Richmond Times-Dispatch, June 14, 1995, P. 17

23.

THE ROCHESTER CONNECTION

Hillary & Gang Jumped at Chance to Nationalize Schools

Contrary to what the apologists for Big Government say, Goals 2000 is not just another program of federal aid to public schools. Nor is it merely a continuation of George Bush's misguided America 2000. Rather, it is one of the key pieces of a scheme that the Clinton administration pushed through the previous Congress to integrate education into a complex national system of human resources development.

ROBERT HOLLAND

Governor George Allen's instincts are sound in holding Virginia back from participation in this monstrosity until it is clear whether the new Congress will succeed in salvaging local control. Let the statist nannies fret about the loss of a penny a day per child in new federal aid, or bemoan the fact that Virginia stands almost alone in spurning Goals 2000. One day New Hampshire may cave, too; then Virginia would be the only holdout. So what? Sometimes principled leadership has to be lonely.

A good idea of just how systematic was the restructuring launched by the Clintons and their sycophants came in an 18-page letter from Marc Tucker, president of the Rochester-based National Center on Education and the Economy (NCEE), to Arkansas First Lady Hillary Clinton on November 11, 1992, just a few days after Bill Clinton's plurality win over Bush and Ross Perot. The "Dear Hillary" missive (which recently was discussed on a Prodigy online bulletin board, and which long-time Tucker aide Andy Plattner confirms as authentic) opened as follows:

"I still cannot believe you won. But utter delight that you did pervades all the circles in which I move. I met last Wednesday in David Rockefeller's office. . . . It was a great celebration. Both John [Sculley, then the chairman of both Apple Computer and the NCEE] and David R[ockefeller, the financier and NCEE board member] were more expansive than I have ever seen them — literally radiating happiness. . . ."

THE UNABASHED JOY among the *creme de la creme* of the industrial/education complex resulted, as Tucker exulted to Hillary, from the opportunity "to advance the agenda on which you [Hillary] and we have all been working," and to put "all the major components of the system in place within four years, by the time Bill has to run again." He described a post-election strategy session on education and labor legislation that included such luminaries as the NCEE's Mike Cohen (who became a full-time consultant to Secretary of Education Richard Riley and wrote Goals 2000), David Hornbeck (the Business Roundtable's Outcome-Based Education consultant to Kentucky and several other unfortunate states), and Lauren Resnick (the University of Pittsburgh testing guru who heads the NCEE's New Standards Project, which intends to write the assessments for a national OBE-style curriculum).

Tucker also noted that Ira Magaziner had been invited. Magaziner and Hillary Clinton also were NCEE board members and they had collaborated in the 1990 NCEE-sponsored Labor Department report of the Commission on the Skills of the American Workforce, which first espoused OBE principles on the grand national scale — *i.e.*, that sociability was more important for the new American worker than basic literacy, and that "real-life" student projects (portfolios) should supplant objective testing.

In 1987, the Carnegie-backed NCEE took a high-profile role in pushing its style of school reform on Rochester, which was hailed as a model for the nation. The next year, Arkansas governor Bill Clinton, no doubt having heard glowing accounts from Hillary, exclaimed that "if Rochester can do it, it can be done most anywhere. It gives the rest of us hope."

The word should have been hype, not hope. Not much has increased in Rochester over the past eight years except spending on teachers salaries, which has almost doubled. In a series of articles last month headlined *A City's Dream Unfulfilled*, the Rochester *Democrat and Chronicle* reported that since the start of restructuring, the proportion of graduates receiving the demanding Regents' diploma has dropped from 23.1 percent to 17.5 percent. Most middle and high school test scores have remained flat or declined. Some 40 percent of ninth graders don't make it to a high school commencement. "We have failed," said Rochester Mayor William Johnson.

SOCIAL ENGINEERS pushing an agenda, however, rarely are deterred by evidence of failures, which always can be blamed on "poor implementation." Perhaps if academic-minded teachers and principals were replaced or indoctrinated, then the New School of Social Relevance and Self-Esteem would work just fine and dandy. Certainly, much of the apparatus for nationalizing education, training, and labor policy on the Rochester paradigm has been put in place since that 1992 "Dear Hillary" letter.

In it, Tucker called for:

- "A seamless system of unending skill development that begins in the home with the very young and continues through school, postsecondary education, and the workplace."
- National standards for student performance, with government-issued Certificates of Mastery necessary at age 16 to allow students to go to the next stage of their prescribed training.
- A national system of education with curriculum, pedagogy, examinations, and teacher training and licensing linked to national standards.
- A national system of skills standards to cover every type of job in the country.

IN LINKAGE WITH other enactments (notably, School to Work), Goals 2000 creates the machinery to implement much of The Agenda to micromanage American lives. Don't be fooled by the Clintons' going along with the congressional axing of the National Education Standards and Improvement Council, which would have certified national education standards. That function simply will shift to the National Education Goals Panel, another Goals 2000 bureaucracy (and creator of the Community Action Tool Kit for propagandizing the joy of nationalized education in every neighborhood). And the National Skills Standards Board remains intact also.

Hillary Clinton and Ira Magaziner had a Byzantine agenda for nationalized health care, too, but when their secretive ways backfired, it couldn't survive serious scrutiny. If their agenda for education had received equivalent exposure in the media, it wouldn't have been put in place either. The question now is whether Capitol Hill's new leadership is bright enough and determined enough to dismantle it completely.

NEGATIVE PRESS ON "GOALS 2000" FROM STATES

ALABAMA

Critics attack Goals 2000 complaining that it is intrusive and sets up false standards that "dumb down" education. They fear that children who have attained true literacy (through private, church, and home schools) will be at a disadvantage for employment and college entrance because they will not have the "electronic resume" confirming acquisition of the "new set of consciences" dictated by Goals 2000.

ARIZONA

Critics state Goals 2000 is a direct infringement on parental rights, as it calls for a gigantic new federal bureaucracy to control schools that will mandate outcome-based education. The legislation will dumb students down into virtual stupidity. They also claim that Goals 2000 and federal bureaucrats will destroy our entire educational system.

CALIFORNIA

California State Senator Bill Leonard cites the passage of Goals 2000 in his state to be more evidence of federal intrusion on local power. One California lawyer and parent decries the OBE system; he claims OBE attempts to "redefine for our children what their thoughts, feelings, attitudes and beliefs should be... Behavior modification is fundamental to achieving OBE type results."

IDAHO

The state school chief wants to return Goals 2000 money stating the people of Idaho do not want the program in their state.

ILLINOIS

(attributed to Copley News Service) Claim that the Clinton Administration is pushing a national education agenda under the rubric Goals 2000. The danger is Washington will seek to influence what students are taught by paying off states that comply with the federal model.

INDIANA

Opponents state new teaching methods and national goals focus little on academics, but heavily on beliefs, feelings, and behavior. They are concerned the methods and goals will lead to socialism. They also fear Goals 2000 is an attempt to nationalize education, overriding state and local school boards, and to control the minds of children.

IOWA

The state threatened to pull out of Goals 2000 which they dubbed a "power grab" by the federal government. Governor Branstad, House leaders and the Education director said Goals 2000 has in effect overstepped its bounds by issuing national mandates rather than setting goals. The Governor stated that we don't need to have Washington bureaucrats do to education what they did to welfare.

KENTUCKY
The Shepherdsville Church of Christ sponsored an article which labeled OBE a "politically correct method of education" that supports values teaching and lower academic standards. They claim that Goals 2000 places the child under the educational establishment from birth until adulthood. Parental authority further eroded at the cost of 420 million dollars.

MARYLAND
Religious right states Goals 2000 foists outcome-based education and subverts parental authority. Critics also contend standards are an attempt to assert federal control over education. Robert Simonds of CEE asserts parents must obey every directive of the social worker or face severe consequences. Another critic states bureaucrats originally tried to bar phonics instruction from federally subsidized classrooms through Goals 2000.

MICHIGAN
Opponents state Goals 2000 mandates site-based decision making. Michigan's core curriculum reflects Goals 2000 and relies too much on feelings instead of facts.

MISSISSIPPI
Score 100, an organization of citizens favoring a "traditional" education system are fearful that with experimental programs through Goals 2000, children are falling through the cracks. Goals 2000 dramatically escalates federal intrusion into local school and undermines parental rights. Critics believe there is a national agenda behind education reform embodied in parts of the Goals 2000 legislation. The goals are overly intrusive and potentially invasive of student privacy because of the creation of a new computer data base that could be abused, critics also say. Desired outcomes could include desired student attitudes and beliefs. Lower standards would be crafted in order for all students to be able to meet them.

MONTANA
Critics claim Goals 2000 will take away local control of schools by forcing grant winners to comply with federal regulations. A school superintendent stated he is dubious about Goals 2000 because he has never seen a federal program without a lot of strings attached. Opponent state House Minority Leader says Goals 2000 is a federal plot to take over schools.

NEBRASKA
Columnist Chris Spencer attacks OBE as a socialist attempt to create a "restructured school system, and therefore restructured society." He also states that schools would become the dispensary for social services.

NEVADA
Critics have coined the federal program "big brother education." They argue it will whittle away local control of schools and give more control to federal bureaucrats. Critics also worry that competition for funds will encourage schools to lower academic standards so all students can meet them. Audience members at town meetings expressed opposition to outcome-based education, stating it means "success in mediocrity rather than excellence." Others charged OBE will result in higher illiteracy rates. Critics also fear that setting graduation rates will lower proficiency test scores. A former Las Vegas school board member stated Goals 2000 is nothing but a sugar coated federal mandate. A state senator responded Goals 2000 will result in the "dumbing down" of students and contribute to further breakdown of the family structure.

NEW HAMPSHIRE
New Hampshire joined Virginia as the only states to reject Goals 2000. Chairman of the Board Ed Ovide Lamontagne is wary of program, calling it a "sovereignty issue" -- he does not wish to endanger local control.

NEW YORK
An Iroquois resident expressed concerns over the vague definition of "exit outcomes" goals in Goals 2000. She was "critical of the attitude development portion of the education act and objected to the federal, state or Board of Regents dictating behavior", citing parents as being ultimately responsible for raising their children.

NORTH DAKOTA
A critic of Goals 2000 and OBE, Debi Biffert, cites studies like that of John Hopkins University, which states that OBE does not work. She fears OBE will diminish individuality among its students and stifle faster learners by coupling them with their slower peers.

PENNSYLVANIA
Robert Simonds, president of CEE, attacks Goals 2000 from the viewpoint of the religious right. Pittsburgh educators have recently become worried that excluding handicapped or bilingual students may inflate their test scores, and they are debating whether Goals 2000 would unwittingly encourage districts to exclude more students.

SOUTH CAROLINA
(ad attributed to Business Education Insider) The Clinton regime is now mandating student indoctrination in social-fascist political attitudes under Goals 2000 and its OBE requirements.

TEXAS
Opposition to Goals 2000 is being voiced by religious right groups such as the Concerned Women of America and the Texas Eagle

Eagle Forum, who point to OBE and "mandatory school-based health clinics" as major objections. Charter school districts are worried about increasing federal control over their districts.

VIRGINIA

Citizen opposition focuses on the schools becoming a social service center and forcing outcome-based education on schoolchildren as mandated by Goals 2000. As a result of Goals 2000, parental rights will be undermined and the federal government will be intruding on the family with school-based clinics, a national curriculum, and parental training. In the debate over participation in Goals 2000, Governor Allen opposed participation citing its "unprecedented level of potential federal intrusion" into local education.

WASHINGTON

Jed Brown, organizer of the Phronesis Group (which opposes OBE) states that Goals 2000 will "shift... teaching to psychology... instead of education." Columnist Rich Dreyer agrees, writing: "the future of education is a well organized plan to destroy the individualism in children..." Dreyer points to OBE's roots in UNESCO, which he claims strives towards equalization of all nations. He also notes that the Child Protective Services will have the power to review the conformity of parents to the systems espoused by the "Healthy Home Visitation Program."

UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

October 11, 1995

Letters to the Editor
The New York Times
229 West 43rd Street
New York, New York 10036-3959

To the Editor:

George Fellendorf's October 7 op-ed distorts Goals 2000 beyond recognition. For example, he claims Goals 2000 "substitutes the teaching of social skills for more traditional cognitive skills." In fact, Goals 2000 focuses on raising academic standards and achievement and preparing students for the world of work. The specific content of what is taught in schools is decided by state and local education officials, with no federal involvement. The emphasis on rigorous course work and competency in core subjects accounts for the strong support Goals 2000 has drawn from the business community. Louis Gerstner, the CEO of IBM, recently said, "If we lose Goals 2000 it would be an incredibly negative setback for this country."

Mr. Fellendorf professes to see strings attached to Goals 2000, yet, curiously, he cannot cite any that are real. On the contrary, Goals 2000 is a tremendously flexible program in which the federal government provides funding to any state that sets its own academic standards for students and carries out its own approach to improving education. Not one new regulation has been issued under Goals 2000, and the Act provides, for the first time, the opportunity for waivers from requirements in other federal education programs.

Mr. Fellendorf leaves the absurd impression that the parental assistance section of Goals 2000 will swoop parents up in some sort of dragnet. His understanding of the Goals 2000: Educate America Act is so clouded that he is unable to distinguish between a program that promotes parents helping other parents learn on a voluntary basis, and government officials intervening in families. Goals 2000 supports the former and has nothing at all to do with the latter.

While political opponents of Goals 2000 have been spreading misinformation, teachers, parents, and administrators across the country are using Goals 2000 to improve local schools. Through Goals 2000, high school students in a Pennsylvania community are visiting shop floors and factories to learn how math and science concepts are used in the workplace. Parental involvement has increased in many Kentucky schools as a result of volunteer coordinators and homework hotlines paid for with Goals 2000 funds. In communities in Illinois, teachers have received intensive training in using computers to make teaching and learning in core academic areas more exciting and effective.

Mr. Fellendorf's ill-informed attack calls to mind a recent statement by Terrel Bell, U.S. Education Secretary under President Reagan, in support of Goals 2000: "The American people support educational excellence -- not political extremism."

