

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bruce Reed and Andrew Rotherham re: Lieberman/New Democratic Education Proposal in the Senate (4 pages)	02/03/2000	P5
002. paper	re: draft DPC weekly on Lieberman (2 pages)	n.d.	P5

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Andrew Rotherham (Education)
OA/Box Number: 21294

FOLDER TITLE:

Lieberman's Education Bill

2011-0103-S

rc645

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

The Public Education Reinvestment, Reinvention, and Responsibility Act

OVERVIEW

This plan aims to refocus our national education policy on helping states and local school districts raise academic achievement for all children, putting the priority for federal programs on performance instead of process, on delivering results instead of developing rules, and on actively encouraging bold reforms instead of passively tolerating failure.

In broad terms, it calls on states and local districts to enter into a new compact with the Federal Government to work together to raise standards and improve educational opportunities, particularly for America's poorest children. It would provide states and local educators with significantly more federal funding and significantly more flexibility in targeting that aid to meet their specific needs. In exchange, it would demand real accountability, and for the first time impose consequences on schools that continually fail to show progress.

In doing so, it would:

- **REINVEST** in our public education system, by increasing Federal funding by at least **\$25 billion** over the next five years, and driving most of those additional dollars to the most disadvantaged schools;
- **REINVENT** our Federal education system, by consolidating the many different programs and funding streams into five goal-oriented titles with few strings attached, and pegging these new pools of money to specific performance standards;
- Reconnect our public schools to the common core values that have long sustained them by making clear our first **RESPONSIBILITY** is to educating children and not perpetuating a system.

In general each title would call on states to set goals -- for raising academic achievement, for closing the gap between high- and low-performing students, for helping immigrant children to learn English, and for improving the quality of their teachers -- and to demonstrate annual progress toward meeting those goals. These new performance-oriented programs would be tied to a new "accountability" title, which would reward states that exceed their standards, and penalize those that continually fail to show improvement.

What follows is a detailed summary of how each of these titles would work.

CLOSING THE ACHIEVEMENT GAP

This title would reform and strengthen the existing Title I program for disadvantaged students, by providing the biggest one-time funding increase in the program's history and better targeting that aid to those schools with the highest concentrations of poor children.

Specifically, it would:

- Increase overall annual funding by more than 50 percent, from \$7.6 billion to \$12 billion, to help states meet their new performance goals;
- Drive most of this additional aid down to the poorest schools, by requiring 75 percent of the new funding be distributed through a new, more targeted formula, with the remaining 25 percent distributed through the existing Title I formula;
- Call on each state to develop and implement plans to raise the performance level of all students to ensure all children reach proficiency in math and reading within 10 years, and hold local districts accountable for showing annual progress toward meeting those goals;
- Require states to set aside 2.5 percent of their allocation for helping local districts turn around underachieving schools and, if necessary, taking corrective actions, such as replacing curriculums, redesigning or reconstituting schools, or in extreme cases closing schools down and allowing their students to transfer to a higher-performing public school;
- Require states to set state-wide performance goals for increasing overall academic achievement at least in math and reading, as well as for closing the gap between high- and low-income students, minority and non-minority students, and LEP and non-LEP students.

RAISING TEACHER QUALITY

This title would consolidate several professional development and teacher training initiatives (Eisenhower Professional Development Program, Goals 2000, etc.) into a single formula grant program for improving the quality of public school teachers, principals and administrators.

Specifically, it would:

- Increase overall annual funding by \$900 million, from \$2.1 billion to \$3 billion, to help states meet their new performance goals;
- Distribute funding to states through a formula based 50 percent on poverty and 50 percent on student population;
- Requires states to distribute 60 percent of the funding to the local school districts based

of school-aged children;

Require states to have all teachers fully-qualified by the year 2005, with fully-qualified passing rigorous, state-developed content tests;

Require local educational agencies to provide high-quality professional development for academic achievement and meet state performance standards;

Encourage innovative training and mentoring partnerships between local school districts setting aside 10 percent of each state's funding to underwrite these cooperative initiatives;

Preserve the federal class-size reduction program for the early grades.

This title would streamline the existing bilingual education programs and clarify their purpose. It immigrant education, and require those dollars to be used explicitly for helping language minority

Specifically, it would:

Increase overall annual aid for English acquisition by more than 250 percent, from \$380

students with limited English proficiency;

Require states to A) develop standards for English language development and implement B) set specific annual performance goals for increasing the proficiency of each student accountable for meeting those goals;

Provides states and local school districts with broad flexibility in choosing their methods commitment to improving individual student proficiency in reading, writing and speaking

PROMOTING PUBLIC SCHOOL CHOICE

This title would strengthen the Federal commitment to expanding the range of educational opportunities and options available to all students within the public school framework. It would provide additional dollars to the existing charter school and magnet programs, and pair them with a new initiative to encourage broader choice programs at the local level.

Specifically, it would:

- Provide \$100 million in funding for a competitive grant program to help local school boards develop district-wide public school choice initiatives;
- Call on states to publish and widely disseminate annual report cards, providing parents with information about school districts and individual schools in the areas of student achievement and teacher qualifications;
- Double funding for the charter school program, which helps defray the cost of starting new schools from scratch, from the FY99 level of \$100 million to \$200 million;
- Require states to hold any charter or non-traditional school receiving funds under this title accountable to the same content and student performance standards as any other public school.

STIMULATING INNOVATIVE STRATEGIES

This title consolidates the remainder of all other existing programs into a new funding stream that will enable states and local school districts to target additional resources on locally-identified needs, and also encourage them to test bold new ideas and approaches to raising student achievement.

Specifically, it would:

- Provide \$2.7 billion in funding, which would be distributed to states and local districts based on the existing Title I formula;
- Require each state to establish an innovative partnership -- comprised of the Governor, the chief state school officer, a representative of at least one local educational agency, a representative of a education public or private nonprofit or community group, a principal, a teacher and a parent -- that will be charged with approving local district plans;
- Give local districts broad flexibility in determining local objectives, but require them to devote resources in pursuit of the following national priorities;

- 1) Expanding enrichment opportunities, such as through before-school, after-

school, and summer academic programs; technology programs; school-wide reforms; college preparation courses; civics and arts education; and reading and early childhood literacy initiatives;

2) Maintaining a safe and constructive learning environment, such as through anti-violence and anti-drug programs; extended day programs; character education initiatives; and improving access to mental health counseling;

3) Pursuing systemic academic and curricular reforms, through such as additional professional development programs; classroom management training; and advanced technology programs;

- Require states to develop a plan with annual performance goals, describing: A) how the state and its local districts plan to use the funding; B) annual performance objectives both for the state and the local districts; C) how the state will measure those objectives; and D) how the state will hold the local districts accountable for meeting performance objectives;
- Requires states to set aside 10 percent of overall funding for competitive grants to local districts to support and stimulate innovative practices, including those that may require a relatively large, one-time infusion of funding, such as: experiments with longer school days and longer school years; unconventional teacher-mentoring programs, outreach efforts for hiring minority teachers, teacher portability initiatives (e.g. pensions, certification and years of experience) and charter school districts.

DEMANDING ACCOUNTABILITY

This title is the linchpin of the Three R's plan, creating a new accountability system that for the first time would directly link federal funding to the performance of schools in meeting specific standards – raising overall academic achievement, closing the gap between high- and low-performing groups, helping language minority students achieve proficiency in English, and improving the supply of fully qualified teachers.

Specifically, it would:

- Establish a transition period of three years to allow states to implement their accountability systems, provide technical assistance to local districts and take necessary corrective actions to ensure that performance objectives in each title are being met;
- Require states to impose sanctions on local school districts that fail to meet their annual performance targets;
- Penalize a state that fails to meet its performance objectives in more than one title after three years by cutting its administrative funding by 50 percent, and after four years by also cutting its Innovative Strategies funding by 30 percent;

- Create a new fund to reward high-performing states for: A) exceeding their overall the gap between poor and better-off students; and C) meeting the standard of having all teachers fully-qualified teachers within four years;
- Require states to pass along 75 percent of their bonus funding to high-performing districts that meet the same criteria;
- Call on states and local districts to develop a system for recognizing and rewarding individual high-performing schools that are successful in raising overall student achievement, closing the gap between groups, improving teacher quality, and improving English proficiency;
- Supplement the reward funding pool by distributing funds that are withheld from low-performing states to high-achieving states.
- Authorize \$300 million for the Secretary of Education to help states and localities to turn around low-performing schools, disseminate information on model programs, provide technical assistance for carrying out new requirements of this act, highlight exemplary instructional materials, and develop model native language tests for limited English proficient students that States and localities may use to assess student achievement.

The Public Education Reinvestment, Reinvention, and Responsibility Act

Title I—Student Performance

Part A—Improving Basic Programs Operated by Local Educational Agencies

Purpose

- eliminate the existing 2-tiered educational system, which set lower academic expectations for impoverished students than for affluent students;
- require all states to have challenging content and student performance standards and assessment measures in place;
- require all states to ensure adequate yearly progress for all students by establishing annual, numerical performance objectives;
- ensure that all title I students receive educational instruction from a fully qualified teacher;
- support state and local educational agencies in identifying, assisting, and correcting low performing schools;
- increase federal funding for part A programs for disadvantaged students in return for increased academic performance of all students; and
- target federal funding to local educational agencies serving the highest percentages of low-income students.

State Plans

State educational agencies (SEAs) must develop a state plan, in consultation with local educational agencies (LEAs), teachers, principals, administrators, and parents.

Standards

Each State plan must demonstrate that the State has adopted challenging content and student performance standards (developed by the state) in at least reading and math for *all* students. Standards shall 1) include the same knowledge, skills, and level of performance expected of all children; 2) will be used by the State, LEAs and schools; (developed by the state) and 3) describe a below basic, basic, proficient and advanced level of performance that determine how well children are mastering the material in the State content standards. The Secretary shall withhold administrative funds if a State fails to adopt standards.

I: Student Perf.
II: Teachers
III: Language Min. standards
IV: Public School Choice
V: Impact Aid
VI: Innovative Strategies
VII: Accountability
VIII: General Provisions

Key
piece

Adequate Yearly Progress (AYP)

Each State plan shall demonstrate, based on assessments, what constitutes adequate yearly progress of schools, LEAs and the State in enabling all children in schools receiving title I assistance to meet the State's content and performance standards. AYP shall be defined by the State.

AYP shall compare separately, within each State, LEA and school, the performance and progress of students by gender, ethnicity, race, English proficiency status, migrant status, students with disability as compared to non-disabled students, and by economically disadvantaged students as compared to non-economically disadvantaged students. It shall also compare the proportions of students at the below basic, basic, proficient, and advanced levels of performance with the proportions of students at each of the four performance levels in the same grade in the previous school year. AYP must also include *annual numerical objectives for improving the performance* of students and narrowing performance gaps. States must ensure that all students are at the proficient level with in 10 years.

AYP For a State to make adequate yearly progress, not less than 90% of the LEAs, 90% of the schools, and 90% of the students in those schools shall meet the State's criteria for AYP.

Public Notice and Comment

In developing the State plan, the State must seek public comment from institutions and individuals in the State with an interest in improved student achievement. In addition, the State must make a substantial effort to ensure that information on title I, Part A efforts are widely known and understood by parents, teachers and school administrators.

Assessments

The State plan must demonstrate that the State has implemented a set of high quality, yearly student assessments that include, at a minimum, assessments in math and reading that will be used by the 2000-2001 school year. Assessments will be the primary means of determining yearly performance of schools and LEAs in enabling all children to meet the State's content and performance standards.

Assessments must be 1) aligned with the State's content and student performance standards; 2) be administered at least 1 or more times during grades 3-5, 6-9, and 10-12; and 3) include measures that assess higher order thinking skills and understanding.

Limited English proficient students shall be assessed, to the extent practicable, in the language most likely to yield accurate and reliable information.

Social Promotion

In its State plan, a State must describe how it is working to end the promotion to the next grade of students who have not mastered age-appropriate standards; the retention of low-performing students in the same grade for another year; and how such low-performing students are being

provided additional academic instruction, such as before- and after-school programs, and summer academic programs.

Low-Performing Schools

Requires States to set aside 2.5% of title I, Part A funds for the purposes of turning around low-performing schools. In its State plan, a State must describe how it will hold each LEA accountable for improved student performance, including a procedure for identifying LEAs and schools in need of improvement, assisting such LEAs and schools, and implementing corrective action if assistance is not effective.

Accountability Fund

Regulations

States shall provide the least restrictive and burdensome regulations for LEAs and schools, and inform the Secretary of how federal laws hinder the ability of States to hold LEAs and schools accountable for student academic performance.

Secretary Review and Approval

The Secretary shall review and approve State plans unless the plan does not meet the requirements of Title I, but cannot disapprove a plan because of the standards or assessments developed. The Secretary shall provide technical assistance to any State with a plan that is not approved.

Waiver

A State may only request a one-time, one-year waiver in meeting the requirements of title I, Part A.

Local Educational Agency Plans

Each LEA must develop a plan, in consultation with teachers, principals, administrators, local school board and parents.

Literacy of First Graders

The LEA shall describe how it will determine the literacy levels of first graders and the first graders' needs for interventions.

Low-Performing Schools

LEAs shall describe the actions it will take to assist low-performing schools identified for improvement.

Before, After and Summer School

The LEA shall describe how it will promote the use of extended learning time, such as an extended school year, before- and after-school academic programs, and summer academic programs.

Performance Objectives

The LEA shall describe how it will set and hold schools accountable for meeting annual numerical goals for improving the performance of all groups of students (as disaggregated under the definition of AYP) based on the performance standards set by the state.

State Approval

The SEA shall approve a LEA's plan only if the SEA determines that the LEA's plan will enable schools to substantially help students meet the standards set by the State.

Parental Notification and Consent

A LEA using title I funds for English language instruction shall notify the parent for the reasons for inclusion of the limited English proficient (LEP) student in such program and obtain parental consent before placement of the child in the language instruction program.

Schoolwide Programs

No changes to current law. If 50%, or more, of a school's population is from a family in poverty, then the school may use its title I, Part A funds to activities that apply to the entire student body.

