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UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE UNDER SECRETARY

JAN 9 1995

Note to the Secretary

Attached for your review is a draft response to the Heritage Foundation brief on education. It reflects comments from several offices in the Department, including Budget Service, OGC, and OS.

Judy Wurtzel

Attachment

cc: Mike Smith
Alan Ginsburg

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SETTING THE RECORD STRAIGHT: RESPONDING TO KEY FACTUAL ERRORS AND ASSERTIONS IN THE HERITAGE FOUNDATION BRIEF FOR CONGRESS

This document responds to many of the factual errors and assertions contained in the Heritage Foundation briefing paper on education for members of Congress. It is intended to set the record straight by correcting the mistakes.

CORRECTING FACTUAL ERRORS

The Goals 2000: Educate America Act

Error: Goals 2000 turns "the 1989 standards approved by President Bush and the nation's governors into law."

Correction: President Bush and the nation's governors, led by Governors Terry Branstad and then-Governor Bill Clinton, did not approve any standards in 1989. They approved the creation of six National Education Goals.

Error: "Under Goals 2000, three new federal bureaucracies are created."

Correction: The Goals 2000 Act establishes three independent boards, each of which is comprised of nonfederal employees—state and local officials, business leaders, parents, and educators, serving in volunteer positions and supported by a total staff of less than 30 people and a budget of less than $10 million. One of the boards, the National Education Goals Panel, already existed.

Error: "The National Education Goals Panel has already started to develop standards for states."

Correction: The National Education Goals Panel is <u>not</u> developing standards for the states, nor does it have the authority to create standards or to prescribe the use of any standards by a state, school district, or school. The National Education Goals Panel was established by President Bush as a result of the President's education summit with the nation's Governors. This independent, bipartisan panel has 18 members, nine Democrats and nine Republicans. Of the eight governors who are members, five of them (Arne Carson of Minnesota, Jim Edgar of Illinois, John Engler of Michigan, Daniel Fordice of Mississippi, and Christine Whitman of New Jersey) are Republicans. The Goals Panel's primary purpose is to measure the nation's and states' progress toward the National Education Goals and to highlight

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successful community and state efforts to improve student performance.

Error: Goals 2000 adds two national goals that "deviate from the original intentions of the states and venture into top-down federal 'input' regulation and process-oriented, rather than results-oriented, goals."

Correction: The Goals 2000 legislation passed with bipartisan support in both houses. It legislatively created eight National Education Goals. The two additional goals are having well prepared teachers and promoting parents' involvement in supporting their children's learning. (The Parent-Teachers Association and other supporters of parental involvement in education advocated the inclusion of the latter goal.) The U.S. Department of Education does not issue any regulations in regard to the National Education Goals.

Error: "The panels setting up the standards are politically controlled and already have created 'politically correct' standards that distort American history."

Correction: It is simply wrong to say that the nationally-recognized groups such as the National Academy of Sciences, the National Geographic Society, and professional associations, that are developing voluntary standards in various disciplines have exerted political control over standards. The standards-setting groups have sought the broadest input of teachers, parents, and members of the wider community. They have stimulated a public conversation about what Americans expect their children to know and be able to do.

Neither the NESIC nor the National Education Goals Panel has a role in developing standards. All of the federally supported standard setting projects were selected and funded during the Bush administration. For example, Lamar Alexander, then Secretary of Education, and Lynne Cheney, former head of the National Endowment for the Humanities, selected and funded the National Center for the Study of History in Schools at UCLA to develop history standards. The development of the standards was a several year process that involved hundreds of teachers, local educators, and professionals in the field. A copy of the draft history standards is attached. People who have concerns about any of the emerging standards should direct them to the groups developing them.

Error: The National Education Standards and Improvement Council (NESIC) "will essentially serve as a 19-member national school board. All members will be politically appointed by the President."

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Correction: NESIC will not be a national school board. It will have no authority with regard to the operation of state and local education. It will have no authority with regard to federal funding or regulations. The authority of NESIC is to discuss, review, and, if appropriate, certify content and performance standards that are submitted to NESIC. It will also discuss, review, and, if appropriate, certify opportunity-to-learn standards that are submitted. No group or state is required to submit standards to NESIC and no federal funding is tied to having standards certified by NESIC. The members of NESIC will be appointed by the President from among individuals nominated by Senate and House leadership in Congress and the Secretary of Education in accordance with the requirements of the law. The individuals appointed to NESIC are to be equally divided between the two political parties.

Error: NESIC "will approve or disapprove all state-developed plans to meet the national education goals set by the Education Goals Panel."

Correction: NESIC will not review, approve or disapprove any plans developed by states, local communities, or schools for any federal programs.

Error: The legislation "developed 'opportunity-to-learn' standards" that "specify the level of 'inputs' schools must reach in order to receive federal funding."

Correction: The Goals 2000 Act does not develop or specify opportunity-to-learn standards. NESIC has the responsibility to discuss, review, and, if appropriate, certify voluntary opportunity-to-learn standards that may be submitted to it. States are not required to use model national opportunity-to-learn standards, and no funding is tied to their use.

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The Improving America's Schools Act (IASA)

Error: "To qualify for federal funds, each state must submit a plan for approval by the National Education Standards and Improvement Council."

Correction: This is absolutely false. No state is required to submit a plan to NESIC in order to receive federal funds under IASA. States are not required to submit anything to NESIC to receive federal funds under IASA.

Error: "The independent National Assessment Governing Board will lose its independence. In the past, a nonpartisan board elected new members as individual terms expired."

Correction: This is incorrect. In the past, the Secretary of Education appointed individuals to the National Assessment Governing Board from a list of individuals recommended by the National Assessment Governing Board. Under IASA, the Secretary will receive nominations from a wide range of organizations including governors, state legislators, state boards of education, local boards of education, and others. The opening up of the nomination process to many groups will ensure that the National Assessment Governing Board continues to represent the perspectives of a variety of stakeholder groups and does not become a self-perpetuating body.

Error: IASA contains "a huge windfall . . . for colleges of education, which will receive hundreds of millions of dollars in new 'professional development' funds under the newly overhauled Eisenhower" Professional Development program.

Correction: Not only is this incorrect, it is the reverse of the true situation. The percentage of Eisenhower funds allocated to institutions of higher education was <u>reduced</u> from 25 percent to 16 percent under the new legislation. In fact, in 1994, before IASA passed, institutions of higher education received more Eisenhower funds than they will receive in 1995 under the new Act.

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CORRECTING FLAWED POLICY POSITIONS

The Role of the U.S. Department of Education

Assertion: With regard to the U.S. Department of Education, Congress should "close the Department"; its functions should be "reassigned within the federal government," "transferred to the states," or "eliminated."

Response: The U.S. Department of Education gives education national visibility, bringing cabinet-level attention to an issue that most Americans agree is a critical national priority. (A 1992 Harris poll found that 95 percent of the public believes it is urgent that the United States adopt school reforms to make the nation more competitive.) The Department focuses on critical areas that are of national concern, promoting improvements in elementary and secondary schools (e.g., basic skills, safety, higher standards, improved teaching, better use of technology, parent involvement, school-to-work transitions) and helping all students to have access to high-quality education. The U.S. Department of Education:

- helps make postsecondary education affordable to middle- and low-income students.
- serves as a supportive partner to states and local communities in their efforts to set challenging standards, bring about effective educational change, and provide support for disadvantaged students and schools.
- assists in the development and dissemination of the best knowledge and ideas about improving education.

Without a federal presence in education:

- at least 6.5 million middle- and low-income students would have difficulty paying for college.
- almost 6 million disadvantaged elementary and secondary school students would not receive the extra services they need to improve their achievement and reach challenging standards.
- states and districts would not receive assistance to fulfill their constitutional obligations to educate 5 million children and youth with disabilities and to help them succeed at the elementary and secondary level and to pursue postsecondary education and productive employment.

- about 4 million adults annually would go without the adult basic education and literacy programs they need to be more productive and successful.

The Department carries out its mission efficiently with a very lean administrative staff; in fact, the Department currently employs less than 5,000 staff, one-third less than the 7,700 employed by the former Office of Education and related agencies in the Department of Health, Education, and Welfare (HEW). Over the same period that its staff decreased, its budget increased by 30 percent in real terms. Only 2 cents of every Department dollar goes toward administration. Indeed, the Department is more efficient, less bureaucratic, and more responsive to local concerns than the former Office of Education could possibly be in the large bureaucracy of HEW. The Secretary of Education is immediately accessible to the public and is able to concentrate on critical matters in education, especially the leadership role of focusing national attention on problems and opportunities for reform.

The Goals 2000: Educate America Act

Assertion: Congress should "repeal most provisions of the Goals 2000: Educate America Act" and instead "simply grant money to the states for education reform efforts. Congress should then reduce this funding over time as state reform experiments are completed."

Response: Most educational organizations representing states and local communities endorsed and supported the passage of the Goals 2000 Act. It supports their efforts to set challenging standards that will strengthen education in their states—teaching, curriculum, and testing aligned with the higher standards. The Goals 2000 Act provides support for effective change. It creates a partnership with states and local school systems to help our students achieve the high standards they will need if they are to meet the challenges of the 21st century.

The Goals 2000 legislation incorporates the best features of an accountable block grant—providing unprecedented flexibility in how funds are spent in exchange for states and districts setting higher standards for results.

Goals 2000 Act requirements are minimal and focus on achieving better results for students. In addition, the legislation authorizes states, local districts, and schools to apply for waivers of requirements in elementary and secondary programs, when regulations hinder reform efforts. Moreover, the Department is issuing no regulations for the Goals 2000 Act.

As for reducing funding over time, Goals 2000 Act funding is intended as a catalyst to assist state efforts in getting reforms off the ground and to stimulate improvement systemwide. While some states are on the leading edge of reform, others have yet to begin. Funds will supplement state and local efforts, not finance them in their entirety.

The Administration believes that simply giving money to states without clear goals or accountability is a poor use of the taxpayers' money.

Assertion: Congress should repeal "all of the regulations and mandates" in Goals 2000.

Response: The Goals 2000 Act contains no mandates and no federal takeovers. In fact, it explicitly prohibits federal control of curriculum, instruction, or allocation of resources. The Department is issuing no regulations for the Goals 2000 Act. Although participation is purely voluntary, over 40 states and territories are already participating.

The Department has stressed state and local flexibility as it has begun to implement the law. The state application form is just 4 pages long. The Department solicited public comment from over 600 persons on the guidance for state plans to be certain that our guidance will help states with their plans, not inhibit them.

Assertion: Congress should "repeal the . . . opportunity-to-learn standards" in Goals 2000.

Response: The Goals 2000 Act does not establish opportunity-to-learn standards. The Goals 2000 Act only encourages states to look at standards and strategies for increasing learning opportunities to achieve high academic standards for students and its own overall approach to education improvement. States participating in Goals 2000 will develop their own opportunity-to-learn standards or strategies that they deem appropriate to ensure that all students receive a fair opportunity to be exposed to the enriching curriculum and challenging instruction needed to reach high standards. The U.S. Department of Education will not review or comment on or condition any resources on any opportunity-to-learn standards developed by the states.

Assertion: Congress should repeal "the 7th and 8th goals that were not agreed to by the governors. These latter goals regulate 'inputs.' The others deal with performance measures."

Response: Congress, with bipartisan support in both houses, passed the eight National Education Goals, and these goals were endorsed by the National Governors' Association—the group that established the goals initially. The eight goals have also been endorsed by most major organizations that are involved in education at the state and local level; the Parent-Teacher Association was a major proponent of the goal to increase parental involvement in education. The Department believes that greater family involvement and improved professional development are key components of reform, essential to attaining all the other goals. They are necessary conditions for students to reach challenging standards, just as are other goals such as maintaining a safe and drug-free environment and ensuring that young children are ready for school. Three decades of research have shown that parent involvement can make a significant difference in student achievement. Teachers who know the subject matter and can incorporate challenging standards in instruction are equally important to achieving our national goals.

Assertion: Congress should "eliminate the National Education Standards and

Improvement Council (NESIC), the National Goals Panel, and the National Skills Board."

Response: The National Education Goals Panel's primary purpose is to measure the nation's and states' progress toward meeting the National Education Goals and to highlight successful community and state efforts to improve education. The NESIC and the National Skill Standards Board are responsible for reviewing and discussing standards that states and organizations may submit to them for national certification, if appropriate.

Just as participation in Goals 2000 itself is voluntary, states that do participate are free to work with these three nonfederal bodies or to completely ignore them—without jeopardizing their Goals 2000 funding, or any other federal funding. The National Education Goals Panel, predating the Goals 2000 Act, provides the nation with annual reporting on our progress in reaching the goals and maintaining the focus on improvement. Elimination of the National Education Goals Panel would leave national reporting to federal officials.

Assertion: Congress should "eliminate the bureaucratic state application process in the Act, replacing it with a simple requirement that the states send in a letter saying how they spent the Goals 2000 money within the terms of the Act."

Response: First, there is no bureaucratic application process; indeed, quite the opposite is true. The Goals 2000 state application form is just 4 pages long, asking only 4 questions, and it is processed quickly. The application asks states to describe how they will go about developing or enhancing their own approach to education reform with the additional federal funds. Subsequent reporting is limited to describing the results that have been achieved in setting standards and improving student performance, not how the money was spent. Of the 41 states and 9 territories that have applied, 40 states and 4 territories have been funded.

Second, a letter explaining how funds were used would focus exclusively on inputs, not on progress toward achieving more challenging standards for student performance. It would lead to tracking of funds and rigid procedural compliance, violating the basic tenets of the new legislation.

The Elementary and Secondary Education Act (ESEA)/ The Improving America's Schools Act (IASA)

Assertion: Congress should "repeal all social service programs. Schools should go back to teaching and educating students instead of serving as social service agencies." Congress should "remove the requirement that states send plans to the federal government on . . . social services,", including "how districts will coordinate health screenings and services."