Yours sincerely,

Dick Riley

Richard W. Riley
U.S. Secretary of Education
202-401-3026

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Photographs by Margaret Morton/Lowinsky Gallery

Notes from the underground: For a community of 50, plus cats, the tunnel under Riverside Park provided shelter and privacy.

Why New Hampshire Said No to $9 Million

By George W. Fellendorf

KEENE, N.H. Why in the world would any state turn down an offer of $9 million from the Federal Government for public education?

It is a question asked regularly these days of New Hampshire's Governor, Stephen Merrill. But his decision to reject the money, offered under the Clinton Administration's Goals 2000 program, was the right one.

Goals 2000, which began as a Bush Administration effort to improve academic standards, has been hijacked by bureaucrats and transformed into a catchall of educational fads and touchy-feely programs.

After talking with people in other states about their experiences with the Goals 2000 program, New Hampshire officials concluded that it brought more problems than benefits and represented a basic intrusion into the state's right to organize and manage the education of its children.

The 10th Amendment to the Constitution says that responsibilities not specifically granted to the Federal Government, such as education, rest with the states or the people. As New Hampshire's school board chairman, Ovide Lamontagne, testified before the Senate Appropriations Subcommittee on Labor, Health, Human Services and Education on Sept. 12, "There is no jurisdictional basis to support the growing involvement by the Federal Government in public elementary and secondary educational issues which we have witnessed over the past 30 years."

The Government does not acknowledge that Goals 2000 represents an Federal intrusion. In a letter to Governor Merrill, Education Secretary Richard Riley wrote that there would be "no strings attached" if New Hampshire signed on to Goals 2000. But all Federal money comes with strings attached, and Goals 2000 money is no exception.

Goals 2000 supports the educational approach called outcome-based education, which in large part substitutes the teaching of social skills for more traditional cognitive skills. In place of report cards, outcome-based education encourages schools to create "portfolios" with examples of student work over the years and assessments of their self-esteem and cooperative skills.

But it gets worse. The "Parental Assistance" section of the Goals 2000 law is modeled after Parents as Teachers, a program pioneered in Missouri. Parents as Teachers is intended to help meet the first stated goal, that "by the year 2000, all children in America will start school ready to learn." To insure that, parents of preschool children are to be taught how to be better parents and better teachers. The goal may sound innocuous, but the mandate accompanying it is not: "Every parent will devote time each day to helping her child learn, and she will have access to the training and support parents need."

> Federal money has too many strings attached.

To make sure that each family complies, social workers come into homes, both to provide that training and to determine if the children are "at risk." The definition of an "at risk home" is highly subjective. "Risk factor definitions" include the following: "Does the parent fail to give the child affection and exhibit a caring attitude?" Under this broad definition, there is hardly a household in America that could not be labeled "at risk" at some point.

Another portion of the law that caught the attention of New Hampshire parents and educators is the reference to "one-stop shopping," which reveals an intent to turn public schools into centers not only for academic education but also for social services, health care and child care.

Many parents believe that schools should remain educational centers, with families retaining full responsibility for their children's health and social guidance, particularly in the area of sexuality. Here in Keene, for example, we have resoundingly rejected the National Education Association resolution calling for public schools to celebrate October as Lesbian and Gay History Month.

New Hampshire will probably not accept Federal funds for these kinds of services to children in schools even if provided under a block grant. The consensus is that we don't want Federal money if it means direct or indirect Federal control over how we educate our kids. In a state whose average Scholastic Aptitude Test scores are among the highest in the nation, who needs it? □

George W. Fellendorf is chairman of the New Hampshire Christian Coalition.

staff, the endorsement of the pa-
leading figures, the advice of
party sages, the affirmation of
nation's pollsters."

Mr. Dole, too, leads the exi-
G.O.P. field by far in cash, polls,
and endorsements, but who beli-
this emperor has clothes? "
Without a Message," declared
cent anti-Dole editorial in The
chester (N.H.) Union Leader
conservative primary-state rag
could yet bring Mr. Dole to grief
reduced Mr. Muskie to tears.

As mushy in his views as wa-
Muskie — whose campaign sl-
"Trusty Muskie," emphasized
ur-Dole virtues of moderation
tried-and-true Washington ex-
ence — Mr. Dole stands in relati-
the true Gingrichian heart o
party's right-wing leadership
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Miller wrote of Willy Loman,
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"Crossfire," Mr. Kristol fore-
Dole nosedive as soon as N
when he is "likely" to do "badly
debate on "Larry King Live."

The front-runner has no or
himself to blame for his stumb
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Senator was already taking he
reversing his principled, ll
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Coalition. But he kept on flip-fl
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ridiculed or returning a contri
from the gay Log Cabin Repub
whose support his campaign h
licited.

So universal has been the co-
nation of Mr. Dole for such hy-
les that no one bothers to talk
the age issue anymore — as
unlikelihood of a Dole Pres
has rendered it moot. Last w-
"Saturday Night Live" reve-
focused on the Dole characte-
instead, depicting him as ea
score political points by in-
Colin Powell was gay. The
would have been far funnier
Bob Dole had not so sourly
the real thing.

'94 '95

...August in October.

After slamming the Florida coast and fading to a tropical storm as it came north, it offered a hint of relief for the drought-stricken New York City region, then caused suffering at a papal Mass in Queens. It may even have contributed to a minor commuter train wreck.

As much as two and three-quarter inches of rain fell on the city's watershed area Thursday and early yesterday. When the skies cleared, the high in Central Park

... illness at Aqueduct Race Track in Queens, where Pope John Paul II celebrated Mass before 70,000 people.

The National Weather Service said the rain was a direct result of the hurricane-turned-storm, and the unseasonable heat an indirect result, as warm winds from the southwest were sucked along northward.

Before the rain, New York City's 13 reservoirs were 24 percentage points below normal capacity and the region a good foot short on rainfall for the year.

Officials said yesterday that it was too ... into the ground first. And no one, they stressed, is remotely considering relaxing water use restrictions.

But Marilyn Gelber, New York City's Commissioner of Environmental Protection, grudgingly conceded that the storm might have brought "some slight relief."

At the papal Mass, about 160 people were treated for medical problems, most of them minor and many heat-related. Charles DeGaetano, a spokesman for the Emergency Medical Service, said it was not unusual for dozens of people to suffer minor injuries or be taken ill in such a big

... certainly added to the toll.

The heat may have warped a stretch of Metro-North Commuter Railroad tracks just north of the Croton-Harmon station, causing a Poughkeepsie-bound train to derail about 3 P.M., railroad officials said. About 20 people were hurt, none seriously.

The 86-degree reading at Central Park was 4 shy of the record for the date, set in 1941. The normal high is 69. But a record was set and another tied at Kennedy International Airport. The afternoon reading of 85 was 2 degrees over the old high for the date, set in 1959, and equaled the all-time October high at the airport on Oct. 1, 1986.

CC: Mike Cohen

UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

December 5, 1995

Editor
Investor's Business Daily
12655 Beatrice Street
Los Angeles, California 90066

To the Editor:

The lead story on November 21 ("The Federalization of Education?") was an ill-informed opinion piece in the guise of a news story. This distorted portrayal of the Administration's education agenda and education reform efforts was highly unfair to your readers and to advocates of education reform. It was based entirely on the opinions of critics and did not provide an opportunity for the Administration to set the record straight.

The discussion of Goals 2000 recycled myths and misinformation. Here are the facts:

- Goals 2000 provides support to states, communities, and schools to help design and implement the school improvements most needed in that particular state or community. It is grass-roots, bottom-up reform focused on raising academic standards and achievement and preparing students for the world of work.

- Goals 2000 creates a partnership between the federal government and states and communities working to improve their schools. It asks states to 1) set challenging academic standards; 2) develop their own comprehensive education reforms; and 3) do this with broad-based grass-roots parental involvement. In return, the federal government provides funds and flexibility.

- Teachers, parents, and administrators around the country are using Goals 2000 funds to improve local schools. For example, through Goals 2000, high school students in a Pennsylvania community are visiting shop floors and factories to learn how math and science concepts are used in the workplace. Parental involvement has increased in many Kentucky schools through the use of volunteer coordinators and homework hotlines funded by Goals 2000. In communities in Illinois, teachers have received intensive training in using computers to make teaching and learning in core academic areas more exciting and effective.

- Goals 2000 does not mean federal intrusion. In fact, it provides grant recipients with extraordinary flexibility in the use of federal funds, as long as they are used in the context of a locally developed education reform plan. Goals 2000 comes with no new federal regulations, and participating states and their school systems are eligible, for the first time ever, for waivers from other federal requirements if they interfere with local and state reforms. Forty-seven states are participating in Goals 2000 and the number of communities seeking subgrants far exceeds the available federal dollars.

- Goals 2000 does not require or encourage the use of tests based on self-esteem. It does require states to set their own standards for student learning, and to test to see if students are meeting them--using the states' own tests. Only someone who never read the law and never talked to anyone administering or participating in the program could have accepted such a myth so uncritically.

- Goals 2000 passed with broad, bipartisan support, and with strong backing from parents, educators, business leaders, and labor unions. It represents the kind of serious, thoughtful common ground approach that is necessary to improve education over the long haul.

- Educators are indeed up in arms about efforts to eliminate Goals 2000--and so is the business community. Business leaders applaud Goals 2000's emphasis on rigorous coursework and competency in core subjects. Goals 2000 has been endorsed by the Business Roundtable, the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Alliance of Business, and other business groups. Last September, Joseph Gorman of TRW, John Pepper of Proctor and Gamble, Louis Gerstner of IBM, and others met with President Clinton to underscore the importance of preserving Goals 2000. Mr. Gerstner said at that time, "If we lose Goals 2000, it would be an incredibly negative setback for this country."

- The controversial history standards are not an outgrowth of Goals 2000. They were in fact funded by the Bush Administration, long before the Clinton Administration took office and Goals 2000 passed into law. These are not our standards, not our grant, and not our view of American history. Indeed we have criticized these standards, which are now being revised with the leadership of the Council for Basic Education.

- Rather than stifling such reforms as charter schools, Goals 2000 actually supports them. For example, Massachusetts has started 14 charter schools using Goals 2000 funds. In addition, recent changes in other federal education legislation have supported the establishment and funding of charter schools.

The article decries "federal red tape" and then proceeds to attack two programs--Goals 2000 and direct lending for college students--that cut red tape.

Direct lending is a shining example of reinventing government. Students and administrators at more than 1,350 colleges--such as Harvard, Ohio State, and Virginia--give it high marks for simplicity, speed, and effectiveness. Contrary to the article's assertions, direct lending saves money compared to the guaranteed loan program.

The Congressional Budget Office's projection that direct lending costs more is predicated on a Republican-backed bookkeeping change, which accounts for direct loans differently from every other federal program. Direct lending's administrative expenses--primarily committed to contracts with private sector processing companies--are lower and easier to monitor than federal subsidies paid to banks, guarantee agencies, and other financial institutions. As Lawrence Lindsey, a member of the Federal Reserve Board who was appointed by President Bush, has written, "As long as it is necessary to provide a profit to induce lenders to guarantee student loans, direct lending will be cheaper."

In writing about the Clinton Administration's education agenda, it helps to go back to basics--researching the facts instead of propagating myths.

Yours sincerely,

Dick Riley

Richard W. Riley

usiness Daily
Important Decision Makers"
November 21, 1995

NATIONAL

THE FEDERALIZATION OF EDUCATION?

Clinton Wants Washington In Charge Of Schooling

By Matthew Robinson
Investor's Business Daily

President Clinton's latest line in the sand in the budget battle is education spending.

Clinton considers his education policies one of his greatest achievements. He cites Goals 2000 and expansion of the federal student loan program as too important to trim.

But Clinton is facing a GOP just as steeled to reform the education status quo as he is bent to defend it.

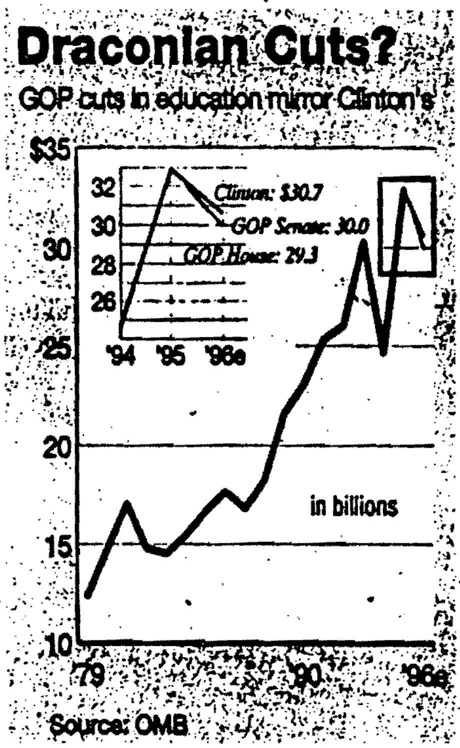
The budget battle represents two different views of the federal government's role in education. Clinton wants to preserve his education policies which broaden federal power. The GOP wants to send education back to the states.

A look at the numbers shows that Clinton's favorite education programs not only have failed to deliver better-educated kids, they have undermined traditional state authority.

To address this, the GOP is seeking changes in federal education programs, which have been the fastest-growing items in the federal budget.

In total, Washington spends about $70 billion a year on education programs, according to the General Accounting Office.

Since its creation, the Education Department's budget has more than doubled from $14.2 billion in 1980 to $32.9 billion in 1995.



In the past five years, the Education Department has grown from 4,596 bureaucrats and 155 programs to 5,100 bureaucrats and more than 240 programs.

The House wants to cut $3.6 billion from the Education Department, and the Senate wants $2.9 billion in cuts.

Despite his line in the sand, Clinton also called for a drop of $2.2 billion in education outlays in his 1996 budget.

Federal education spending also has risen dramatically relative to other discretionary spending since 1979, according to John Berthoud, vice president of the Alexis de Tocqueville Institution, a think tank in Arlington, Va.

In the '70s, inflation-adjusted federal education spending grew only about half as fast as other non-defense discretionary spending items (35% vs. 65.4%).