School Choice

A LEA may use title I, Part A funds, in combination with State, local and private funds, to develop and implement public school choice programs for children eligible for assistance under title I, Part A that permit parents to select the public school that their child will attend and are consistent with State and local law, policy and practice related to public school choice and local pupil transfer.

Under such a public school choice plan, the LEA must assure that all eligible students will have equal access; that the schools included do not racially discriminate; that the plan will be developed in consultation with the parents, and those who will carry out the plan, including administrators, teachers, and principals; that parents of eligible students will be given notice of the choice program and an explanation of how the program will operate; and that transportation services or costs may be provided by the LEA. Schools under the public choice program cannot be in corrective action or identified as in need of improvement.

School Improvement

LEAs are required to identify for school improvement any school served under this title that for 2 consecutive years failed to make adequate yearly progress.

Opportunity to Review and Present Evidence

Before identifying a school for school improvement, the LEA will provide the school with an opportunity to review the school data on which the proposed identification is based. If the principal of the school believes that the identification is in error, the principal may provide supporting evidence to the LEA. The LEA shall consider such data and make a final determination within 30 days.

Parent Notification

The LEA shall notify the parents of students in a school that has been identified for school improvement. Such notification shall be in writing and, to the extent practicable, be in language the parent can understand. It shall also include 1) an explanation of what the identification means, and how the school compares in terms of academic performance to other schools in the district and State; 2) the reasons for such identification; 3) an explanation of what the school identified for improvement is doing to address the problem of low achievement; and an explanation of the right of parents to transfer their child to a higher performing public school, including a charter or magnet school, that is not in school improvement. Once a school is no longer identified for school improvement, the LEA shall continue to provide public school choice as an option to students in such school for at least 2 years.

Transportation

Cap? A LEA that has a school that has been identified for improvement may use funds to provide transportation services or costs for children of parents who choose to transfer their children to a different school.

School Plan

Three months after being identified for school improvement, each school shall develop or revise a school plan, in consultation with parents, school staff, the LEA, the local school board, and other experts. The LEA shall approve such plans. The plan must 1) incorporate scientifically-based research strategies that strengthen the core academic programs in the school; 2) adopt policies that have the greatest likelihood of improving the performance of participating children in meeting the state standards; 3) address the professional development needs of teachers and principals; and 4) establish specific goals and objectives the school will undertake for making adequate yearly progress, including performance objectives for each of the groups of students for which disaggregated performance data is required under AYP.

The LEA shall promptly review the plan or, if necessary, work with the school to make the necessary changes so that the plan meet the requirements.

Technical Assistance

The LEA shall provide technical assistance to each school identified for improvement as the school develops and implements its school plan. Assistance may be provided directly by the LEA, or by an institution of higher education, a private nonprofit organization, an educational service agency, or another entity that is the recipient of a grant or cooperative agreement by the Secretary

for the purposes of assisting States, LEA and schools. Assistance must be based upon scientifically based research.

Corrective Action

The LEA must implement a system of corrective action after providing technical assistance. The LEA may take corrective action at any time against a school identified for improvement, but must take corrective action if the school fails to make adequate yearly progress two years after being identified as in need of improvement.

$$\begin{array}{l} S.I. = 2 \text{ yrs.} \\ C.A. = 2 + 2 \end{array}$$

Corrective action must 1) address the consistent academic failure of the school that caused the local educational agency to take such action, or any staffing, curricula, or other problem in the school; and 2) be designed to substantially increase the likelihood that the students enrolled in the school will perform at the proficient and advanced performance levels.

C.A. required response { LEAs must take at least one of the following corrective actions: 1) change the governance of the school, including reopening the school as a charter school; 2) reconstitute the school by requiring all staff and teachers to reapply for employment; 3) allow students to transfer to another higher performing public school in the district, including charter and magnet schools, and provide such students transportation services or costs; 4) institute a new curriculum.

Parents of student in schools under corrective action, must be notified, in writing and in a language the parent can understand, of the corrective action.

Opportunity to Review and Present Evidence

Before taking corrective action, the LEA shall give the school an opportunity to review the data on which the proposed determination is made. If the school principal believes that the determination is in error, the principal may provide supporting evidence to the LEA. The LEA shall consider the evidence and make a final determination within three months.

State Responsibilities

If the State determines that the LEA failed to carry out its responsibilities under the school improvement process, or determines that after one year of implementation of the corrective action, such action has not resulted in sufficient progress in increased student performance, the SEA shall take whatever action it finds necessary to improve the affected schools. SEA action may include designating a course of corrective action as described above.

Duration

Schools will be removed from school improvement if they make adequate yearly progress toward meeting the State's proficient and advanced levels of performance for at least 2 of the 3 years following school improvement identification.

State Review and Local Educational Agency Improvement

The State shall annually review the progress of each LEA to determine whether schools receiving title I funds are making adequate yearly progress toward meeting the State's student performance standards. In addition, the State shall identify for improvement any LEA that fails to make AYP for 2 consecutive years.

Opportunity to Review and Present Evidence

Before identifying a LEA for improvement, the State will give the LEA an opportunity to review the data on which the proposed identification is based. If the LEA believes the identification is in error, it may provide evidence to the SEA. The SEA shall review the evidence and make a final determination within 45 days.

Notification to Parents

The SEA shall notify parents of each student enrolled in a school in a LEA identified for improvement, and explain the reasons for such identification and how the parents can participate in upgrading the quality of the LEA.

LEA Improvement Plan

The LEA must develop, no later than 3 months after being identified for improvement, develop or revise a LEA plan in consultation with the local school board, parents, teachers, school staff and others, for approval by the SEA.

The plan must 1) incorporate scientifically based research strategies that strengthen the core academic program in the LEA; 2) identify specific goals and objectives the LEA will undertake to make AYP and that have the greatest likelihood of improving the performance of students in meeting the State's student performance standards; 3) address the professional development needs of teachers and principals; and 4) include specific numerical performance goals and targets for disaggregated groups of students.

The LEA must implement the plan not later than the beginning of the next school year.

State Assistance

The State shall approve LEA plans if they meet the requirements of the LEA improvement process, or provide assistance to LEAs in the development or revision of such plans so that they meet the requirements. In addition, the State shall provide technical assistance, if requested, to the LEA.

Corrective Action

After providing technical assistance, SEA may take corrective action at any time with respect to a LEA that has been identified for improvement, but must take corrective action against a LEA that fails to make AYP two years after its identification for improvement.

Corrective actions must substantially address the consistent academic failure of schools served by the LEA that cause the State to take action, or address staffing, curricula or other problem in the schools in the LEA. The state must take at least one of the following corrective actions 1) withhold funds from the LEA; 2) reconstitute the LEA personnel; 3) remove particular schools from the area served by the LEA, and establish a new governance and supervision of the schools; 4) appoint a receiver or trustee to administer the affairs of the LEA in place of the local superintendent and school board; 5) abolish or restructure the LEA; and 6) allow students to transfer from a school operated by the LEA to a higher performing school operated by another LEA, or to a charter school, and provide such students transportation services or costs.

Opportunity to Review and Present Evidence

Before implementing any corrective action, the SEA shall provide the LEA with the data on which the determination was made. If the LEA believes the determination was made in error, it may present evidence to the State. The State must review the evidence and make a final determination within 45 days.

Parental Notification

The SEA shall publish and disseminate to parents and the public information regarding any corrective action the SEA takes.

State Assistance For School Support and Improvement

Each SEA shall establish a statewide system of intensive and sustained support and improvement for LEAs and schools receiving title I funds, in order to increase the opportunity for all students to meet the State content and student performance standards.

Assistance shall be provided 1) first, to LEAs subject to corrective action and schools for which the LEA failed to carry out its responsibilities for improvement and corrective action, 2) second, to LEAs in need of improvement; and 3) to other LEAs and schools that need support in order to achieve the purposes of title I, Part A.

Assistance may be provided through approaches such as school support teams; distinguished educators, who are chosen from schools served under title I that have been especially successful in improving academic achievement; through institutions of higher education, educational service agencies, or other local consortia.

Parental Involvement

Current law is amended to incorporate changes to improve and increase activities to enhance parental involvement.

To improve parental involvement changes require the LEA to 1) conduct, with the involvement of parents, an annual evaluation of the content and effectiveness of the parental involvement policy in improving the academic quality of the schools under title I; 2) involve parents in the activities of

schools under title I; and 3) promote consumer friendly environments within the LEA and schools under title I. LEAs also may establish a district wide parent advisory council to advise on all matters related to parental involvement in programs under title I, Part A.

Requires LEAs to expand the use of electronic communications among teachers, students, and parents, such as through the use of websites and e-mail communications.

Requires that 90% of the funds for parental involvement shall be distributed to title I schools.

Qualifications for Teachers and Paraprofessionals

Teachers

Each LEA receiving title I funds must ensure that all teachers hired on or after the enactment of this Act are fully qualified by December 31, 2005.

State Plan

Each State receiving title I funds must develop and submit to the Secretary a plan to ensure that all teachers teaching within the state are fully qualified by December 31, 2005. The plan shall include an assurance that the State will require each LEA and school receiving title I funds to report the annual progress of LEA's and school's performance in increasing the percentage of classes in core academic areas taught by fully qualified teachers.

Charter Schools

Title I teacher qualification requirements shall not supercede State laws governing teacher qualifications in charter schools.

New Paraprofessionals

Each LEA receiving title I funds shall ensure that 1) each paraprofessional, hired more than one year after enactment of this Act, has completed at least 60 hours of credit bearing courses of study at an institution of higher education; 2) has obtained an associate's (or higher) degree; or 3) has met a rigorous standard of quality that demonstrates, through a formal assessment, knowledge of, and the ability to assist in, instructing, reading, writing and mathematics (a high school diploma does not satisfy this requirements).

Existing Paraprofessionals

Each LEA receiving assistance under title I shall ensure that existing paraprofessionals meet the above requirements within three years after enactment of this Act.

Exceptions

Paraprofessional requirements shall not apply to a paraprofessional 1) who is proficient in English and another language, and who provides translator services; and 2) whose only duties are parental involvement activities.

Duties of Paraprofessionals

Paraprofessionals may be assigned to 1) provide 1-on-1 tutoring for eligible students if the tutoring is scheduled at a time when the student would not otherwise receive instruction from a teacher; 2) to assist with classroom management, such as organizing instructional and other materials; 3) provide assistance in computer laboratory; 4) conduct parental involvement activities; 5) provide library or media center support; and 6) act as a translator.

A paraprofessional may not provide any instructional service to a student unless the paraprofessional is working under the direct supervision of a fully qualified teacher; and may not provide reading instruction unless the paraprofessional has demonstrated, through a State or local assessment, the ability to effectively carry out reading instruction.

Uses of Funds

Title I funds may be used for professional development for teachers and paraprofessionals.

Professional Development - Required Activities

Each LEA receiving title I funds shall 1) provide professional development to teachers, principals, and administrators to ensure they have the knowledge and skills to provide students with the opportunity to meet State or local content and student performance standards; 2) support the recruiting, hiring, and training of fully qualified teachers, including through alternative routes of certification; 3) advance teacher understanding of effective instructional strategies, based on scientific based research, for improving student achievement, in at least math and reading; 4) be related to the curricula and content areas in which the teacher provides instruction; 5) be designed to enhance the ability of a teacher to understand and use the State's standards in the subject area that the teacher provides instruction; 5) be tied to scientifically based research; 6) be of sufficient intensity and duration to have a positive and lasting impact on the teacher's performance; 7) to the extent practicable, provide training in the use of technology to improve teaching and learning; 8) be regularly evaluated for impact on increased teacher effectiveness and improved student achievement.

Funding

up from \$9.1 B
Authorized \$12 billion for title I, Part A. The Secretary shall reserve 1% of the funds for the Bureau of Indian Affairs and Outlying Areas.

Allocations

For any amount that exceeds the amount appropriated in FY 1999, 75% shall be distributed through a targeted formula based on a percentage of students from families in poverty, and 25% shall be distributed through the Basic and Concentration Grant formulas (85% of the 25% will be distributed through Basic formula, and 15% of the 25% will be distributed through Concentration formula)

Total grants shall be calculated on the basis of LEA population data and shall be aggregated for each State.

Hold Harmless

Each State shall receive, at a minimum, the amount that it received in the previous year. Each LEA shall receive, at a minimum, 85% of the amount that it received in the previous year.

Weighted Child Count for Allocations to LEAs

The Secretary shall use only the percentage of children calculations to determine the allocations to LEAs.

State Administration

Current law is not changed regarding the set aside of funds for planning and administration.

Rural Education Development Initiative

(Republican buy-in)

Purpose

To assist small and rural LEA that because of their size are at a disadvantage under formula programs and competitive grant programs.

Funding

Authorizes \$125 million for the program. The Secretary shall reserve $\frac{1}{2}$ of 1% of the funds for payments to the Secretary of the Interior.

Allotments

The Secretary shall allot funds to states based on the number of students in eligible LEAs. If a SEA does not participate in the program, the Secretary shall allot a grant to a specially qualified agency.

Matching Requirement

Each LEA that receives a grant must contribute a match, in cash or in kind, in amount equal to the federal funds awarded under the program.

State or Specially Qualified Agency Plans

Each State or Specially Qualified Agency must submit an application to the Secretary that 1) specifies annual, measurable performance goals and objectives for increased student performance, and decreased gap in achievement between minority and non-minority students, and economically disadvantaged and non-economically disadvantaged students; 2) describe how the agency will hold LEAs or schools accountable for meeting performance objectives; 3) describe how the agency will provide technical assistance; and 4) describe how the agency will take action if a LEA or school fails, over 2 consecutive years, to meet the performance objectives.

Within State Allocations

The State shall award grants to eligible LEAs on a competitive basis; or according to a formula determined by the state.

Eligibility

An eligible LEA shall 1) have not less than 20% of its students, aged 5 - 17, are from families in poverty; and 2) be located in a rural locality; or 3) serve a school age population of 800 or fewer students.