Response: Removing state and local authority to coordinate education with social services grossly restricts their ability to decide on the best uses of resources to address the needs of their students. Provisions in ESEA encourage greater flexibility in enabling state and local educational agencies to work collaboratively with other agencies serving students.

Schools and teachers have to deal with the educational problems that result when students' social service needs are not met. Rather than interfering with education, school-based and school-linked social service programs can give educators a place to turn when they are confronted with student needs that they cannot, and should not be expected to, meet.

Similarly, coordinated planning will assist schools in concentrating on their primary mission of education, by allowing them to place responsibility for addressing social service needs with appropriate programs and agencies instead of spreading their own resources thin trying to duplicate existing services.

Assertion: Congress should "alter the formula for granting Chapter 1 money. Funds should go to poor students, as originally intended, not to students in the districts of powerful Members of Congress."

Response: The Department agrees that Title I targeting needs to be focused on high-poverty areas, and it sought greater targeting in its proposal to Congress. The Department's formula proposal would have targeted more funding on the nation's poorest school districts. While it did not achieve the degree of targeting sought, the Department believes that the Title I formula enacted by Congress, once fully phased in, will make some strides towards better targeting of resources. In particular, the new Targeted Grants formula gives greater weight and funding to counties and districts with greater numbers and concentrations of poor children.

Assertion: Congress should "add an effective federal charter schools program that maintains state and local flexibility and encourages state charter school reforms."

Response: There is already an effective federal charter schools provision contained in the Improving America's Schools Act (IASA) and the Goals 2000: Educate America Act that maintains state and local flexibility and encourages charter school reforms. IASA will support the creation of innovative charter schools in states where this is authorized by state legislatures. The Goals 2000 Act invites state and community leaders to make effective changes in their education systems; this obviously could include charter schools. Public charter schools can be an innovation for improving school and student performance, replacing rules-based governance with goals-based accountability.

Specifically, the federal program authorizes grants for charter schools to create challenging curricula, involve teachers in developing distinctive programs, and reach out to parents and the community. Public charter schools will be released from most regulatory requirements in exchange for developing and implementing a plan to achieve better results in student learning.

Assertion: When Congress revises the statute, it should "preserve state and local authority over standards for curriculum content and student performance and state and local authority over student assessment, including how testing results are used by the states and localities. Congress also should protect state and local authority over the resources that states and communities spend on education and over school and classroom practices."

Response: The federal government exercises no control over the resources that states and communities spend on education or over school and classroom practices. Indeed, the new legislation recognizes that if federal programs are to be effective they must work in tandem with state and local reform efforts. The legislation responds to concern that compliance with the rules and regulations surrounding federal education programs has often constrained the flexibility necessary to achieve improvement. For example, the reliance on nationally-normed testing in Title I often limited state testing, and consequently instruction. The new Title I allows states to use their own state assessments that measure performance in attaining the skills and standards they deem to be important.

New waiver authority provides states, districts, and schools with unprecedented opportunity to operate federal programs with maximum flexibility, when they can show that rules and regulations hinder their reform efforts.

The new legislation shifts the emphasis of Title I accountability away from compliance with rules and tracking resources towards a results-based system founded on assessments of student learning linked to state content and performance standards. Expansion of the Title I schoolwide option will allow schools to use Title I funds to strengthen teaching and learning for all children in a school; it also permits schools to combine federal resources to create comprehensive strategies for improving teaching and learning and get better results.

The Federal Direct Loan Program

Assertion: Congress should "eliminate the new direct education lending program" because under the Federal Direct Loan Program, "the taxpayer bears all the risk. Schools and students should bear greater responsibilities," so Congress should create a "school-financed loan loss reserve fund" because "taxpayers would save a significant portion of the funds which now pay for default claims."

Response: Default risk is covered in approximately the same way in both the Federal Direct Loan and the Guaranteed Student Loan Program (in other words, the risk to taxpayers is similar in both programs). While a school-financed loan loss reserve fund could be created in either program, this would merely shift the burden to those schools and ultimately to those borrowers that do not default, which is not fair to responsible schools and individuals.

A better method for reducing taxpayer risk is to reduce the number of high default institutions. The Department has limited defaults by suspending 609 institutions since 1991 from the student loan programs for persistent, excessive default rates. As a result of the efforts of the U.S. Department of Education to improve its management of the student aid programs, the student loan cohort default rate has declined from 22.4 percent in fiscal year 1990 to 15 percent in fiscal year 1992.

The Direct Loan Program is one of the best examples of how government is able to reinvent existing programs to deliver service at less cost, with less bureaucracy, greater simplicity, and improved benefits to citizens. The Direct Loan Program and other elements of the Student Loan Reform Act will save taxpayers over $4.3 billion through fiscal year 1998—and will save students $2 billion—by reforming and eliminating a maze of lenders, guaranty agencies, and secondary loan markets. Direct Loan Program savings to federal taxpayers will increase as the number of postsecondary education institutions in the program increases.

The Direct Loan Program allows student borrowers to repay their loans under any of four new, flexible repayment plans, including an income-contingent repayment plan. These plans allow borrowers to tailor their repayments to their individual financial circumstances and career goals, thereby increasing the likelihood that loans will be paid in full.

Assertion: Congress needs to place "market pressures into the student loan process."

Response: While the old student loan system included little competition or accountability, the Direct Loan Program is a partnership between the public and private sectors and relies on the competitive forces of the private sector. Private companies are selected through a competitive process to service Direct Loans, and their rates are based on market forces. By comparison, under the guaranteed loan program (Federal Family Education Loan Program), the rates charged by banks and guarantors are set by statute rather than through competition.

The U.S. Department of Education's use of competitive contracting for Direct Loan servicing and collection is building a much more effective partnership with the private sector than exists under the FFEL Program.

FROM EMPOWER AMERICA 202-833-0388

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"Abolishing the Department of Education In Order to Liberate Parents and Schools"

A Joint Statement by Former Secretaries of Education Lamar Alexander and William J. Bennett

Delivered before the
House Economic and Educational Opportunities Committee
Subcommittee on Oversight and Investigation

January 26, 1995

Mr. Chairman and Members of the Committee:

It is a particular pleasure for us to address this Committee with its new name, new majority and new chairman. Thank you for the opportunity to set forth our views on the federal role in education. You have an extraordinary opportunity to change the course of history in this domain.

In this statement we outline a fundamental transformation, namely, reversing the direction of a mighty river that, for the past thirty years, has flowed in the direction of Washington, D.C. We have long been convinced that this river -- of responsibility, authority and accountability for American education - should instead flow toward our families, schools, communities and states. The proposals we sketch in this statement, and the principles on which they rest, are not new for us, for the Presidents we have served, or for many more of our fellow Republicans. What *has* changed is that it is finally within the capacity of the Congress to put them into action.

What's Gone Wrong

The federal education apparatus illustrates what has gone awry in Washington over the past several decades. The national government has become meddlesome, intrusive and bullying. It now impedes more than it fosters. Much of what it mandates or encourages is misguided. It keeps people from doing what they know is right for their children, communities and states. It substitutes the rules of distant bureaucrats for the on-site knowledge of parents and teachers. And, particularly in the last several years, it has begun to lift from our communities the sense that they are responsible for the renewal and reform of American education and to suggest, instead, that Washington knows best and is taking charge.

We and Presidents Reagan and Bush did all we could to reverse the flow, place the emphasis on states and communities, promote flexibility and choice, forge a true partnership with the governors, end discrimination against individuals without preferential treatment for any group, and halt Washington's growing regulatory apparatus. But every such effort was rebuffed by the Democratic Congress -- now aided and abetted by the Clinton administration -- which has pressed relentlessly in the opposite direction, encouraged in this endeavor by education's myriad special interest groups.

To anyone who thinks we exaggerate, we recommend reading the full texts of Goals 2000 and "H.R.6", the administration's two main education bills -- particularly as these were finally enacted by the 103rd Congress. Especially when they are taken in combination, it becomes plain that their authors want to substitute decisions made in Washington for decisions made by individual households and communities. They transform what had been a national movement into a federal program. They create new governance structures and regulatory mechanisms at both national and state levels. They use federal funding in a deceptive way that is designed to elicit the behaviors that other parts of the legislation declare to be "voluntary". They throw obstacles onto such promising reform pathways as school choice and private management of public schools. They strip the bi-partisan National Assessment Governing Board of much of its independence. And they do all this while pretending otherwise, by wrapping themselves in rhetoric of "helping" education and pasting friendly-sounding titles on the cover (H.R.6 was dubbed the "Improving America's Schools Act") while in reality their contents were written by and for lobbyists and interest groups to whom the skills and knowledge of children are not the top priority.

Federal education policy has been moving in this direction since 1965. It took a breather, at least within the executive branch, between 1981 and 1992, but the past two years have seen the pent-up "governmentalism" of that decade unleashed upon the land. For a time we supposed that it was possible to have a national education reform project that worked like a true and durable partnership and did not evolve into another rule-bound federal program. The last two years have proven us wrong. In addition to Goals 2000 and H.R.6, we have seen the executive branch give blanket endorsement to scholarships based on race; take the heat off those who would use "diversity" as a criterion for accreditation; propose the race-norming of state assessment results; and persecute states that employ test-based standards for high school graduation. It's now clear that the federal government will eventually break whatever it touches. Rather than tinker around the margins, therefore, the time has come for a great and thorough change.

A Different Philosophy

The essential part of our proposal is not its particulars but the four principles on which it rests. It is these, above all, that we commend to the Committee's consideration. One can adjust the details that follow. Any comprehensive overhaul based on these principles, however, will represent fundamental redirection and an historic accomplishment, worthy of the new Congress.

First, education in America is the constitutional responsibility of the states, the social responsibility of communities, and the moral responsibility of families.

Second, except when the civil rights of individuals are menaced, the federal government should *never* impede the capacity of families, teachers, communities and states to decide how best to provide education to their children, and should *never* substitute its judgment for theirs.

Third, goals, standards, assessments, the dissemination of information and ideas, and the encouragement of bold innovation are legitimate leadership and "bully pulpit" activities of national officials, but they must always be truly voluntary on the part of states and communities. Nor should federal funds be used as "carrots" or "sticks" in ways that effectively diminish state and local control.

Fourth, insofar as the federal government is engaged at all in the field of education, it should dedicate itself to (a) fostering family responsibility and local control; (b) assisting states to fulfill their responsibilities as they see fit; (c) providing sound statistics, prompt and accurate assessment results and other information; and (d) safeguarding individuals from illegal discrimination.

Repairing Recent Damage

In the 1,200 or so pages of the Goals 2000 and H.R.6 legislation enacted last year is considerable mischief that should immediately be defunded and then repealed. Ten leading candidates include:

1. The National Education Standards and Improvement Council -- the "national school board" that is so vivid a symbol of education wrong-think in Washington, and the new state panels mandated by Goals 2000. Our states and communities have all the governments they need; they don't need new decision-making structures designed in Washington.

2. Federal "certification" of national and state education standards and federal approval of state and local education reform plans. Those controversial new standards should make their own way through the marketplace of ideas without any federal "seal of approval." Nor do federal bureaucrats have any business second-guessing state and local priorities for school reform.

3. Prohibitions and disincentives for state/local testing programs and accountability systems. Among the most dismaying features of Goals 2000 (and recent actions by the Office for Civil Rights) is the effort to discourage the very tests that might actually encourage our students to learn more -- and give parents and taxpayers better information.

4. New "gender equity" programs. The last thing we need is the federal government telling America's 15,000 communities how to teach little boys and little girls about one another -- or mandating how teachers are to handle such matters. Nor do we need a new "special assistant for gender equity" to enforce such mandates.

5. Federal regulation of schools' weapons policies and sex education. That's why we have parents, teachers, principals and school boards.

6. All references to "opportunity to learn" standards. If the experience of American education these past thirty years has taught us anything, it's the importance of maintaining a laser-like focus on student achievement and of creating accountability systems that are based on school results. The recent legislation deflects attention back toward such "inputs" as spending levels, class size, and degrees conferred by colleges of education -- and invites even more litigation based on such spurious gauges while discouraging true accountability for schools, teachers and students.

7. Disincentives for states and localities that want to try such reforms as vouchers, charter schools and privatization. If we are ever to transform American education, we must give families -- especially poor families -- the right to choose their children's schools from among all the schools in their communities; give communities opportunities to create "break the mold schools" that are not regulated to death by the bureaucracy; and invite the private sector to help interested communities create the best schools in the world. Yet the recent legislation places obstacles in the path of states and communities that want to try such things. What sort of choice program allows the "sending" school to deny children the right to leave? The sort enacted in H.R.6.

8. Extension of Davis-Bacon provisions to school construction and renovation. That means a principal in Moline who wants to hire a contractor to rewire his school for new computers must pay the prevailing union wage rather than getting the job done for the lowest cost. It's a big favor for the unions, but no favor at all for schools, efficiency or economy.

9. The addition of two more national goals to the original six. Parent involvement and teacher training are fine, but goals should be limited to specific, measurable results, such as President Bush and the Governors (including then-governor Bill Clinton) established in Charlottesville.

10. Weakening the National Assessment Governing Board. Our best source of reliable student achievement data at the national and state levels is the National Assessment of Educational Progress, the integrity of which depends on the absolute independence and complete policy control of its Governing Board. H.R.6 undermined that board, giving greater influence to education interest groups and to a sluggish federal bureaucracy that is easily politicized.

Comprehensive Devolution

Mr. Chairman, here is the heart of our proposal for the long term: the Congress should take every single activity currently housed in the Department of Education and do one of three things with it: (a) send it home to the states and communities; (b) entrust it to another federal agency that is suited to conduct it in harmony with related activities; or (c) abolish it on grounds that the federal government can no longer afford to spend money on programs that have outlived their usefulness or that can be handled satisfactorily by others. We will not endeavor here to fill in every detail or answer each question that might be asked about this far-reaching recommendation, but the examples that follow indicate its main features.