But with the creation of the Education Department, federal education spending surged — rising three-and-a-half times as fast as the non-defense discretionary budget (29.5% vs. 7.9%).

And it's not just the department. Some 30 other federal agencies spend more than $27 billion on 308 education programs that the GAO deemed often "duplicative and overlapping."

Despite the surge in federal spending, educational achievement barely rose. Average SAT scores rose just 1.1% during the '80s. And in more than a third of the states, scores fell.

"We have been throwing an endless stream of dollars at education with ever diminishing results," Berthoud said.

Still, the president has staked a lot on Goals 2000: The Educate America Act. The legislation builds on ideas begun in the Bush administration. It provides aid to states to develop education reform plans and implement "voluntary federal standards."

The president asked for $750 million — an increase of more than 87% over

Continued on Next Page

CLINTON'S EDUCATION GOALS

From page 1

fiscal year '94 — to finance the program. By 2002, total funding for Goals 2000 would reach $896 million.

But House Republicans have chosen to zero out Goals 2000. The Senate has opted to keep some of Goals 2000, cutting only $62 million — a drop of 16.6% from the 1994 budget.

When compared to a federal budget of more than $1.5 trillion dollars, Goals 2000 — even if fully funded — is hardly a drop in the bucket.

Philosophical Direction

And the federal share of education pales next to state and local shares. The U.S. spends about $484 billion a year on education at all levels — 7.6% of the GDP. The federal share comes to about 6%.

It isn't just the funding that bothers Republicans, it's the philosophical direction of Goals 2000.

The House, driven by the New Federalists, a group of about 50 Republican freshmen, chose to eliminate it.

Goals 2000, critics note, aims at raising national standards and performance. But it does so by expanding the federal presence in education, even though supporters claim the federal standards are voluntary.

Some of the controversial elements include:

- Goals 2000 uses the command "will" more than 45 times when describing what states must do to receive federal money. The word "should" is only used three times.
- States must submit plans to federal education officials showing how they will accomplish the national education goals.
- Once a state accepts Goals 2000 money, it must implement the program's requirements or be subject to federal action. Thus, a local charter school free from state regulations would have to answer directly to the federal government.
- Tests used to evaluate students are based on criteria such as self-esteem and thinking ability, not factual knowledge. A typical question on such tests is: "What are your feelings after reading this?" The answers may include "symbols, images and drawings" in place of words.
- Curricula and textbooks must fulfill federal specifications including "gender equitable and multicultural materials."

Controversial history standards that critics say are politically biased also are an outgrowth of the Goals 2000 reforms.

But the federal guidelines don't stop there, critics say. So intrusive are these measures, said Edward Kealy, director of Federal Programs for the National School Boards Association, that "I do not think any (corrective action) is left off the list short of a nuclear attack on school districts."

It boils down to one issue, others say. "Ultimately, it is an issue of local control," said Natalie Williams, an education specialist with the Claremont Institute, a California-based think tank. "Goals 2000 purports to be a wonderful reform measure. However, the GOP is looking to reform schools by freeing up schools with charters and restoring local control.

"It is tempting to look at Goals 2000 money and not see the implications. It's stifling creative reform efforts," Williams added.

The education establishment is up in arms at the GOP efforts to stop Goals 2000 before it gets started. The National Education Association, a union representing 2.1 million of the nation's teachers, has started a campaign to block the Republican budget plans.

Hyperbolic Rhetoric

Declares one NEA press release: "(T)he sound of the school bell is being drowned out by the growing roar of a chainsaw as Congress hacks billions of dollars from education to pay for tax cuts for the wealthy and giveaways to big business. As the school year begins, vital education programs are on the chopping block as never before."

Dale Lestina, senior lobbyist for the NEA is just as blunt. "Both the House and Senate proposals are poison to education. One just kills it a little faster. The Senate version is a little slower, but it'll still kill the program."

The GOP also wants to reverse Clinton's changes in student aid. Such aid is still a mainstay of the Education Department, with some 40% of its spending devoted to it.

The department spends about $12 billion a year to make more than $32 billion in grants, loans and work-study programs available to 6.5 million students — nearly half of the nation's college and university population.

Clinton has pointed to this program as an example of "investing in the next generation." To do so, he pushed through a change in student aid, from federally backed private lending to direct government lending.

Yet his direct lending program has not produced the savings he promised.

By eliminating the free-market lenders and administering the loans directly, the government hoped to save $5 billion.

But according to the Congressional Budget Office, the White House plan has cost $1.5 billion to administer.

Republicans plan on shifting the burdens back onto the private lenders who benefit from the loans. They predict a savings of $10 billion.

The GOP desire for local control has even led to the first voucher-like initiative in the District of Columbia.

The House's D.C. appropriations bill approves $3,000 scholarships for parents to choose the schools their children attend, whether public or private.

Washington students consistently score the worst in the nation — lower than any other inner-city group on the National Education Assessment Progress tests. Only 56% of city students even graduate high school.

But these arguments may soon become moot. In many states, there is a growing resolve to reject Washington money. States want to proceed with their own reforms free of federal red tape.

~~Montana~~, Virginia, New Hampshire and Alabama have all declined Goals 2000 money. ~~And in California~~ Gov. Pete Wilson's office, a debate rages about whether to accept $42 million of Goals 2000 funding.

Not all Republicans want to trim the federal role in education.

Senator Arlen Specter of Pennsylvannia helped save Goals 2000 in the Senate, fighting to keep $300 million in funding. His office also has been urging states to take the money and promising changes when state officials balked.

Even with the budget impasse, education reform is coming.

In The Crosshairs

Ever since President Reagan promised to abolish the Education Department, conservative Republicans have had their sights set on the department.

The Back to Basics Education Reform Act, a measure introduced by Ohio Republican Steve Chabot, a former school teacher, would abolish the department.

It also would send $9 billion in block grants to the states for elementary and secondary education and provide $2 billion for higher education.

Student loans, Pell Grants and the Individuals with Disabilities Act programs would be moved to the Department of Health and Human Services.

The bill has 120 cosponsors and is expected to reach the House floor for a vote next year.

"With all thy getting get understanding"

Fact and Comment

By Malcolm S. Forbes Jr., *Editor-in-Chief*

BLOODY DUMB IDEA

PRESIDENT CLINTON IS ADAMANT that the U.S. put 25,000 ground troops in Bosnia as part of a peace settlement. The proposal is murderously preposterous.

Have we learned nothing from our experiences in Lebanon and Somalia? What, exactly, would be our soldiers' mission? For how long? Under whose command?

These Americans would quickly become targets of anti-peace, anti-American factions, which are numerous in that part of the world. Instead of preserving peace, our presence would goad those who want conflict.

Presidential apologists point to Haiti, where U.S. troops have suffered virtually no harm. But Haiti isn't the Balkans, where war is being waged by determined armies. Moreover, Haiti sadly appears to be headed for another dictatorship as President Aristide methodically eliminates his foes. Our previous occupation (1915-1934) didn't make Haiti safe for democracy. This episode won't either.

President Clinton calls opponents of his ill-conceived scheme isolationists. The real fanners of isolationist sentiments are those who, like the President, would put our troops in harm's way without systematic, careful consideration as to how this will help our long-term national interests.

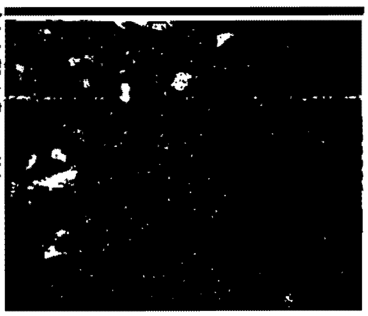
At the same time, the Administration still balks at the idea of removing the arms embargo on Bosnian Muslims. Instead, the White House prattles about providing defensive weapons. In the real world, only armaments of the scope and on the scale of the Serbs' will suffice.

A settlement that has any chance of lasting should involve NATO air power, not U.S. ground forces; should supply the Bosnian Muslims with sufficient arms and munitions; and should require Western Europeans, particularly the Germans, to forcefully tell the Croats that their hopes of joining the European Union are zilch if Croatia tries to cut a deal with Serbia to divvy up the rest of Bosnia.

BAD THEORIES → THROTTLED GROWTH

BRAZIL IS AN EXAMPLE of obsolete economic thinking's throttling a country that is ready for explosive rates of economic growth.

Until recently, the country seemed consigned to perpetual hyperinflation, to forever fulfilling that jocular but pessimistic forecast: Brazil has a great future and always will. But in 1994, former finance minister (now president) Fernando Henrique Cardoso instituted a dramatic anti-inflation plan that has been sensationally successful. From a level just shy of 2,500%, the annual inflation rate is now down to 22%. Brazil's long-shackled economy began to blossom and seemed ready to become the world's fastest-growing one.



President Cardoso: Quelled inflation. Must now exorcise slow-growth ideas.

Alas, the government and the central bank are now starting to choke the economy because of two wrongheaded ideas. One is that a developing country should have a trade surplus in order to "generate" capital for internal expansion. When imports mushroomed earlier this year, Brasília responded by slapping on tariffs and quotas for automobiles and other items.

The Central Bank of Brazil is guilty of the other toxic theory: Fast growth breeds inflation. The bank imposed a credit squeeze that has been especially damaging to small entrepreneurial companies. Neither central bankers nor government planners nor economists can possibly know how fast the Brazilian economy can grow. Growth doesn't destabilize a currency; excessive credit creation does. In short, if the central bank kept its currency permanently fixed to the dollar and announced this as its policy, real interest rates would fall and the economy would grow even more.

As it is, Brazil's potential is so extraordinary that the economy is still expanding at a 5% to 6% pace.

JUST SAY, "NO"

ALABAMA GOVERNOR FOB JAMES recently returned $1.4 million his state received last year from the Department of Education to help implement Washington's Goals 2000 program. The project, supposedly, will promote new national standards to improve kids' education.

The governor is right to send the money back. The guidelines, voluntary today, will, in Washington fashion, become mandatory and do schooling more harm than good since they are permeated with political correctness. The most notorious example is the initial draft of standards for American history. Figures such as the Wright brothers, Paul Revere, Thomas Edison and countless other icons are given short shrift while Joseph McCarthy and the Ku Klux Klan are highlighted.

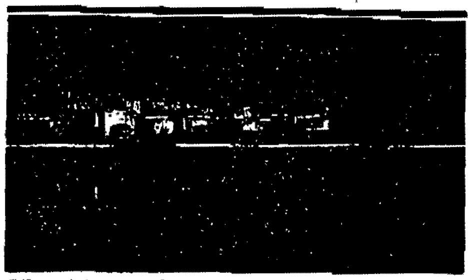
The state of New Hampshire has also wisely rejected the funding, as has Virginia. After originally participating, Montana is opting out. Other states should resist the lure of seemingly easy federal money and follow the example of these four states.

Governors Fob James, Alabama; Stephen Merrill, New Hampshire; George Allen, Virginia; and Marc Racicot, Montana: Resisting the D.C. bribe to imbibe a bad idea.

American education best flourishes when schools are accountable to parents, not to self-serving unions such as the National Education Association or to government bureaucracies.

LET'S FIND OUT WHAT'S THERE

FIFTEEN YEARS AGO Congress created the Arctic National Wildlife Refuge and set aside a small portion of the area for studying the potentially huge oil and gas resources there. Environmentalists are now waging a ferocious fight to put that part of ANWR into commercial deep freeze. Congress should pass the necessary legislation to enable exploration to begin. Our experience with Prudhoe Bay, now the source of almost 25% of our domestic oil production, amply demonstrates that development can be carried out in ways that are environmentally safe and sound.



Oil activity hasn't stopped caribou proliferation.

There is no good reason, other than emotion, for not letting exploration go forward.

SADDLING UP ANOTHER EQUINE MYSTERY

Come to Grief—by Dick Francis (G. P. Putnam's Sons, $23.95). Unlike the case with your usual whodunnit, we know the villain in this one from the start. And the crime here is not murder but the mutilation of horses for sadistic pleasure. Alas, the good guy is regarded as an envious cad for getting the goods on the bad guy, who enjoyed pre-trial O.J. Simpson-like popularity. The story tells how the evil deeds were done (the horses trusted their torturer) and who tried to cover up for the brute and why. As usual, the Francis-can hero is stoic and single, a man who hates to show emotion. A book not for the squeamish. Excerpt: *"I understand the jury isn't allowed to know anything about a witness. I was at a trial once in the Central Law Courts—the Old Bailey—when a beautifully dressed and blow-dried twenty-six-year-old glamour boy gave evidence—all lies—and the jury weren't allowed to know that he was already serving a sentence for confidence tricks and had come to court straight from jail, via the barber and the wardrobe room. The jury thought him a* lovely *young man. So much for juries."*

"Don't you believe in the jury system?"

"I would believe in it if they were told more. How can a jury come to a prison-or-freedom decision if half the facts are withheld? There should be no *inadmissible evidence."*

RESTAURANTS—GO, CONSIDER, STOP

Here is the distilled wisdom of brothers Bob, Kip and Tim, and other FORBES *eatery experts Jeff Cunningham and Tom Jones.*

● El Parador Café—325 East 34th St. (Tel.: 679-6812). Can't get a reservation at Rosa Mexicano? Don't like the hassle of Zarela's? Try this granddaddy of Mexican restaurants in New York (opened in 1959). No attempt at the more sophisticated culinary achievements of the aforementioned restaurants, but what is offered is robust, tasty and dependable. A fun place, romantically lit.

● Mambo Grill—174 East 82nd St. (Tel.: 879-5516). Venezuelan cuisine. If it's on the menu, try the ropa vieja—shredded pork, moist and garlicky. Desserts good, too—rice pudding, delightfully nonsweet.

● Shun Lee Palace—155 East 55th St. (Tel.: 371-8844). Better than ever. Food and service are tops. Consider chicken grand chef (marinated with black beans, ginger, scallions, mushrooms and bamboo shoots) or rack of lamb Szechuan style (grilled with garlic and scallions, served with broccoli and carrots in a Szechuan sauce).

● Deniz—400 East 57th St. (Tel.: 486-2255). Turkish food, occasionally wonderful (particularly char-grilled, mashed eggplant salad), but generally disappointing.