Uses of Funds

Funds shall be used for 1) educational technology, including software and hardware; 2) professional development; 3) technical assistance; 4) teacher recruitment and retention; 5) parental involvement activities; or academic enrichment programs.

Reports

Each State educational agency or specially qualified agency shall provide an annual report to the Secretary that describes 1) the method the agency used to award grants to eligible LEAs and to provide assistance to schools; 2) how the LEA and schools used the grant; 3) the degree to which progress has been made toward meeting the annual, measurable goals and objectives described in the State or specially qualified agency plan.

The Secretary shall prepare and submit to Congress an annual report relaying the information submitted to the Secretary by the States or specially qualified agencies.

Title II—Teacher Quality, Professional Development, and Class Size

Purpose

To ensure that all students are taught by a fully qualified teacher, to provide new teachers with mentoring, to provide all teachers, principals, and administrators with high-quality professional development, and to facilitate smaller class sizes.

Teacher Quality

Fully Qualified Teachers

Requires all teachers be fully qualified by December 31, 2005. Fully Qualified means, for an elementary school teacher, the teacher will have 1) obtained State certification, or passed the State teacher licensing exam; 2) a bachelor's degree from an institution of higher education; 3) demonstrate knowledge and teaching skills in reading, writing, mathematics, science, and other areas of the elementary school curricula; and 4) passed a State-developed rigorous test for content for teachers.

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For a secondary school teacher, fully qualified means that the teacher has 1) obtained State certification, or passed the State teacher licensing exam; 2) received a bachelor's degree from an institution of higher education, with a major in the academic subjects in which the teacher is assigned to teach; and 3) passed a State-developed rigorous test in the academic subjects in which the teacher is assigned to teach.

Requirements on teacher qualifications shall not supercede State laws governing teacher qualifications in *charter schools*.

State Plan

Each State shall submit a plan to the Secretary that describes how the State is taking reasonable steps to reform teacher certification, recertification, or licensure requirements to ensure that 1) teachers have the necessary teaching skills and academic content knowledge in the subject areas in which they are assigned to teach; 2) they are aligned with the State's content standards; and 3) teachers have the knowledge and skills necessary to help students meet the State's performance standards.

The plan shall also describe how the State is taking reasonable steps to 1) develop and implement rigorous testing procedures for all teachers to ensure that the teachers have teaching skills and academic content knowledge necessary to teach effectively the content called for by the State and local standards in all academic subjects in which the teachers provide instruction; 2) establish, expand, or improve alternative routes to State certification of teachers especially in the areas of math and science, for highly qualified individuals; 3) reduce emergency teacher certification; 4) develop and implement effective programs to assist LEAs and schools in effectively recruiting and retaining fully qualified teachers and principals, particularly in schools that have the lowest proportion of fully qualified teachers, or the highest proportion of low-performing students; 5) provide high-quality professional development programs; and 6) provide mentoring to new teachers in their first three years.

It shall also describe how 1) activities will improve all students' academic achievement and close the academic achievement gap between low-income and higher-income students, limited English proficient and English proficient students, and minority and non-minority students; 2) how the State will set annual, numerical performance objectives for improving the qualifications of teachers and the professional development of teachers, principals and administrators; and 3) the State will hold LEAs and schools accountable for meeting performance objectives and reporting requirements.

Each State shall develop its plan in consultation with LEAs, parents, teachers, principals, and others.

Performance Objectives

States shall identify annual, numerical performance objectives with respect to improving the qualifications and professional development of teachers that achieve an incremental increase in 1) the percentage of teachers that are fully qualified; 2) the percentage of classes in core academic subjects that are being taught by teachers who have degrees from institutions of higher education, or who are fully licensed or certified by the State in the academic subject that the teacher is assigned to teach; 3) the percentage of new teachers receiving professional development support in the first three years of teaching; and 4) the percentage of teachers, principals, and administrators participating in high quality professional development programs in core academic subjects and to prepare all students to achieve State content and student performance standards.

State Optional Activities

States may 1) develop and implement a system to evaluate the effectiveness of teachers; 2) increase the portability of teacher pensions and reciprocity of teaching credentials among States; 3) pursue tenure reform and merit pay; 4) develop or assist LEAs in the development and utilization of proven, innovative strategies to deliver intensive professional development programs that are both cost effective and easily accessible, such as through the use of technology and distance learning; and 5) provide assistance to LEAs for the development and implementation of innovative professional development programs that train teachers to use technology to improve teaching and learning.

Local Plans

Each LEA receiving a grant shall develop a plan that 1) describes how it will use funds to meet the State's performance objectives; 2) describes how it will hold schools accountable for meeting requirements; 3) contains an assurance that the LEA will target funds to schools that have the lowest proportion of fully qualified teachers, or are identified for school improvement; and 4) describes how the LEA has consulted with teachers, principals, parents and administrators in the plan development.

Local Activities

Each LEA shall use grant funds to support the professional development activities for teachers (in at least reading, math and science), principals, and administrators to provide such individuals with the knowledge and skills to provide students with the opportunity to meet State content and student performance standards.

LEAs shall also use funds to the extent practicable 1) provide professional development to teachers, principals, and administrators to enhance the use of technology to improve the delivery of curriculum instruction; 2) recruit fully qualified teachers and highly qualified principals, particularly for schools located in areas with high percentages of poverty, or high percentages of low performing students; 3) retain fully qualified teachers and principals to serve in schools with the highest proportion of low performing students, such as through mentoring and other incentives, including financial incentives to teachers that have a record of success in helping low-performing students improve, and principals who have a record of improving the performance of all students or significantly narrowing achievement gaps between groups of students; and 4)

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support activities to provide effective professional development for teachers of limited English proficient students.

Optional Local Activities

LEAs may use funds to 1) provide signing bonuses or other financial incentives for teachers to teach in academic subject areas in which there exists a shortage of such fully qualified teachers within a school or the LEA; 2) establish programs that recruit professionals from other fields and provide such professionals with alternative routes to teacher certification; 3) programs that are designed to improve the quality of the teacher force; 4) implement tenure reform; 5) implement merit pay; 6) provide professional development programs on different teaching styles, particularly as relates to children with disabilities and with children with special learning needs (including those who are gifted and talented); 7) provide professional development programs that provide instruction on how best to discipline children in the classroom; 8) professional development programs that provide instruction in how to teach character education; and 9) implement activities designed to improve professional development for teachers, principals, and administrators, and recruit and retain fully qualified teachers and principals as approved by the State.

Funding

Authorizes \$1.6 billion of which 50% will be allocated to States based on the number of students enrolled in elementary and secondary schools, and 50% will be allocated to States based on the number of students from families in poverty. Within State allocations will be made to LEAs so that 60% of the funds are based on the number of students from families in poverty, and 40% of the funds are based on the number of students enrolled in elementary and secondary schools.

The Secretary shall reserve $\frac{1}{2}$ of 1% of the funds, each, for the Bureau of Indian Affairs and Outlying Areas.

A hold harmless provision shall be applied so that each State receives 100% of what it received under title II and VI (as such titles were in effect prior to the enactment of this Act). Each LEA shall receive not less than 100% of what it received under titles II and VI (as such titles were in effect prior to the enactment of this Act) for fiscal year 2001, not less than 85% of what it received in the previous fiscal year for fiscal year 2002, and not less than 70% of what it received in the previous fiscal year for fiscal years 2003-2005.

Each State shall set aside 10% of the funds it receives to award educator partnerships.

A small state minimum shall be applied so that no State receives less than $\frac{1}{2}$ of 1% of the funds authorized.

Administration

States may set aside up to 5% of the funds it receives for planning and administration. LEAs may set aside up to 1.5% of the funds received for planning and administration.

Professional Development for Teachers

Professional development activities or programs under this title must be 1) directly related to the curriculum and content areas in which the teacher provides instruction; or 2) be designed to enhance the ability of the teacher to understand and use the State's standards for the subject area in which the teacher provides instruction. These requirements shall not apply to funds for professional development activities that instruct in methods of disciplining children.

In addition, professional development activities shall 1) be measured, in terms of progress, using the specific performance objectives established by the State; 2) be tied to State or local content standards and student performance standards; 3) be tied to scientifically based research demonstrating the effectiveness of such program in increasing student achievement or substantially increasing the knowledge and teaching skills of such teachers; 4) shall be of sufficient intensity and duration to have a positive and lasting impact on the teacher's performance in the classroom; 5) be developed with extensive participation of teachers, principals, parents, and administrators; and 6) be directly related to the content area in which the teacher provides instruction, and to the State content standards.

Educator Partnership Grants

Each State shall set aside 10% of the funds it receives under this title for the purposes of awarding educator partnership grants. Funds shall be allocated through a competitive process that results in an equitable distribution of funds by geographic area within the State.

Educator Partnerships

Eligible partnerships shall include a cooperative arrangement between a school, or a LEA, and one or more of the following: 1) an institution of higher education; 2) an educational service agency; 3) a public or private nonprofit educational organization; and 4) an entity from outside the traditional education arena, including corporations and consulting firms.

Use of Funds

Recipients shall use funds for 1) the development or enhancement of professional development activities for teachers in core academic subjects to ensure that teachers have content knowledge in the subjects they teach; 2) developing and providing assistance to LEAs and schools for sustained, high-quality professional development activities for teachers, principals, and administrators; 3) increasing the percentage of fully qualified teachers available to provide high-quality education to limited English proficient students; 4) the development and implementation of professional development activities for principals and administrators to enable them to be effective school leaders and improve student achievement on State standards; or 5) another activity that enhances professional development opportunities for teachers, principals, and administrators or will increase the number of fully qualified teachers that meets State approval.

Class Size Reduction

Maintains the class size program under a separate funding stream and authorizes \$1.4 billion for the program.

were at \$1.75 B
for 2001

Specific language on the program is pending final passage of the Labor, HHS, and Education Appropriations bill for FY 2000.

Title III—Language Minority Students and Native American Education

Part A—Language Minority Students

Purpose

The purpose of this part is to assist limited English proficient (LEP) students to learn English as quickly as possible so that those students may meet the same rigorous standards for academic performance expected of all students, and succeed in our society by 1) streamlining existing language assistance programs into one performance-based grant for State educational agencies and local educational agencies to help limited English proficient students become proficient in English; 2) increasing the amount of federal assistance to LEAs serving such students; 3) requiring States and LEAs to demonstrate annual increases in the English proficiency of students from the previous year; and 4) providing SEAs and LEAs with the flexibility to implement instructional programs that are based on scientific research, and that the SEA and LEA believe to be the most effective for teaching English.

Funding

Authorizes \$1 billion for this part. Requires the Secretary to reserve ½ of 1% of the funds, each, for the Secretary of the Interior and Outlying Areas. Puerto Rico shall be considered a State under this part.

Funds shall be allocated to States based on their number of LEP students. A hold harmless provision shall be applied so that each State receives not less than 85% of what it received under title VII (Bilingual Education) as such title was in effect before the enactment of this Act. Funds shall be allocated to LEAs based on their number of LEP students.

Administration

States may reserve 5% of the funds received for planning, administration and carrying out activities under this part. LEAs may reserve 1% of the fund received for planning and administration.

State and Specially Qualified Agency Plan

If a State does not apply for a grant, a specially qualified agency may apply directly to the Secretary for a grant. Each SEA and specially qualified agency must submit a plan to the Secretary that describes how agency will 1) establish **standards and benchmarks for English language development** that are aligned with the State's content and performance standards; 2) develop high quality, annual assessments to measure English language proficiency, including proficiency in the four recognized domains: speaking, listening, reading and writing; 3) develop

annual performance objectives based on the English language development standards set to raise the proficiency of each limited English proficient student; 4) assure that the State or specially qualified agency consulted with LEAs, parents, teachers, administrators, English language instruction specialists, and other groups in the development of the agency plan; 5) describe how the agency will hold LEAs or schools accountable for meeting the performance objectives accountable for meeting the performance objectives; 6) describe how LEAs will be given the flexibility to teach English in the manner that each LEA determines to be the most effective (as long as the language instruction curriculum is scientifically research based); and 7) describe how the agency will provide technical assistance to LEAs and schools.

Secretary Assistance

As required under title VII of this Act, the Secretary shall provide assistance to States and specially qualified agencies in the development of English language standards and English language proficiency assessments.

Local Plans

Each LEA receiving a grant shall submit to the State a plan that 1) describes how the LEA will use funds to meet the English proficiency performance objectives; 2) describes how the LEA will hold schools accountable for meeting the performance objectives; and 3) contains an assurance that the LEA consulted with schools, institutions of higher education, parents, language instruction teachers, English language instruction specialists, and others in the development of the plan.

Local Uses of Funds

Each LEA receiving a grant may use funds to provide high-quality English language instruction programs, such as bilingual education, transitional education or English immersion education programs, to increase the student's proficiency in English. Instruction programs must be tied to scientifically based research demonstrating the effectiveness of such program in increasing English proficiency.

Funds also shall be used to provide high-quality professional development activities for teachers of limited English proficient students that are 1) designed to enhance the teachers's ability to understand and use curricula, assessment measures, and instructional strategies for LEP students; 2) tied to scientifically based research demonstrating the effectiveness of such program in increasing students English proficiency or substantially increasing the knowledge and teaching skills of such teachers; and 3) of sufficient intensity and duration to have a positive and lasting impact on the teacher's performance in the classroom.

LEAs shall also use funds to identify, acquire and upgrade curricula, instructional materials, educational software and assessment procedures for LEP students.

Federal Limitations

The Secretary, or any other federal officer, shall not mandate, direct, or control a State's, local educational agency's, or elementary school's or secondary school's specific English language

development standards or assessments, curricula, or program of instruction, as a condition of eligibility to receive funds under this part. In addition, the Secretary shall not mandate, nor preclude, a particular curricula or pedagogical approach to educating limited English proficient students.

English Fluency Requirement for Teachers

Each LEA receiving a grant shall certify to the SEA that all teacher in any language instruction program for limited English proficient students funded under this part are fluent in English.

Federal Regulations

In developing regulations, the Secretary shall consult with SEAs, LEAs, organizations representing limited English proficient individuals, teachers, and others involved in the education of LEP students.