Sending responsibility home

- Virtually all major programs assisting elementary/secondary education should be combined into a "block" and returned to the states and communities. This can be accomplished in several ways: the best, in our judgment, is a "responsibility swap" whereby the states assume full responsibility for education in return for federal assumption of other burdens now borne by the states; or a resource base transfer in which some federal tax is reduced by an amount equivalent to the programs in question, thereby leaving it to state and communities to raise and deploy these revenues as they see fit. A third approach is a no-strings "block grant" of federal fund to the states, though we like this least because of the well-known tendency of block grants to grow strings as time passes.

The core of this block are programs under the headings of "education reform" (including Goals 2000), school improvement, education for the disadvantaged, bilingual education, and vocational and adult education -- approximately $10 billion in all. That means upwards of a billion dollars a year for a big state like California and about $200 million for a smaller one like Tennessee, funds that the state and its communities would be free to spend it for any educational purpose, including such innovations as charter schools and vouchers. (The distribution formula can retain the equity-conscious fiscal effects of today's programs.) The federal government would no longer define legitimate education reform, nor would states and communities have to submit their plans to Washington for approval.

We will leave it to the budget-and-appropriations process to determine whether the block should equal the sum of its antecedent programs, but we note that a number of governors have made clear their willingness to endure a funding reduction in return for the freedom to deploy the remainder as their states see fit. We also note that eliminating the heavy overhead and "middleman" costs of current categorical programs (at both federal and state levels) will concentrate more resources on teaching and learning.

* A block grant to the states should also combine a number of the smaller higher education programs, with the exception of the main student financial aid programs. These deserve serious consultation with the governors and persons knowledgeable about higher education and finance. Today, one out of two college students in America has a federal grant or loan, and helping needy students attend college is a national function worth preserving. But these programs are poorly managed, needlessly costly, and full of middlemen, each of which takes its cut. In the near term, we recommend transferring the main student aid programs to a federal agency with greater competence in handling complex financial transactions with millions of individuals (and in collecting what is owed the government). An obvious candidate is the Treasury Department, with its Internal Revenue Service. Over the longer term, additional student aid strategies should be fully explored, including devolution to the states and privatization.

* Special education and rehabilitation services also warrant consultation with the governors. This is by far the largest "unfunded" education mandate, i.e. federal regulations require the expenditure by states and localities of many billions more than the federal aid provided. It would, therefore, be reasonable to incorporate these programs into the main elementary/secondary block grant. Alternatively, they could become a smaller block grant of their own. (Total current value: approximately $5.7 billion.) Or these programs could be transferred to the Department of Health and Human Services.

We want to be clear on this point: protection of the civil rights of disabled individuals would remain a federal responsibility, to be carried out by the Justice Department.

Transfers

- All civil rights enforcement would move to the Justice Department, with the admonition that it be vigorously carried out when discrimination against individuals is involved, but not used as a tool for granting or withholding rights and benefits on the basis of group membership.

- The gathering, analysis and reporting of education statistics would be placed under the jurisdiction of the National Education Goals Panel, consisting of governors, legislators, members of Congress and senior officials of the executive branch. Assessment of student achievement at the international, national and state levels would become the unambiguous responsibility of a rehabilitated National Assessment Governing Board, overseen in turn by the Goals Panel.

- As noted above, any student aid programs not devolved to the states would move to a fiscal agency such as the Treasury Department, while any special education and rehabilitation programs not turned over to the states would move to the Department of Health and Human Services.

- Indian education programs would be transferred to the Interior Department.

- A small number of federal programs that assist specialized institutions (e.g. Gallaudet College, Howard University) and are now the responsibility of the Education Department deserve scrutiny to see whether the present subsidy arrangements should continue. Insofar as they do, any of a number of executive branch agencies can oversee future resource transfers.

Abolition

The Education Department currently manages about 250 separate programs. Perhaps fifty of these have entirely outlived their usefulness, or support activities that the federal government could beneficially stop subsidizing, or provide marginal aid for activities that are fundamentally the responsibility of others but have been maintained as federal "categorical" programs due to the strength of special interest lobbies. Such programs should be abolished or "de-funded" and the savings returned to federal taxpayers. (We estimate these at $2 to 3 billion annually, i.e. as much as $15 billion over five years.) We will not here provide a complete list, but illustrative examples include federal technical assistance centers of several kinds, regional "educational laboratories," library support programs, literacy programs for prisoners, women's educational equity, law school clinical experience, Olympic scholarships and "star schools."

Savings would also result from dismantling the regulatory infrastructure, including most of the costs of Education Department management (about $444 million) and the National Education Standards and Improvement Council.

Structural Implications

Inasmuch as adoption of our substantive recommendations would leave the Department of Education with nothing to do, there would be no need to retain it.

Although any "news" coming out of our testimony may be that "two former education secretaries urge abolition of department they once headed," let us be clear that we did not come before the Committee to recommend a label change or symbolic beheading.

Today's Department of Education has two essential failings. First, it has come to contain bad ideas, harmful practices, needless expenditures, obsolete programs, dysfunctional regulations and the depredations of special interests that care more about the well-being of education's "producers" than for its "consumers."

Second, it has an irresistible and uncontrollable impulse to stick its nose into areas where it has no proper business. Most of what it does today is no legitimate affair of the federal government. The Education Department operates from the deeply erroneous belief that American parents, teachers, communities and states are too stupid to raise their own children, run their own schools and make their own decisions.

Abolishing the Department will accomplish little if its meddlesome ways are transferred intact to another federal bureaucracy. Indeed, such a shift could even be harmful to the extent that it serves to "hide" those activities in less visible locations. In our view, the way to think about the Education Department is first in terms of what it does, *then* in terms of its structure and status.

Because we believe that each of the Department's activities that is worth preserving in some form could better be handled elsewhere, we see no need for a separate federal education agency of any kind.

Our purpose is not to reduce the attention that the nation pays to education. Indeed, there's never been a time in our history when education was more important -- or more in need of a complete overhaul. Whether one is concerned with developing virtue in the young, preparing tomorrow's adults for life in the information age, widening the shared core knowledge base of a diverse population, strengthening our economic competitiveness or enabling poor people to move from the back of the line to the front, we have few assets of greater value than effective education.

"National leadership" can be helpful in focusing people on problems and opportunities. We look to the President, with the help of an education advisor housed in the White House, and to the National Education Goals Panel to ensure that the national project of educational renewal continues apace. But true leadership means energizing people and communities to change, not shackling them with mandates and regulations -- and calling it leadership. We do not need a raft of federal programs. We do not need a giant bureaucracy. We do not need a federal department. What we need is a national movement. We are convinced that the prospects for such a movement -- and for real educational renewal in America -- will be far brighter when the Congress signals unmistakably and irrevocably that responsibility rests with teachers and parents, with communities and states, not with federal bureaucrats.

Reversing the flow of this river is no small undertaking. But it would do immeasurable good for our children, our schools, our communities and our future.

Mike - FYI

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Bennett - I understand that you recently testified in favor of abolishing the National Endowment for the Humanities which you once headed. Today, you are testifying in favor of abolishing the Department of Education, which you once headed. You're a real Typhoid Mary. I hope that the people at Empower America don't have a long-term lease.

Alexander - I have read with interest about your activities and aspirations to become President. If you run for President, I assume you will run against Bill Clinton. It is Bill Clinton's educational program, particularly GOALS 2000 and the reauthorization of the Elementary and Secondary Education Act, that is the primary focus of your criticism this morning. Why should we take your views this morning as anything other than an opening salvo in your partisan political campaign against Bill Clinton?

Alexander - You have been widely quoted saying "Cut their pay and send them home" in speaking of the Congress. Is this still your view?

Bennett and Alexander - Your testimony gives the impression that all former Republican Secretaries of Education are in favor of abolishing the Department of Education. However, I would call your attention to an article published in the Richmond Times-Dispatch on January 18, 1995 by Terrel Bell, President Reagan's first Secretary of Education. In response to the question, "Should Congress Abolish the Federal Department of Education?" Bell responds, "No:

Department Serves a Vital Role in Education." (Insert article in the record.)

Bennett and Alexander - When the current administration came into office two years ago there was a two billion dollar shortfall in the Pell Grant program. This shortfall resulted from the books being cooked and from the rosy scenarios that guided your management of the Department. It would seem that your legacy of a $2 billion Pell Grant shortfall hardly qualifies you as management experts commenting on how the Department is being run.

Bennett and Alexander - In GOALS 2000, ESEA and other legislative initiatives of the Clinton Administration, the Administration proposed and Congress adopted unprecedented new waiver authorities to give state and local officials substantial new flexibility in working with Federal education programs. (Insert in the record recent letter from Secretary Riley to the governors outlining this new flexibility.) These waiver authorities are aimed at freeing schools from burdensome and convoluted Federal regulations. When do you think most of these burdensome and convoluted regulations were adopted? Most of them were adopted during your tenures as Secretaries of Education. Your criticism of "Washington's growing regulatory apparatus" strikes me a somewhat disingenuous. To find the culprits you might look in the mirror.

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

January 26, 1995

MEMORANDUM TO SENIOR OFFICERS

FROM: Kathryn S. Kahler
Communications Director

The attached material is for your information and use.

Attachment

cc: Senior Staff
bcc: OPA Staff

FROM EMPOWER AMERICA 202-833-0388

EMPOWER AMERICA

1776 I Street, NW, Suite 890
Washington, DC 20006
(202) 452-8200

"Abolishing the Department of Education In Order to Liberate Parents and Schools"

A Joint Statement by Former Secretaries of Education Lamar Alexander and William J. Bennett

Delivered before the
House Economic and Educational Opportunities Committee
Subcommittee on Oversight and Investigation

January 26, 1995

Mr. Chairman and Members of the Committee:

It is a particular pleasure for us to address this Committee with its new name, new majority and new chairman. Thank you for the opportunity to set forth our views on the federal role in education. You have an extraordinary opportunity to change the course of history in this domain.

In this statement we outline a fundamental transformation, namely, reversing the direction of a mighty river that, for the past thirty years, has flowed in the direction of Washington, D.C. We have long been convinced that this river -- of responsibility, authority and accountability for American education -- should instead flow toward our families, schools, communities and states. The proposals we sketch in this statement, and the principles on which they rest, are not new for us, for the Presidents we have served, or for many more of our fellow Republicans. What *has* changed is that it is finally within the capacity of the Congress to put them into action.

What's Gone Wrong

The federal education apparatus illustrates what has gone awry in Washington over the past several decades. The national government has become meddlesome, intrusive and bullying. It now impedes more than it fosters. Much of what it mandates or encourages is misguided. It keeps people from doing what they know is right for their children, communities and states. It substitutes the rules of distant bureaucrats for the on-site knowledge of parents and teachers. And, particularly in the last several years, it has begun to lift from our communities the sense that they are responsible for the renewal and reform of American education and to suggest, instead, that Washington knows best and is taking charge.

We and Presidents Reagan and Bush did all we could to reverse the flow, place the emphasis on states and communities, promote flexibility and choice, forge a true partnership with the governors, end discrimination against individuals without preferential treatment for any group, and halt Washington's growing regulatory apparatus. But every such effort was rebuffed by the Democratic Congress -- now aided and abetted by the Clinton administration -- which has pressed relentlessly in the opposite direction, encouraged in this endeavor by education's myriad special interest groups.

To anyone who thinks we exaggerate, we recommend reading the full texts of Goals 2000 and "H.R.6", the administration's two main education bills -- particularly as these were finally enacted by the 103rd Congress. Especially when they are taken in combination, it becomes plain that their authors want to substitute decisions made in Washington for decisions made by individual households and communities. They transform what had been a national movement into a federal program. They create new governance structures and regulatory mechanisms at both national and state levels. They use federal funding in a deceptive way that is designed to elicit the behaviors that other parts of the legislation declare to be "voluntary". They throw obstacles onto such promising reform pathways as school choice and private management of public schools. They strip the bi-partisan National Assessment Governing Board of much of its independence. And they do all this while pretending otherwise; by wrapping themselves in rhetoric of "helping" education and pasting friendly-sounding titles on the cover (H.R.6 was dubbed the "Improving America's Schools Act") while in reality their contents were written by and for lobbyists and interest groups to whom the skills and knowledge of children are not the top priority.

Federal education policy has been moving in this direction since 1965. It took a breather, at least within the executive branch, between 1981 and 1992, but the past two years have seen the pent-up "governmentalism" of that decade unleashed upon the land. For a time we supposed that it was possible to have a national education reform project that worked like a true and durable partnership and did not evolve into another rule-bound federal program. The last two years have proven us wrong. In addition to Goals 2000 and H.R.6, we have seen the executive branch give blanket endorsement to scholarships based on race; take the heat off those who would use "diversity" as a criterion for accreditation; propose the race-norming of state assessment results; and persecute states that employ test-based standards for high school graduation. It's now clear that the federal government will eventually break whatever it touches. Rather than tinker around the margins, therefore, the time has come for a great and thorough change.

A Different Philosophy

The essential part of our proposal is not its particulars but the four principles on which it rests. It is these, above all, that we commend to the Committee's consideration. One can adjust the details that follow. Any comprehensive overhaul based on these principles, however, will represent fundamental redirection and an historic accomplishment, worthy of the new Congress.

First, education in America is the constitutional responsibility of the states, the social responsibility of communities, and the moral responsibility of families.

Second, except when the civil rights of individuals are menaced, the federal government should *never* impede the capacity of families, teachers, communities and states to decide how best to provide education to their children, and should *never* substitute its judgment for theirs.

Third, goals, standards, assessments, the dissemination of information and ideas, and the encouragement of bold innovation are legitimate leadership and "bully pulpit" activities of national officials, but they must always be truly voluntary on the part of states and communities. Nor should federal funds be used as "carrots" or "sticks" in ways that effectively diminish state and local control.

Fourth, insofar as the federal government is engaged at all in the field of education, it should dedicate itself to (a) fostering family responsibility and local control; (b) assisting states to fulfill their responsibilities as they see fit; (c) providing sound statistics, prompt and accurate assessment results and other information; and (d) safeguarding individuals from illegal discrimination.

