars.

Rep. Ellen Tauscher (D-Calif) is a member of the Transportation and Infrastructure Committee. ■

99. Roll Call (policy briefing)

June 2, 1997

Republicans Really Are a Pro-Education Party **But Things Got Off to a Rocky Start, Writes Rep. Castle, With Proposals to 'Abolish,' 'Eliminate,' and 'Cut'**

By Rep. Michael N. Castle

John Dewey once said that education is not preparation for life; education is life itself. It is the core of everything we do and the foundation of a satisfying life.

As a nation, we must recognize that the road to economic growth and prosperity is paved by solid investments in quality education, job training, and providing true opportunities for our citizens. We should be doing all we can at all levels of government to ensure that we provide the best education possible to our nation's children and young people.

To date, our success has been mixed. While on the one hand we have

world-class universities and the students in them, on the other, according to a recent US News & World Report article, more than half of our college graduates cannot read a bus schedule and are unable to figure out how much change they should get back after paying \$3 for a \$1.95 sandwich and a 60-cent bowl of soup. Given the enormous sums of money spent to educate our nation's youth from kindergarten through high school and post-secondary education, this outcome is not only astonishing but also alarming.

I think we all learned from the last election how strongly the American people

feel about education — ensuring that kids are learning the basics and are prepared to enter the work force. A quality education is the surest ticket to a brighter future, and I believe that the federal government does have a legitimate role to play in enhancing educational opportunity and quality for our nation's young people.

In my view, things got off to a rocky start last Congress on education because Republicans did not advance an education agenda that many Americans perceived as pro-education. Most of the proposals began with the words "abolish," "eliminate," or "cut." Thus, Americans were left with the

impression that Republicans wanted to eliminate the federal role in education.

Lost in the rhetoric and heated debate was the vision of education that Republicans had — sending more dollars back to local schools with fewer strings, and enhancing the control and involvement of local educators, teachers, and parents. The message that Americans got was that Republicans did not think education was important.

A number of Republicans believed that the focus on eliminating the Department of Education and disproportionately reducing funding for various education programs was misguided. In fact, some of my Republican colleagues and I opposed the fiscal 1996 Labor-HHS-Education appropriations bill and later worked to restore \$2.6 billion in education funding. But even we were being reactive rather than proactive. I think it is important that Republicans develop and articulate a positive vision of where we want education to be.

After learning from last Congress, Republicans in the 105th Congress have given considerable thought to how they envision education working, and I think the Education and the Workforce Committee has done an excellent job in this area, with the "Education at a Crossroads" initiative, as one example.

Some of my own thoughts, which I believe are shared by most of the other members of the Republican Tuesday Group are:

- * I want schools that adequately educate and prepare our children for the 21st century. American students should be world-class students in math, science, and technology. All students should be

educated in accordance with high standards and should be challenged intellectually.

- * I want schools that are actively supported by parents and community leaders. Schools should encourage parental involvement by actively engaging parents and families in a partnership to support the academic work of children at home and share education decision-making at schools. Schools should be held accountable to local communities for their success and their stewardship of public dollars.

- * I want safe schools that have the resources they need to succeed. The federal government can assist states and local schools in keeping drug dealers and firearms out of school yards and promoting physical safety in the classroom. The federal government can also help schools meet important unmet needs, such as educating disadvantaged or disabled children.

- * I want schools that are free to educate students without the burden of costly and unnecessary federal regulation and paperwork.

- * I want a focused and efficient Department of Education — one that articulates a national vision for our country, that acts as a clearinghouse of education programs, that collects and disseminates data about education in America and education programs, and that holds states and local schools accountable for waste, fraud, and abuse.

What can and should we be doing at the federal level to help achieve these goals?