Parental Notification

Each LEA shall notify parents of a student participating in a language instruction program of the student's level of English proficiency, how such level was assessed, the status of the student's achievement, what programs are available to meet the student's educational strengths and needs, how such programs differ in content and instructional goals from other language assistance programs, and the instructional goals of the language instruction program.

Parents shall have the option to decline the enrollment of their child in a language assistance program.

Parents of LEP students enrolled in a language assistance program shall receive timely information (in a manner and form understandable to the parent) about programs under this part and notice of opportunities for regular meetings for the purpose of formulating and responding to recommendations from parents of children assisted under this part.

Part B—Indian, Alaska Native and Hawaiian Native Education

Title IX of current law is maintained and redesignated to Part B of Title III in this Act.

Title IV—Public School Choice

Maintains current law for magnet schools (title V, Part A) and charter schools (title X, Part C) and redesignates these programs to title IV of this Act. Authorizes \$200 million for charter schools and \$130 million for magnet schools.

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Purpose

The purposes of this title are to 1) consolidate public choice programs into one title, 2) increase federal assistance for public magnet and charter schools, and charter districts, and 3) help parents make more informed choices by providing supporting the continuation of public choice programs and providing financial assistance to States and LEAs for the development of LEA and school report cards.

Charter School Parallel Accountability

Each State receiving a public charter school grant shall hold charter schools accountable for adequate yearly progress for improving student performance in the same manner as public schools within the State are held accountable for adequate yearly progress form improving student performance under title I, including the use of the same standards and assessments.

Public School Choice Programs

Authorizes \$100 million for the Secretary to award grants, on a competitive basis, to LEAs to enable such LEAs to develop local public school choice programs.

Report Cards

Funding

Authorizes \$50 million to be allocated to States based on the number of elementary and secondary school students in the State. Requires the Secretary to reserve ½ of 1% of the funds, each, for the Secretary of the Interior and Outlying Areas. States receiving a grant shall distribute subgrants to LEAs based on the number of students within each LEA.

Administration

States may reserve 10% of the funds received for carrying out activities under this part.

Annual State Report

By the beginning of the 2001-2002 school year, a State receiving assistance under this Act shall prepare and disseminate an annual report on all the schools that receive funds under title I, part A and title II, part A.

Report card shall be concise and presented in a format and manner that parents can understand including, to the extent practicable, in a language the parents can understand. In the event that the State provides no such report card, the State shall, no later than the beginning of the 2001-2002 school year, publicly report the required information under this part for all schools that receive funds under title I, part A and title II, part A through other public means.

Content of Annual State Reports

The State, at a minimum, shall include in the annual State report information on each LEA and school within the State receiving funds under title I, part A and title II, part A, including information regarding:

- student performance on statewide assessments for the year and the preceding year, in at

Disaggregated Data?

least reading and mathematics, including 1) a comparison of the proportions of students who performed at the below basic, basic, proficient, and advanced level in each subject area, for each grade level at which assessments are required under title I, with proportions in each of the same 4 categories at the same grade levels in the previous school year; 2) a statement on the three year trend in the percentage of students performing at the 4 levels in each subject area, for each grade level at which assessments are required under title I;

- student retention rates in grades, the number of students completing advanced placement courses, and 4-year graduation rates;
- the professional qualifications of teachers in the aggregate, including the percentage of teachers teaching with emergency or provisional credentials, the percentage of class sections not taught by fully qualified teachers, and the percentage of teachers who are fully qualified; and
- the professional qualifications of paraprofessionals, the number of paraprofessionals in the aggregate, and the ratio of paraprofessionals to teachers in the classroom.

Student Data

Student data in each report shall contain disaggregated results for the following categories: gender, racial and ethnic groups, economically disadvantaged students as compared to students who are not economically disadvantaged, and students with limited English proficiency as compared to students who are proficient in English.

Optional Information

States may include other information that it determines appropriate.

Content of LEA and School Report Cards

The State must ensure that each LEA and school that receives funds under title I, part A and title II, part A collects appropriate data and includes in its annual report, at a minimum:

- The same information as required for under the annual state report regarding student performance, teacher qualifications, student retention rates, and paraprofessional qualifications, as well as the same disaggregated student data
- **LEAs** shall also include information on the number and percentage of schools identified for improvement; information on the three-year trend in the number and percentage of schools identified for school improvement; information that shows how student in schools within the LEA perform on assessments as compared to students in the state as a whole;
- **Schools** shall also include information on whether the school has been identified for improvement, and information that shows how the school's students performed on the statewide assessment compared to students in schools served by the same LEA and to all students in the State.

- Other information – LEAs and schools may include other appropriate information.

Dissemination and Accessibility

State reports shall be disseminated to all schools and LEAs in the State and made broadly available to the public through means such as posting on the Internet and distribution to the media and through public agencies.

Local reports shall be disseminated to all schools served by the LEA and all parents, and made available to the public through means such as posting on the Internet and distribution to the media and through public agencies.

School reports shall be disseminated to all parents of students the school, and made available to the public, through means such as posting on the Internet and distribution to the media and through public agencies.

Parents Right-to-Know

LEAs shall provide, upon request, to any parent of a student in a school in the LEA, information regarding the professional qualifications of the student's classroom teachers, and information on the level of performance of the individual student.

Title V–Impact Aid

Maintains current law and redesignates title VIII as title V under this Act.

Title VI–Innovative Strategies for Performance

Purpose

It is the purpose of this title to 1) support LEAs' education reform efforts that are consistent with State content and student performance standards, or that create an enhanced learning environment to facilitate academic enrichment and innovation; 2) provide funding to enable SEAs and LEAs to implement promising educational reform programs; 3) provide a continuing source of innovation and education improvement; 4) meet the special educational needs of low-performing and at-risk students; 5) enable schools to address local educational priorities; and 6) require SEAs and LEAs to demonstrate results in return for increased flexibility and funding.

Funding

Authorizes \$2.7 billion to be allocated to States and LEAs using the Basic and Concentration Grant formulas under title I. The Secretary shall reserve 1) ½ of 1% of the funds, each, for the Secretary of the Interior and Outlying Areas; and 2) such funds as necessary to continue to support any multi-year award made under titles III, IV, V, VI or X (as such titles were in effect

before the enactment of this Act) until the termination of the multi-year award.

State Reservations

States may reserve up to 5% of the funds for planning and administration, and 10% to award grants, on a competitive basis, to LEAs for one-time infusion of funds for innovative practices.

State Plans

SEAs desiring a grant shall submit a plan, developed with significant input from the innovative partnership, to the Secretary.

Innovative Partnerships

The Governor of each State desiring a grant, in consultation with the State educational agency, shall establish an education innovation partnership, which shall be an integral participant in the development of the State plan and performance objectives. At a minimum, the innovation partnership shall consist of the following participants:

- the Governor;
- the Chief State School Officer
- a representative, selected jointly by the Governor and the chief State school officer, of at least 1 LEA eligible to receive a subgrant;
- a representative, selected jointly by the Governor and the chief State school officer, of a community-based organization that focuses on the education of children, particularly low performing and economically disadvantaged students;
- a representative of a parent's organization;
- a principal of a school that has instituted an exemplary innovative education program that focuses on serving low performing students or enhancing the learning environment; and
- a teacher who has successfully raised the performance levels of low performing students.

Contents of State Plans

Each State plan shall 1) describe the program goals and objectives that are aligned with State content and student performance standards, or that create an enhanced learning environment, that the State and LEAs seek to achieve; 2) specify annual performance objectives that will be used by the State and LEA to assess annually the effectiveness of the program; 3) specify the State will measure annual performance objectives; and 4) describe how the State will hold LEAs and schools accountable for meeting the performance objectives.

Local Plans and Requirements

LEA Plans

Each LEA shall submit a plan to the SEA for approval by the innovative partnership.

Contents of LEA Plan

Each plan shall 1) describe the program(s) for which assistance is sought and the reasons for the selection of such programs; 2) describe the program goals and objectives that are aligned with

State standards, or that create an enhanced learning environment, that the LEA seeks to achieve; 3) specify the annual performance objectives that will be used by the LEA to assess annually the effectiveness of the program; 4) specify how the LEA will measure the annual performance objectives; 5) describe how the LEA will hold schools accountable for meeting the performance objectives; and 6) contain an assurance that the LEA consulted with schools, education-related community groups and nonprofit organizations, parents, teachers, and school administrators in the development of the local plan and selection of programs described in it.

Matching Requirement

A State shall not make a subgrant to a LEA unless the LEA agrees that, with respect to the costs to be incurred by the LEA in carrying out the activities for which the grant was awarded, the LEA will provide a 15 % cash, or in-kind, match.

Uses of Funds

Each LEA receiving a subgrant may reserve up to 1% of the funds for planning and administration.

Each LEA shall use funds to establish and carry out programs that are designed to achieve, separately, or cumulatively, each of the following goals:

- ***Academic Enrichment*** – programs, or policies, that seek to raise the academic achievement level of all students based on State content and student performance standards, such as education technology programs; before- and after-school, and summer school programs; schoolwide reform programs; college preparation courses; academic equity programs; civics and arts education; reading and literacy programs to prepare young children for elementary school; foreign language programs; gifted and talented programs; or another program as approved by the State that improves the higher order thinking skills of all students;
- ***Safe and Quality Environment*** – programs, or policies, that help ensure all school children learn in a safe and quality environment, such as programs that reduce drugs and violence; extended day programs; summer school; programs that address student discipline problems; programs that reduce school drop out rates and chronic absenteeism; character education; programs that recruit or retain high quality mental health professionals to counsel students in public schools who are exhibiting symptoms of distress (such as substance abuse, or disruptive and suicidal behavior), or provide such professionals with professional development; or another activity approved by the State; and
- ***Reform and Innovation*** – programs, or policies, that lead to systemic education reforms or innovations that seek to increase all students' academic achievement based on State content and student performance standards, such as professional development for teachers, principals, and administrators; comprehensive academic instruction or education reform; education technology programs; or another activity approved by the State.

Innovative Practice Grants

Each State receiving a grant under this title shall reserve 10% of the funds for innovative practice grants to be awarded, on a competitive basis to LEAs to stimulate and support innovative education practices, including programs that require a 1-time infusion of funding.

LEA Plans

Each LEA desiring a subgrant shall submit a plan to the State.

Uses of Funds

Each LEA receiving a subgrant shall use funds to support and stimulate the development and initial implementation of innovative education practices, including 1) promising education reforms projects, such as comprehensive school reform; 2) experiments with longer school days and longer school years; 3) outreach efforts for attracting fully qualified teachers and principals to schools with high percentages of low performing students, or low-qualified teachers; 4) teacher portability initiatives; 5) the creation of alternative or transitional settings for violent or disruptive students; 6) the creation of charter school districts; and 7) another activity that seeks to increase the academic achievement of all students based on State content and student performance standards as approved by the State.

LEAs may reserve up to 3% of the funds for administrative purposes in carrying out activities under this program.

Title VII—Accountability

Sanctions

Third Fiscal Year

If more than 1 set of the performance objectives established under titles I part A, title II part A, title III part A, and title VI by a State receiving funds under such titles have not been met by the end of the third fiscal year, then the Secretary shall reduce the State's administrative funds under each title and part in which the performance objectives have not been met by 50%.

If the performance objectives not met by the end of the third fiscal year are in only 1 title and that title is title I or II, then the Secretary shall reduce administrative funds by 30%. If the performance objective not met by the end of the third fiscal year are in only 1 title and that title is title III or VI, then the Secretary shall reduce administrative funds by 20%.

Fourth Fiscal Year

If the performance objectives have not been met by the end of the fourth fiscal year, then the Secretary shall reduce the amount the State receives under title VI by 30%.

Duration

The Secretary shall withhold all funds from a State until the State demonstrates that it has met the performance objectives for each year in which the State is participating in such titles and parts.

Technical Assistance

The Secretary shall provide technical assistance, if sought, to a State that has been sanctioned.

Local Sanctions

Each State participating under title I, II, III or VI shall develop a system to hold LEAs accountable for meeting the performance objectives established under each title, including a system to sanction LEAs for low performance.

Rewarding High Performance

Authorizes \$200 million for the Secretary to award rewards to high performing States that have 1) for 3 consecutive years exceeded performance objectives established under any title under this Act; 2) for 3 consecutive years significantly narrowed the achievement gap between minority and non-minority students, economically disadvantage and non-economically disadvantaged students, and limited English proficient students and English proficient students; or 3) by not later than December 31, 2003, have all teachers in schools fully qualified.

State Uses of Funds**Administration**

Each State receiving an award may reserve up to $\frac{1}{2}$ of 1% of funds for planning and administrative purposes.

Demonstration Sites

Each State receiving an award shall use a portion of funds (not distributed to LEAs) to establish demonstration sites with respect to high-performing schools in order to help low-performing schools.

Improving Student Performance

States shall use funds received (not distributed to LEAs) for the purpose of improving the level of performance of all students based on State content and student performance standards.

LEA Awards

Each State receiving an award shall distribute 74.5% of the award funds to high performing LEAs in the State that 1) for 3 consecutive years have exceeded performance objectives; 2) for 3 consecutive years have significantly narrowed the achievement gap in student performance between minority and non-minority students, limited English proficient and English proficient students, and economically disadvantaged and non-economically disadvantaged students; or 3) have all teachers fully qualified by December 31, 2003.

LEA Use of Funds

Administration

LEAs may reserve up to ½ of 1% of funds for administrative purposes.

A LEA may use funds for activities such as school-based performance awards.

A LEA receiving funds shall use funds to:

- reward individual schools that demonstrate high performance with respect to increasing the academic achievement of all students; narrowing the achievement gap between groups of students; improving teacher quality; increasing high-quality professional development for teachers, principals, and administrators; or improving the English proficiency of limited English proficient students;
- reward individual teachers that have significantly increased the annual performance of low-performing students; or significantly improve the English proficiency of limited English proficient students;
- reward principals that successfully raise the performance standards of a substantial number of low performing students to high academic levels; or
- develop or implement district wide programs, or policies, to increase the achievement level of all students based on State content and student performance standards.