● Royal Canadian Pancake House—1004 Second Ave., at 53rd St. (Tel.: 980-4131). High-cholesterol heaven. Even so, place full of smartly dressed young professionals who order up Texas-size pancakes, French toast the length of the Wonder Bread loaf topped off with gobs of whipped cream. Everything that doesn't get syrup is dripping with melted cheese. Sausages are to die for. ■

(over, please)

ROLL CALL, May 13, 1996 P-3

Goals 2000 Helps States and Localities Meet Their Individual Education Needs While Improving Standards

By Richard Riley

If you listen carefully through the shouting matches and the heated ideological debates swirling about education lately, you can hear clearly the points upon which virtually all Americans agree.

First, our education system still has a long way to go before it provides the levels of education excellence Americans want and need for the future. Together as a nation we have made important gains in some areas, such as mathematics and science performance, in the past decade.

However, we must judge education quality by the needs of the future, not just by our accomplishments of the past. And while there are indeed outstanding schools all across America, we need many more. By this light, we cannot accept the status quo. We must raise the ceiling of academic performance for our best students, and we must dramatically raise the floor for our lowest achieving students.

Second, the single most important step to improve our schools is to set challenging academic standards for basic and advanced skills in core academic subjects — and then to hold students, schools, and educators accountable for progress toward reaching those standards. We must end the tyranny of low expectations and a watered-down curriculum that has needlessly depressed the academic achievement and aspirations of too many of our students.

Students will learn more if we expect more of them, and they will learn the meaning of hard work as well. On this point, agreement among Americans is broad and deep. Governors, business leaders, and President Clinton agreed on this point at the 1996 National Education Summit held several weeks ago, just as the governors and President Bush did at the 1989 Charlottesville Education Summit. Parents, educators, and business groups have provided strong support for raising academic standards. Raising standards is not a partisan issue; it is a common-sense American approach to improving our schools.

Third, education is a state responsibility and a local function. States have the constitutional responsibility to provide for elementary and secondary education, and therefore to lead the effort to improve education. States and local communities are responsible for determining academic standards, and for deciding what students should learn. Local control of education is not a recent discovery, but part of the basic fabric of our American democracy. As a former governor, I don't believe this point has ever seriously been in question.

Fourth, education is a national priority, the foundation for our nation's economic security and for each family's. Employers draw their employees from multiple communities and across state lines. An uneducated dropout may leave his community and wind up unemployed in another state. And today's families are mobile. Parents and grandparents know that children who go to elementary school in one state may go to high school in another, and to college in a third.

States need help meeting the education challenges they face. Federal support for state-designed education reform is in the states' interest and in the national interest. The nation's governors and President Bush explicitly recognized this at the Charlottesville summit, and nothing that has occurred since alters this reality. We as a nation have an interest in helping states, local communities, and schools — as well as a responsibility to do so.

Goals 2000 provides the help states and local communities need. The toughest money to find is money dedicated to making improvements in education. That is what Goals 2000 provides. In exchange for added resources, it simply asks states to set their own rigorous academic standards and to develop their own approaches to improving education. It is explicitly predicated on the assumption that states and local communities are already moving in the right direction. Federal support helps states and communities move faster in more schools.

The program is already beginning to make an important difference. Ohio is using its Goals 2000 funds to assist schools with large numbers of students failing to meet state standards, providing needed assistance as part of its overall approach to accountability. Colorado focuses its funds on assisting local school districts to set their own standards. In Wyoming, Goals 2000 funds are helping local school districts develop ways of using education technology to help students reach academic standards.

Texas and California are using Goals 2000 funds to focus on improving early reading skills. In Delaware, Goals 2000 funds underwrite local school efforts to develop model curricula that reflect the tougher state academic standards. In Rhode Island, Goals 2000 funds support teacher training. Michigan, Massachusetts, and Minnesota used some of their funds to help launch charter schools. Kentucky has used Goals 2000 funds to promote greater parental involvement in the states' efforts to improve student achievement.

These are just some examples of how Goals 2000 funds support state and local approaches to improving education. The decision regarding the use of these funds is made at the local and state levels, not by federal officials.

Despite this broad-based mainstream approach to education improvement, some have worked hard to make Goals 2000 controversial. Its critics inaccurately alleged that Goals 2000 is a vehicle for federal intrusion into local education matters, and that participation in Goals 2000 will require "outcomes-based education," school-based health clinics, or lead to federal inspection of child-rearing practices.

None of this is remotely accurate. It neither reflects an informed reading of the Goals 2000 Act, nor the track record of its implementation, nor its bipartisan, mainstream beginnings. None of these or other charges is reflected in

More...

the experience of the states and thousands of individual schools involved in Goals 2000. Those who are actually participating in the program are not complaining of federal intrusion. The most vocal and persistent criticisms in fact come from those without any firsthand knowledge of how the program actually works.

It is important to lower the heat and reduce the rancor. Ideological fights — especially about fictitious problems — don't help our students learn and achieve.

Last month, when President Clinton signed the 1996 Omnibus Appropriations bill (including $350 million for Goals 2000), he also signed into law a series of amendments to Goals 2000. These amendments were originally proposed by Sen. Arlen Specter (R-Pa), a supporter of Goals 2000. These changes ought to increase bipartisan support for this effort to improve local schools. They respond to the most frequent criticisms raised about Goals 2000, while leaving in place the fundamental principles that provide the foundation for Goals 2000: higher standards, enhanced flexibility, state and local control, and accountability for results.

Goals 2000 critics inaccurately alleged that it is a vehicle for federal intrusion into local education matters.

These are some of the most significant changes to Goals 2000 made by the Specter Amendment:

• **Eliminate the National Education Standards and Improvement Council (NESIC).** This council had the authority to review and approve voluntary national standards, as well as state standards voluntarily submitted to it. It would have provided a non-binding "Good Housekeeping Seal of Approval," signifying those standards that were internationally competitive, and providing a benchmark for states and local communities establishing their own standards. The law made quite clear that the council had no authority over state or local decisions, and that no federal funding could be tied to the use of standards recognized by this council.

Nonetheless, critics of Goals 2000 portrayed this council, even before it was named, as an intrusive "national school board." Last year, at the request of a bipartisan group of governors, I asked the President not to appoint the council, and supported Rep. William Goodling's (R-Pa) efforts to repeal the authority to establish NESIC.

Eliminating NESIC doesn't eliminate the need for some mechanism to provide the information needed to help states establish competitive academic standards. In the aftermath of the recent education summit, business leaders and governors are now working to set up a different, non-governmental entity to accomplish these and other related purposes.

• **Provide an alternative to federal review of state education improvement plans.** There needs to be a level of accountability in any federal program. We owe this to the taxpayers. The Goals 2000 Act has provided for this accountability by requiring that a state submit to the Secretary of Education for review and approval a statewide education improvement plan, within two years of initial funding. The plans are reviewed by educators, policymakers, and business leaders — not by federal officials — in order to determine that the state has a plan worth the continued investment of federal funds. The criteria are that the plan (1) holds a reasonable promise of success; (2) provides for local flexibility; and (3) enjoys broad support within the state.

These broad criteria do not require — nor does the act permit — federal review and approval of academic standards or curriculum. There is no attempt made to determine if these state reform strategies meet some federal model.

Some see federal approval of state education plans as the basis for federal intrusion. But let's look at the facts. Twenty states have submitted plans. All of the plans have been approved. There has been no requirement that the plans be changed as a condition of approval, and no federal intrusion.

In practice, the review of state education reform plans has simply allowed for a responsible assessment that the state in fact has a plan that can work.

Specter's amendment provides an alternative to this approach, as it builds on the provisions in Goals 2000 that emphasize accountability to voters, taxpayers, parents, and educators in the state, while still providing adequate accountability to the federal government.

• **Local participation in Goals 2000.** Local communities in states that are not participating in Goals 2000 are being denied the opportunity to benefit from resources they may want and need to address problems in their schools. Often, local education officials find that the purposes of Goals 2000 match their local needs well, and do not agree with the concerns expressed by state officials.

Another change in Goals 2000 permits local school districts in the few states not participating as of last October to apply directly to the Department of Education for a share of the funds allotted to the state — if the state education agency approves of local participation.

As under current law, local participation remains a local determination. However, this change places greater emphasis on local control, and challenges state officials to do the same.

These and other changes in the Goals 2000 legislation ought to reduce the needless controversy over this bipartisan initiative. It is time to go beyond the fighting and move forward with Goals 2000 in support of education reform.

Richard Riley is Secretary of Education.

With Goals 2000, State and Local School Boards Become 'Serfs' to an Intruding Federal Bureaucracy

By Gov. George Allen

Public education is appropriately and exclusively a responsibility of the states and local communities. It has been so recognized in Virginia since the days of Thomas Jefferson, it was so understood by all of the founders of our Republic, and it is a right conferred upon every citizen of the Commonwealth in the constitution of Virginia.

Rather than diverting tax dollars to Washington, where they are largely wasted on the pet schemes of federal education bureaucrats, precious resources for education should remain at the state and local levels, where the vitally important responsibility for teaching our young people resides.

When the federal government nevertheless insists upon entering the education arena, the principle of state and local education autonomy makes it essential that resources be distributed on a true block-grant basis — without any requirement of federal approval of state or local educational policies, and without aggravating federal mandates, restrictions, or limitations of any kind.

It is because of this issue that the vigorous conflict over Goals 2000 has arisen.

Shortly after taking office, President Clinton rejected the vision of state and local education autonomy reflected in the Bush Administration's America 2000 initiative. Instead, the Clinton team persuaded Congress to enact a highly prescriptive, 150-page Goals 2000 law that proceeds from this objectionable premise: State and local officials cannot be trusted with education reform, and therefore must be coerced into submitting their education plans for federal review, approval, and oversight.

The Goals 2000 law thus treats the states and local school boards as serfs of the federal government. To the extent there is flexibility for state and local education decisions under Goals 2000, it is only at the sufferance of federal bureaucrats.

To some, the allure of a few cents per day per student in federal aid may be sufficient to obscure or override the imperative of state and local control. Money is surely a powerful enticement, and as a device for centralizing power in Washington, it has proven highly effective. Financial enticements have been used cynically for decades to shift control over countless facets of our lives to remote and unaccountable federal bureaucrats and judges.

For me, the refusal to surrender control of public education to the federal government is a matter of the most profound principle. But for those not impressed by the principle at stake, the practical lesson we learned in Virginia just two years ago also supplies ample reason to reject Goals 2000.

Shortly after I was elected governor of Virginia, the Clinton Administration unilaterally changed its interpretation of another federal funding law (IDEA), and tried to hold hostage $50 million in special education funds until Virginia agreed to submit to federal restrictions on our ability to discipline violent and disruptive students, including those who bring drugs and guns to school or assault teachers. Only through a lawsuit did we overcome this Clinton Administration attempt to extort changes in school disciplinary policies. This lawsuit continues today.

Thus, the threat that the most basic of our local school policies will be micromanaged by President Clinton's liberal education bureaucracy is not theoretical; we have already felt its sting in Virginia.

As I approached the challenging Goals 2000 issue with both these principled objections and hard-learned practical lessons, I concluded that this was an issue on which Virginia had to make a stand.

In the last two years, our progress on education reform here in the Commonwealth has been monumental. We have decisively rejected the failed liberal outcome-based education model, and we have moved quickly to the forefront nationally in the development of rigorous academic standards in the basic subjects — English, math, science and history — and regular testing to measure student achievement against these standards. We have brought academic accountability into Virginia's public school system.

We have coupled this drive for academic rigor and accountability with a massive increase — more than $600 million in the budget I signed earlier this month — in funding for elementary and secondary education.

Our fight to link increased education funding with far-reaching academic reform has been challenging, to say the least. But in the end, we have forged a bipartisan consensus. And we have done all this without federal help, federal intrusion, or federal dictates.

Not surprisingly, the Clinton Administration seems threatened by this success. After all, if states like Virginia can succeed in education reform without submitting to federal approval and oversight under Goals 2000, then the Washington-knows-best premise underlying the Goals 2000 program will quickly crumble.

Recognizing the threat, the Clinton Administration and its partisan allies in Virginia have launched a no-holds-barred political campaign to pressure our state and our local school divisions to join the Goals 2000 program. The pawns in this cynical campaign have been Virginia's students, parents, teachers, and school boards. Goals 2000 partisans have publicly dangled the lure of small sums of federal money before these local officials, and have disingenuously dismissed the federal threat to local autonomy over education.

Fortunately, it is the Clinton Administration that has begun to give ground. The changes made to the Goals 2000 law in the recently approved appropriations bill do not go far enough. But some of the amendments do represent important concessions by the President and his education team. The movement is in the right direction — toward explicit statutory safeguards for state and local autonomy.

These concessions would not have been wrested from the Clinton Administration if Virginia and other principled critics of Goals 2000 had not taken a strong and firm stand against federal intrusion.

Regrettably, however, this fight is not over. The Clinton Administration steadfastly rejected Congressional efforts to abolish some of the most objectionable provisions of the Goals 2000 law.

More...

The contradiction in the Clinton Administration's position could not be more glaring. On the one hand, Clinton Administration representatives have repeatedly claimed that there are no "strings" or dictates on Goals 2000 funding. On the other hand, they only grudgingly have agreed to eliminate some — and have refused entirely to eliminate other — of these supposedly nonexistent federal "strings" or dictates.

If there were truly no federal dictates attached to Goals 2000 funding, the Clinton Administration would simply distribute the money to the states in the form of an unconditional and unrestrictive block grant.

Among other mandates, Goals 2000 requires that each state (or locality) submit an "improvement plan" that conforms to the standards and provisions set out in the Goals 2000 law.

In addition, states must develop content and performance standards that are consistent with nationally recognized standards. Ironically, we in Virginia have forged and are already implementing a broad-based, bipartisan agreement on high academic standards, while the problem-plagued effort to develop national standards under Goals 2000 continues to lag.

In the weeks ahead, our state's board of education will be evaluating the recent changes in the Goals 2000 law to see what combination of enforceable administrative waivers and/or further statutory changes are needed to convert the misguided Goals 2000 scheme into a true block-grant program with statutory safeguards for state and local direction of education.