The answer to this question seems to have as many possibilities as there are Members of Congress. My own view is that the federal role is necessarily limited but important. Teachers (with the support and cooperation of parents), not administrators, not state or federal bureaucrats, not Members of Congress, do the real and important work of transferring knowledge to our children. Teachers know which methods work for their students, what their needs are, and what their strengths are. Thus, activity at the federal level, which is needed but is also far removed from where real learning takes place, simply cannot and should not micromanage teaching or programs at the local level.

However there are legitimate roles for the federal government. Prior to enactment of the Individuals with Disabilities Education Act, for example, many disabled children were shut out of local public schools. The federal government helped open doors for these students and provided

modest support to local schools to educate them.

In my view, it is clear that the federal government also plays a role in helping schools educate poor and disadvantaged children who presently get assistance through the Title I program.

But the federal government can also play an important role in supporting education reform efforts, and, for example, can advance voluntary, national standards and assessments. These standards are not a dictate from Washington, but instead are a benchmark so states can compare and measure up to see how their students are performing. The advantage of tests that can be compared across schools, districts, and states is that schools can see how their students perform relative to other schools. This can help them determine which programs and curricula are effective. In addition, students receive clear and accurate information about their achievement.

A 1994 Department of Education study found that students in poverty-stricken schools who receive mostly A's in English read only as well as C and D students in affluent schools. Students are better served if their weaknesses are identified early and turned into strengths. It harms students in the long run if they believe they have mastered material and skills that in actuality they haven't, particularly if they go on to higher education.

I also think that the federal government can be helpful in providing a national vision of education, of initiating a dialogue with states and schools about where we want our children to be in comparison with the knowledge level of children from other countries. Can we learn anything from what other countries are doing?

As a former governor, I understand well the view that education is primarily a state and local responsibility. But as a participant in President Bush's Education Summit in Charlottesville in 1989, I understand that it will take a collective effort, on all levels of government, to help students gain the skills they need to excel in life and on the job. And looking at the dollars and the results, it is clear that we have a long way to go.

Part of the reason for our mixed results in education is that this is no longer the United States in which many of us grew up. Education does not, after all, exist in a vacuum. From youth violence to teen pregnancy, children today are plagued by a number of pressures and issues that were very rare as recently as 30 years ago.

Confrontations with such societal pressures affect kids, their ability to learn, and ultimately their ability to succeed in

life. Issues such as youth violence and teen pregnancy have rippling effects — not only do they scar the life of the young person, but that of everyone close to him or her, and the greater society, as well.

Every governor in the country is struggling with these issues, and the federal government may have a role in assisting these efforts and stepping up efforts to help states cope with the prevalence of drugs and alcohol, teen smoking, child abuse, and teen

pregnancies.

There is no easy answer to what we need to do to ensure that this country's youth learn more and learn better. But one thing is clear: We can be a proactive force in this country for helping our kids learn, deal, and cope — not just with learning the ABCs but preparing them for life.

Robert Frost once said that education is hanging around until you've caught on. I hope that all of us, Members of Congress,

parents, teachers, the media, and community and religious leaders have caught on that we must work together at what is important in this country: educating our kids so that they have the tools to fulfill their potential.

Rep. Michael N. Castle (R-Del) is a member of the Education and the Workforce Committee and co-chair of the House Republican Tuesday Group. ■

100. Roll Call (policy briefing)

June 2, 1997

A Gen Xer's Case for a Federal Role in Education

By Rep. Harold E. Ford Jr.

As we approach the end of the 20th century, this nation, and my generation in particular, faces enormous challenges if we hope to maintain our economic preeminence throughout the next century.

Over the last 100 years, we confronted many obstacles to progress, domestic and foreign, including four major wars, the Depression, and the civil rights movement. As a result of our strength, resolve, and vision, we matured and prospered in the face of these challenges. Having laid its claim to the 20th century like no other nation, America has become the economic, political, and military leader of the world. Today, however, we are at a crossroads.

As we stand on the brink of a new millennium, we must ask ourselves an important question: Is this nation prepared to lay its claim upon the 21st century in the same way it did the 20th century?