Repairing Recent Damage

In the 1,200 or so pages of the Goals 2000 and H.R.6 legislation enacted last year is considerable mischief that should immediately be defunded and then repealed. Ten leading candidates include:

1. The National Education Standards and Improvement Council -- the "national school board" that is so vivid a symbol of education wrong-think in Washington, and the new state panels mandated by Goals 2000. Our states and communities have all the governments they need; they don't need new decision-making structures designed in Washington.

2. Federal "certification" of national and state education standards and federal approval of state and local education reform plans. Those controversial new standards should make their own way through the marketplace of ideas without any federal "seal of approval." Nor do federal bureaucrats have any business second-guessing state and local priorities for school reform.

3. Prohibitions and disincentives for state/local testing programs and accountability systems. Among the most dismaying features of Goals 2000 (and recent actions by the Office for Civil Rights) is the effort to discourage the very tests that might actually encourage our students to learn more -- and give parents and taxpayers better information.

4. New "gender equity" programs. The last thing we need is the federal government telling America's 15,000 communities how to teach little boys and little girls about one another -- or mandating how teachers are to handle such matters. Nor do we need a new "special assistant for gender equity" to enforce such mandates.

5. Federal regulation of schools' weapons policies and sex education. That's why we have parents, teachers, principals and school boards.

6. All references to "opportunity to learn" standards. If the experience of American education these past thirty years has taught us anything, it's the importance of maintaining a laser-like focus on student achievement and of creating accountability systems that are based on school results. The recent legislation deflects attention back toward such "inputs" as spending levels, class size, and degrees conferred by colleges of education -- and invites even more litigation based on such spurious gauges while discouraging true accountability for schools, teachers and students.

7. Disincentives for states and localities that want to try such reforms as vouchers, charter schools and privatization. If we are ever to transform American education, we must give families – especially poor families – the right to choose their children's schools from among all the schools in their communities; give communities opportunities to create "break the mold schools" that are not regulated to death by the bureaucracy; and invite the private sector to help interested communities create the best schools in the world. Yet the recent legislation places obstacles in the path of states and communities that want to try such things. What sort of choice program allows the "sending" school to deny children the right to leave? The sort enacted in H.R.6.

8. Extension of Davis-Bacon provisions to school construction and renovation. That means a principal in Moline who wants to hire a contractor to rewire his school for new computers must pay the prevailing union wage rather than getting the job done for the lowest cost. It's a big favor for the unions, but no favor at all for schools, efficiency or economy.

9. The addition of two more national goals to the original six. Parent involvement and teacher training are fine, but goals should be limited to specific, measurable results, such as President Bush and the Governors (including then-governor Bill Clinton) established in Charlottesville.

10. Weakening the National Assessment Governing Board. Our best source of reliable student achievement data at the national and state levels is the National Assessment of Educational Progress, the integrity of which depends on the absolute independence and complete policy control of its Governing Board. H.R.6 undermined that board, giving greater influence to education interest groups and to a sluggish federal bureaucracy that is easily politicized.

Comprehensive Devolution

Mr. Chairman, here is the heart of our proposal for the long term: the Congress should take every single activity currently housed in the Department of Education and do one of three things with it: (a) send it home to the states and communities; (b) entrust it to another federal agency that is suited to conduct it in harmony with related activities; or (c) abolish it on grounds that the federal government can no longer afford to spend money on programs that have outlived their usefulness or that can be handled satisfactorily by others. We will not endeavor here to fill in every detail or answer each question that might be asked about this far-reaching recommendation, but the examples that follow indicate its main features.

Sending responsibility home

* Virtually all major programs assisting elementary/secondary education should be combined into a "block" and returned to the states and communities. This can be accomplished in several ways: the best, in our judgment, is a "responsibility swap" whereby the states assume full responsibility for education in return for federal assumption of other

burdens now borne by the states; or a resource base transfer in which some federal tax is reduced by an amount equivalent to the programs in question, thereby leaving it to state and communities to raise and deploy these revenues as they see fit. A third approach is a no-strings "block grant" of federal fund to the states, though we like this least because of the well-known tendency of block grants to grow strings as time passes.

The core of this block are programs under the headings of "education reform" (including Goals 2000), school improvement, education for the disadvantaged, bilingual education, and vocational and adult education -- approximately $10 billion in all. That means upwards of a billion dollars a year for a big state like California and about $200 million for a smaller one like Tennessee, funds that the state and its communities would be free to spend it for any educational purpose, including such innovations as charter schools and vouchers. (The distribution formula can retain the equity-conscious fiscal effects of today's programs.) The federal government would no longer define legitimate education reform, nor would states and communities have to submit their plans to Washington for approval.

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- The gathering, analysis and reporting of education statistics would be placed under the jurisdiction of the National Education Goals Panel, consisting of governors, legislators, members of Congress and senior officials of the executive branch. Assessment of student achievement at the international, national and state levels would become the unambiguous responsibility of a rehabilitated National Assessment Governing Board, overseen in turn by the Goals Panel.

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Breaking the Mold

by Lamar Alexander

REPRINTED FROM BusinessWeek OCTOBER 17, 1994 ISSUE

OCT 4 1994

NOTE TO MIKE COHEN

Attached, as Mike Smith requested, is our draft response to the Hudson Institute polemic on the Administration's record on reform. The Hudson Institute report is also attached.

Val Plisko

Val Plisko

Attachments

cc: Mike Smith
Alan Ginsburg

FIRST ROUGH DRAFT
September 13, 1994

The Hudson Institute has just published Looking Back, Thinking Ahead: American School Reform 1993-1995, a report by a group cochaired by Chester E. Finn, Jr. and Diane Ravitch.

Rather than "sour grapes", this may be a case of "sour apples" as this pamphlet by a group led by two former Reagan-Bush political appointees offers a critique of major school reform. Beyond its polemics, this election-time pamphlet includes numerous inaccuracies. Some are noted below.

• **ASSERTION:** *"How is it that so much energy and expense are going into the enterprise of school reform, yet we have so little to show for it? ... we find backsliding on key matters, opportunities missed, and mischief made."* (p. 3) *"We award 1993-94 in education a "C+", a mark that traditionally suggests tolerable effort (assuming no grade inflation, but lackluster results. (Those who have come to view the "B" as average should be even less content with our appraisal.)"* (p. 22).

FACT: Less than two years after taking office, this Administration's accomplishments in education include major legislative initiatives already been passed by Congress. These include:

*THE GOALS 2000: EDUCATE AMERICA ACT : Major components include:
* **Adoption of the National Education Goals:** Congress recognizes the goals developed by President Bush and the Governors, with parent participation and ongoing teacher development included as additional goals essential to obtaining quality education for all students.
* **State and Local Reform**: Support for state and local efforts to develop worldclass content and performance standards, as well as high quality curriculum and assessment aligned with standards.
* **Education Standards:** Support for national development of voluntary content and performance standards in both academic and vocational and opportunity to learn standards that can offer guidance for state and local efforts.

***THE IMPROVING AMERICA'S SCHOOLS ACT:** Passed with large bipartisan majorities in both chambers of Congress, ~~this legislation is now in legislative conference and expected to be signed into law by the end of the year.~~ Putting the $11 billion federal investment in K-12 education to work to ensure quality education opportunities for all students, it will:
* **Align federal education programs with state and local reform.**
* **Target resources** to communities and schools where the needs are greatest.
* **Support intensive and sustained teacher training** to help ensure that all teachers have the skills they need to help all students learn to high standards.
* **Expand efforts to make schools safe and drug free** through comprehensive, community-based approaches.

* **Provide greater flexibility** through Departmental authority to waive federal procedural requirements in return for improved educational outcomes.
* **Upgrade technical assistance** to school systems, consolidating efforts to ensure schools have ready access to what works in education to improve education for all students.

* **THE SCHOOL-TO-WORK OPPORTUNITIES ACT.** This statute is now putting in place a system to ensure that American students leave school with the knowledge, skills and experience necessary to gain productive employment and participate in further education. Closely aligned with Goals 2000, it works to create a standards-driven system in every state, helping schools and workplaces to work in partnership. The joint school-to-work team of the Departments of Labor and Education has already been able to provide development grants to every state in the nation and award competitive state and local implementation implication grants.

* **DIRECT STUDENT LOANS AND INCOME-CONTINGENT STUDENT LOANS.** Keeping higher education affordable to both young people and the nation is vital. The Administration's direct student loan program simplifies access to student loans for young people and colleges while cutting cuts. By having postsecondary unsteadiness lending federal funds directly, it is expected to save taxpayers $1.5 (?) billion **a year**. In addition, this legislation creates income-contingent repayment plans for very low income students which result in more affordable monthly payments. These are starting to provide all students with access to high quality postsecondary education regardless of the students financial situation.

Other Initiatives: Parent participation in their children's education is one of the best predictors of student performance. Secretary Riley has launched the **Strong Families, Strong Schools** initiative working closely with civic groups, churches, businesses, the Parents and Teachers Associations, and others in the broad education community to increase the level and effectiveness of parent involvement in their children's education. This includes participation in nationally broadcast "town meetings", publication of brochures on "Summer Home Learning Recipes for Parents and Children" and other activities.

In sum, the first two years of this Administration have already witnessed major transformations of national education policy to work systematically to use ensure high quality education opportunities for all students.

⊛ **<u>ASSERTION:</u>** *The Bush proposal, "America 2000" is held out as the benchmark for reform, and contrasted with progress over the past two years: "The events described below, however, suggest that--for all the talk--many have weak knees when it comes time to proceed up the rocky path that must be scaled if we are to truly demand more from our students and our schools." (p. 6)*

<u>FACT:</u> The Bush proposal failure shows that it is clearly not a model to emulate. The Bush proposal did not provide any guidance on how to link the public's desire for improvement with effective strategies for change. The notion of allowing each community to work it out on its own served as a rationale for providing little substantive help and followup. It is unclear how many communities made a real commitment to attaining the goals, or merely for throwing a big kickoff. There was no way to tell because there was no systematic followup on the progress of the America 2000 communities. The proposal relied heavily on proposed isolated "lighthouse schools" to change educational practice across the nation--despite more than a third of a century of evidence that such fragmented and isolated demonstrations approaches are inadequate. There was a similar lack of followup within the Department of Education. There was no attempt to link the Bush proposal to federal programs to encourage local people to use local, state and federal resources in tandem for reform.

Bush "America 2000" proposal was perceived by many outside and within the Department as a political campaign. For example, the idea of "A+" awards was launched two months before a national election which enabled Bush political appointees to crisscross the nation giving out awards. If results count, the authors should note that the Bush Administration was unable to convince Congress of the relevance of its proposals: the Bush legislation to implement its proposals was killed by **Republican** opposition. Clearly it was not what works.

⊛ **<u>ASSERTION:</u>** "*Goals 2000 has received a lukewarm reception from some states which seem to be hesitating for several reasons.*" (p. 22)

<u>FACT</u>: From coast to coast there has generally been a broad positive response. Goals 2000 was passed by Congress on March 31 of this year with broad bipartisan support by a vote of [NUMBER]. ~~Regulations for State participation in Goals 2000 programs were issued [DATE].~~ No Reg's By September 9th applications had been received from 34 states--this includes states that include many of our nation's students (e.g. California, Colorado, Connecticut, Illinois, Kansas, Florida, Maryland, Massachusetts, Michigan, New York, Pennsylvania) from Maine to Hawaii, from North Dakota to Florida. [Most other states] are in the process of developing and submitting applications to participate in Goals 2000.

Debate is fundamental to democracy and to effective reform. That is why a major goal of Goals 2000 is to stimulate debate and action at state and local levels across the nation. As the pamphlet notes, Goals 2000 has succeeded in this regard as well. Goals 2000 builds on the strengths of ongoing participation through our nation's democratic processes.

● **ASSERTION:** *"Examining the past year, we find that education policymakers at all levels have gotten fuzzy and ambivalent about high academic standards, even as some have strengthened the instruments of change."* (p. 4), and *"Congress dropped important elements of the "goals-standards-accountability" reform paradigm, notably any meaningful testing system. -- (Moreover, tests developed with Goals 2000 money cannot be used by states and localities for "high stakes" purposes such as high school graduation."* (p. 7)

FACT: The authors have their facts wrong. As the law they are criticizing states clearly, the prohibition on use of tests developed with Goals 2000 money in Section 220 applies only for 5 years and applies only to tests developed with funds authorized under that section. The law says: *"A State assessment developed and evaluated with funds under this section may not be used for decisions about individual students relating to program placement, promotion or retention, graduation or employment for a period of 5 years from the date of enactment of this Act".* Assessments developed with federal funds under this section can be used after that period--and assessments developed with local, state or private funds, or with funds from other Federal sources can be used at any time.

The five year provision reflects the high priority the statute puts on **real reform rather than just a quick fix.** It helps ensure that taxpayer dollars work for not just more the same off the shelf "color in the bubble" tests but rather to use federal funds to encourage development of better quality tests, that effectively use new testing technologies and that are better linked to curriculum and instruction to help ensure that all students learn to high standards.

In another section not mentioned by the pamphlet which deals with the National Education Standards and Improvement Council, Section 213 requires that assessments that will be certified by the Council, "will not be used to make decisions regarding graduation, grade promotion, or retention of students for a period of 5 years from the date of enactment of this Act..." Again this applies only to assessments certified by the Council and applies for only five years.

Nothing in the statute or in Departmental actions prevent the use of other tests for high stakes purposes. Indeed, high stakes tests have long been used in our nation's schools and businesses and will continue to be.

Why go slow in these two Goals 2000 provisions? Obtaining high quality in testing demands time and attention to complex and significant details. Experiences with testing problems mount, from NAGB's problems setting sound achievement standards for NAEP, to California's heated debates over appropriate items to include in assessments to the significant technical problems with the California assessment system identified in the recent Cronbach study. The 5 year phase-in provides time to fine tune assessments and ensure that they are effectively aligned with curriculum and instruction.