Virginians pay their fair share of federal taxes, and we deserve to have a fair share of the education resources that are returned to the states. But we have come too far, and achieved too much, to accept funds on terms dictated by a liberal federal education bureaucracy. We will participate, if at all, on our terms — in a block-grant program with legally enforceable guarantees that there will be no federal mandates, no federal restrictions, no federal oversight, no federal interference of any kind. The freedom to chart the best course for the schoolchildren of Virginia cannot be sold to power hungry federal bureaucrats.

Until then, we Virginians will go our own way — honoring Jefferson's visionary commitment to public education, and remaining true to his principle that the education mission belongs exclusively to the states and to the people, active in their neighborhoods and local communities.

George Allen (R) is the governor of Virginia.

ROLL CALL, May 13, 1996 P-5

The State of the Education Debate: It's the Election

Future of Federal Role Will Be Determined by Presidential, Congressional Contests in November

By Morton Kondracke

Having failed in their efforts last year to dismantle the superstructure of federal education programs erected by President Clinton and his predecessors, the Republican Congress seems resolved to leave it standing this election year.

Legislative action on education in 1996 is likely to be limited to reauthorization of the Individuals with Disabilities Education Act, passage of a controversy-afflicted consolidation of federal job-training programs — the so-called CAREERS bill — and determination of funding levels for various education programs.

Conceivably, a fight could take place if Republicans renew efforts — which failed last year — to limit direct government lending to college students, but it isn't certain that they will do so.

And President Clinton may veto Congress's immigration bill if it includes limits on education benefits, including student loans, to legal immigrants and allows states to deny schooling to children of illegal immigrants.

Even though the number of education initiatives being considered in Congress this year is limited, education will be an issue in the 1996 campaign.

Democrats, led by President Clinton, argue that federal aid is necessary to help states, students, schools, and workers cope with the new global information economy.

Democrats, led by President Clinton, argue that federal aid is necessary to help states, students, schools, and workers cope with the new global economy.

Clinton and the Democratic 103rd Congress passed a raft of new education programs, from expansion of the pre-school Head Start program to direct lending, and Clinton has proposed new initiatives such as assistance in updating education technology and tax-deductibility for college tuition, which presumably Congress would pass if Clinton is re-elected and Democrats recapture one or both houses of Congress.

On the other hand, if Republicans win the presidency and retain control of Congress, they can be expected to resume swinging a wrecking ball at federal programs.

"We have absolutely no hostility to education," says Rep. John Porter (R-Ill), chairman of the House Appropriations Labor-HHS subcommittee that oversees education programs, "but we are hostile to programs that don't get results."

Depending on which Republican is speaking, anywhere from some to all of the federal government's estimated $50 billion in spending on education and job training fits into that category, especially including the federal Department of Education, whose programs account for $23 billion of the total.

Like President Reagan before him, GOP presidential candidate Bob Dole (Kan) is vowing to dismantle the department and ship its responsibilities and funding to states and communities.

The agency was on the GOP Congress's hit list last year, too, but it still exists because moderate and conservative Republicans couldn't agree on whether to consolidate the Labor and Education Departments or give remnants of Education to the Department of Health and Human Services.

Another GOP idea for dismantling the federal education structure — converting federal education programs to block grants — also failed because moderates opposed it.

No major efforts to dismantle the DoE or to block-grant its programs are expected this year, according to Rep. Steve Gunderson (R-Wis), a key member of the House Economic and Educational Opportunities Committee.

Republicans also failed last year to significantly reduce the amount of money the federal government spends on education, and Porter says he does not expect major funding fights this year.

In fiscal 1995, the federal government spent $24.4 billion on Department of Education programs. The House voted last year to chop that to $21.2 billion.

The Senate countered with $22.8 billion, and after intense political struggle with the White House, Congress and the Administration finally settled on the Senate figure in the omnibus appropriations bill passed last month — six months after the current fiscal year began.

President Clinton has requested an increase to $25.6 billion for fiscal 1997. He seems unlikely to get much additional money, but neither is Congress inclined to chop much from current funding levels.

"We do not want to spend this fall in another struggle with the White House," Porter says. "Everyone wants things to move as smoothly as possible to get an appropriations bill passed and get it signed by the start of the new fiscal year October 1. I'd hope that the struggles of 1995 will give us guidance on how to proceed."

Overall appropriations levels tell only part of the story of last year's education battles and the ones that may resume in 1997.

One of President Clinton's favorite accomplishments during the first two years of his presidency was GOALS 2000, a program to help states set up student performance standards and tests to measure results.

Funded at $362 million in fiscal 1995, President Clinton last year requested that the GOALS program grow to $750 million this year. Flush with election victory in November 1994, though, House Republicans voted to "zero out" the program. The Senate came in at $350 million, which the Administration ultimately accepted. President Clinton has asked for $476 million for fiscal 1997.

While he probably won't get it all, the GOP knows that it's in for a fight if it tries to cut too much. If Republicans win the '96 elections, though, GOALS 2000 may again be in jeopardy.

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The same goes for the direct lending program, which Congress sought to kill and then limit in 1995, but ended up funding at $436 million after Clinton vetoed the GOP budget.

Like President Reagan before him, GOP presidential candidate Bob Dole is vowing to dismantle the department and ship its responsibilities and funding to states and communities.

Rep. William Goodling (R-Pa), chairman of Economic and Educational Opportunities, and Rep. John Kasich (R-Ohio), chairman of the House Budget Committee, are due to meet soon on what to do about the loan program this year, but even if they decide to take another run at it, it's not clear an effort to kill it will succeed.

Definitely on Congress's agenda for this year is the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act (CAREERS), which consolidates 128 job-training and career-training programs into block grants.

The measure is in House-Senate conference, but is bogged down because Republicans can't agree on whether to create a single block grant and allow governors free rein to spend 50 percent of the money, as the Senate prefers, or to create three block grants and limit gubernatorial discretion, as the House voted.

Gunderson said that House Members are worried that if the Senate prevails, governors will give money intended for job trainees to corporations as a device to lure them into the state.

Another impediment to the bill is the opposition of conservative activist Phyllis Shalfly, who charges that the whole idea of a federal program to aid the 75 percent of young people who don't graduate from college constitutes a massive "elitist" plot to divert working-class children away from college.

Despite the complications, Gunderson predicted that "the bill will pass." Even though the Administration objects to the Senate version's leeway for governors and both chambers' elimination of his 1993 School to Work apprenticeship program, he is unlikely to veto.

The educational disabilities reauthorization, currently being considered in House and Senate committees, is the subject of minor disputes over how school systems can discipline disabled children.

Gunderson expects that other hot education issues, such as vouchers and school choice, will be deferred to other years.

Republicans earlier this year tried to create a scholarship program in the District of Columbia allowing poor youngsters to attend private schools, but Democrats and the Administration blocked it. Gunderson does not expect a new DC initiative before the election.

During the campaign, however, school choice and school quality could become major debating issues. Dole favors maximum choice, but Clinton wants to limit it to public schools.

At the moment, polls show that Clinton has a significant edge on the issue. A March Gallup poll showed that the public approves of Clinton's performance on education by 54 to 40 percent and disapproves of Dole's by 48 to 33 percent.

The public also disapproves by 80 percent of GOP plans to dismantle the Department of Education.

GOP primary election exit polls show that even a majority of Republican voters opposes deep cuts in education spending.

That could be why the GOP doesn't plan to repeat its 1995 policy thrusts this year. What happens next year depends on the election outcome.

ROLL CALL, May 13, 1996 P-6

Proposed Budget Cuts in Job Training Programs Hurt America's Ability to Compete in Next Century

By Rep. Donald Payne

As we move into the next millennium, we find that we live in a society in which technology is constantly changing, trade is expanding, and capital is mobile.

Education has become the fundamental fault-line in our nation's standard of living, especially with the enactment of GATT and NAFTA. In preparation for a shrinking global marketplace, Congress is considering legislation that would consolidate many existing federal employment and training programs.

CAREERS — the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act H.R. 1617 — makes significant changes in the federal role in this area.

The House bill would repeal several employment and training programs and authorize multiple consolidation grants to the states, including Youth Development and Career Preparation, Adult Employment and Training, and Adult Education and Family Literacy, and would also amend the Higher Education Act to provide for the "privatization" of Sallie Mae and Connie Lee.

The Senate bill repeals several employment and training programs and authorizes a consolidation grant to states to promote work-force development systems. The main activities supported by the grants would be work-force employment and education activities.

The bill creates a federal partnership to administer authorized activities. It also erects two state governance structures — one under the governor for employment activities, the other under the state education agency for education activities; a provision for one-stop centers in substate areas; and goals and benchmarks to quantify program performance.

The bill would also establish a separate funding stream for Job Corps Centers for at-risk youth and would amend some acts, including the Rehabilitation Act of 1973 and the National Literacy Act.

As you can see, H.R. 1617 incorporates a whole host of issues within the scope of this legislation, many of which have little to do with each other. In the overall efforts to reduce federal spending and in anticipation of new authorizing legislation that would consolidate employment and training, Congress has reduced or eliminated funding for many programs that would be consolidated.

Moreover, while moving to reconcile the House and Senate versions of H.R. 1617, Congress has, as a result of FY 1995 rescissions, significantly cut original FY 1995 funding for many employment and training programs, and in some cases eliminated program funding, which further erodes the federal role in promoting work-force preparation.

The translation: No matter what form legislation authorizing these programs takes, resources for the federal employment and training efforts have already been significantly reduced, and the remaining program priorities have been established through appropriations.

On the surface, consolidating unnecessary, duplicative programs sounds like a great idea. However, upon closer examination, it is clear that adult education and training programs are education programs, not job-training programs. They lay a critical foundation for job training, but their mission is clearly education.

An alarming divide is developing between the schools and the workplace at a time when nations like Japan have forged successful alliances between their schools and prospective employers. By eliminating so many of these programs, H.R. 1617 fails to integrate these two very connected, but increasingly singular, institutions that are integral to our ability to compete in the emerging global market.

Now more than ever, post-secondary education and job training are the gateway to America's middle class.

People enroll in the adult education and literacy system for a variety of reasons. Most common among them is the real income of many American families. Over the past 15 years, we have seen our incomes stagnate, as our real incomes have actually declined. For example, in 1979, a male college graduate earned 39 percent more than a man with only a high school degree.

In 1993, this gap more than doubled; a male college graduate outpaced the earnings of his high school graduate counterpart by 80 percent. Studies have shown that for every year of training a person gets after high school, his or her earning potential rises by up to 12 percent.

Now more than ever, post-secondary education and job training are the gateway to America's middle class.

While the House proposal preserves the flexibility of states to meet whatever their unique needs are, greatly reduced funding will almost certainly engulf everything but those activities directly related to job training. This is evidenced in the recent budget agreement for FY 1996 reached between the Republican leadership in Congress and the President, which allocates $1.1 billion for dislocated workers. The $1.1 billion provides assistance to an additional 100,000 workers who have been laid off.

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Furthermore, because of the work-force requirements under welfare reform, there will be tremendous pressure from governors to move as many people as possible into jobs from AFDC. The obvious consequence would be the siphoning of adult education and literacy funds into job training.

Under the governance structure created by H.R. 1617, a governor would reserve 25 percent of the funds for employment activities for statewide activities. The remainder would be allocated to local entities based on certain factors, such as the population, ages 15 to 64; individuals in poverty; and adult recipients of AFDC.

Funds for employment activities would be used for providing one-stop delivery of core services, such as assessment and job search; for establishing a labor market information system; and for the job placement accountability system. In addition, these funds could be used for activities such as more intensive job training services, on-the-job training, and pre-employment and "work maturity" skills for youths.

Finally, states could choose to use vouchers to provide some non-mandated services, such as occupational skills training, to persons age 18 or older who are unable to obtain Pell Grants.

A recent study conducted by the Census Bureau for the Department of Education has implications for the ongoing political debate over training programs. The report found that increases in workers' education levels produce twice the gain in workplace efficiency as comparable increases in the value of tools and machinery.

The findings, released last year, are based on interviews with managers and owners of about 3,000 businesses employing 20 workers or more. It found that a 10 percent increase in the educational attainment of a company's work force resulted in an 8.6 percent increase in productivity. A 10 percent increase in the value of capital stock, such as tools, buildings, and machinery, produced only a 3.4 percent increase in productivity, the survey found.

Not so, amazingly, you retrieve benefits (productivity) equal to the investments made in education.

As a former educator, I witnessed the wealth of human resources in my classroom. The findings of this study merely document several years of observation. I do not believe that

An alarming divide is developing between the schools and the workplace.

these programs are duplicative and, therefore, do not merit the wholesale elimination — excuse me, consolidation — that is outlined within the scope of this bill.

I do believe the results from this study are dramatic and demonstrate the penny-wise, pound-foolish approach of many of the Republican proposals that have been steered through this Congress. This proposal terminates education and training programs in hopes of boosting incentives to invest in physical capital, and yet the evidence shows that we reap the greatest benefits by investing in our most valuable resource, in human capital.

The language in the CAREERS Act allows states to determine program standards and requirements for program services. There are currently federal requirements that states must meet in order to qualify for federal money for job-training and eductation programs. This change in law, raises questions about the states' commitment to provide services, and these concerns should be addressed as we proceed with reauthorization.

We are headed into the 21st century, and we are going through a critical transition period. We are in a position to blaze a trail into the next millennium, to set the stage for a stronger commitment to a well-educated work force. The stakes are high.

One reality we, as a nation, must confront is that in the face of reform, we must retain an integrated network of services designed to sustain the living standards of Americans and their families. In a time when many families are dealing day-to-day with their own personal survival, it is difficult to see beyond that day's hardships and to see the broader picture.

The strength of our nation was built on innovation and its resources. We can provide the support necessary to nurture the economic and social development of American families. We can't afford not to.

Rep. Donald Payne (D-NJ) is a member of the Economic and Educational Opportunities Committee.