In my view, the answer to this question ultimately will depend upon our ability to educate all Americans for the challenges that await in the technology-driven and skills-dependent global marketplace of tomorrow. Anything less and our economic and social stability will be threatened by the growing tension and division between those who have been educated and are prepared to compete in the world economy and those who have been left behind.

The notion that education is critical to our nation's future success and prosperity is incontrovertible. Educators, parents, business leaders, and elected officials across America all agree that in order for us to compete in the next century, we must develop a more highly skilled and educated workforce.

For example, the Hudson Institute, a

well-respected, non-partisan think tank, recently concluded in "Workforce 2020: Work and Workers in the 21st Century" that "the fastest growing jobs require much higher math, language, and reasoning capabilities...while slowly growing jobs require less."

The institute's findings are reinforced by a US News & World Report article that found that "[i]n 1993, the average male college graduate's income was 89 percent higher than the average male high school graduate's [and that] the gap between them is twice what it was in the late 1970s because the economy became more focused on information-driven industries."

These fundamental changes are reflected by the fact that last year alone, according to Business Week, 33 percent of the growth in our gross domestic product came from the high-technology sector of the economy.

It seems clear, then, that the debate here in Washington is not over whether there is a need to improve our education system, but rather what role the federal government should play in this process.

Unlike many of my colleagues, I believe that there is room for national leadership at all levels — kindergarten through post-graduate — of our educational system. At the same time, however, I realize that the federal government cannot and should not be expected to supplant the primary role that states play in educating our young people.

For this reason, I applaud the education initiatives of the President and many of my colleagues. Expanding Pell Grants, increasing funding for Head Start, offering education tax deductions and credits for families and students while working to

control the rising costs of higher education — a motivating force behind our creation of the Cost of Higher Education Commission — are just a few illustrations of effective national leadership on education. Nevertheless, we can and must do more.

Traditionally, the argument against national leadership, particularly in elementary and secondary education, is that these matters have fallen — and therefore should remain — within the province of the states.

However, when our nation's schools are crumbling and young people across America are being deprived of a meaningful chance to learn, tradition alone cannot and should not justify limiting the role of the federal government in helping to address these issues. In fact, in other areas, we have shown a willingness to provide national leadership when a problem becomes too great for the states to confront alone.

For example, several weeks ago, we debated and passed the Juvenile Justice Act, a bill that will allow states to try violent offenders as young as 13 years old in our adult criminal justice system. In support of the Juvenile Justice Act, Rep. Bill McCollum (R-Fla.), chairman of the Judiciary subcommittee on crime, argued that "national leadership was necessary because the systems are failing, and we don't see states responding adequately."

I agree with McCollum. As federal lawmakers, we do have a responsibility to help states ensure that young people who terrorize our communities serve time commensurate with their crime. I could not vote in favor of the bill, however, because, in my view, "national leadership" must

include a meaningful and sustained commitment to juvenile crime prevention, something that was lacking altogether in this legislation.

Crime, like education, historically has fallen within the province of the states' authority. Accordingly, I refer to our vote on the Juvenile Justice Act to make a simple, but compelling, point: If "national leadership" is needed on juvenile crime, then surely "national leadership" is needed on education.

Showing national leadership on crime, but not education, sends a disturbing and ultimately counterproductive message to our young people. In good conscience, I cannot tell those of my generation that we have the resources and political will at the federal level to build more prisons, but not enough money or political will to ensure that our children can attend elementary, middle, and high schools with clean, safe, and computer-accessible classrooms.

For those who doubt whether the messages we send young people have an impact, I point to the Pyramid Academy,

an alternative school in my district that serves teen mothers and young people with behavioral problems. The students at Pyramid come from a world of obstacles. Many have been thrown off-track by poor choices or a lack of direction. As its name symbolizes, Pyramid Academy is giving these young men and women the building blocks they need to rise to the top.