Secretary Duties

Authorizes \$300 million of Secretary duties. The Secretary is authorized to:

- support activities of the National Board for Professional Teaching Standards;
- study and disseminate information regarding model programs assisted under this Act;
- provide technical assistance to States, LEAs, schools, Indian tribes, or other recipients of funds under this Act, including entering into contracts or cooperative agreements with public or private nonprofit entities or consortia of such entities, in order to provide comprehensive training and technical assistance related to administration and implementation of programs under this Act;

- support activities that will promote systemic education reform at the State and local levels;
- award grants or contracts to public or private nonprofit entities to enable the entities to 1) disseminate exemplary reading, math, science, computer and Internet educational instructional materials to States, LEAs, and schools; and 2) provide technical assistance for the implementation of teaching methods and assessment tools for use by schools, teachers, and administrators;
- award a grant or contract to a public or private nonprofit entity or consortia of such entities to establish a national center for gifted and talented activities; and
- assist States, if requested, in the development of English language standards and high-quality assessments; and
- develop native language tests for limited English proficient students that States may administer to such students to assess student achievement in at least reading, math and science consistent with such State's content and student performance standards.

Reservation of Funds

The Secretary shall reserve \$10 million in funds for section 1202(c) of current law – statewide literacy programs under Even Start.

Title VIII—General Provisions

Definitions

No changes to current law.

Consolidation

SEAs and LEAs shall be allowed to consolidate all plans for which grants are sought into one plan. In addition, SEAs and LEAs may consolidate administrative funds. Maintains provisions for an administrative funds study.

Maintenance of Effort

Maintains current law regarding maintenance of effort by States.

Supplement and Not Supplant

Adds a new provision and federal funds shall supplement and not supplant any State and local

funds that would be spent on activities under the Act.

Waivers

Maintains current law regarding waivers, except for new waiver provision in title I, part A.

Evaluations

Maintains current law requiring the Secretary to conduct evaluations of the effectiveness of programs under the Act.

Redesignations and Repeals

Redesignates title VIII of current law as title V under this Act; title IX of current law as part B of title III of this Act, part A of title V of current law as part A of title IV of this Act; and part C of title X of current law as part B of title IV.

Repeals (or amends entire title with new language) titles II, III, IV, V, VI, VII, X, XI, XII, and XIII of current law; and the Goals 2000: Educate America Act.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Bruce Reed and Andrew Rotherham re: Lieberman/New Democratic Education Proposal in the Senate (4 pages)	02/03/2000	P5

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Andrew Rotherham (Education)
OA/Box Number: 21294

FOLDER TITLE:

Lieberman's Education Bill

2011-0103-S

rc645

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. paper	re: draft DPC weekly on Lieberman (2 pages)	n.d.	P5

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Andrew Rotherham (Education)
OA/Box Number: 21294

FOLDER TITLE:

Lieberman's Education Bill

2011-0103-S

rc645

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For Internal Administration Use Only

Education: ESEA Alternative Lieberman Bill

Q&A

March 9, 2000

Q: Senator Lieberman and seven other Democratic Senators have introduced an alternative Elementary and Secondary Education Act reauthorization proposal. What is the Administration's view of this bill?

A: While we haven't had the opportunity to thoroughly analyze this bill yet, some of its main thrusts – greater accountability for results, better targeting of funding, improving teacher quality, and an emphasis on public school choice and other reform measures – are all components of the President's ESEA reauthorization proposal.

Q: The Lieberman bill only requires that percentages of funding be spent on certain programs rather than including specific categorical programs for after-school and technology. Do you support such program consolidation?

A: The President believes that we must continue to invest in proven strategies to improve our schools, such as effective after-school programs and technology, and he doesn't support consolidating these programs. The President's bill emphasizes the importance of investing in what works and holding states and school districts accountable to achieve educational excellence for all children.

Q: Is the President/Administration worried about a Democratic split on education?

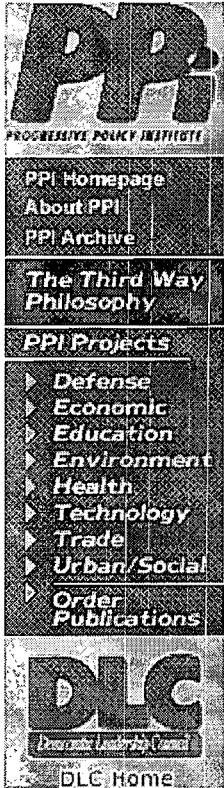
A: This bill is evidence that Democrats are united behind an agenda of raising standards, increasing investment in education, and increasing accountability in public education. Democrats are also united in their opposition to risky Republican schemes like the Straight A's bill. We are confident that this agenda will continue to be a rallying point for Democrats, and for everyone who wants to improve public education.

Q: Would the President sign this bill if it were presented to him?

A: A question like that is extremely premature. Today the Senate HELP committee is going to pass, on a party line vote, a bill that is completely unacceptable to the President. The President is still hopeful that Congress will act in bipartisan manner and send him an ESEA reauthorization that reflects his priorities and his proposal. As the President has said repeatedly, this year the American people expect progress on issues that they care about, and education is clearly one of these.

Q: Is the President concerned that Senator Lieberman's bill has been adopted by George W. Bush in the Presidential race against Vice President Al Gore?

A: Democrats support accountability, investment, and reform. Unfortunately, Republicans continue to advocate the failed agenda of block grants and vouchers, which would undermine public schools.



The Public Education Reinvestment, Reinvention and Rededication Act

Statement by Will Marshall, PPI President

The "Three Rs" initiative calls for the most sweeping revision of the federal government's role in education since the landmark Elementary and Secondary School Act of 1965. These changes are essential if we are to achieve the Act's original purpose: guaranteeing educational equity for low-income Americans. Despite more than three decades of federal spending, the achievement gap between middle class and poor students and between different racial and ethnic groups remains far too wide.

"Three Rs" moves beyond the conventional, left-right debate and its false choice between more federal spending and more local control. The bill recognizes that both are necessary to lift student performance, but that neither will work without a crucial, third component: high standards and real accountability for results. Based on a reform blueprint developed by the Progressive Policy Institute, this bill represents a "third way" in education policy in which Washington ceases to subsidize failure and instead pays for success.

The initiative embodies three key elements:

1. **Real Accountability:** "Three Rs" requires the states and local districts to set and meet targets for boosting student performance. It would offer financial rewards to those who meet their goals and withhold funding from those who repeatedly fail to do so. Without a credible threat of fiscal sanctions, no plan for improving our worst public schools should be taken seriously. But while demanding real accountability, the bill also gives the states new resources to meet more exacting standards, increasing federal school spending by 50 percent.
2. **Greater Flexibility:** "Three Rs" consolidates dozens of ESEA programs into broad, performance-based grants that give state and local officials unprecedented discretion in determining how to spend federal funds to achieve the desired outcomes. Instead of adding new layers of federal prescriptions on the existing ones, it creates larger pools of dollars that states can use as they think best to raise test scores, improve teacher quality, help kids learn English faster, and experiment with new ways to raise student performance.
3. **Better Targeting:** A key problem with the ESEA programs is that they spread federal dollars too thinly. While Washington contributes only about 7 percent of overall school spending, its role is crucial since the federal government has assumed special responsibility for poor kids in poor districts. It is time for Washington to concentrate its efforts on America's most dysfunctional schools. "Three Rs" would target new federal funding for Title I, the largest ESEA program, and teacher development to the poorest schools.

Finally, the Three Rs approach is broadly consistent with President

Clinton's calls for greater educational accountability and quality. It should be the chief vehicle for improving ESEA and assuring quality education for all America's children.

Related Links

- [PPI Policy Report: Toward Performance-Based Federal Education Funding: Reauthorization of the Elementary and Secondary Education Act](#)
- [Idea of the Week: A New Bargain for Public Schools](#)
- [Senator Joe Lieberman's Homepage](#)
- [Senator Joe Lieberman's Press Release](#)

For more information on PPI's initiatives on education policy, contact the PPI Communications Department at (202) 547-0001.

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Toward Performance-Based Federal Education Funding *Reauthorization of the Elementary and Secondary Education Act*

Andrew Rotherham

PPI Policy Report
April 1999

As Congress prepares this year to reauthorize the Elementary and Secondary Education Act (ESEA), lawmakers face a critical choice: refight old battles or break the mold with a "Third Way" approach that addresses the demand for a public education system that graduates students prepared for the new global economy.

ESEA is the 14-title federal law that today directs more than \$13 billion in annual education assistance to states and school districts through a crazy quilt of more than 50 programs.¹ The largest and best known program is Title I, the cornerstone of the federal government's commitment to ensure educational equity for poor children. The reauthorization gives Congress the opportunity to transform Washington's role in elementary and secondary education from a focus on *process* to *performance*, and thus leverage the limited role federal spending plays in public education into a major force for change.

ESEA today is best viewed as a welter of spending dictates that prescribe how states and localities must spend federal dollars but does not hold them accountable for achieving measurable improvements. In the future, federal dollars should be tied to performance and results. With this transformation, Washington's role will shift from a passive enabler of failure to a catalyst for success. In short, what is needed is a new bargain on federal education spending: *States and localities should get increased flexibility for using federal resources but must take increased responsibility for results.*

Changing Times Demand Changing Measures

In his 1999 State of the Union address, President Clinton challenged Congress to tie ESEA spending--more than half of the \$21 billion total federal investment in elementary and secondary education--to results on five key measures of state and local performance: ending social promotion, improving teacher quality, reconstituting failing schools, issuing school report cards, and enforcing discipline codes.² The Clinton proposal represents a historic shift toward performance-based funding and away from virtually unconditional support to states and localities. But unless it is coupled with more flexibility, the President's proposal risks adding yet another layer of federal prescription on local districts already burdened by excessive reporting requirements. At the state and local level, there is an understandable resistance to anything appearing to be additional federal regulation. State and local officials want additional resources, but describe the layering of additional programs one on top of the next as "an administrative nightmare."³

Enacted in 1965, ESEA is a Great Society landmark that signified a national interest in assuring equal access to a quality education for all Americans. In essence, the federal government took responsibility for compensating poor school districts to put them on a fiscal par with more affluent districts. The federal government must continue to play that role. However, we can no longer define equity solely in terms of fiscal parity. More than 30 years and \$100 billion later, the performance gap between low-income and middle-class students remains disconcertingly wide. To narrow that gap, Washington needs to redefine equity in terms of concrete results.

We need a progressive alternative to the left's habitual demand for more spending and the right's incessant campaign to shrink Washington's role in education. Republicans, for example, propose converting ESEA programs into block grants with no accountability for results, or, in the extreme, eliminating the U.S. Department of Education. Too many Democrats refuse to acknowledge that the

problems with ESEA programs go beyond their funding level.

Neither block grants nor more of the same old "top-down" categorical approach driving today's ESEA will ultimately benefit the nation's school children, especially the 20 percent who live in poverty and are most likely to be in failing schools.⁴ Since 1965, titles and programs have been added, but the underlying philosophy and methods have not been rethought. The federal role embodied in ESEA is still critical. However, ESEA has calcified into a confusing, unfocused, and largely ineffective statute, as a result of interest group pressure, constituency politics, and Washington's inability to eliminate or consolidate even the smallest or least effective government program. *In 1999, ESEA is more reflective of symbolic attention to issues than substantive solutions. That is why the Progressive Policy Institute believes a dramatic new approach is essential to reshaping the ESEA.*

PPI is not alone in this sentiment. Groups across the ideological spectrum are calling for substantial changes to ESEA. For example, the conservative Heritage Foundation advocates that greater control of federal programs be given to the states in exchange for greater accountability. This approach, dubbed "Super-Ed- Flex" will likely be introduced in Congress this year.⁵ PPI supports the Super-Ed-Flex goal of greater flexibility in exchange for greater accountability, but believes that this proposal fails to substantively address the basic problems of the categorical approach.

The federal role in elementary and secondary education is limited but not insignificant. While Washington contributes only about 7 percent to total education expenditures in this country, this money is concentrated--although not to the degree it should be--on impoverished areas. However, Washington must do a better job of leveraging this investment to drive better performance. Specifically, this report proposes that the current categorical approach is broken but that Washington can-- and should--play a vital role in elementary and secondary education.

States, school districts, and schools are becoming more flexible and more accountable for performance, and the federal government must support this by becoming flexible and performance-based itself. To achieve a marriage of accountability and flexibility, a real link must be established between funding and results. This must be done in tandem with a commonsense consolidation of programmatic spending and an increase in flexibility. In 1965, equity could be measured in dollars; in the New Economy, equity must be measured by quality.

To update ESEA for the Information Age, PPI believes Congress must:

- Introduce real accountability by making ESEA funding performance-based rather than a guaranteed source of revenue for states and school districts.
- Define performance benchmarks for states and localities.
- Consolidate ESEA programs into funding primarily compensatory education, professional development, limited English proficient students, and innovative strategies.
- Concentrate ESEA funding on impoverished areas where schools are most likely to be in distress.
- Terminate funding for states and districts consistently failing to meet established benchmarks.

With this new role, Washington should be more active in benchmarking quality and measuring performance. It should do less micro-managing of how local school officials raise their students and teachers to higher performance levels. The federal government should get out of the business of accounting for programmatic inputs and instead focus more strategically on empowering citizens with information, setting broad standards and goals, measuring and comparing results, and researching effective strategies for improvement.

In the New Economy, knowledge-intensive jobs are increasingly the norm. As Robert Atkinson and Randolph Court wrote recently, "Since 1969, virtually all jobs lost in goods production and distribution sectors have been replaced by office jobs."⁶ In the past, students at the bottom-end of America's

education system were not learning advanced skills and knowledge. This reality was papered over by--and to some degree *driven* by--an abundance of unskilled and low-skill jobs. The economy lent itself to schools that were, in the words of Urban League President Hugh Price, "expected to educate a small percentage of supposedly bright kids extremely well [while paying] scant attention to those who struggled academically."⁷ The Old Economy didn't demand a large number of highly educated workers. The New Economy demands all students be competent learners if they are to thrive in this new era.