'Back to Basics': No Federal Bureaucracy

Proposal Would Eliminate Department of Education, Give States Block Grants

By Rep. Joe Scarborough

As the father of two young boys in public schools, I believe that one of the greatest challenges facing our republic in the 21st century will be the revitalization of America's educational system. It is a challenge Washington has failed to meet over the last 20 years.

In Greek mythology, Prometheus was condemned by the gods to be chained to a mountain and forever have his liver devoured by an eagle. Conducting education policy in the United States for the last 20 years has been sort of like that.

It has been an agonizing process of having the independence of teachers, parents, and communities painfully eaten away by an ever-expanding Washington bureaucracy.

That is what H.R. 1883, the Back to Basics Education Reform Act, introduced by the New Federalist Education Task Force, chaired by myself and Co-Chairman Steve Chabot (R-Ohio), is designed to reverse.

In 1979 when the world was young and man kneweth not sin and was innocent, the Department of Education was created with assurances that local schools would retain their independence and education resources would be more effectively allocated by a federal agency. Such assurances now seem quaint in the wake of reports of education dollars being spent to close caption the television program "Baywatch" and of Drug-Free Schools grant money being invested in retreats for school administrators to Maryland's Eastern Shore.

The Back to Basics Education bill would help to eliminate waste by allocating, and ultimately freeing, education dollars to go back to the states. Under H.R. 1883, the federal education bureaucracy is eliminated within one year and two block grants, one for elementary and secondary education at $9 billion, the other for higher education at $2 billion, are created.

These block grant monies go directly to the states, with no strings attached on how the funds are used other than a requirement that the states assure that the money is being used to improve education.

These block grant monies go directly to the states, with no strings attached on how the funds are used other than a requirement that the states assure that the money is being used to improve education and the imposition of a 2 percent cap on administrative costs.

Aside from these two limitations, block grants can be used by the states to fund existing programs or to develop new ones, all without interference from Washington. Such an approach allows the states to address their own peculiar education problems and to find solutions tailored to meet their specific needs. The block grants are maintained for four years, at the end of which time the grants expire and are replaced by a tax cut, thereby freeing up funds for the states to tax or not, as they wish.

The gravamen of this approach is state responsibility and state accountability. The local education agencies in each state will have to show how they have used the resources allocated to them. The states will be responsible for the programs they create or maintain and will be accountable to their constituents for those programs. In essence, those levels of government most responsive to the public will be charged with seeing to it that the nation's children are receiving a meaningful education.

Beyond such structural changes, H.R. 1883 maintains seven programs outside the block grant framework. These are Impact Aid, the Individuals with Disabilities Education Act, Indian education, the Federal Family Education Loan program, Perkins Loans (although new capital into the program will be prohibited), the Pell Grant, and the Education Department's civil rights functions. Each of these programs is transferred to other appropriate federal agencies and is, except for civil rights, sunsetted, with language asking Congress to look at how the programs might be improved or restructured.

Finally, H.R. 1883 maintains various federal protections of parental rights, while eliminating Goals 2000 and other such programs. The sum total of this approach is to acknowledge not just political utility, but a constitutional reality. That reality is all 50 state constitutions deem education to be an essential responsibility of the states, whereas the federal Constitution does not even mention the issue. By passing H.R. 1883, Congress would be restoring the proper relationship between Washington and the state and local governments in matters related to education.

The evidence would seem to suggest that such a restoration is long overdue. Since 1979, the budget for the Department of Education has risen steadily from $14 billion to about

More...

$33 billion in fiscal 1996. Such spending gives the United States one of the highest per pupil spending ratios in the free world. Yet during that same time frame, test scores have stagnated or declined outright. Although there has been some slight improvement in the recent test data, American students still rank below such renowned giants as Spain and Slovenia in math and science. It is not difficult to see that if such statistics are not reversed, the United States will not remain the intellectual force that it is, with all the consequences that suggests both in material and moral terms for the nation and the world.

Such consequences are not to be taken lightly. Abraham Lincoln once said that the philosophy of the schools in one generation will be the philosophy of the government in the next. Further, given that the very essence of American nationhood is the acceptance not of nationality, ethnicity, or religion, but of "a proposition," Congress ignores the decline of education at its peril. The nation will not remain a nation if its founding ideals become shopworn clichés without intellectual vitality.

Yet currently, Congress remains reluctant to move forward on H.R. 1883, preferring not to undertake the difficult intellectual task of explaining to the public the history of American education for the last 20 years. Instead, the Clinton Administration and its Congressional allies, both de jure and de facto, seek to increase federal education spending still further and to give even broader power to the education bureaucracy that provides the public schools with only 8 percent of their funding yet 55 percent of their paperwork, according to the legislative office of educational oversight in Ohio Gov. George Voinovich's (R) office.

Admittedly, explaining to a public too easily inclined to assume that increased dollars means better education, all the evidence to the contrary notwithstanding, will be a politically difficult and dangerous undertaking. Yet Congress, if it is to serve the deliberative and pedagogic functions for which it was in part created, must commence the debate. The

In essence, those levels of government most responsive to the public will be charged with seeing to it that the nation's children are receiving a meaningful education.

public must be made to fully understand that a future of a stagnant or declining education system means not just a lower standard of living, but a very serious threat to the American idea of nationhood. Further, the full extent of the failure of Washington's great education experiment must be made manifest.

While it is too much to say Washington has caused all the problems faced by contemporary American education, it is not too much to say that the federal government has, by politicizing the system, aggravated those centrifugal forces in society that have helped to undermine education. By returning power to states, localities, teachers, and parents, and by eliminating the blunt instrument that is the federal government, the process of stopping, and perhaps of reversing, the damage done to education during the last 20 years can begin.

To that end, Congress should commence hearings on H.R. 1883 as soon as possible, and make a commitment to a vote on it either this year or next. The easy and politically safe answer of more federal spending and more bureaucracy without a parallel commitment to reform is no longer acceptable. The nation's education system must be reformed and restored to its old vitality. In short, it is time to cage the eagle and free Prometheus.

Rep. Joe Scarborough (R-Fla) is a member of the Government Reform and Oversight Committee.

ROLL CALL, May 13, 1996 P-9

Changing Work Force Requires Focus on Skills Training

Current Education Priorities Overlook the 'Forgotten 75 Percent' of Students Who Don't Graduate From College

By Rep. Bill Goodling

In addressing the major issues of education reform today, Americans strongly favor efforts to strengthen local control of education, involve parents more fully in education decisions, and strengthen children's performance in the basic academics.

While considering reforms to strengthen local education, it is important for us to remember that only approximately 25 percent of today's youth will graduate from college. The "forgotten 75 percent" are not simply a statistic. They are our daughters and sons and they make up 22 students of every classroom of 30 children.

The Changing Work Force

Since the 1940s, many American schools have openly employed a two-track education system, including an academic college-prep track and a vocational education track. Unfortunately, there is also a third track that isn't formally recognized. This "general" track is for students who neither excel in academic preparation nor learn specific vocational skills that prepare them for the workplace. These youth are at great risk of unemployment and chronic low-employment.

When America's economy was at its pinnacle, we were able to absorb and employ students who took the vocational track and the general track. Now, our economy has almost completely transformed to an information-based economy, and unskilled labor is in lower demand then ever before.

In 1950, 60 percent of all jobs in the nation were unskilled. By 1990, this figure had dwindled to 35 percent, and it is projected to drop to 15 percent by 2000. The influx of technology in the workplace and competition from countries where workers receive low wages have contributed to the demise of opportunities for unskilled labor.

As an example, education researcher Willard Daggett observes, "In the last five years, ATMs have replaced 40 percent of the cashiers and tellers across the nation, and may replace an additional 40 percent in the next five. The fastest growing group of jobs in the banking industry involves setting up, operating, and maintaining ATMs and related information systems."

Although all Americans are affected by this economic restructuring, skilled workers are better able to adapt to a changing work force due to their developed reasoning, analytical, communication, and computational abilities. In short, they have learned how to learn.

At the moment, Congress is engaged in a fierce debate on whether the minimum wage should be raised. The concern about the plight of low-income workers is well-placed, but the diagnosis of the problem is flawed and the solution is misplaced.

The problem is that low-skilled, poorly educated workers who do not possess relevant skills will always be destined to stay at the bottom of an information-based economy. Strengthening skills and academic preparation for the forgotten 75 percent is a key part of our education agenda.

Congressional Agenda On Education

When I took the chairmanship of the Economic and Educational Opportunities Committee in 1995, we conducted a top-to-bottom review of the effectiveness of programs under the committee's jurisdiction. We knew the federal role in education and training was in disarray, but even I was surprised at how bad things had become after 40 years.

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During the last year and a half, we have discovered literally hundreds of programs supporting education spread across the federal government. The Office of Management and Budget and the Congressional Research Service identified 760 programs as education oriented that are spread across 39 different agencies, departments, boards, and commissions.

For the $120 billion spent on these programs last year, we have little to show for them in terms of academic improvement during the last 20 years.

Since 1970, per pupil spending in the United States has risen from about $4,000 to almost $7,000, adjusted for inflation. Yet, despite this huge pot of money being whipped around inside the "Beltway mixing bowl," our students are not keeping pace with the new demands of change.

Consider some statistics: SAT scores dropped from a total average of 937 in 1972 to 902 in 1994. In 1994, 17-year-olds scored 11 points worse in math than in 1970. Sixty-six percent of 17-year-olds do not read at a proficient level, and reading scores have consistently fallen since 1992. Finally, 30 percent of all college freshmen must take remedial education classes.

Integrating Strong Academics And Vocational Training

In the area of job training, postsecondary education and training subcommittee Chairman Buck McKeon (R-Calif) has led an effort to consolidate and streamline programs, return maximum control of funding to states and localities, and place a premium on real results in job placement and training, not just bouncing money between programs.

The resulting Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act (CAREERS) consolidates 128 federal education, employment, and job-training programs into three consolidated or block grants to states and localities.

One of the block grants is designated for youth; the other two block grants focus on adult job training and adult basic skills.

The youth block grant places a strong emphasis on making sure that students in vocational training programs get the strong, basic academics that are the foundation for jobs in the information economy. These programs are expected to help young people with broad-ranging opportunities to further their education and prepare for promising careers.

CAREERS is intended to support local efforts already under way to bring academics and relevant skill training together for the forgotten 75 percent.

Strengthening Academics In Special Education

The committee is also exploring ways to strengthen academic performance for students served under the Individuals with Disabilities Education Act (IDEA). As important as the federal special education law has been in assuring access to education, these children must receive access to strong academics.

Many of the children in special education programs would not have needed placement in special education programs if they had received appropriate training in such basic skills as reading and math at an early age. Some students, particularly those with mild learning disabilities, do not need to be segregated from other students and should be taught the general curriculum, not a "dumbed down" curriculum.

The original intent of the law, to focus on each child's education needs, has also been betrayed by burgeoning paperwork and process. What was designed as a system to teach children has become one that processes them through forms, files, meetings, and hearings.

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Clearly, these shortcomings of our nation's special education system have necessitated the reform of this well-intentioned law. Consequently, Rep. Duke Cunningham (R-Calif), the early childhood, youth, and families subcommittee chairman; myself; and other committee members have introduced legislation to refocus America's special education statute.

'Bottom Up' Reform

In pursuing these needed reforms to special education and vocational training, there is a tendency from the education establishment to require top-down "systemic reform" strategies that would allow a select few in Washington, DC, to determine how education will be structured and implemented.

To avoid this pitfall, we are working to make sure that parents, educators, and other citizens are fully involved in efforts to reform their own education and job-training programs.

A RAND evaluation aptly noted that "legislative mandates cannot necessarily create the elements that promote innovation in schools — local vision, leadership, sustained support, financial and other resources. Integration (*of academics and skills training*) is essentially a curricular and pedagogical reform that requires a bottom-up solution."

For reforms to be effective and truly "bottom-up," it is also important that they strengthen individual choice and parent participation.

First, the CAREERS bill strongly encourages the use of training vouchers at the local level to give each participant maximum choice in choosing the type and provider for training. The IDEA Improvement Act would also strengthen the role of parents in their children's education and provide less adversarial and less costly procedures, like mediation, to work out disputes between parents and schools.

For students on a general track and for many students with disabilities, integrating academics and skill training can open up much wider opportunities. A review of New York City Career Magnet programs found that students in the magnet programs "were less likely to drop out of high school in the transition between middle school and high school; they showed a gain in reading scores, and they earned more credits toward graduation."

At this moment, the House and the Senate are working to reach a conference agreement on our respective versions of the CAREERS bills. Soon, we will take further action on moving IDEA reform forward.

We are also beginning a dialogue within Congress and with the American people on how to reform the broad federal role in education, including the remaining 760 federal education programs. Oversight subcommittee Chairman Pete Hoekstra (R-Mich) and McKeon have initiated this project.

We know that the principles of local control, parental commitment and involvement, and strong basic academics yield effective results at the local level. Most often, these success stories have little to do with the federal education programs now in place. We want to find the most effective way to give control of education back to local communities and support these principles that work.

This is not an overnight job, but one that will require good listening, thoughtfulness, patience, and persistence. We owe it to our children, to the youth preparing to leave school to enact these important reforms. Most importantly, we owe it to the "forgotten 75 percent."

Rep. Bill Goodling (R-Pa) is chairman of the Economic and Educational Opportunities Committee.

ROLL CALL, May 13, 1996 P-10

Why Republicans Should Be Glad They Couldn't Kill Direct Lending Program

By Sen. Paul Simon

It is odd that "Republicans" generally have come to oppose a common-sense, money-saving, bureaucracy-busting, entitlement-ending reform of the student loan program.

It was not always that way.

In 1991, Rep. Newt Gingrich (R-Ga), then the House Republican Whip, co-sponsored direct lending legislation. This was just as Democratic presidential candidate Bill Clinton was developing a stump speech that also included a promise to scrap the problem-plagued government-guarantee system.

Later that year, as President Bush put together his re-election campaign, 33 House Republicans wrote to him urging that direct lending be made part of his domestic agenda. They argued that instead of "asking Republicans to oppose legislation specifically designed to help the middle class" pay for college, "we should be advancing our own innovative, cost-effective solutions to the problem."