The authors are inconsistent, urging a quick fix in one place, lamenting the consequences of premature action in others. In their discussion of outcome-based education they say that bad implementation of reforms has sometimes resulted in muddled designs and controversial implementation which they fear threatens to undermine reform that focuses on results and accountability. Similarly, a rush to test could readily make mistakes which undermine continued reform.

● **ASSERTION:** *"As part of Ohio's 1987 education reform package, the state created a new set of tests to ascertain whether graduating seniors had at least minimum competency in reading, writing, math and citizenship....Now the Education Department's Office for Civil Rights (OCR) is investigating OHIO's test to determine whether it violates the Civil Rights Act of 1964. [We believe] that the Department of Education is hypocritical when, on the one hand it promotes high academic standards through Goals 2000 while, on the other hand, investigating Ohio for actually employing such standards in ways that might alter the behavior of teachers and learners. The OCR investigation also smacks of the pernicious notion that expectations should be manipulated so that the "impact " of standards will be exactly the same for all demographic subgroups....We agree with the congressmen's observation 'This situation raises serious questions about the feasibility of standards and assessment efforts in all states and raises the question of whether or not the Department will allow any high stakes standards and assessment provisions to ever be implemented" (pp. 7-9)*

FACT: The authors note that two months after the civil rights complaint was logged the proportion of white students passing the test grew by five percent and the proportion of black students passing the test grew by ten percent. Since it seems unlikely that what high school students really knew about basic academic skills grew by so much in a period of two months, the authors' own example nicely highlights questions of how reliable, valid, and robust those tests are in measuring what students really know. Given the very serious consequences of nongraduation for students, schools, and the community, America does not want measurement error and test-coaching to be mistaken for learning.

The authors should know better by this time. As [Chair] of the National Assessment Governing Board for NAEP, Chester Finn oversaw the Board's development of standard setting in math. A study by the US Government's General Accounting Office (GAO) titled Educational Achievement Standards: NAGB's Approach Yield's Misleading Interpretations determined that: ***"We recommend that the question of how to set and interpret performance standards be reopened and that structures and procedures for governing the assessment be reviewed to ensure that policies are technically sound as well as responsive to constituent interests."*** GAO concluded that modifications of accepted methods by the Board headed by Finn ***"left panelists' individual views--not informed consensus--as the basis for NAGB's standards"***. America must do better.

It is only fair to ensure that high stakes tests are technically accurate--it is good education policy, it is good civil rights, it is economically efficient, and it is demanding effective use of taxpayer dollars. The OCR investigation helps ensure that high stakes testing is done in ways consistent with testing guidelines developed by the nation's professional assessment organizations and with our nation's laws. As for the pamphlet's rhetorical questioning of whether the Department will allow high stakes standards and assessments to **ever** be implemented: the fact is that high stakes standards and assessments **are already used** in a very large number of schools and businesses.

● **ASSERTION**: *"National 'opportunity to learn' (i.e. input) standards are coming back in new garb and, probably with sharp teeth and talons."* (p. 7). *"Perhaps most importantly, 'opportunity to learn' standards pose a sizable legal scare. ...it is anyone's guess (and will doubtless be the courts' final call) what states are buying into when they hitch their wagons to the new "opportunity to learn" standards"* (p. 22).

FACT: This is another instance of the pamphlet misrepresenting what is clearly stated in the law. Whatever "standards" may exist on paper, the fact is that students cannot be expected to meet high standards in chemistry, calculus or other areas if they haven't been exposed to the curriculum and instruction needed to learn those subjects. This pamphlet's advocacy of high stakes tests with no attention to whether students have had an opportunity to learn those materials is an invitation to play a pointless blame game. That is a sure invitation to fail in education reform.

Opportunity to learn standards, as provided for by Goals 2000 are not input standards. They not counts of warm bodies in classrooms and number of textbooks and number of windows in a classroom, but rather identify how the available resources are put together to achieve learning. Some schools may spend a lot and have lush facilities and still fail to effectively educate children; some schools run on a shoe string effectively educate all their children. Opportunity to learn focuses on what is being done to help students learn, not on bean counts.

Section 213 of the Goals 2000 Act deals with the development of national education standards. It specifies that standard development process and certification by NESIC and approved by NEGP is purely voluntary (Sec 213 (b)]. It also specifies that the Council may certify voluntary national opportunity to learn standards only if "such standards are sufficiently general to be used by any State without restricting State and local control of curriculum and prerogatives regarding instructional methods to be employed". Moreover Sec 213 specifies:

> *(1) UNCONDITIONED STATE PARTICIPATION.--No State shall be required to obtain certification of standards or assessments developed under subsection (b)(d)or (f) of this section or to participate in programs under title III of this Act, as a condition of participating in any Federal education program under this or any other Act.*
> *(2) CONSTRUCTION.--Nothing in this Act shall be construed to create a legally enforceable right for any person against a State, local educational agency or school based on a standard or assessment certified by the Council or the criteria developed by the Council for such certification.*

These protections are augmented by requirements for public hearings across the country and wide consultation before establishing national standards, publication for public comment of any proposed criteria (Sec 216), the council must provide public access to proceedings, a requirement that certified standards be regularly renewed, and other protections.

NEGP final approval

● **ASSERTION:** *"Contracting brings Marketplace Discipline to the Public Sector" "Many school systems have long contracted with private firms for ancillary services, but the 'out-sourcing' trend gained considerable visibility in 1992 when Baltimore signed a contract with*

Educational Alternatives Inc. (EAI) to manage one middle school and eight elementary schools in that city....The Baltimore data are mixed and the other ventures are too recent to show results.... (Not only are the EAI-maintained schools in Baltimore said to be clean and in good repair for the first time in years, but many of that city's 'regular' public schools are now reported to be tidier as their custodians awaken to the possibility that their jobs could be in jeopardy" (pp. 16-17).

FACT: While private providers may be helpful under some circumstances, shifting from public institutions to private firms is not a panacea. Again the authors are inconsistent. The pamphlet begins by saying that results are everything, but in championing EAI it focuses only on inputs and how they are organized. The Baltimore contract has served as a showcase for EAI's efforts to manage public schools. A study of EAI schools in Baltimore by AFT reported that the certified teacher-to-pupil ratio has increased substantially, and the number of special education teachers was reduced as the for-profit-business systematically dismantled the special education program and placed special education students in regular classrooms without necessary support services.

While the pamphlet's authors will undoubtedly counter that the AFT was biased by the interests of their member teachers, an Arthur Anderson accounting firm audit revealed that EAI made at least $2.6 million in profits while cutting staff, increasing class sizes and reducing services. EAI spent $2.4 million on such needed items as paint, air conditioning and new windows--however the money for these improvements reduced the amount of money available for classroom instruction. An analysis of EAI expenditures shows that these staff cuts financed corporate overhead and increased expenditures for facilities. EAI initially received as much as $500 per student more than other schools-- and now stands to get a $2 million windfall for 1994 and subsequent years. EAI was unable to account for some $400,000 in Chapter 1 remedial education funds. [Isn't there court action pending in this?]

● **ASSERTION:** *"the education establishment has largely succeeded in preserving its stone wall around traditional forms of 'public' schooling. ... The problem arises when it is equated with a uniform, rule-bound, bureaucratic, government monopoly, staffed solely by government employees and more attuned to their interests than to the well-being of its consumers"* (pp. 12-13). The pamphlet goes on to describe state and local developments in the area of charter schools, contracting for services, and vouchers.

FACT: The pamphlet's authors have missed some of the most important changes which are happening at the Federal level. Goals 2000 and the Improving America's Schools Act which reauthorizes ESEA put high priority on flexibility to achieve educational excellence. For the first time ever, the ESEA reauthorization includes a major provision for waiver of major education statutes and regulations to allow schools flexibility to meet high standards. In addition, the reauthorization includes a major demonstration program for charter schools and creates a demonstration program authority under Title I to encourage innovation in this largest elementary and secondary education program.

● ASSERTION: The pamphlet also attacks linkages among Federal education programs *"Considerable new mischief may lie ahead. Buried in this round of ESEA changes are all sorts of intricate ties between the conditions attached to federal funds provided through these programs and the 'standards' envisioned in Goals 2000... We anticipate a painful pincer action as the two measures begin to operate in tandem."* (p. 21)

FACT: It is far better to have these federal programs operating in tandem with state and local reform efforts rather than in isolation as was the practice for most programs under the last Administration. Study after study has identified the fragmentation of government programs that are intended to address common problems as a source of program inefficiency, bureaucratic bloat, and a waste of taxpayer money. A top priority of the Clinton Administration is increasing the efficiency and cutting the cost of government while making a change for the better. The pamphlet notes the many links between Goals 2000 and the reauthorized ESEA. The emerging network is far broader and more robust than they indicate--it includes links in the school-to-work initiative, in pending welfare reform and job training legislation, proposals for the reauthorization of vocational education and in emerging postsecondary education priorities all aimed toward enabling American students to attain world class standards. Rather than substituting rhetoric for action, systemic education reform as outlined in Goals 2000 and other legislation works smarter to ensure education opportunity for every child to learn to high standards for educational excellence.

(1) reduce fragment
(2) prevent fed. st/local
w
(3) state/local cntrl
mand

● ASSERTION: *"Perhaps most worrisome, the very idea of goals-based school reform has been "federalized", leaving states, communities, teachers, and parents with a diminished sense of obligation to solve their own problems."* and *"The new federal councils, once appointed and staffed, may well make plenty of mischief; it appears that they will consist largely of interest group representatives."* (p. 7)

FACT: Again, the authors are inconsistent as well as being wrong about the facts. These reforms network parents, teachers, schools, districts, states and the Federal government drawing on their many and diverse strengths to create a learning system to improve education for every child in every school. Rather than being "federal" as the pamphlet's authors state, the National Education Goals Panel and the National Education Standards and Improvement Council created by Goals 2000 are explicitly **national** in character--including active participation not only by national and state governments, but ensuring full participation by parents, educators, business and others in the broad education community that might not be fully heard in a narrower "federal" structure. At each stage in the process, extensive and ongoing community participation is encouraged. For example, Goals 2000 adds the national goal that, "By the year 2000 every school will promote partnerships that will increase parental involvement and participation in promoting the social, emotional and academic growth of children". While the authors dismiss provisions for parent participation, participation of businesses, developing the ability of teachers to effectively teach to high standards for all students, as "interest group representation.", we believe that wide and ongoing participation at all levels is critical to real reform. In short, Goals 2000 and related legislation empowers states, communities, teachers and parents to work together to change schools for the better.

Hudson Institute

U.S. SCHOOLS "SCHIZOPHRENIC ON STANDARDS" SAYS NEW HUDSON REPORT

Contact Peter J. Pitts, (317) 545-1702

September 7, 1994, Washington, DC. The Educational Excellence Network (EEN) of Hudson Institute released its report, "Looking Back, Thinking Ahead: American School Reform 1993-1995" today, detailing what's blazing or blocking the road to reform of American primary and secondary schooling.

The report points to a developing "schizophrenia on standards" as a major barrier to progress in improving U.S. schools. As a result, the potential positive impact of the Clinton administration's "Goals 2000" program -- which codifies into federal law eight education goals aimed to create "world class standards" for student achievement -- is likely to be undermined at both the state and national levels.

The report refers to the U.S. Department of Education's own challenge of Ohio's minimum competency tests for high school graduation on grounds that the exams are biased as an example of this schizophrenia. The EEN report quotes from a letter to Secretary of Education Riley, signed by 14 members of Congress, raising concern over the investigation:

"In our view, this situation raises serious questions about the feasibility of standards and assessment efforts in all states and raises the question of whether or not the Department will allow any high stakes standards and assessment provisions to ever be implemented."

"That's true schizophrenia with respect to standards," said EEN co-founder and Hudson Institute's John M. Olin Fellow Chester E. Finn, Jr. "We should never accept the notion that standards and expectations should be lower for some groups than for others, or that different results on a test mean the test should be faulted. That's not educational excellence -- those are excuses."

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According to the report, the past year in American education earned only a "C+," but "the average is not as significant as the specific component parts," according to Finn. Six notable developments discussed in the report are: (1) the enactment of Goals 2000; (2) the Ohio civil rights challenge; (3) the national backlash against outcomes-based education; (4) the spread of "charter" schools; (5) private management of public education; and (6) growing interest in school vouchers.

The report details the issues, as well as offering the views of the Network's new Education Policy committee (EPC), whose members include two former U.S. Secretaries of Education, Lamar Alexander and Bill Bennett, together with almost 50 of the most respected names in American education. Quotes from EPC members appear throughout the report.

"The EEN has helped launch the national excellence movement by continually reminding policymakers, journalists, educators, and parents that education must be judged by whether children are learning," said EEN co-founder Diane Ravitch. "What sounded heretical in 1981 is now no longer even controversial. But the battle is only half won. We must continue to insist on real standards, consistently applied, and we must relentlessly seek out ways to improve the delivery of educational services."

The Educational Excellence Network was founded in 1981 by Ravitch and Finn to enhance the exchange of ideas and information among those who recognized the need for the reform of American education. EEN became a part of Hudson Institute in 1992 and is directed by Research Fellow Carol D'Amico.

Founded in 1961 by the late Herman Kahn, Hudson Institute helps shape the future through research designed to anticipate the political, economic, and cultural trends critical to the success of U.S. public policy and business today and into the 21st century.

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attachment

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Looking Back, Thinking Ahead

American School Reform 1993 - 1995

A report by the
Educational Excellence Network
and its
Education Policy Committee

Hudson Institute is a private, not-for-profit research organization founded in 1961 by the late Herman Kahn. Hudson analyzes and makes recommendations about public policy for business and government executives and for the public at large. It does not advocate an express ideology or political position. However, more than thirty years of work on the most important issues of the day has forged a viewpoint that embodies skepticism about the conventional wisdom, optimism about solving problems, a commitment to free institutions and individual responsibility, an appreciation of the crucial role of technology in achieving progress, and an abiding respect for the importance of values, culture, and religion in human affairs.