ESEA: Then and Now

When ESEA was passed in 1965 it was landmark legislation, codifying the federal role and national interest in ensuring quality education for all students. Prior to 1965, impoverished students and students of color had been denied access to quality education and a chance to become upwardly mobile in the economy. Before 1965, Congress had passed smaller bills to aid education--the Smith-Hughes Act of 1917 for vocational education, Impact Aid in 1950, and the National Defense Education Act of 1958. Resistance arising from segregation, and the participation of private and religious schools, however, prevented large-scale federal assistance to elementary and secondary schools. The Civil Rights Act of 1964 helped alleviate the racial issues and ESEA was passed the following year.⁸

ESEA has evolved into a hodgepodge. As a whole, it appears to address different and complementary needs. In addition to the Title I program, there are programs for technology, migrant students, women's educational equity, teacher professional development, civics education, foreign languages, gifted and talented children, arts in education, native American and native Hawaiian children, and various demonstration projects.

Funding is distributed one of two ways: by formula or by competitive grants. Formula programs send money to states and school districts based on certain factors, for example, overall number of students or the number of poor students. Competitive grants are awarded based on an application and selection process.

Besides Title I, the larger programs include the Impact Aid program (\$864 million) compensating school districts that lose property tax revenue because they host federal buildings or installations, such as military bases. The Safe and Drug-Free Schools program (\$566 million) targets violence and substance abuse prevention. There is also a professional development title (\$335 million), and the Title VI 'block-grant' program (\$375 million), which now also includes last year's class-size reduction initiative (\$1.2 billion). One title is devoted to technology (\$698 million) and another to bilingual education (\$380 million). School construction is even given a title, although it was only funded briefly before the funding was rescinded.⁹

In short, Washington has created a program to address every ill on the educational landscape. What this has created is a statute long on symbolism but woefully short on substance. By undertaking so many challenges through ESEA and related programs, the federal government has ended up doing nothing particularly well. And, the overwhelming emphasis on process has come at the expense of results.

While federal leadership has undoubtedly improved schools over the past 34 years--especially by drawing attention to the special needs of impoverished students--it is difficult to attribute these gains to particular categorical programs. Moreover, as education researcher Dr. Paul Hill points out, many federal programs and regulations have "weakened schools by putting process before results, caused displacement of goals from serving students to guaranteeing administrative compliance, and weakened schools' ability to pursue effective instructional programs and solve the problems presented by their students."¹⁰

ESEA is still arranged and administered in 1999 with the same philosophy as 1965. Federal education dollars are sent to states and localities through a Byzantine patchwork of programs and formulas targeting different discrete needs and populations. This creates confusion, redundancy, and inefficiencies. It also makes systematic collection of useful data a herculean and thus far unsuccessful task.¹¹ In fact, with the exception of Title I, there is a substantial lack of data about the effectiveness of

these programs. In addition, in many states it has created a dependency on federal funds to support state education departments, essentially aping the prescriptive structure of Washington.¹²

A closer look at ESEA reveals problems with the current approach.

Title I

With annual spending of more than \$8 billion, Title I is the largest ESEA program. Title I is, in essence, funding sent to localities by a formula to undertake compensatory education activities for impoverished students. In this sense, Title I is essentially a block grant. Although 99 percent of Title I dollars reach the local level, the money is spread too thinly, and there is no enforced accountability for results from the funding.¹³ Between 70 and 80 percent of Title I funding is used for staff, and the remainder is used to purchase educational services and materials, increasingly from the private sector.¹⁴

Washington has spent more than \$118 billion on Title I since its inception in 1965, and several recent evaluations confirm that these dollars have failed to close the achievement gap between the impoverished students served and their more affluent peers.¹⁵ While some school districts have made demonstrative gains with Title I dollars, the funding has not produced the intended compensatory effect overall.

Not all impoverished schools and impoverished students are served by Title I, so blanket comparisons of Title I spending to the overall achievement of poor students are misleading. As a result of the 1994 Title I reauthorization, Title I funds are more concentrated on high-poverty areas but still not to the degree that they should be. Currently, 58 percent of schools nationwide receive at least some Title I funding.¹⁶ While 95 percent of schools with a poverty level of 75 percent to 100 percent receive Title I funding, often schools with lower but significant percentages of children in poverty do not.¹⁷ For example, one in five schools with poverty in the 50 percent to 74 percent range do not receive any Title I dollars, and only 64 percent of schools with poverty in the 35 percent to 49 percent range do.¹⁸ Research clearly demonstrates that poverty impacts learning, yet many schools with high percentages of impoverished children receive no Title I funding. At the very least, considering funding limitations, money should be focused more on schools with the highest need. Despite continuing efforts to concentrate Title I funding, the distribution is still based more on politics than policy. While there are four different Title I formulas (two are currently unfunded); 86 percent of Title I funding is allocated based on the least concentrated of the four.¹⁹

During the last ESEA reauthorization in 1994, Congress also made substantial changes to Title I, allowing local school districts much more flexibility with Title I dollars while requiring that Title I students be held to the same high standards as other students. States were required to adopt assessments to ensure poor children were making progress, and mechanisms were built into the statute to ensure accountability if these steps were not taken. Unfortunately, as one independent evaluation of Title I stated, "There is wide variance in the degree to which states have complied with the requirements of the new Title I."²⁰

Sweeping conclusions based on Title I evaluations are risky. The methodology of social science in this area is notoriously suspect because obtaining random samples often means denying services to students who could otherwise benefit from them. In essence, a random control group is rarely possible. Therefore, as the massive longitudinal evaluation of Title I, the "Prospects Report", pointed out, "[The] inability to discern a compensatory effect of [Title I] is not necessarily an indication of program failure." While the achievement gap didn't lessen as a result of Title I, it didn't grow either.²¹ Basically, because denying a specific group of children services is untenable, measuring what would have happened to these students in the absence of this funding is largely impossible.²²

However, there is evidence of improvement in math and reading scores among the most impoverished students.²³ Nonetheless, aggregate, empirical results from Title I analysis are not encouraging. Further,

independent evaluations of Title I still lack academic rigor in activities that the funding supports.²⁴ The U.S. Department of Education's own analysis of Title I states, "A review of the evidence provided by states shows that [Title I] plans appear to be weak in benchmarking standards against external criteria."²⁵ Rather than raising and holding all students to high standards, Title I funds too often perpetuate a two-tiered educational system setting lower expectations for impoverished students than affluent ones. And, because a true results-based focus is not part of Title I, the federal government is therefore a silent accomplice in the continuing this bifurcated approach to schooling.

Many analysts attribute the disappointing achievement results produced by Title I to the widespread use of unqualified aides or paraprofessionals in the classroom.²⁶ The high percentage of Title I funding used for staff isn't surprising because education is naturally a labor-intensive activity. However, the type of staff this funding supports is often surprising. Half of Title I instructional staff are paraprofessionals who teach even though they lack the educational background to do so.²⁷ Congress has set the bar ridiculously low for these instructional aides requiring only that aides "have a secondary school diploma, or its recognized equivalent, or earn either within two years of employment."²⁸ Eighty-four percent of principals in high-poverty schools reported using aides compared to only 54 percent of their peers in low-poverty schools.²⁹ Moreover, in high-poverty schools, only 10 percent of aides have bachelor's degrees.³⁰ This means that the students most in need of high quality instruction are least likely to get it.

Again, it is important to note that Title I isn't a singular program at all. Rather, it is a funding source for state and local compensatory education activities in many forms. That Title I hasn't shown more encouraging results is not proof that these dollars can't be made to work. With funding based on results, all states and localities would be forced to make Title I work. Ineffective practices, such as the use of unqualified teachers especially for the most needy students, would certainly be curtailed if funding were contingent upon results. Accountability provisions are only as effective as the will to enforce them is strong. In the case of Title I, that will has been weak.

Because the U.S. Department of Education has never demanded results with Title I funding, it has created a sense among many states and program administrators that Title I is an undertaking without consequences. Although states are not required to fully implement the changes made to Title I during the 1994 reauthorization until 2001, it is unclear if this deadline will be met. The Department's own evaluation of Title I describes, "States are making significant progress in developing content standards, but progress is considerably slower with respect to developing performance standards according to the timeline set forth in the statute." ³¹

Washington has never fiscally sanctioned a state or school district for non-performance. Sanctions have been levied for fiscal noncompliance and civil rights violations but never for simply chronically failing to educate children with Title I dollars. Over 34 years this has created a sense that regulations around Title I have no real meaning. Without fiscal enforcement of the substantial changes made to the law in 1994, this trend, unfortunately, will continue. Clearly, state and local officials share some of the blame for the shortcomings, but in the words of the Citizens' Commission on Civil Rights, "The federal government's failure to take the actions needed to implement and enforce the new Title I has also retarded educational progress."³²

If simply spending money on impoverished students were the key to improving student achievement, Title I dollars would have generated more encouraging results. Equally important to resource allocation is accountability for results with those resources. Unfortunately, when it comes to Title I, this has been a forgotten part of the equation.

Safe and Drug-Free Schools

While Title I is the largest and most visible program in ESEA, other parts of the law are problematic as well. The Safe and Drug-Free Schools program offers an excellent example of the focus on symbolism at the expense of results in the current categorical approach. The \$566 million program is a marriage of the prescriptive requirements associated with categorical programs and the lack of accountability often

associated with block grants.

The rationale behind Safe and Drug-Free Schools makes perfect sense. Drugs and violence clearly impact learning, and hence, school districts have a compelling interest in ameliorating both of these problems. Safe and Drug-Free Schools is the classic evolution of a categorical program: Identify a problem (preferably a politically attractive one with a constituency) and create a program to address it.

With the exception of money set aside for state departments of education and prevention activities led by police officers (in practice usually the popular but ineffective Drug Abuse Resistance Education or DARE program), school districts are allowed latitude in spending their Safe and Drug-Free funds. As with Title I, targeting is a problem. Because of a lack of concentration, most school districts don't receive a meaningful amount of Safe and Drug-Free money. According to Secretary of Education Richard Riley, "Three-fifths of school districts currently receive grants of less than \$10,000, with the average grant providing only about \$5 per student."³³

No comprehensive data on the effectiveness of Safe and Drug-Free Schools funds exists and meaningful data would be difficult to gather. Ample anecdotal evidence suggests that funds are often used ineffectively and that the program lacks a clear focus.³⁴ DARE America, the advocacy group lobbying for the DARE program, purports to have data proving the effectiveness of that particular approach. In reality, these are studies of student and teacher perceptions about the program and student perceptions about drug and alcohol abuse.³⁵ Actual empirical data about the DARE program show that it produces results that are "marginal at best."³⁶ In practice, this is probably because DARE is most often offered as an isolated activity to kids during one year of school rather than as part of a comprehensive focus on drug prevention. However, political popularity and a vocal constituency has protected DARE from being forced to sink or swim on its own merits.

This doesn't mean that the DARE program can't work, but under the current system it is not forced to work. Because funding is set aside for DARE in the Safe and Drug-Free schools program beyond the commitment of local police officers to discourage drug use among kids, there is little incentive for the program to perform. DARE, and Safe and Drug-Free Schools as a whole, are symptomatic of problems inherent in Washington's top-down approach to educational policy. Various constituencies, each protecting and advocating their slice of the pie, end up taking the flexibility, accountability, or often both out of programs. The General Accounting Office highlighted problems inherent in balancing flexibility with accountability in a program like Safe and Drug-Free Schools, stating that while local innovation is one of the goals of the program, "the lack of uniform information on program activities and effectiveness" hinders federal oversight.³⁷

Federal process-based accountability is an impossible role for Washington to play. There are more than 14,000 school districts operating in the country right now. How can the federal government possibly monitor them effectively for process compliance?³⁸ However, granting flexibility in the absence of performance measures does nothing to discourage ineffective practices.

Limited-English-Proficient Students

The \$380 million bilingual education program is another example of how entrenched interests can use the inflexibility of the current system to protect categorical programs, often at the expense of children. It also typifies symbolism trumping substance in ESEA. As with Title I and Safe and Drug-Free Schools, bilingual funding is also spread too thin to make a real difference. In addition, the program has no concrete performance measures and often supports activities that research indicates are ineffective.

Educating limited-English-proficient (LEP) students is an urgent issue for many school districts, but the need is not being met. There are 3.2 million LEP students in the United States and more than 75 percent of them attend high-poverty schools.³⁹ Each year, 640,000 LEP students are not served by any sort of program targeted to their unique needs.⁴⁰ Most telling, the dropout rate for Hispanic students (the largest cohort of LEP students) is about 30 percent; 44 percent for Hispanic students born outside of the United

States.⁴¹⁴² A Department of Education report on dropout rates stated that language difficulty "may be a barrier to participation in U.S. schools,"⁴³ although it is not the sole cause of the Hispanic dropout problem.⁴³ Further, and fairly obviously, reading ability is a key predictor of graduation and academic success.⁴⁴

Bilingual education and transitional bilingual education are two different concepts. Bilingual education seeks to teach in one language while developing proficiency in a second. Transitional bilingual education simply seeks to teach English as quickly as possible so that a student can transition into mainstream classes.

The federal response to the pressing need to educate LEP kids is a competitive grant program giving priority to bilingual education programs that "provide for the development of bilingual proficiency both in English and another language for all participating students."⁴⁵ In practice, this generally means bilingual education for Spanish-speaking students only because qualified teachers in other languages are rare. More importantly, although the research on bilingual education is mixed and often methodologically suspect, there is no evidence that bilingual education is preferable to other methods of teaching LEP youngsters English. In fact, the National Research Council's Committee on the Prevention of Reading Difficulty in Young Children found the opposite. The Committee reported that while most bilingual evaluations are too small or flawed to be useful, "the most careful met-analysis of studies comparing bilingual to English-only programs for language-minority children carried out by Willig (1985) shows better literacy outcomes in English for children who received transitional bilingual education."⁴⁶

In 1998, two types of federal bilingual grants were awarded, Enhancement Grants and Comprehensive School Grants (there are not competitions for every type of grant each year). Applications for Enhancement Grants were filed by 255 school districts and 36 grants were awarded. Applications for Comprehensive School Grants were filed by 401 school districts and 63 were awarded. Only 15 percent of the school districts that applied--that believed they needed federal assistance to educate LEP students--received funding. The average Enhancement Grant in 1998 was \$130,300 while the average Comprehensive School Grant was \$250,000.⁴⁷ Even a \$250,000 grant can be insufficient for a school district struggling to educate a diverse population of students.