By eliminating entitlements to banks and middlemen, direct lending saves taxpayers billions.

As Clinton picked up on the idea, many Republicans changed their tune or closed their mouths.

But one conservative Republican stayed true to his beliefs and remained outspoken on the issue: Rep. Tom Petri of Wisconsin. Unlike Republicans who abandoned the reforms when they became a part of President Clinton's first budget, Petri can join in celebrating one of the most successful reforms of any government program:

Slashed red tape. "The program's simplicity has proved hugely popular at colleges across the country," reported USA Today last December about direct lending.

In the government-guarantee program, a maze of quasi-government agencies, lenders, and purchasers often causes confusion, delays, and errors that are not only frustrating but costly to colleges and students. The direct loan program swept away all the bureaucracy, bringing better service to 1.4 million student and parent borrowers at 1,350 schools this academic year.

Savings for taxpayers. By eliminating entitlements to banks and middlemen, direct lending saves taxpayers billions. Even more, the threat of direct lending forced participants in the government-guarantee program to admit that they had been over-compensated for years. The result was even more savings for taxpayers and students.

Savings for students and parents. By forcing banks and middlemen to admit that their government-guaranteed returns were too high, the direct loan fight brought lower fees and interest rates to all students. In just two years, students and parents have saved well over a billion dollars in fees alone.

Competition, not entitlements. The government-guarantee machine is generously oiled by at least six different politically-set entitlement payments. In contrast, the direct loan program uses competition, paying private-sector participants on the basis of performance, not politics.

Payments, not defaults, rewarded. In the direct loan program, competitive pressures on private-sector contractors keep the focus on collecting payments.

In the government-guarantee program, government-backed middlemen get a Congressionally mandated bonus on defaulted loans, giving them "more financial incentive to expend resources collecting on defaulted loans than working with borrowers to prevent defaults," according to the General Accounting Office.

Improved accountability. The General Accounting Office has repeatedly expressed concern that the crisscrossing web of guaranteed-loan subsidies and data makes the program virtually impossible to audit. This causes difficulties in assessing program costs and rooting out fraud and abuse. The GAO suggested direct lending as one way of improving program accountability.

Costly conflicts ended. The Inspector General's office has pointed out that conflicts of interest in the government-guarantee program — such as one that contributed to the $280 million federal bailout of one middleman agency — put an estimated $11 billion at risk. The acting I.G. testified last year that the direct loan program does not suffer from these conflicts.

Flexibility. Direct lending makes a wide variety of repayment options available to any borrower. The borrower can even choose to make payments that vary according to their post-college income. (This is not possible with bank-based loans because it is critical that income claims be checked with the IRS in order to prevent abuse.)

Direct Loan Success Holds Up To Lobbying Attacks

It is hard to find a better example of the successful transformation of a problem-ridden government program into a "more efficient, less costly, and more customer friendly" approach, as direct lending was described by an independent accounting firm.

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Of course, the government-guarantee industry isn't taking all of this lying down. Millions of dollars have been spent to sully direct lending. Fortunately, time reveals the truth: Every allegation made by the industry has turned out to be misleading or just plain groundless.

First there was the "cost shifting" scare. Before direct lending had a track record, Sallie Mae (the Student Loan Marketing Association) provided colleges with sophisticated looking analyses showing that direct lending would cost them an average of $219,000 to administer each year.

Banks and middlemen also got into the fray, hiring a former Congressional Budget Office director to say that costs were being shifted to schools. The colleges were understandably concerned.

But truth has erased all of those claims. Direct lending turned out to be exactly the opposite of the Sallie Mae scare tactic. Colleges saved money through a welcome relief from excess paperwork and red tape. In Colorado, the state auditor found that direct lending, in the first year, reduced costs by $325,245 at two of the state universities.

Next there came the "haven for defaults" claim. Longtime opponents of direct lending held a press conference to announce a "rush" of high-default schools into the direct loan program. They pointed to several shady trade schools — but failed to point out that the schools, under the law, had to **already** be participating in the government-guarantee program. Still, they persisted in their claims for as long as no data were available to refute them.

But in March, the data arrived and that lie was put six feet under. The truth is that schools in the direct loan program have a lower average default rate than those in the guarantee program.

Third we had the announcement that a new Congressional Budget Office analysis had determined that eliminating direct lending would save money. This was the cleverest gambit yet. First, opponents changed the budget rules, throwing some items on the direct loan side of the scales without making analogous changes on the guarantee side. Then, they asked the CBO what would happen if the now (artificially) more expensive direct loan program was eliminated and the Education Department's budget was slashed — including oversight funds for the guarantee program. Presto: savings.

> *The truth is that schools in the direct-loan program have a lower average default rate than those in the guarantee program.*

Even with the biased budget rules, the Senate Budget Committee now admits that the cost of the two programs are "virtually identical." With more balanced scoring rules, direct loans continue to be an obvious cost-saver.

Finally, throughout it all, direct lending has faced the "big government" argument. True, "new government bureaucrats" had to be added to run the new program. But look behind the curtain: The government-guarantee system requires thousands more government employees than direct lending. In fact, if you have one of those "private sector" student loans, there is a far greater chance that the loan collector calling you or sending you a bill is a government employee than if you have a direct loan.

Republicans Are Lucky They Failed

Ultimately, the truth has won out. President Clinton stared down the lenders and their allies in Congress, and they blinked, dropping the threat to the direct loan program from the fiscal 1996 appropriations bill. In a victory for competition, schools and students are now free to choose the program that best meets their needs, direct or guaranteed.

It is too late for most Republicans to take credit for the creation of the successful direct student loan program. But they can support its continuation by embracing the principles of choice and competition.

At the very least, Republicans should quietly feel fortunate that efforts to undermine direct lending have failed.

As Rep. Petri warned his Republican colleagues last September:

"If at the end of this whole process we do kill off direct lending, President Clinton and others will tell the American people that the Congress under Republican control shut down a conservative reform effort that was good for students and schools in order to keep the gravy flowing to powerful special interests. And that argument will resonate with the American people because it was right."

Sen. Paul Simon (D-Ill) is a member of the Labor and Human Resources subcommittee on education, arts, and humanities.

ROLL CALL, May 13, 1996 R 11

Direct Lending Quiz Leads to Several 'No' Answers

By Sen. Jim Jeffords

As college students across the country begin their final exams, now might not be a bad time for Congress to take a test as well. Here's my contribution, in three parts:

(1) Does direct lending save the federal government money?

(2) Does direct lending save money for students?

(3) Is direct lending simpler and more consumer-friendly?

The answers, despite claims to the contrary by some of my colleagues, are "no," "no," and "yes and no."

More precisely, these are the correct answers today. Because, as the program has become more complicated and difficult to understand, neither proponents nor opponents of direct lending know enough to make definitive statements. Further, this program has not existed long enough for accurate judgments to be made.

For people who do not pay much attention to higher education financing issues, there is obvious appeal to direct lending. The idea behind it is that the federal government should make loans directly to college students rather than backing up the loans made by banks, which has been our policy for the past few decades. Banks, of course, are in the business of making money, so the cost of traditional lending includes some profit for banks and other intermediaries.

But as in most issues, there is more to this one than meets the eye. And the costs of the two programs, once everything is tallied up, are pretty close.

Under direct lending, the Department of Education has to take on the very same burdens banks have in the traditional program, and has hired many of the same companies the banks use to service loans. Moreover, the department is not as efficient as the private sector, driving up the costs of direct lending further.

I cannot quantify these differences, but the Congressional Budget Office has done so. That's why the answer to the first question, at least for now, is "no."

The CBO most recently calculated that the repeal of direct lending would save roughly \$1.2 billion over seven years. Some of my colleagues have cried foul, noting that earlier CBO estimates showed direct lending saved money.

But the earlier estimates understated the cost of direct lending by keeping many of the expenses associated with servicing those loans out of the budget window. The government may incur expenses for the 25 or 30 years that a direct loan can be in repayment, but none of those out-year expenses was included in the earlier estimates of the program's cost. The more recent estimates allow direct comparisons between the costs of the traditional and direct lending programs.

When the CBO looked at both programs, with all the costs scored up front, it found that the direct lending program was slightly more expensive.

Thus, we faced the somewhat ironic situation this year where some of the people arguing the most forcefully for direct lending were simultaneously decrying cuts in education spending. These cuts were necessary, at least in part, because of their position on direct lending.

What about the cost to students? With the bankers cut out of the picture, don't the students get a better deal?

Given the above discussion, it should come as no surprise that the cost to students under direct lending is exactly the same as under the traditional program.

Oddly enough, though, it would come as a surprise to anyone who has relied on the Department of Education's Student Guide to Financial Aid for 1995-96 for information.

This guide is a handy booklet that for years has provided students with basic, factual information about various federal programs available to help them finance higher education. My office, and probably many other Congressional offices in Washington and across the country, has handed it out to constituents for years.

This year's edition contains charts illustrating the costs of borrowing for higher education. If you relied on the charts, which presumably is why taxpayers paid to publish them, you would think that direct lending was less expensive than the traditional program.

According to the charts, a student who borrowed \$15,000 would save \$700 during the life of the loan by using direct lending rather than the traditional program.

This is curious given that the terms and conditions for students are identical under the two programs. It turns out that a lower interest rate was used to calculate repayment for the direct lending chart, even though the loans in both programs were available at the same rate. Mark Twain would be proud.

This gets us to the last question: Is direct lending, if not financially more attractive, at least a greater convenience than the traditional program? It is, but for reasons that are not entirely inherent to direct lending.

Just as the department's booklet tweaks the facts to make direct lending more attractive, so, too, does the department's administration of the two programs.

For example, much is made of the fact that under direct lending, students have a single application form and can make income contingent repayments. But efforts to bring these same innovations into the traditional program have been frustrated in large measure by the department's opposition.

This is unfortunate, because most students still borrow through the traditional program. It is also unfortunate because I think that the ideal situation for all students would be for these two programs to compete head-to-head against each other. Until the two programs compete on an equal playing field, it will be hard to weigh the merits of each. The Department of Education should take its thumb off the scales.

Support for forcing the two programs to compete is by no means universal. Some of my colleagues are convinced the federal government cannot run a program of this magnitude, in which the department could disburse \$25 billion a year in student loans. And to be sure, the federal track record as a direct lender

more...

is less than stellar. The White House, on the other hand, would like to see the program be the only game in town and account for 100 percent of loan volume.

Having been at the table in 1993 when authority for the direct lending program was written, I can tell you that a number of us envisioned this program to be limited to 50 percent of student loan volume — to provide a true test of its merits. The need for such a firm cap rests in the fact that the critical measure of the program's success will come, not in the first few years when federal money goes out to students (giving away money, as we all know, is easy) but when the federal government must collect on those funds.

The typical repayment period for students begins six months after they leave school, and in most cases students remain in school for at least two to four years. The first direct loans were disbursed on July 1, 1994, but only to a handful of participating institutions. We will not truly understand the department's ability to collect and administer this program until years from now.

While we do not now have a clear picture of the department's ability to manage this program, independent studies to date suggest that we move cautiously.

An audit of the direct lending program conducted on behalf of the Department of Education by an accounting firm in February of last year found several deficiencies in the management of the direct lending program. And the Advisory Committee on Student Financial Assistance, which was charged by Congress with evaluating our financial aid programs, found that the systems and policies in place "cannot adequately ensure program integrity" and left the government "potentially exposed to multiple loan over awards, loans to ineligible students, and excessive cash draw downs."

It would be unfair to paint too bleak a picture of direct lending. Students at participating colleges, universities, and proprietary schools have been pleased with the simplified paperwork requirements compared to the older guaranteed lending program.

And the competition provided by the direct lending program has led to improvements in the traditional program.

Competition in the marketplace has led some lenders, such as the Vermont Student Assistance Corp. in my state, to offer lower-cost loans to attract student borrowers. Banks and guaranty agencies have had to accept reduced payments from the federal government, saving all taxpayers money.

Competition between the two lending programs in the marketplace of ideas has produced suggestions for further cost savings that I expect Congress will consider seriously in the upcoming reauthorization of the Higher Education Act. For example, there is no reason that collections on defaulted loans in the traditional program cannot be put out for competitive bidding as they are under the direct lending program.

But in the meantime, there is ample reason to maintain two viable lending programs. While the omnibus appropriations bill dropped any limits on direct lending volume, this is not an issue that can or should go away.

I hope all sides will spend a little less time arguing about symbols, and a little more on students. So long as we cast this as a fight between greedy bankers and inept bureaucrats, we will all be flunking the test of leadership.

Sen. Jim Jeffords (R-Vt) is chairman of the Labor and Human Resources subcommittee on education, arts, and humanities.

ROLL CALL, May 13, 1996 P-12

Reforming DC Schools Requires Public and Private Efforts

By Rep. Steve Gunderson

Whenever I am asked to examine or discuss my efforts to reform the District of Columbia school system, I am quick to point out that these are really our efforts. After all, educating children in the District of Columbia, as it is anywhere else, is a shared responsibility that yields shared benefits. While I would love to be credited with responsibility for the education progress made by DC school children in the future, the fact is this reform effort has been a collaborative effort.

All Americans can agree that improving education is essential if we are to develop the highly skilled work force necessary for our nation's future economic competitiveness. From the moment Speaker Newt Gingrich (R-Ga) tasked me with creating comprehensive education reform in our nation's capital, our intention has been to create a common vision of how to provide new education opportunities in DC.

In creating this vision, the first thing we realized was that we could not limit ourselves to the old paradigm of public education. The resources simply did not exist at the federal or local levels to accomplish our goal — the creation of a world class school system that could become a national model for education reform. It became apparent that we would have to bring together all available resources, both private and public, in order to succeed.

And succeed we did. By leveraging $15 million of available federal funds, in conjunction with matching financial support from the business community, we projected that more than $100 million would be available for improvements to the DC school system over the next five years. In the process, we had created a basic foundation and model for the future of public education.

This effort attempted to build on the best and most far-reaching reforms being implemented across our nation. These changes fall roughly into three categories.