Since 1984, Hudson has been headquartered in Indianapolis, Indiana. It also maintains offices in Washington, D.C.; Montreal, Canada; and Brussels, Belgium.

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Looking Back, Thinking Ahead: American School Reform 1993 - 1995

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Introduction

Education "reform" has become a sizable industry in its own right during the past decade, but its results to date have been dismal. In summer 1994, the National Assessment of Educational Progress released the latest student achievement trend data in reading, writing, math, and science. Slight gains are visible in science in recent years, as are minor upticks in math—but only in relation to unacceptably low baselines. As for literacy, most young Americans are functioning at rudimentary levels: enough to get through the day, perhaps, but not enough to sustain a strong democracy, a competitive economy, and a vibrant culture.

How is it that so much energy and expense are going into the enterprise of school reform, yet we have so little to show for it? With this report, the Educational Excellence Network (EEN) and its new Education Policy Committee (EPC) hope to shed a bit of light on that paradox with regard to the past year and to illuminate the path that lies before us as the new school year opens.

As we review 1993-94 in American primary/secondary education, the most that can be said is that a couple of good things happened and several encouraging trends were apparent. At the same time, we find backsliding on key matters, opportunities missed, and mischief made.

In this report, we've concentrated on two categories of event that are central to what the Network stands for:

- ***Standards*** (what do we expect American children to know and be able to do by the time they finish high school?); and

- ***Reinventing Education*** (what changes need to be made to the current system if we're to reach our destination?)

Examining the past year, we find that education policymakers at all levels have gotten fuzzy and ambivalent about high academic standards, even as some have strengthened the instruments of change. But why, it is fair to ask, improve the means of transportation if one is vague about one's destination?

Looking ahead, opportunities abound, but will decision-makers take the risks, avoid the pitfalls, and stick to their guns in the face of tough and sometimes nasty resistance? Would that we had more confidence in their resolve.

In the interest of focus and brevity, we've been selective in this report, omitting topics (such as early childhood education) that some EPC members had hoped to see here and neglecting some worrisome developments (such as the College Board's decision to "re-center" the SAT scores) that we could not fully examine. Nor have we said anything about the continuing "culture wars" and welfare policy struggles that have such great bearing on the lives of children and the content of their education. Still, we hope that you will find this report informative and useful, sometimes controversial, perhaps a touch alarming. And if you're not already a member of the Educational Excellence Network, we invite you to join. Information can be found on the last page of this publication.

Chester E. Finn, Jr.	Diane Ravitch
Co-Chair	Co-Chair
Education Policy Committee	Education Policy Committee

Part 1: Where We're Going
Schizophrenia on Standards

In 1989 when President Bush and the nation's governors met in Charlottesville to set ambitious new national education goals, it appeared that the key U.S. education policy shapers had embraced the idea that education is properly measured by its results, not by budgets, pupil-teacher ratios, teacher salaries, or other measures of "input."

A dumbed-down academic program offers nothing of value to children, especially children of color. This type of program is a one-way ticket to disaster.
Ramon Cortines

The third and perhaps most important of the national goals states that, by the year 2000, all children will "leave grades four, eight, and twelve having demonstrated competency in challenging subject matter including English, mathematics, science, history, and geography." Toward this end, President Bush and Education Secretary Lamar Alexander developed the "America 2000" strategy, including "world class standards" for student achievement and high-caliber examinations to monitor progress.

It reminds me of the story of the farmer who boasts of the water, feed, space and contentment of his chickens. "But," asks the skeptic, "Do they lay eggs?"
Saul Cooperman

Since that time, the notion of "world class standards" has been widely discussed. Washington funded seven subject-specific standard-setting groups (and several more have obtained private resources). State-level efforts to create standards and assessments are widespread, and local initiatives of this kind are growing more common. Some of the design teams supported by the New American Schools Development Corporation are honing their own sets of standards. The American Federation of Teachers recently compiled an international collection of 12th grade exit exams in biology, the first in a series of publications designed to inform American standard-setting efforts.

The worst part of Goals 2000 is what Congress didn't do. No renewed commitment to rigorous academic standards. No push to charter thousands of new schools. No move to take federal regulations off the classroom teacher. No GI Bill for Kids so that poor families can also choose the best schools for their children.
Lamar Alexander

Goals 2000, if implemented properly, can live up to its rhetoric. If not, it is a vehicle for special interests to smother state and local reform.
William Moloney

Test-makers and publishers continue to develop curricula and assessment instruments intended to propel American students to greater levels of achievement.

So far, so good. The events described below, however, suggest that—for all the talk—many have weak knees when it comes time to proceed up the rocky path that must be scaled if we are truly to demand more from our students and our schools.

♦ ♦ ♦

The News: *Goals 2000 Enacted into Law*

The passage of Goals 2000 marked what the Clinton Administration and some others hope will be a new era of nationwide education reform activity catalyzed by a stronger federal role and parallel—the word "systemic" is often used—actions by states and localities.

Goals 2000 codifies eight education goals—the six developed post-Charlottesville and a brace of new ones touting professional development for teachers and parental involvement in schools. The legislation also creates two new federal boards charged with establishing national academic and skill standards and with certifying state standards and assessments. The act says that acceptance of standards is voluntary at the state and local levels.

Goals 2000 also authorizes funds for states and localities to help underwrite various reform efforts (standards and assessments, to be sure, but also professional development, parental and community involvement, dropout prevention, etc.). Those funds flow upon Education Department approval of state/local "improvement plans." Approximately $90 million was allocated for this purpose in 1994. The fiscal '95 figure will be around $390 million.

Our View: *Jury is Out on Goals 2000*

Pitchers of ink were poured over this measure during its prolonged stay on Capitol Hill, particularly when it passed through legislative stages of a kind that often lead to considerable mischief (stages such as committee markups and political negotiations). Thanks, however, to articulate critics, steadfast governors, skeptical senators, and, at one point, the personal intervention of President Clinton, many worrisome features were dropped or softened.

Today, Goals 2000 looks like little more than (a) a codification of national education goals, (b) several new (or more permanent) structures for encouraging and monitoring the nation's progress toward those goals, and (c) a medium-sized new federal grant program which—at its outset, anyway—the Department of Education is administering in a low-key fashion.

Yet the measure's shortcomings are profound: Congress dropped important elements of the "goals-standards-accountability" reform paradigm, notably any meaningful testing system. (Moreover, tests developed with Goals 2000 money cannot be used by states and localities for "high stakes" purposes such as high school graduation.) The new federal councils, once appointed and staffed, may well make plenty of mischief; it appears that they will consist largely of interest group representatives. National "opportunity to learn" (i.e., input) standards are coming back in new garb and, probably, with sharp teeth and talons. And in return for their crumb of federal aid, states and localities are apt to have to jump through ever-more hoops.

Nobody familiar with the history of federal education programs could reasonably expect Washington to resist the temptation to add ever-more conditions and requirements to these monies. Perhaps most worrisome, the very idea of goals-based school reform has been "federalized," leaving states, communities, teachers, and parents with a diminished sense of obligation to solve their own problems.

Let's be fair. No new program of this magnitude has ever managed to approve state plans this quickly.
Ted Sanders

Goals 2000 provides a false sense of security to the nation that somehow all is now well. The message is "Let's wait until Goals 2000 has time before we act any more."
Jeanne Allen

Many rural states are eager to accept the Goals 2000 funds and to follow directives pertaining to it. Top-down edicts are anathema in these states, but they need and want the federal funding.
Joan Grady

♦ ♦ ♦

The News: *Office for Civil Rights Challenges Ohio Exams*

As part of Ohio's 1987 education reform package, the state created a new set of tests to ascertain whether graduating seniors had at least minimum competency in reading, writing, math, and citizenship. To give students ample time to prepare for these assessments (which are pegged to approximately an eighth-grade curriculum), actual linkage of diploma to tests was deferred until 1994.

If groups or individuals differ in educational achievement, we need to know so something can be done about it. Simply calling people equal who aren't or disguising the facts about competence makes standards meaningless.
Herbert J. Walberg

Now the Education Department's Office for Civil Rights (OCR) is investigating Ohio's test to determine whether it violates the Civil Rights Act of 1964. It seems a complaint was logged when approximately 90 percent of white students had passed all four parts of the test as of March 1, when 80 percent of black students had passed. (Students who fail the first time may retake the exam many times, over several years, and they can receive supplemental instruction to assist them in passing.) Two months later, the number of white students passing had risen to 95 percent and the total of successful black students had increased to nearly 90 percent. Complainants to OCR earlier had filed a lawsuit that an Ohio Federal District Court disposed of in a decision which left intact the tests and graduation standard. The agency continues its investigation nonetheless.

In its initial letter to the Ohio Department of Education, OCR stated that "an acute civil rights issue will arise if the Ohio Department of Education's proficiency test causes disparate numbers of minority students across the state to be denied the opportunity to graduate with a high school diploma."

OCR has demanded student-identifiable data. Makes one wonder again about the motive, when one considers federal protections to families' right to privacy.
Ted Sanders

Our View: *Clinton Administration Talks Out of Both Sides of Its Mouth*

In May, fourteen members of the U.S. House of Representatives wrote to Education Secretary Richard Riley to raise concerns and questions about OCR's action. They argued—rightly, we believe—that the Department of Education is hypocritical when, on the one hand, it promotes high academic standards through Goals 2000 while, on the other hand, investigating Ohio for actually employing such standards in ways that might alter the behavior of teachers and learners. The OCR investigation also smacks of the pernicious notion that expectations should be manipulated so that the

"impact" of standards will be exactly the same for all demographic subgroups.

We agree with the congressmen's observation: "This situation raises serious questions about the feasibility of standards and assessment efforts in all states and raises the question of whether or not the Department will allow *any* high stakes standards and assessment provisions to ever be implemented."

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It is possible to set an outcome and to test for students' knowledge of the racial and ethnic composition of the American population, or the progress of Civil Rights legislation. But when one sets an outcome such as "proper respect for diversity," teachers don't know how to incorporate it in their teaching, test-makers don't know how to test for it, and one has only multiplied confusion and conflict.
Nathan Glazer

The News: *Outcomes Backlash*

Outcomes-based education took a number of body blows during the 1993-94 school year, as it became the object of intense political controversy—so much so that the phrase "outcomes-based" has nearly vanished from current policy discourse. Among other events are the following:

- Then-governor Douglas Wilder of Virginia rescinded the Commonwealth's draft school outcomes.
- The voters of Littleton, Colorado, threw out a trio of school board members under whose leadership a number of Littleton schools had created innovative outcomes-based programs. In their place: a new band professing a return to the basics.
- At both local and state levels, Minnesota backpedaled on school outcomes.
- The Connecticut legislature declined to promulgate statewide "standards" due in part to forceful objections from parents opposed to "OBE." (The ill-fated reform measures also provided for charter schools and school choice. Opponents also included the state's teacher unions and a number of complacent suburban communities.)
- Heated political and legislative battles about "OBE" were fought from Ohio to California, Colorado to Pennsylvania.

You can't talk about outcomes now for fear of the anti-OBE crowd tagging you. A sad result for discussing our best argument for change.
Rick Lavis

Outcomes-based programs effectively teach both good and bad ideas just as a sharp knife can be used for good and bad purposes.
Herbert J. Walberg

Our View: *OBE Was Hijacked*

As long ago as the first "Coleman Report," in 1966, serious education reformers have seen that money and kindred school inputs are no satisfactory proxy for pupil achievement and other desired educational results. The results that matter most, of course, are the knowledge and skills actually acquired by students.

That sensible impulse helped give rise to the 1989 Charlottesville "summit" and to the national education goals that followed. It has impelled governors and legislatures throughout the land, as well as many local districts and individual schools, to proclaim that they would no longer judge schools by what goes in but, rather, by what emerges. Instead of regulating schools through compliance with burdensome rules and procedures, policymakers would focus on goals, standards, and accountability for results—liberating professional educators to achieve these results as they saw fit, and liberating families to select the schools that suited them from among an array of options. All this led, in turn, to numerous efforts to spell out precisely what results were sought, how these would be measured and reported, and what accountability mechanisms would attach to their attainment or non-attainment.

The establishment's misuse of OBE to promote political correctness and the indoctrination of children has done the education reform movement a great service by unmasking the ambitions of the state and energizing parents.
Grover Norquist

Major problems arose, however, when policymakers moved from concept to details. It was, of course, necessary for someone to spell out *which* particular outcomes a state or community would expect of its young people. This might have been done by asking a panel of ordinary citizens to itemize the core knowledge and fundamental skills ordinary Americans want their children to acquire in school. But that is not what typically happened. Instead, policymakers tended to entrust the process to "experts" with very different conceptions of the purpose and role of schooling, conceptions that often have more to do with social change than with core academic skills and knowledge.

The result, in many places, was a laundry list of outcomes that are skimpy on—even contemptuous of—such skills and knowledge but replete with attitudes, social relationships, and ideological positions.

(This type of approach has been referred to as "Transformational" OBE.) Many of these "outcomes" were—and remain—inappropriate, offensive, and even sacrilegious to many Americans. And such results are even more burdensome when achieving them is made compulsory and inescapable throughout the public (and sometimes private) schools of an entire community or state.

If we believe all children cannot be tested, then how can we believe all children can learn?
William Moloney

The upshot has been an intense political backlash against the very idea of outcomes-based education. The critics are justified in many respects. Unfortunately, an awfully important baby could go down the drain with the OBE bath water, and the country could find itself returning to an era when "inputs," services, and intentions are the main gauge of educational quality and performance. (For more information on this subject, see "Outcome-Based Education: Miracle Cure or Plague," by Bruno V. Manno, *Hudson Briefing Paper* No. 165.)

Part 2: Getting There From Here

Cracks in the Education Cartel

"Process" decisions should be deregulated, and process intervention should be deferred except where results are consistently not being achieved. We can't succeed as rigid bureaucracies that define quality as begrudging compliance with rules.