Again, the federal focus on bilingual education as a strategy to educate LEP students is surprising in the first place. It seems the only people supporting actual bilingual programs are academics and practitioners with a vested interest in their continuation. A portion of the federal bilingual funding goes to these researchers who, not surprisingly, have a proclivity for producing pro-bilingual research. As James Traub reported in a recent *New York Times Magazine* article, an academic and pedagogical rationale supporting bilingual education actually came about after its inception.⁴⁸ In the words of bilingual scholar Ursula Casanova, "The program was not the result of academic theory but rather "the result of political strategies designed to funnel federal poverty funds to the Southwest."⁴⁹ Boston University professor and bilingual researcher Christine Rossell and Keith Baker, who has directed bilingual studies for the U.S. Department of Education, conducted an exhaustive review of evaluations of 300 bilingual education programs and failed to find any studies showing bilingual education to be superior to other methods of teaching English to LEP students.⁵⁰ In fact, of the 300 evaluations they reviewed, Rossell and Baker only found 72 that were "methodologically sound."⁵¹ Moreover, a recent Public Agenda Foundation report found that 66 percent of Hispanic parents and 75 percent of foreign-born parents reject the idea of bilingual education, preferring English immersion.⁵² As a practical matter, bilingual education just isn't an option in many school districts. Some school districts now serve students speaking more than 100 native languages.⁵³

Voters in California recently gave their verdict on bilingual education by passing Proposition 227. That referendum shifted the focus from bilingual education to teaching children English as quickly as possible. Although, it is too soon to gauge the actual effect of 227 on school districts, changes are clearly afoot.⁵⁴ A similar initiative is on the ballot in Arizona. Meanwhile, states receiving little or no bilingual funding are coping with influxes of LEP students, and America's school-aged population continues to

get more diverse.

As a result of demographic and statutory changes, school districts and states nationwide are dealing with a rapidly changing and in many cases, unaddressed situation when it comes to LEP students. However, they are supported by a static and symbolic, rather than substantive, federal role.

Teacher Quality, Class Size, and Student Achievement

Reducing class size is obviously not a bad idea. Quite the contrary, substantial research indicates it can be an effective strategy to raise student achievement. As the Progressive Policy Institute has pointed out, all things being equal, teachers are probably more effective with fewer students.⁵⁵ However, achieving smaller class sizes is often problematic. For example, as a result of a teacher shortage exacerbated by a mandate to reduce class sizes, 21,000 of California's 250,000 teachers are working with emergency permits in the states most troubled schools.⁵⁶

Now a part of Title VI of ESEA, President Clinton's \$1.2 billion class-size reduction initiative, passed in 1998, illustrates Washington's obsession with means at the expense of results and also the triumph of symbolism over sound policy. The goal of raising student achievement is reasonable and essential; however, mandating localities do it by reducing class sizes precludes local decision-making and unnecessarily involves Washington in local affairs.

During the debate on the Clinton class-size proposal, it was correctly pointed out that research indicates that teacher quality is a more important variable in student achievement than class size. If fact, this crucial finding was even buried in the U.S. Department of Education's own literature on the issue.⁵⁷ The Committee on the Prevention of Reading Difficulty in Young Children stated, "[Although] the quantity and quality of teacher-student interactions are necessarily limited by large class size, best instructional practices are not guaranteed by small class size."⁵⁸ In fact, one study of 1000 school districts found that every dollar spent on more highly qualified teachers "netted greater improvements in student achievement than did any other use of school resources."⁵⁹ Yet despite this, the class-size initiative allows only 15 percent of the \$1.2 billion appropriation to be spent on professional development. Instead of allowing states and localities flexibility to address their own particular circumstances, Washington created a one-size-fits all approach. Considering the crucial importance of teacher quality, the current shortage of qualified teachers, and the fact that class-size is not a universal problem throughout the country, shouldn't states and localities have the option of using more than 15 percent of this funding on professional development?

Smaller Programs

The smaller programs within ESEA are equally as prescriptive, ineffective, or irrelevant as the larger ones. They are just less expensive. Particularly in Title X--the Programs of National Significance portion of the law--there are numerous programs for such activities as reading, writing, civics, arts, gifted and talented students, and various demonstration projects. Individually these programs are small and seemingly innocuous; collectively they add up to more than \$200 million in annual spending.

Because of political popularity and constituency politics, Congress refuses to eliminate or redirect funding from even programs that the Department of Education says ought to go. For example, each year the Department recommends eliminating funding for the Ellender Fellowships, a small program tucked into Title X of ESEA. The Ellender funding, \$1.5 million last year, goes to the Alexandria, Virginia-based Close-Up Foundation. Close-Up is an excellent program that brings students from all 50 states and many U.S. territories to Washington for a week during the school year to learn about American government.

The Ellender Fellowships were established to provide scholarships for low-income students to attend Close-Up. However, a 1992 evaluation of the program found that "despite a pattern of increasing federal funding for the program and significant increases in private-sector support for the Close-Up Foundation,

the number of fellowships had steadily declined."⁶⁰ Funding was clearly going to administration rather than scholarships. Close-Up and the Department of Education developed a plan to wean Close-Up from its dependence on federal funds and as a result the Department consistently recommends against funding the Ellender program.⁶¹ Nonetheless, each year Close-Up comes through the congressional appropriations process unscathed. It is but one example of a larger problem.

Fiscal concerns about the use of the Ellender funds aside, it is also an important philosophical example. Close-Up itself is a worthy program with broad bipartisan support, valuable to many students. However, does every worthy activity deserve a federal program? As a practical matter, who is in a better position to make decisions about worthiness: Washington, or states and localities?

The Categorical Problem

In his book, *Demosclerosis*, Jonathan Rauch likens the current practice of layering federal programs one on top of the next without eliminating or modifying old ones to building houses, each atop its predecessor. The result might work in the short run but would ultimately become "a teetering dysfunctional mess."⁶² ESEA typifies this phenomenon. Its crucial purposes are lost in a maze of programs stifling ingenuity, flexibility, and innovation, and as a result, under-serving the children they are intended to help.

This year, in an effort to address this problem, Congress is already considering legislation to introduce more flexibility into federal education programs. This legislation, commonly referred to as Ed-Flex, would allow school districts to apply for waivers from certain state and federal regulations surrounding federal programs.⁶³ In theory, this flexibility would come in exchange for greater accountability for results. Ed-Flex is a step in the right direction, flexibility in exchange for accountability. However, it has two drawbacks. First, it vests additional power in the hands of bureaucrats rather than practitioners by establishing yet another process around federal programs, albeit a waiver process. Second, it doesn't address the core problems with categorical programs.

The fact is, categorical programs and specific grant programs, large or small, inevitably spawn constituencies and interest groups who then assume a change-averse posture around their programs. Commonsense change becomes difficult and large-scale change nearly impossible. This phenomenon isn't unique to ESEA. A look through the federal tax code or agriculture subsidies reveals parallel trends. It is also a practice that is not unique to either political party. Creating programs with nebulous purposes and no accountability has long been a bipartisan activity. A side effect of this proliferation of programs has been the accompanying thin dispersal of funds, as is the case with ESEA.

Because educational decisions are generally made at the state or local level, a federal role built around many discrete categorical purposes inherently precludes state and local decision-making. We can't expect schools and school districts to be flexible and innovative while supporting them through an outdated, static funding system.

ESEA in the New Economy: Toward a Results-Based Partnership

In the New Economy, the federal government should play the role of investor and catalyst rather than "command and control" manager. National benchmarks should be set, and Washington should empower states and localities to progress toward them. Most importantly, Washington should not use its resources to drive and support ineffective practices and should not subsidize failure.

Ideally, state and school district performance should be measured against national benchmarks. Presidents Bush and Clinton both tried to take commonsense steps toward creating a national framework of standards and assessments. In his 1997 State of the Union address, President Clinton proposed voluntary national tests in 4th grade reading and in 8th grade mathematics. The President hoped that the tests would drive national--not federal--standards embodying what students need to know in the New

Economy.⁶⁴ Unfortunately, the Clinton proposal for national testing was killed on Capitol Hill in 1997 and 1998. National standards and a national assessment will ultimately create an environment of less testing for students and more flexibility for states and localities. In addition, standards and assessments create a focus on what will be taught and what should be learned.⁶⁵ This creates clarity for students and teachers and is essential for raising student achievement. PPI continues to support the President's proposal. However, in the absence of these benchmarks and a way to assess progress against them, states and school districts should be required to demonstrate progress toward established state standards. This is the crux of performance-based support: demonstrative progress toward established goals.

Further, without national standards and assessments, some national comparative measure--for example the National Assessment of Educational Progress (NAEP)--should continue to be employed to allow interstate comparisons and help the public gauge the comparability of standards. Independent groups monitoring the quality of standards and assessments in various states will also play an essential role as providers of public information and arbitrators of quality.

The federal role in education is limited but not trivial. While federal funds only make up about 7 percent of education spending in this country, to a certain degree they are more concentrated in certain areas, increasing the ability of federal dollars to leverage reform. This is why federal aid constitutes 15.5 percent of the school budget in Birmingham, Alabama, and only 3.3 percent in wealthy Fairfax County, Virginia.⁶⁶ Generally, areas receiving higher amounts of federal funds are also areas where the schools are not delivering a high quality education to all students. Federal funds for elementary and secondary education are targeted more toward impoverished populations than state funds and play a key role in addressing fiscal inequities caused by the reliance on property taxes to fund education.⁶⁷ The General Accounting Office reports that for every dollar provided to each student nationwide, federal funds provided an average of \$4.73 per poor student while state funds only provided \$0.62.⁶⁸ A shift to a block grant simply allocating funds on a per-pupil basis would undermine this role.

In the future, to focus federal assistance on resources and results, federal funding should be sent to states and local school districts with minimal regulations and maximum flexibility. This should be done in tandem with an increased results-based focus. Rather than a programmatic-based approach to each problem, states and localities should be empowered to solve problems and address challenges. Federal decision-making on specific funding use inherently stifles state and local innovation and ingenuity. Federal funding should be concentrated around a small number of attainable purposes rather than spread across myriad programs with varying goals.

A shift in the federal role toward performance-based assistance will also reduce paperwork and regulatory requirements at the state level. While obviously skewed toward larger states, it does take an average of 50 full-time employees per state to administer ESEA programs.⁶⁹ Paul Hill has referred to this phenomenon as the federal "colonization" of state education agencies.⁷⁰ With consolidated, performance-based funding, states will no longer be required to administer a plethora of federal programs. Rather, they will only be required to meet basic criteria to be eligible for federal support; and continuing support will be contingent on meeting state, or ideally, national standards. Performance-based funding eases the burden on states and localities for paperwork but dramatically increases the consequences for results. Accountability should be based on results, rather than simply meeting reporting requirements.

In this sense, performance-based funding isn't deregulation as many will argue, rather it is a shift in regulation. The desired performance outcomes become the regulation, as opposed to inputs and process.⁷¹

How to Get There from Here

As much as possible, federal money should be sent to states and school districts by formula, taking into account poverty and special populations such as LEP students. Once there, these funds should supplement and not supplant state and local funding efforts. Federal dollars should not be looked upon

as an alleviation of local tax effort. Targeted formulas ensure that federal dollars are going where they are needed without unnecessarily entangling Washington in the affairs of local school districts. Competitive grants, those that school districts apply and compete for, are necessary under some circumstances (for example, stimulating and supporting innovative practices), but are inherently unfair because not all school districts are able to effectively compete for these dollars. With competitive grants, often the districts needing them the most are least likely to get them. Small rural school districts are at a particular disadvantage here.

While there is variance on a state-by-state basis, localities contribute an average of 43.2 percent to public school funding with the states contributing 47.5 percent and the federal government and private sources adding the remainder.⁷² At the extreme, New Hampshire schools are almost entirely locally funded while Washington State and New Mexico rely heavily on state funding. Overall, localities rely on local property taxes, putting wealthy districts at an advantage over poor districts. Further, poorer school districts tend to have higher concentrations of students with special needs and tend to be the most in distress.

It is here that the federal government can play a vital role by providing funds to impoverished school districts to help them meet the unique challenges they face. For example, principals in high poverty schools, particularly urban ones, report more difficulty hiring teachers.⁷³ Poverty and learning problems are clearly linked, as research shows. Moreover, when a significant percentage of students at a school are impacted by poverty, the achievement of all students is impacted.⁷⁴ Students in impoverished areas are most likely to not receive the education necessary in the New Economy; increased accountability for results is most sorely needed. Consistently, when scores on national and international tests are disaggregated, it is impoverished students who are most likely to be failing in school. Or, more accurately, impoverished students are the most likely to be in failing school systems. The realities of poverty must be taken into account but are not an excuse for failing schools.

It is in these school districts where the true crisis in public education lies and here that federal dollars can most effectively leverage change. Federal funds are concentrated on these districts now, but not to the degree that they could or should be. *The Washington Post* recently referred to this diffusion of federal funds writing that "[education] reauthorization fights have an earthier side as well. They are partly about money--the old-fashioned issue of slicing the pie."⁷⁵

Conservatives will continue to argue that block grants and vouchers are educational panaceas. Since the GOP controls Congress, block grants are likely to dominate the Republican approach--and there are three primary reasons why this approach to ESEA is ill-conceived. *First*, sending funding to states or school districts solely on a per-pupil basis completely ignores the reality of school finance in the United States. Schools are heavily dependent on property taxes for revenue. Hence, wealthier districts are at a funding advantage relative to poor districts. *Second*, simply transferring regulatory control from one bureaucracy in Washington to 50 in state capitals around the country doesn't address the core problems with the current regulatory burden on schools. *Third*, the federal role in education has more defined purposes than simply revenue sharing. Block granting education programs ignores these purposes, chiefly performance goals.