- First, many states and communities are benchmarking academic expectations equal to the best systems in the world.
- Second, there is an emerging consensus that redefines public education as education supported by the public, open to the public, and accountable to the public, but not necessarily managed by a government bureaucracy.
- Third, school districts are establishing more creative public/private partnerships.

These basic tenets have provided the foundation for the DC education reforms contained in Title II of the Balanced Budget Down Payment Act II, H.R. 3019, which was signed into law late last month. While H.R. 3019 doesn't include all the provisions I developed with the help of parents, educators, and community leaders over the past year, it does include several key provisions from the original package:

- **Public Charter Schools.** Conferees authorized and encouraged the establishment of open, tuition-free, independent Public Charter Schools in the District of Columbia.
- **School Facilities Repair and Improvement.** Directs the General Services Administration to enter into a 24-month agreement with the school system to provide technical assistance in repairing and improving school facilities. The focus of such an agreement will be the receipt of donated private sector materials and services. The District is also directed to develop a long-term solution to the repair, improvement, maintenance, and management of school facilities, such as the establishment of a new facilities authority.
- **World Class Schools Task Force.** A task force is established to develop and recommend to the board of education, the superintendent, and the District of Columbia goals panel a world-class curriculum, student assessments, and teacher training models. The task force's recommendations would be strictly advisory.
- **Progress Reports and Accountability.** The school system must report back to Congress on the implementation of the school system's first-year agenda of reforms.
- **Partnerships With Business.** Two private-sector, non-profit partnerships will be established: (1) the District Employment and Learning Center (originally referred to as the District Education and Learning Technologies Advancement, or DELTA, Council), led by national business groups, would undertake regional work-force preparation and professional development initiatives; and (2) the Jobs for DC Graduates Program would be a locally established non-profit school-to-work transition program providing employment assistance, career counseling, placement, and other transition services in the District of Columbia.

Report language contained in this bill encourages the establishment of a residential school to serve the lifelong learning needs of DC residents. It also calls on school officials to take greater advantage of private-sector funds. Private resources would be leveraged for a high-technology infrastructure in the public school system. Specifically, it calls for implementation of a regional work-force training system for non-college-bound high school students and 18- to 25-year-olds. District officials also would solicit technical assistance from businesses.

Like many other debates in Washington, though, there have been setbacks along the way as we tried to implement comprehensive reform. One much publicized setback has been opposition to a provision providing low-income scholarships for needy students.

Despite its exclusion from H.R. 3019, the Low-Income Scholarship Program illustrates a creative way to provide choice. With public and private monies, this program would have allowed local officials to provide low-income students with scholarships to attend local private schools or public schools.

More...

PRIVATE EFFORTS, continued...

The scholarships, which cost far less per pupil than is currently spent by the public system, would have afforded more low-income families the same opportunity — to choose the best school for their children — enjoyed by middle- and upper-income families. Unlike a voucher system, a separate trust fund would be created with federal and private dollars. This would leave local school aid funds for students who choose to attend public schools. No local funds leave the school district.

Although no federal funding was provided for DC education reform measures in fiscal 1996, I have every expectation we will be able to create a more broad-based package with funding for DC education reform in the fiscal 1997 budget. Certainly, a bipartisan and consensus solution is what we've worked for all along.

Rep. Steve Gunderson (R-Wis) is a member of the Economic and Educational Opportunities Committee.

For Students With Special Education Needs, Cuts in Title I Programs Would Be Devastating

By Rep. Eliot Engel

The recent budget debate has exposed a growing rift in the way we support the education of our children.

Nowhere is this more evident than in the ongoing fight over Title I funding. Republican-led proposals to cut Title I funding 17 percent in fiscal 1996 would have had a devastating effect on the children who depend on Title I programs to enhance their education.

While the funding for fiscal 1996 was eventually increased, the debate this year was indicative of where the Republican majority wants to go. But it is also evident that the needs of the students who require assistance to improve their lives are too important to ignore.

Title I, Part A, of the Elementary and Secondary Education Act (ESEA) authorizes aid to state and local educational agencies to help pay for the costs of educating disadvantaged children. The program helps more than six million children annually, primarily those in the early elementary grades.

Title I grants are used to provide supplementary educational and related services to low-achieving children attending schools with relatively high concentrations of low-income families. Title I has been the anchor of ESEA since it was first enacted in 1965 and has provided invaluable assistance to needy school districts across the country. Without Title I many students may not receive an adequate education.

There are two basic types of Title I programs. The traditional, and still most common, type of Title I program is the targeted school program in which services are generally limited to the lowest achieving students in the school. For example, students receive several additional hours of instruction by a specialist teacher each week, or funds may be used to hire a teacher's aide who provides additional assistance to low-achieving students in their regular classroom.

The second type of major service model is the "schoolwide" program, which is authorized when a school serves a high poverty pupil population of at least 50 percent. In schoolwide programs, Title I funds are used to improve the performance of all students in a school, and there is no requirement to focus services on only the most disadvantaged.

Over the years, Title I has been successful in educating disadvantaged children. Title I participants have generally made more gains than they would have without the support of Title I services. These programs tend to be more effective at the early elementary levels than at higher grade levels. Title I students also tend to increase their achievement levels at the same rate as nondisadvantaged students.

Despite this progress, some observers believe that the aggregate impact of Title I on pupil achievement has been less than desired. Because of these concerns, the Title I program was restructured as part of the Improving America's Schools Act, which was signed into law on Oct. 20, 1994. The changes were made in an effort to respond more effectively to the needs of the students and to give schools added flexibility to address individual concerns.

In particular, the changes included an increase in the share of funds allocated to high poverty schools and the establishment of content standards by states for all children. Title I students must now be assessed using the same standards as other students rather than separate assessments that were used in the past for Title I participants.

Perhaps the most significant change is the increased flexibility that school districts will have in making decisions about the use of program funds. This flexibility includes waivers of various regulations and a substantial expansion of authority to use Title I and other federal funds for schoolwide improvement, rather than just limiting services to the most disadvantaged individual students.

The advantage of such an approach is to allow schools to fully integrate Title I students into regular classroom activities rather than place them into separate settings, as has often been done in the past. The hope is that the participants will be exposed to improved instructional programs and thereby make significant achievement gains.

More...

Such an approach is consistent with the standards that are set out in the Goals 2000 initiative. Goals 2000, which has also come under Republican attack, provides seed money to states to set standards and create comprehensive plans to improve the performance of its students. The changes in Title I were written so as to mesh with the intent of Goals 2000, giving emphasis to state curriculum content and pupil performance standards as the basis for accountability.

The improvements in Title I are consistent with the overall approach to school reform that was started by the Clinton Administration. The aim of these reforms is to allow the states and school districts to make changes that best suit their local needs while improving the education of their students.

This strategy allows for a federal-state partnership which will improve the quality of education while having the local school district make the decisions on implementation of standards.

These changes are consistent with the tradition of locally run education in this country and are hardly the "heavy-handed" federal approach that is feared by some. The improvements made to Title I are in line with the approach to school reform outlined in Goals 2000.

However, the positive changes to Title I could fall victim to cuts in funding that have been proposed for the program. The implementation of the reforms to Title I are contingent on the program receiving adequate funding, especially with regard to increasing the share of funds to the neediest schools. The protracted fight over the fiscal 1996 appropriations included a major battle over the level of Title I funding and demonstrated the short- and long-term problems that the program will face if major cuts are enacted.

The initial fiscal 1996 Labor-HHS-Education appropriations bill included a huge 17 percent cut in Title I funding. Subsequent continuing resolutions kept this figure intact until the final omnibus appropriations measure included a 0.5 percent increase in Title I. This occurred only after pressure was put on the Republican majority by the Administration and Congressional Democrats.

While the increase was welcome, the delay in enacting the legislation has left many school districts in a difficult position for the coming year. The districts would normally receive estimates of their Title I grants for the succeeding program year by the preceding January to allow implementation by the following July.

Because the appropriations debate was not settled until April, the schools have not been able to plan for effective use of the funds. In particular, there is a strong possibility that many teachers may be laid off because of the uncertainty over the availability of funds.

The reforms in Title I have just begun to be incorporated by school districts. Because of the animosity of the Republican Congress toward Title I and education initiatives in general (as evidenced by the proposed 17 percent cut), it is likely that Title I will be a major target again in the future.

This is no way to run our educational system. Education is the most important investment we can make for our nation's future. Deficit reduction is an important goal, but we must not sacrifice education for this short-term gain for, in the long run, we will have an unprepared work force to meet the economic challenges that will face our country in the next century.

Title I has been the type of program that helps young people at an early age become acclimated to school and receive a proper education.

The enacted reforms are a major step toward improving an already valuable program. Gutting Title I now when it is aiding so many disadvantaged children is not the message we should be sending.

Title I must be preserved so that we can properly educate the students of our nation who need and deserve our help.

Rep. Eliot Engel (D-NY) is a member of the Commerce Committee who until recently sat on the Economic and Educational Opportunities Committee.

facsimile
TRANSMITTAL

to: Mike Cohen
fax #: 202-456-7028
re: Goals 2000
date: January 21, 1997
pages: 3, including this cover sheet.

Mike,

Please find attached the remarks and letter we discussed this morning. It was great talking with you again.

Bill

Bill

From the desk of...

William C. Bosher, Jr.
Superintendent
Chesterfield County Public Schools
P. O. Box 10
Chesterfield, VA 23832

804-748-1411
Fax: 796-7178

97 JAN 13 AM 9:41

COMMONWEALTH of VIRGINIA

Office of the Governor

George Allen
Governor

Please file under [illegible] Thanks Bill

REMARKS BY GOVERNOR GEORGE ALLEN

ANNOUNCEMENT ON GOALS 2000

RICHMOND, VIRGINIA

JANUARY 10, 1997

Today, I am pleased to inform you about a breakthrough in Virginia's efforts to obtain Goals 2000 funds without sacrificing our academic reforms to interference from the federal government.

You may wonder how this is possible.

Over the past several months, I've worked personally with Senator John Warner and congressional leaders regarding our concerns. This week, I received a letter from Senate Majority Leader Trent Lott confirming that the intent of Congress, in its recent revisions of the Goals 2000 law, is that Virginia can apply on our terms, and use the funds solely for the purchase of classroom computers.

Most important, Virginia will not have to modify our Standards of Learning, assessments, accountability, curricula, local control or other aspects of our Virginia education reforms.

With these assurances -- and considering that our Standards of Learning are rooted and assessments are on track -- I am now convinced that Virginia can accept Goals 2000 funding on Virginia's terms.

Therefore, I will request that the State Board of Education and the Virginia Department of Education prepare the appropriate application to the U.S. Department of Education to gain the federal funds to be used for the sole purpose of purchasing classroom computers and related technology.

It is my intent that each locality still can make its own decision whether to apply to the state for a share of these funds.

As you know, I have stated that I would accept Goals 2000 funds under Virginia's terms. Specifically, I did not want the federal government interfering in our efforts to develop our new, rigorous academic Standards of Learning or assessments to measure students against those standards.

Accountability is important. Virginia schools should be accountable to Virginia taxpayers, teachers, students, and especially, Virginia parents, not the federal government.

When Congress passed amendments to the Goals 2000 law last year, Virginia had high hopes that these changes would eliminate the threat of those dictates that would have undermined our education policies. Unfortunately, when asked by the State Board of Education if Virginia could use its Goals 2000 funds solely for the purchase of classroom computers and related technology, the U.S. Department of Education responded in a letter that Virginia could not be exempted from the requirements of Goals 2000.

This apparent contradiction to the spring amendments implied that Virginia's Standards of Learning and other academic reforms could be subject to federal interference before they even began to be implemented. Therefore, with the help of Senator John Warner and others in Washington, including Senator Arlen Specter and Senator Judd Gregg, we pursued clarifying amendments to Goals 2000 this past fall.

Just as the amendments were about to be submitted for a vote, President Clinton threatened to veto the amendments. At the time President Clinton and U.S. Secretary of Education, Richard Riley, informed Congressional leaders that the amendments were unnecessary, given the Department's interpretation of the April Amendments that were adopted by Congress and signed by the President.

I continually worked to gain Virginia's fair share of federal education funds, but I was never willing to sacrifice the welfare of our children for a fistful of dollars.

Today, with the proper assurances from the Senate Majority Leader about Congress' legislative intent, I believe that Virginia has prevailed.

Virginia's schools will be on their way to using these federal funds solely for the purchase of classroom computers or related technology, and without the threat of federal interference.

This is good news for students, teachers, parents and all Virginians!

TRENT LOTT
MISSISSIPPI

GOV. OFFICE CAPITOL

United States Senate
OFFICE OF THE MAJORITY LEADER
WASHINGTON, DC 20510-7010

JAN 9 1 17 PM '97

January 6, 1997

The Honorable George Allen
Governor of Virginia
The State Capitol
Richmond, Virginia 23219

Dear George:

This letter is to follow up on our recent conversation regarding education and funding under the Goals 2000 program. Virginia has distinguished itself as a leader in education reform. Your example should be supported, rather than faulted, by the federal government.

Your concern that acceptance of Goals 2000 funds might interfere with Virginia's high academic Standards of Learning, echoed by many of your fellow Governors, prompted the Congress to amend the Goals 2000 law last April. Your principled stand in defense of State and local control of schooling helped ensure that those changes would become law. Many of us in Congress were willing to further amend the law last fall. However, despite strong negotiations both by myself and by Senator Warner, those proposed amendments had to be set aside.

In light of the assurance by the Secretary of Education that Virginia can now submit an approvable application for Goals 2000 funds to be used solely for the purchase of classroom computers and related technology, I believe we have accomplished our objective. The clear intention of the Congress has been to ensure that Virginia -- and every other State as well -- will retain full authority concerning its assessment program, its accountability measures, and its decisions about the funding of academic programs.

Our local and State school boards, and other local and State governing bodies, remain responsible for education decisions, as provided under respective State laws. They should not be required to modify their structure, powers, or duties to qualify for federal funds.

Once again, I thank you for your leadership on this issue. Looking forward to our close cooperation, both on education and many other matters, during this coming year, I remain

Sincerely yours,

Trent

Trent Lott