By moving away from a punitive approach toward a strategy that instead focuses upon dropout prevention, personal development, responsible parenting, and high academic achievement, the teachers and students at Pyramid were able to transform their school from a "holding tank," where police regularly walked the hallways, into a nurturing, learning environment.

The results have been clear: Pyramid Academy — five young ladies in particular — now stands as the reigning champion of the African-American Knowledge Bowl, sponsored by the Memphis City Schools.

If we take a leadership role on

education at the national level, we can send an inspiring and unmistakable message to all of our young people that we believe in them and are willing to do what it takes to give them a meaningful chance to learn.

As Robert Kennedy once said: "The future does not belong to those who are content with today, apathetic toward the common problems and their fellow man alike, timid and fearful in the face of bold projects and new ideas. Rather it will belong to those who can blend passion, reason, and courage in a personal commitment to the ideals of society."

These words are as true today as they were then.

If America is going to lay its claim to the 21st century, as it should, then we must be willing to show courage and bring "national leadership" to the cause of improving our educational system from top to bottom.

Rep. Harold E. Ford Jr. (D-Tenn) is a member of the Education and the Workforce Committee. ■

EDITORIAL

101. The Wall Street Journal

06/03/97

Taking VMI Prisoner

Remember when federal judges took over the running of entire city school systems? Meet Clinton Justice Department lawyer Judith Kiser, who now wants to resurrect one of the great, failed liberal ideas by personally taking over the Virginia Military Institute.

By and large, most activists have been happy with the Supreme Court's ruling that VMI must admit women to its cadet corps. Justice Ruth Bader Ginsburg herself wrote that "VMI's implementing methodology is not inherently unsuitable to women." However, Ms. Keith, the Justice Department's lead lawyer on VMI, has many matters she wishes to pursue further with the school.

Her earlier forays against the college have been reported on this page by our John McGinnis. In a hearing last November, she asked U.S. District Judge Jackson L. Kiser, who's supervising VMI's admission of women, to turn the institution over to her litigious mercies. In replying, Judge Kiser spoke plainly: "Without a very compelling reason I'm not going to open up discovery again in this case." That sounds

like a "no" to us, but not to Justice's lawyer.

On May 6, Ms. Keith sent the State of Virginia lawyers representing VMI an eight-page, single-spaced list of demands, starting with a five-subpoint discussion of "Sexual Discrimination and Sexual Harassment" and insisting that VMI provide her, among 75 other items, "A description and photographs, pictures or drawings of all uniforms, gym clothing, band uniforms, and shoes for athletic activities and marching that female cadets will be required to wear." Lest anyone doubt her motives, Ms. Keith's cover letter advises the State of Virginia, "Of course, the ultimate concern is that constitutional obligations are fully satisfied by defendants." Funny, we don't recall the Constitution saying anything about band uniforms.

It's a big world, but somehow this is what passes for a priority at the Reno Justice Department nowadays. Happily, the State of Virginia is standing up to Ms. Keith. Virginia Assistant Attorney General William Hurd tells us, "If VMI were to

attempt to fulfill all of the requests, it would essentially have to suspend all other operations and focus on nothing but that for several weeks. I certainly won't advise them to do that." With good reason: VMI has been busy since last June's Supreme Court decision preparing to do exactly what the court directed.

VMI has devoted \$5.1 million of Virginia taxpayers' money to accommodating women cadets. It has spent \$4.3 million to ready its barracks and gym facilities and improve its campus security system. It has hired a female assistant commandant, a female assistant director of admissions, a female physical education instructor, a female doctor and a female counselor.

It has received 90 applications from prospective female cadets, and it has accepted 65. Thirty-two of the accepted applicants have sent deposit checks to reserve their places in VMI's Rat Line, and several more are expected. VMI has also arranged for female exchange students from Norwich University in Vermont and Texas A&M to act as role models and