At the same time, the liberal Democratic solution of simply creating new programs without reforming or eliminating ineffective ones is equally ill-advised. By defending outmoded, ineffective, and unsuccessful practices, liberal Democrats inadvertently swell the ranks and strengthen the hand of those who believe public education is a wasteful and ineffective enterprise. The incredible response to a privately funded voucher program sponsored by Ted Forstmann and John Walton provides clear evidence that the voucher movement isn't arising from a vacuum. Many parents, particularly in inner cities, have lost faith in the status quo and for good reason. Too many schools don't perform. And throwing good money after bad won't alter the political dynamic or, more importantly, improve the schools.

The Third Way: Performance-Based Grants

There are too many federal education programs creating a confusing and top-heavy bureaucracy, but the

answer isn't simply carte blanche consolidation. In the words of PPI analysts Ed Kilgore and Kathleen Sylvester, "[Simply] turning federal programs into block grants makes them easier to administer, but does not accomplish any clarification of federal and state rules, or of the national and local concerns that justify them."⁷⁶ In addition, Republican block grant proposals decrease rather than increase accountability. Performance-based funding creates greater flexibility while requiring increased accountability, by giving "flexibility in exchange for achieving defined results that embody the national purpose justifying the use of federal funds."⁷⁷

Federal performance-based ESEA funds should become more focused on underprivileged children, limited English proficient children, professional development, and innovative practices. These dollars should be contingent upon demonstrated results, and states and school districts not meeting targets should be sanctioned fiscally. Likewise, states exceeding goals and states with particularly rigorous goals should be rewarded.

PPI recommends creating five performance-based grants for compensatory education, professional development, limited-English proficient students, innovative practices, and state administration and oversight. Specifically, we recommend:

- ***Turning Title I into a completely performance-based compensatory education grant distributed by formula.*** Building on what President Clinton has proposed, states must demonstrate that they have a plan in place to identify and reconstitute failing schools; are ending social promotion by identifying and helping students in need; and have a standards and assessment plan in place so they can be held accountable for the performance of impoverished students. Title I funding should be contingent upon demonstrated progress toward established state content standards and more concentrated to better serve students in impoverished areas. Making Title I performance-based does not undermine the 1994 reforms but instead strengthens them. While the use of aides should be left as a state and local decision, the qualification prerequisite for these aides should be raised to a bachelor's degree. Title I should be an education program, not a jobs program.
- ***Creating a second performance-based grant for professional development programs for teachers and other education professionals.*** Again, building on President Clinton's proposal, states must demonstrate that they are taking reasonable steps to curtail out-of-field teaching, and implementing rigorous testing procedures for all teachers to improve teacher quality, and offering alternative paths (not simply emergency certification) to attract qualified people into the profession. Performance will be indicated by improvements in student achievement. This funding should be sent to school districts by formula, and the existing local matching requirements should be kept in place. Consolidating three existing professional development programs under the Eisenhower program, Title III technology programs, bilingual education, and the Reading and Literacy Grants program would alone create a fund of more than \$700 million for professional development. This funding, ideally augmented through consolidation of other lower priority programs, could put fiscal muscle behind professional development for the first time. School districts should have the flexibility to determine the specific use of this funding and cooperative arrangements with other school districts and entities should be encouraged. Rather than guaranteed revenue streams for any provider of professional development services, a market built around delivering high-quality services to school districts will emerge. Local school districts may work with traditional providers, such as regional education laboratories and universities, or non-traditional venues, such as corporations and consulting firms. Fundamentally, school districts should be able to access the services they believe best suit their needs.
- ***Converting the existing Title VII Bilingual Education Program into a third performance-based grant for teaching English to limited-English-proficient students.*** Performance should be based on a three-year goal for moving students served with this funding into mainstream classes and measured by whether students are learning English or not. Excluding professional development, Washington still spends \$330 million on bilingual and migrant education under Title VII of ESEA. This sum should be augmented by new funding or funding from lower priority programs to a full \$1 billion to provide federal funding of \$300 per-LEP student sent by formula to impacted school districts. Providing substantial funding for educating LEP students is a compelling national

interest; however, states and local school districts should have the flexibility to teach English in the manner they believe to be most effective. The federal government should not mandate nor preclude any particular curricular or pedagogical approach to educate LEP students. Results, not process, are the best way to gauge success.

- ***Creating a fourth performance-based grant focused on innovative strategies and local flexibility.*** Again, higher student achievement should be the performance measure rather than the methods states or school districts employ. Rather than individual federal programs targeted at technology, drug-free schools, class-size reduction, etc, the federal government should send targeted aid to school districts to drive innovation. Again, a formula should be used to ensure that funds are sent to districts requiring additional fiscal capacity. Giving local school districts flexibility with this funding will drive market-based services and solutions at the local level. Already, private-sector providers of educational services are working with school districts all over the country. Washington should seek to empower this activity.

A portion of this money should be set aside to create a competitive grant program to support and stimulate innovative practices. By funding truly innovative strategies initiated by states and school districts requiring an up-front commitment of resources, Congress can stimulate innovative activity and help researchers capture data on promising ideas. These practices include, but are certainly not limited to, innovations such as longer school days, longer school years, innovative teacher-mentoring programs, and creating charter districts--districts where every school is on a performance contract and parents can choose from among different schools.⁷⁸

- ***Ending "set-asides" of funds for state departments of education within each program and instead creating a fifth performance-based grant for state administration and oversight.*** Performance indicators for this funding will be based on the goals a state has set for its compensatory education, LEP education, professional development, and innovative strategies. These funds will support state oversight, accountability, and reporting requirements. Reward or incentive money for states will also come from this grant. Rather than state departments of education relying on varying percentages of funding from each categorical program, a separate grant should provide funds to states for administration, oversight, and accountability. This funding should be distributed to states on a per-pupil basis and the states should be given discretion to spend it.
- ***Recognizing the permanence and importance of public school choice.*** Charter schools and magnet schools are now an integral part of the educational landscape. A separate title should be created for public school choice programs including charter schools, magnet schools, and school report cards--the key informational component to effective public school choice. Thirty-four states and the District of Columbia now have charter schools, and magnet schools are found throughout the country. The unique nature of charter schools requires federal start-up funding and support. This can be accomplished without hindering the flexibility of these schools or unnecessarily involving Washington in their operation.⁷⁹ A recent evaluation of charter schools by the U.S. Department of Education showed that 59 percent of charter schools found a lack of start-up funds to be a "difficult" or "very difficult" challenge.⁸⁰
- ***Sustaining Impact Aid.*** As long as most states continue to rely largely on the property tax for a substantial amount of school funding, the Impact Aid program will be an important federal contribution. Impact Aid compensates school districts for the fiscal displacement caused by federal property (military bases, offices, etc.) within their taxing authority. Since federal property can't be taxed, its presence adversely affects the local tax base. Impact Aid alleviates this problem and plays an important role in local school finance.

Critics will complain that school districts will squander their funds on ineffective practices without stringent federal control of means. Certainly this will occur in some places; however, Washington is in a better position to demand results for its investment than to regulate means. This complaint also ignores the reality that substantial federal and state process-based regulatory accountability has failed to curtail ineffective practices. If the past 35 years of ESEA prove anything, it is that a system comprising 50

states and more than 14,000 diverse school districts doesn't lend itself to process-based accountability.

Critics of performance-based grants will also attack them as masking cuts in education spending. They will point out that, 38 education programs were consolidated in 1981 into a block grant (now the current Title VI) and that funding for that program has dropped by more than 60 percent since then.⁸¹ The unfocused nature of that particular block grant was more the cause than any inexorable trend of consolidation equaling lower funding. As opposed to performance-based grants, the current Title VI program fails to articulate either a national interest or performance indicators.

Education, especially the education of poor children, is an expensive undertaking. Even fiscal conservatives acknowledge that additional spending is needed, and public opinion is strongly in favor of additional investment in education.⁸² However, simply spending a lot of money doesn't guarantee that impoverished students are receiving a quality education. At a minimum, the more than \$13 billion currently spent on ESEA--consolidated around essential purposes and targeted where it is needed--would for the first time put substantial federal fiscal muscle behind important ESEA purposes rather than spreading funding around too thinly to make a difference.

Even with the introduction of consolidated applications for states and school districts, the process of applying for federal funds is still too arduous. In addition to the basic prerequisites described above, states should only have to submit to the Secretary of Education their goals on state assessments and should be held fiscally accountable for reaching those goals in order to receive federal funds. Until national standards and benchmarks are developed, Washington can't hold states and school districts accountable to them. By linking federal dollars to state standards and assessments and commonsense improvements, the federal government can ensure that taxpayer dollars are driving results-based education at the state and local level. Writing in the *Los Angeles Times*, Ronald Brownstein recently dubbed this sort of relationship "flywheel federalism".⁸³ It is an apt description and a new, more empowering, and constructive approach to education policy.

While some are far from ideal, 49 states currently have or are developing standards. Federal dollars should support states taking this commonsense step toward accountability.⁸⁴ State standards are not a substitute for national ones, but developing national standards is a process that will take time from both a policy and political standpoint. In the meantime, it is worth noting that 29 of the 41 countries participating in the Third International Mathematics and Science Study (TIMSS) set curriculum standards at the national level.⁸⁵

Conclusion

The federal government can play a tremendous role in public education; however too often federal involvement doesn't play to its strengths and instead maximizes its weakness. Effective learning happens as a result of adequate resources, high standards, and accountability for results. The federal government can play a leadership role in facilitating these conditions at the state and local level, but it cannot and should not do the job for states and localities. Recasting the federal role to focus on providing resources and demanding results supports the national interest in a strong public school system and most effectively leverages federal strengths. Everyone recognizes that schools must improve, but the federal role must change, too, in order to more effectively support and empower states and localities to achieve excellence.

Endnotes

1 According to the U.S. Department of Education, ESEA spending-- including Goals 2000 and Class Size Reduction (now part of Title VI)--was \$13.6 billion in FY99. As to the exact number of programs, estimates vary depending on criteria used. The problem is exemplified by the Department of Education's inability to produce an exact number.

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school year according to the U.S. Department of Education.

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4 United States Census Bureau, *Poverty Estimates by Selected Characteristics*, 1997.

5 Nina Shokraii Rees, and Kirk. A. Johnson, "Why A 'Super' Ed-Flex Program Is Needed To Boost Academic Achievement," The Heritage Foundation, March, 1999.

6 Atkinson, Robert D, and Randolph H. Court, *The New Economy Index: Understanding America's Economic Transformation*, Progressive Policy Institute, 1998, 9.

7 Hugh B. Price, "Establish an 'Academic Bill of Rights'," *Education Week*, March 17, 1999.

8 Diane Ravitch, *The Troubled Crusade: American Education 1945-1980*, Basic Books, 1985. This contains an excellent discussion of the history surrounding the enactment of ESEA.

9 All figures cited are for Fiscal Year 1999 and provided by the U.S. Department of Education.

10 Paul Hill, "Getting It Right the Eighth Time: Reinventing the Federal Role," *New Directions: Federal Education Policy in the Twenty-First Century*, Thomas B. Fordham Foundation, 1999.

11 Testimony of Carlotta C. Joyner, director of Education and Employment Issues Health, Education, and Human Services Division before the Education Task Force, Committee on the Budget, U.S. Senate, November 6, 1997, General Accounting Office, Washington, DC. GAO/T-HEHS-98-46.

12 General Accounting Office, *Extent of Federal Funding in State Education Agencies*, GAO/HEHS-95-3, 1994.

13 Most of Title I funding reaches the local level and 90 percent to 93 percent of this is spent on instruction or instructional support according to Promising Results, *Continuing Challenges: The Final Report of the National Assessment of Title I*, United States Department of Education, 1999, 1.

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15 Ibid. 56. For additional discussion see: "Title I's \$118 Billion Fails to Close Gap," *Los Angeles Times*, January 19, 1999, A1.

16 U.S. Department of Education, *Promising Results, Continuing Challenges: The Final Report of the National Assessment of Title I*, 1999, Chapter 5, 6.

17 Ibid.

18 Ibid.

19 Ibid. Chapter 5, 1.

20 Citizens Commission on Civil Rights, *Title I In Midstream: The Fight to Improve Schools for Poor Kids*, 1998.

21 ABT Associates, op. cit. 56.

22 Ibid., 54.

- 23 U.S. Department of Education, *Promising Results*, op. cit. Chapter 2, 1.
- 24 Citizens Commission on Civil Rights, op. cit.
- 25 U.S. Department of Education, *Promising Results*, op. cit. Chapter 3, 7.
- 26 Ralph Frammolino, "Title I's \$118 Billion Fails to Close Gap," *Los Angeles Times*, January 19, 1999, A1.
- 27 U.S. Department of Education, *Promising Results*, op. cit. Chapter 6, 2.
- 28 Elementary and Secondary Education Act of 1965, as amended. 20 U.S.C. 6301, Sec. 1119.
- 29 U.S. Department of Education, *Promising Results*, op. cit. Chapter 6, 3.
- 30 Ibid.
- 31 Ibid. Executive Summary, 10.
- 32 Citizens Commission on Civil Rights, op. cit.
- 33 Testimony of Richard Riley before U.S. House Committee on Education and the Workforce, February 11, 1999.
- 34 An excellent examination of this program by Matthew Rees can be found in: *New Directions: Federal Education Policy in the Twenty-First Century*, Thomas B. Fordham Foundation, 1999.
- 35 The DARE website at www.dare-america.com features a list of these studies.
- 36 Oakley Ray and Charles Ksir, *Drugs, Society, and Human Behavior*, McGraw-Hill, 1999, 455.
- 37 General Accounting Office, *Safe and Drug Free Schools, Balancing Accountability With State and Local Flexibility*, GAO/HEHS-98-3, 1997.
- 38 United States Department of Education, *Digest of Education Statistics 1997*, Washington, DC, 1997.
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- 40 Ibid.
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- 43 Ibid.
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