Leo Klagholz

In "Reinventing Public Education," a lucid and important new Rand study, Paul Hill writes as follows:

> Two theses are central to this report. (1) The seeds of today's disappointments were sown when education reformers of the 19th century defined a public school as an institution financed, owned, and managed by a local agency of government; and (2) public management of education has created a governance system divorced from public needs and democratic change, a system incapable of renewing itself.

Just as the idea of gauging quality by results rather than "inputs" has begun to shape policy and discourse about education, so too can we glimpse signs of a new conception of "public" education.

With ample cause, policymakers at all levels are growing more concerned about efficiency, effectiveness, and consumer satisfaction. From national efforts to "reinvent government" to state and local actions to "privatize" public services from garbage collection to prison management, there are bountiful examples of ways the public sector is attempting to borrow some of the conditions and incentives of the private market.

Although such efforts can be found in numerous domains of local, state, and federal activity, the education establishment has largely succeeded in preserving its stone wall around traditional forms of "public" schooling. Defenders of those forms stress the word "public," to evoke

patriotism, goodness, and the American Way. Indeed, the word itself is swell. The problem arises when it is equated with a uniform, rule-bound, bureaucratic, government monopoly staffed solely by government employees and more attuned to their interests than to the well-being of its consumers.

Standards are the foundation upon which a quality instructional program is built. We need to experiment in the provision of public education.

Ramoñ Cortines

Fortunately, we're seeing the early signs of a fresh definition of "public" education, one having more to do with who is served rather than who provides the service. Last year we saw several dramatic efforts to transform the ways public education is organized and delivered.

The three most notable and promising attempts at "reinvention" are the nationwide surge in "charter school" legislation, renewed attempts to foster school choice, and experiments of communities in contracting with private providers for education services.

The News: *Charter School States Doubled Last Year*

The charter school movement, pioneered in 1991 by Minnesota, advanced rapidly in 1993 and 1994. Charter school legislation has now passed in a dozen states. Bills are pending in almost as many others. Although these measures vary considerably (and none has made it unscathed through the legislative gantlet), all allow for the creation of new public schools that are more or less self-governing; created and managed by diverse groups and entities; largely freed from regulatory constraint and bureaucratic oversight; held accountable for results; and chosen by their students (or parents) rather than populated via involuntary assignment.

Each charter school provision is a hairline fracture in the concrete bunker of the establishment.

Grover Norquist

The process of chartering a school is complex, and key elements differ from state to state: the types of charter applicants allowed, the composition of the charter-granting bodies, the degree of residual regulation, etc. Teacher unions' opposition to the charter school movement has generally been intense. Unions (and sometimes school boards and administrators) have lobbied for greater regulation of such schools, for their inclusion within collective bargaining agreements, and for tight caps on the total number of charter schools.

In Michigan (which recently enacted one of the farthest reaching charter laws), a regional director of the Michigan

Education Association warned the president of Saginaw Valley State University that the union would take action if the university authorized "unplanned, uncontrolled charter schools . . . without the input of educators and administrators." He threatened to encourage union members who are Saginaw Valley graduates to stop donating to the university; to stop union teachers from participating in teacher training or graduate courses at the university; and to encourage local superintendents and school boards to end their involvement with university programs. A spokesman for Governor John Engler, a strong backer of the charter school legislation, denounced these threats as "goon squad tactics."

Charter schools are a timid, temporizing step in the right direction. But teachers' and administrators' unions that dominate education legislation have already ensured that charter schools won't be seriously tried.
Herbert J. Walberg

Our View: *Charter Strategy Has Promise; Laws Continue to Improve*

The virulence with which elements of the establishment have reacted to the charter school movement underscores our hunch that the states are onto something here. But the main promise of this reform strategy rests in its potential to go beyond a limited number of "demonstration sites" and to foster marketplace dynamics within the public education system by increasing and dramatically diversifying the "supply side" of the school reform equation.

The charter strategy is not without risk, however. Not all charter schools are created equal or have the potential to achieve desired effects. The existence of a charter doesn't mean that children attending that school will inevitably learn more or that what they learn will be worth knowing. Moreover, several states have enacted charter statutes that are so burdensome to comply with that few (sometimes none) have bothered. (One critic terms these "fake charter school laws".) Georgia, for example, places so many obstacles before charter starters that nobody has even applied in the Peach State. California's charter law caps the total number of charter schools at 100, hardly enough to have significant impact on the state's 8,000 schools.

The fear of privatization can be a most useful spur to public education reform.
William Moloney

Other states, such as Wisconsin and Kansas, require charter schools to be authorized by local school boards, which may not welcome the competition the charter schools are designed to foster. Indeed, the kinds of boards that charter applicants are likely to be keenest to get out from under are the very kind least apt to okay the application. (Joe Nathan and James Ysseldyke, who are monitoring the Minnesota charter schools, wrote that empowering local schools to approve or disapprove charter requests is "like giving *The New York Times* the power to decide whether *The Wall Street Journal* can be sold in New York City.")

The market forces of competition set in motion by charter schools will now help drive quality, teacher professionalism, and true accountability to new heights in even our poorest neighborhoods.
Larry Patrick

Several jurisdictions have addressed this problem by permitting charter school organizers to appeal to the state level. In Massachusetts, charters are *only* granted by the state, a practice that has created its own problems. (For example, it is more difficult for charter school operators to find buildings in which to place their schools, because the charter law makes no provision for capital costs and irked districts have been reluctant to volunteer their facilities.)

Although charter schools are no panacea, we are optimistic about their promise as a reform strategy. The latest states to pass laws have learned from those that preceded them, and the newer legislation (such as in Michigan and Arizona) has generally been bolder and more "liberating." We hope that even more dramatic results will follow once charter school operators show that such liberation permits true innovation, and once parents get into the habit of choosing among schools that aren't all essentially identical.

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In the Cherry Creek, Colorado, School District, a parent group wanted to start a charter school for gifted and talented children. Rather than deal with losing money and the best and brightest to a charter school, the district swung into gear and created a magnet school.
Joan Grady

The News: *More School Districts Contract for Services*

Although private management of public schools seemed farfetched only a couple of years ago, today a growing number of school systems are either experimenting with such arrangements or considering doing so. Not only are school districts finding it easier and cheaper to contract for janitorial, bus, and cafeteria services, but they are also discovering the benefits of using outside contractors to

Across America, a new generation of mayors is struggling to save their cities by devoting more resources to fighting crime, investing in neighborhoods, and attracting private investment. But nothing cities do can work unless our public schools improve dramatically. In the battle for fundamental education reform described in this report, nothing less than the future of our cities is at stake.
Stephen Goldsmith

provide educational services and, in certain cases, the management of entire schools. Some of the new "charter" schools are making similar arrangements.

Many school systems have long contracted with private firms for ancillary services, but the "out-sourcing" trend gained considerable visibility in 1992 when Baltimore signed a contract with Educational Alternatives, Inc. (EAI) to manage one middle school and eight elementary schools in that city.

This past year, private management has begun to spread, despite continuing opposition by teachers' unions. In Minneapolis, for example, the new school "superintendent" is a private firm; instead of hiring a traditional public school administrator, the school board contracted with Public Strategies, Inc. to manage the district. The Edison Project expects to operate public schools in Ohio, Florida, Kansas, Hawaii, Michigan, Texas, Massachusetts, California, and Colorado. Hartford, Connecticut, and Pinckney, Michigan, are working out arrangements with EAI to manage their entire systems. Washington, D.C., hired Sylvan Leaning, Inc. to provide remedial instruction to high school seniors who read below the 9th grade level. (In Baltimore, Sylvan runs part of the Chapter I program, a federal initiative to provide additional instruction to children from disadvantaged backgrounds.) Berlitz is handling foreign language instruction in several public schools. Charlotte-Mecklenburg superintendent John Murphy has signaled his intention to invite bidders to manage some of the district's schools. Likewise, in Indianapolis the mayor and school superintendent have held discussions with private firms about operating some of that city's schools.

Our View: *Contracting Brings Marketplace Discipline to the Public Sector*

Let us quickly acknowledge that the jury is still out on whether student achievement rises when public schools are privately managed. The Baltimore data are mixed, and the other ventures are too recent to show results. But the innovation holds great promise. The private sector has the flexibility and imagination to devise more options through which public education can accomplish its work, and it can incorporate innovations and efficiencies that have eluded the traditional system. Moreover, these innovations can help put desirable pressure on other schools to reform themselves. (Not only are the EAI-maintained schools in Baltimore said to be clean and in good repair for the first time in years, but many of that city's "regular" public schools are now also reported to be tidier, as their custodians awaken to the possibility that their jobs could be in jeopardy.)

Perhaps the greatest benefit of contract management is stricter accountability: rather than attempting to bring about reform by forcing schools to comply with rules and procedures, out-sourcing uses results for quality control. Private firms are contractually bound to reach specific goals. If a private manager does not produce the agreed-upon results, its contract can be canceled. The school board may then resume running the schools or may hold a competition for new outside managers.

Like charter schools, experiments with private management of public schools have been vigorously resisted by the usual entrenched interests. In the District of Columbia, for example, Superintendent Franklin Smith had hoped to turn over ten to fifteen of his worst-performing schools to private management beginning in 1994. Smith asserted that the "Band-Aid solutions we have used in the past have not worked. It is time to find more innovative measures—now, while public education can still be saved."

His proposal would have faced any contractor with a mighty challenge—and a great opportunity. But the moment passed. Smith's plan was tabled, in no small part because of racial politics that may have been stirred by a furious teachers' union. In response to plans by Education Alternatives, Inc., one opponent said, "With 89.9 percent of the school student body African American, why would we bring in rich white folks who don't have any credentials in educating anybody?" Another opponent said, "Outside

Public schools should not be afraid of competition—so long as the competition is fair. The public schools have no monopoly on good educational ideas, and some of the best and worst of this nation's schools can be found in both the public and private sectors.
Ramon Cortines

contractors have no concern for the way of life in the District."

According to the 1994 *Kids Count Data Book*, published by the Annie E. Casey Foundation, the District of Columbia has the highest U.S. rates of low birth-weight babies, infant mortality, child deaths, births to single teens, juvenile violent crime arrests, teen violent deaths, and children in single-parent families. We wonder what aspects of the D.C. "way of life" the opponents of private management are so keen to preserve.

The school choice movement is the civil rights movement of the 1990s.
Grover Norquist

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The News: *Vouchers Have Mixed Year; Advocates Undaunted*

Although public support for school choice has been steadily growing, political initiatives that would allow parents to choose their children's schools had ups and downs in 1993 and 1994. The two most significant initiatives took place in Puerto Rico and California. There were photo-finishes in both the Arizona and Connecticut state legislatures, as reform bills that included provisions for school choice went down by narrow defeats in both states. The Pennsylvania, Georgia, and Kansas legislatures also considered, but did not enact, choice legislation during the past year.

When people pay for goods and services with their own money, they are more careful about their choices. They expect more from providers in competition with one another, and they generally get it.
Herbert J. Walberg

Puerto Rico

In September 1993, Puerto Rico Governor Pedro Rosello signed a law creating the second publicly funded K-12 voucher program applying to U.S. citizens. The Puerto Rico program makes school vouchers available to families with annual incomes below $18,000. These $1,500 vouchers can be used at either public or private institutions, including church-affiliated private schools. High school students can also use their vouchers to enroll in university courses. (The major difference between this program and the nation's other publicly funded voucher program is that in the Milwaukee program the vouchers are limited to *nonsectarian* schools.) The Puerto Rico program is funded

with $10 million in revenue raised through privatization of the island's telephone company. If students choose to use their vouchers in public schools, the vouchers provide additional resources to those schools, supplementing funds that the commonwealth already provides for each pupil.

In April, a San Juan Superior Court judge declared portions of the program invalid, holding that Puerto Rico's constitution bars the transfer of public money to private schools, religious or otherwise. That ruling has been appealed to the Puerto Rican Supreme Court, where it is currently pending. Meanwhile, the lower court's injunction against the program has been lifted for the time being, meaning that the program will continue at least through the 1994-95 school year.

Only choice transfers power from bureaucrats to parents. As school choice plans proliferate, the Berlin Wall of monopoly public education will come down, brick by brick.
Clint Bolick

California

Last fall, California voters defeated Proposition 174, an ambitious ballot referendum that would have provided parents statewide with vouchers worth at least half the cost of educating a child in a California public school. These would have been redeemable at public or private schools. The initiative failed by a 71 to 29 percent margin.

Analysts have offered various explanations for the initiative's stark failure: it did not make allowances for disadvantaged students and those with special needs; not enough controls were placed on participating schools; there was weak support for the initiative in the suburbs, where voters were disinclined to threaten the perceived quality of their existing schools with an influx of inner-city students. Other analysts credit well-financed media campaigns by opponents of the initiative.

There's no single compelling explanation. In any case, proponents are expected to regroup and make another attempt to enact a voucher program, perhaps redesigned or limited to a specific geographic area or demographic group. Exit polls revealed that more than half of those opposed to Proposition 174 would have supported a different school choice initiative, whereas only 18 percent of Californians are altogether opposed to the concept of choice.

Our View: *Parents Want Choice and Will Get It Eventually*

Poor youngsters who prefer a religious education are the nation's last unprotected minority; required by law to attend school, they have no choice—in America—but to attend a government school. In no other democracy are children so treated.

Denis P. Doyle

Threaten the status quo with death, and it may accept partial dismemberment. This may explain why those with vested interests in the current education system have gone along—sometimes grudgingly—with limited waivers of regulations, experiments with diverse innovative programs, charter schemes, "controlled" choice plans, and other partial measures. While such initiatives are often worthy in their own right and do confer additional choices on a limited number of students, they do little to alter underlying assumptions or power relationships within the system. The idea of giving parents the ability to choose where they want to send their children to school is rooted in American democratic principles. And it promises to turn our current education system on its head, by forcing schools to become responsive—and accountable—to the students, parents, and society they purport to serve.

How controversial is "choice" in education policymaking circles today? Those who want power to remain with the producers tend to raise innumerable objections, but even they have begun to calm down as long as the range of options is confined to government owned-and-operated schools. One encounters livelier arguments and stronger resistance when independent-but-still-public schools such as "charter" schools are added to the mix. And, of course, choice schemes remain hot buttons when wholly private schools are included, notwithstanding evidence from innumerable surveys that most Americans favor the idea.

On the whole, choice advocates are encouraged by recent developments. Public school choice programs in their various forms—including the more radical "charter" approach—are flourishing. As for vouchers, despite last year's setbacks, 1995 could be a banner year. The recent near-misses in Arizona, Connecticut, Kansas, Georgia, and Michigan will probably lead to reconsideration in those jurisdictions. Watch for a dramatic voucher-and-more education reform initiative in Jersey City, where Mayor (and EPC member) Bret Schundler rode into office on a strong choice platform. In Pennsylvania, where a statewide voucher plan came close to enactment in 1991, proponents are gearing up for a second run. In Milwaukee, there will probably be a new push to include religious schools in that city's voucher program.

We should let a thousand trials of new ideas go forth. However, I'm not about to abandon wholesale a public system, with all its problems, for a substitute which has not been thoroughly tested.

Ted Sanders

As for the legal challenge in Puerto Rico, it was not unexpected and is not a lethal blow to the voucher movement. (In Milwaukee, a similar lawsuit was filed and won, but the program was upheld on appeal.) If Puerto Rico's program survives, it may well boost efforts to enact similar plans elsewhere. If the lower court's ruling is ultimately upheld (as many observers expect), this could dampen other states' efforts. But some Constitutional experts believe that U.S. Supreme Court decisions over the last decade concerning aid to religious schools indicate that a majority of the justices would hold that religiously neutral assistance to *school-children* is constitutional. (In truth, four decades of confused and confusing jurisprudence in this area have sown uncertainty on all sides.)

Meanwhile, eleven *privately* funded voucher programs have been established in the U.S., starting with the well-known CHOICE Charitable Trust program begun in Indianapolis by Golden Rule Insurance. These programs, which provide scholarships to students from low-income families to attend the school of their choice—and typically require some level of co-payment by their parents—are all oversubscribed. More than a few of their beneficiaries are now advocates for changes in public policy.

Part 3: Looking Ahead

It's an intellectual, conceptual, and ideological war. It's a war of ideas, and it's not a tea party. It's 50 million kids and $300 billion a year and 50 legislatures and governors, many of whom regard education as one of the most important things in their state.
Chester E. Finn, Jr.

We award 1993-94 in education a "C+," a mark that traditionally suggests tolerable effort (assuming no grade inflation) but lackluster results. (Those who have come to view the "B" as average should be even less content with our appraisal.)

Goals 2000 has received a lukewarm reception from some states, which seem to be hesitating for several reasons. As noted in the "Outcomes Backlash" section, there is strong, organized opposition to outcome-based education, especially the "transformational" kind. These critics fight *Goals 2000* for the same reasons. Some states seem reluctant to mount a sizable and potentially fractious effort to obtain their portion while funding levels are so low. Perhaps most importantly, "opportunity to learn" standards pose a sizable legal scare. Just as the decade-long wave of school finance equalization lawsuits has swept across the states, it is anyone's guess (and will doubtless be the courts' final call) what states are buying into when they hitch their wagons to new "opportunity to learn" standards.

Private-sector providers of education services, while full of long-term potential, face immense challenges in cracking one of the world's largest and toughest monopolies. Present suppliers have an enormous advantage, and the inertia-cum-complacency among consumers is such that effective competition is hard to mount. New ideas take time to gain hold; results are slow to arrive; doomsday prophets and nay-sayers are always ready to criticize; suppliers may not respond to new methods of organization; and profits

may be thin. Of all the methods of reforming American education, the notion of contracting out for services now appears second only to vouchers in the fierceness of establishment resistance. Given such opposition, we will be watching closely to see whether these start-up firms will be able to maintain the momentum they have gained during the past several years.

There are three other important items to watch in the upcoming year:

More meddling by Washington

Before the ink has even dried on Goals 2000, Congress is back at it, now putting the final touches on its reauthorization of the massive Elementary and Secondary Education Act (ESEA), the primary source of federal aid to U.S. public schools. A Senate-House conference committee will meet to resolve numerous differences between the versions passed by the two chambers. As with the crime and health-care bills, this measure is so bulky (more than a thousand pages) and complex that few have read it all, practically nobody can explain how its many parts work in relation to one another, and those making decisions about it must depend on input from staff and interest groups, which in turn focus only on the portions that affect them.

Does anyone still believe that a good idea can make it through the public education gantlet reasonably erect, intact, and akin to its original shape?
Mitch Pearlstein

Considerable new mischief may lie ahead. Buried in this round of ESEA changes are all sorts of intricate ties between the conditions attached to federal funds provided through these programs and the "standards" envisioned in Goals 2000. It's likely that states and localities that want Uncle Sam's money in the future (and few can afford to abjure it) will find themselves obliged to follow federal dictates considerably more stringent than the "voluntary" kind that apply to Goals 2000 alone. We anticipate a painful pincer action as the two measures begin to operate in tandem.

Another ominous consequence of ESEA may be emasculation of the independent governing board that for the past six years has set policy for the National Assessment of Educational Progress (NAEP), and the transfer of those decisions to political appointees and bureaucrats at the Education Department. NAEP is the nation's primary source of reliable data on student achievement, and the quality, timeliness, and credibility of those data have benefited greatly from its broad-based, twenty-three-member panel that includes governors, legislators, parents, business leaders, school board members, teachers, principals, and superintendents. Although the Senate-passed version of ESEA retains that board in its present form, the House version removes most of its authority. Ironically, the main reason a few House members and staff aides want to weaken the panel is because it has insisted on reporting NAEP results in relation to *standards*, asking how well American youngsters are achieving in relation to how they *ought* to be doing.

School Finance Reform

In a bold move in mid-1993, the Michigan legislature abolished the local property taxes as the primary means of funding public education. This dramatic step responded—among other things—to mounting concern over spending differences between poor and rich school districts. Later legislation increased and partly equalized school spending in Michigan and established a new funding mechanism based on state sales and cigarette taxes. No sooner had Michigan decoupled property taxes from local schools than other states began to consider doing likewise. (Legislators in Wisconsin, Rhode Island, Vermont, South Carolina, New Jersey, Minnesota, and Illinois have reportedly been exploring the Michigan approach.)

There is reason for states to pause before making such a leap. Though there was legitimate concern in Michigan about gross district-to-district funding inequities, and although schooling is certainly not free, as long as results are what matter most—as we believe—it's reasonable to focus on what is being achieved with the money that's spent. While certain reform strategies may require increased funding (a longer school year, new technology, etc.), more money can also yield glitzy, extraneous programs that have very little to do with standards, effective instruction, and accountability. Changed funding methods may also cause other problems. Once taxpayers' money "goes to Lansing," it loses its intimate association with their kids, their

neighbors' kids, and the teachers in the school down the street. As payments for education become indirect and distant, more of a "state problem," support for education could actually shrivel. California provides some evidence to suggest that this concern is no red herring.

Annenberg Grants

Last year, philanthropist Walter Annenberg pledged a generous $500 million to support school reform. The first installment of his gift went to three groups involved in national projects—the Coalition of Essential Schools, the New American Schools Development Corporation, and the Education Commission of the States. Another sizable portion is expected to be parceled out to reformers in big cities. We are delighted to see Ambassador Annenberg's extraordinary largesse targeted to the cause of elementary/secondary education renewal. The challenge for the various projects that receive this support is to stick to their reform guns. Too often we've seen promising ideas get watered down in committee, diluted by "stakeholder" interests, tempered by fashion and political correctness, or compromised to serve too many masters. If that happens, one critic warns, "Mr. Annenberg will discover that he has only fed a light lunch to the bureaucratic beast of the public school monopoly."

The Educational Excellence Network

The Network's origins date to 1981—nearly two years before the nation was declared "at risk" by the National Commission on Excellence in Education—when Chester E. Finn, Jr., and Diane Ravitch realized that something was sorely amiss in American education and, with a number of like-minded colleagues, resolved to do something about it.

They observed that most youngsters were not learning nearly enough; that many of those entering college and the workforce were ill-prepared; that key achievement indicators (such as SAT scores and National Assessment results) had been declining for at least a decade; that the stunning economic success of other countries usually had much to do with the rigor of their education systems; and that quality and standards were sorely lacking through most of American K-12 schooling.

What to do? First, get the ideas right and get timely information into the hands of those who need it. The Network's founders agreed on a clear, strong statement of principles they believe should guide the renewal of American education. They began a monthly publication called *Network News & Views*. Over the years, the Network also undertook a number of special projects and studies, yielding half a dozen books and reports. During this time, its membership grew to about 2,000—a mix of education practitioners, scholars, policymakers, journalists, analysts, parents, and activists.

The Education Policy Committee

The recently formed Education Policy Committee (EPC) is rooted in the Educational Excellence Network's old National Advisory Committee. Today's EPC advises the Network's leadership, staff, and parent Hudson Institute on priorities for Network activities: publications, research projects, policy analyses, special briefings, issue identification, etc. Perhaps more importantly, it is also a proactive group that engages directly in the battle of ideas now taking place in American education.

During the 1980s and into the present decade, it appeared as if the Network's principles, enumerated in this report, were penetrating American education. Though practice never wholly caught up to precept, visible progress was being made. Although the Network's principles still have influential adherents at the state and local levels, a powerful counterrevolution is underway, led by people and groups that favor the status quo and have vested interests in its perpetuation.

The Education Policy Committee was established to rebut antiquated ideas, advance the Network's precepts, and carry the banner for educational excellence. It's not a political force; it doesn't endorse candidates or lobby for bills. It's a battalion in the war of ideas. Consisting of visible, vocal, respected reformers—including two former U.S. secretaries of education, state-level pioneers, professional educators, distinguished scholars, critics, and advocates—the EPC will make a reasoned, forceful case for true education reform. Through speeches, testimony, media appearances, timely articles, incisive reports, articulate recommendations, and forceful commentary, the EPC and its members will function as the Network's "strike force."

EPC members will take public positions on key issues facing American education; offer advice to policymakers and the public; put forth "white papers," reports, and recommendations (this being the first such); and employ a variety of mechanisms and media to make themselves heard and enhance the impact of their ideas.

Education Policy Committee

Chester E. Finn, Jr., **Diane Ravitch**, *Co-Chairs*

Joseph Adelson, Professor of Psychology, *University of Michigan*

Lamar Alexander, Former U.S. Secretary of Education; Senior Fellow, Hudson Institute

Jeanne Allen, President, *Center for Education Reform*

Leslye Arsht,* President, *Goals 2000 Coalition*

James K. Baker, Chairman of the Board and CEO, *Arvin Industries, Inc.*

Stephen H. Balch, President and Executive Director, *National Association of Scholars*

Jim Bencivenga, President, *Hull Council for Business and Cultural Development*

William J. Bennett, Former U.S. Secretary of Education; Co-Director, *Empower America*

Clint Bolick, Vice President and Director of Litigation, *Institute for Justice*

Samuel Brunelli, Executive Director, *American Legislative Exchange Council*

Linda Chavez, John M. Olin Fellow, *Center for the New American Community, Manhattan Institute*

Saul Cooperman, President, *Ready Foundation*

Ramon Cortines, Chancellor, *New York City Public Schools*

Edwin Delattre, Dean of the School of Education, *Boston University*

Denis P. Doyle, Senior Research Fellow, *Hudson Institute*

Pierre du Pont IV, Former Governor of Delaware; Partner, *Richards, Layton, and Finger*

C. Emily Feistritzer, President, *National Center for Education Information*

John Fund, Editorial Page Writer, *The Wall Street Journal*

Nathan Glazer, Professor of Education and Sociology Emeritus, *Harvard University*

Stephen Goldsmith, Mayor, *Indianapolis, Indiana*

Joan Grady, Senior Program Director, *Mid-Continent Regional Education Laboratory*

Bill Honig,* Professor, *School of Education, San Francisco State University*

Wade F. Horn, Director, *National Fatherhood Initiative*

William J. Hume, Chairman of the Board, *Basic American, Inc.*

David Kearns, Chairman, *New American Schools Development Corporation*

Patrick J. Keleher, Jr., President, *TEACH America*

Leo Klagholz, Commissioner, *New Jersey State Department of Education*

Byron S. Lamm, Executive Director, *State Policy Network*

Rick C. Lavis, former Co-Chairman, *Arizona Business Leaders for Education*

Rob Melnick, Director, *Morrison Institute for Public Policy*

William Moloney, Superintendent, *Calvert County Public Schools, Maryland*

John Murphy, Superintendent, *Charlotte-Mecklenburg Schools, North Carolina*

Joseph Murphy, Department and Chair of Education, *Vanderbilt University*

Grover Norquist, President, *Americans for Tax Reform*

Paul H. O'Neill, Chairman and CEO, *Aluminum Company of America*

Lawrence C. Patrick, Jr., Member of the Detroit Board of Education; Partner, *Jaffe, Raitt, Heuer and Weiss*

Mitchell B. Pearlstein, President, *Center of the American Experiment*

Elizabeth Rohatyn, Vice President, *Felix and Elizabeth Rohatyn Foundation*

Ted Sanders, Superintendent of Public Instruction, *State of Ohio*

Bret Schundler, Mayor, *Jersey City, New Jersey*

Donald M. Stewart,* President, *The College Board*

Abigail Thernstrom, Adjunct Professor, *School of Education, Boston University*

Herbert J. Walberg, Research Professor of Education, *University of Illinois at Chicago*

Robert L. Woodson, President, *National Center for Neighborhood Enterprise*

*Except those indicated by an asterisk, members of the Education Policy Committee concur with the substance of this report, but not necessarily with its exact words, which were written by EEN staff and EPC co-chairs. Quotations attributed to individuals are, of course, the words of those individuals.