



ALLIANCE FOR  
EXCELLENT EDUCATION

# Straight A's:

Public Education  
Policy and Progress

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## CONGRESS SENDS TAX BILL TO PRESIDENT: Education Left Behind Again

Last week, before leaving town for the Memorial Day recess, House and Senate conferees came to an agreement on a new \$350 billion tax package that the President is expected to sign. The bill would provide \$320 billion in tax cuts and includes \$10 billion in refunds to parents for child care expenses and \$20 billion in state aid. Of the \$20 billion in state aid, \$10 billion is specified for Medicaid costs, while the remaining \$10 billion will go to a general relief fund, of which \$6 billion will go to state governments and \$4 billion will go to local governments. While state and local governments could choose to spend this money on education, Congress failed to specifically include any education proposals.

Left out of the package were:

- A proposal to significantly expand the federal government's role in paying the interest rates on school bonds for badly needed renovation and new construction of public schools
- An annual \$2,000 teacher tax credit to encourage highly qualified teachers to teach in high-need schools
- The President's plan to increase student loan forgiveness for teachers from \$5,000 to \$17,500
- The President's request to expand the tax deduction from \$250 to \$400 for out-of-pocket classroom expenses for teachers

While the bill's cost is being reported as \$350 billion, Congress employed several accounting measures, commonly known as "sunsets," that allowed it to mask the true cost of the tax bill. According to the Center on Budget and Policy, "if the bill's provisions (except the one providing relief through the Alternative Minimum Tax) ultimately are extended, the cost through 2013 will be \$807 billion to \$1.06 trillion. . ."

### House Committee to Address Teacher Provisions in Coming Weeks

While the tax proposal failed to include any provisions for teachers, the House Education and the Workforce Committee has announced that is expected to mark up a teacher loan forgiveness proposal in the coming weeks. The bill, introduced by **Rep. Joe Wilson (R-SC)**, would expand the federal student loan forgiveness program for individuals who teach math, science, or special education in disadvantaged schools. The program mirrors a bill introduced in the Senate by **Sen. Lindsey Graham (R-SC)** and is similar to a provision included in the President's budget. It would increase the maximum loan

## Tax Cuts Make Their Way Through Congress

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forgiveness award from its current level of \$5,000 to \$17,500. The legislation would make the teacher loan forgiveness program mandatory and normally would be considered as part of a reconciliation tax bill. It is not yet clear how Congress will pay for it.



### CHILDREN'S DEFENSE FUND CRITICIZES PRESIDENT'S PREFERENCE FOR TAX CUTS OVER EDUCATION SPENDING

In its action guide, *What You Need to Know and Do to Truly Leave No Child Behind*, released earlier this year, the **Children's Defense Fund (CDF)** argues that spending on education is an afterthought in President Bush's budget. In an examination of the President's fiscal 2004 budget, the report notes that the President's plan proposes "35 times more for tax cuts for the wealthy than for increases in education" and would increase the federal debt "by more than \$4 trillion over the next 10 years."

In the foreword to the report, CDF President Marian Wright Edelman takes the Bush administration to task on its fiscal 2004 budget and its propensity to favor tax cuts over increases for education programs. Edelman claims that "promises that no child will be left behind are mocked by tax and budget deeds which leave millions of children but no millionaire behind."

The report highlights a new bill, the "Act to Leave No Child Behind" that argues for a more comprehensive approach to legislation affecting children. The bill, introduced by **Rep. George Miller (D-CA)** in the House and **Sen. Christopher Dodd (D-CT)** in the Senate would not only affect education programs, but it would work in conjunction with other federal programs, including nutrition and juvenile justice programs, to give each and every child a safe, fair, and healthy start in life.

Read the entire report at: [http://www.cdfactioncouncil.org/2003\\_ActionGuide.pdf](http://www.cdfactioncouncil.org/2003_ActionGuide.pdf)

#### Rankings and Estimates: NEA Report Examines Education Spending

A report by the National Education Association, *Rankings & Estimates: Rankings of the States 2002 and Estimates of School Statistics 2003*, indicates a lack of financial commitment to education across the nation. Increased enrollments and numerous federal mandates are not matched with investments. As evidence, the report gives a state-by-state account of per pupil expenditures, teacher salaries and federal monies.

According to the report, the U.S. economy grew faster in 1999-2000 than did the revenues per student in K-12 education. For example, total personal income increased 8 percent, but revenue per K-12 student increased only 2.3 percent. Per pupil spending for the 2001-2002 school year rose only 3.5 percent, to an average of \$7,548. The average U.S. public school teacher salary rose 3 percent for the 2001-2002 school year and only 2.4 percent in constant dollars over the entire decade, and only 0.2 percent per year when the cost of living is factored in.

Read the complete report at: <http://www.nea.org/newsreleases/2003/nr030521.html>



## PUTTING A PRICE TAG ON NCLB: States Struggle to Pay for New Requirements

According to recent data compiled by the **National Conference of State Legislatures**, the budget outlook for states grows bleaker by the day. In fact, with only two months left in most fiscal years, states must still close a combined \$21.5 billion budget gap in order to comply with their balanced budget requirements. One of the chief concerns among states struggling to balance their budgets is meeting the new testing requirements of *No Child Left Behind (NCLB)*. Since its enactment in January 2001, *NCLB* has been placed under a microscope, its various requirements and mandates questioned and compared to the amount of federal assistance that accompanies it. One question frequently raised is: Does the federal government provide enough money to fund its mandates?

In an article for the May 2003 issue of *Phi Delta Kappan*, William J. Mathis, superintendent of schools in Brandon, Vermont and teacher of education finance at the University of Vermont, examines the projected costs for 10 states to fulfill the requirements of *NCLB*. He concludes that the federal government asks too much from states and provides too little funding. In Indiana, for example, Mathis points to research that estimates that the state would have to increase its base education spending from \$5,468 to \$7,142 per pupil, a 31 percent increase, in order to meet the “commendable” level on state tests. In Montana, researchers found that current spending would have to increase between 34 percent and 80 percent, depending on location and level of need.

Overall, despite cost studies that vary considerably in methods, assumptions, and procedures, Mathis finds that the results are the same—more resources are necessary. He writes that providing a “standards-based” *NCLB* education for all children will “require massive new investments in education spending,” that the federal government is failing to provide. He concludes that, without additional resources, the law will, at best, “represent the attenuated efforts of an overpromising government, which will leave behind our poorest and most needy children.”

### Maryland Struggles to Fund Commission’s Education Requirements

In another example of a tax decision affecting education funding, a key education initiative in Maryland is at risk of being cut after the governor vetoed a bill to increase corporate taxes by \$135 million. The tax bill was needed to help pay for recommendations made by the **Thornton Commission**, a 22-member panel established by the Maryland General Assembly to help make decisions about how the state should finance public education. In 2001, the commission recommended a \$1.1 billion increase in school aid over the next five years in order to help every student meet Maryland’s achievement standards. The commission had also recommended more money for school transportation and the redistribution of state aid so more money could go to schools in Baltimore city and high-poverty districts.

The *Phi Delta Kappan* article is available at:  
<http://www.pdkintl.org/kappan/k0305mat.htm>

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## CALCULATING GRADUATION RATES: A State's Method of Calculation Could Affect Accountability Provisions of NCLB

Last month, the Alliance released *Left Out and Left Behind: NCLB and the American High School*, a report that used research by Jay Greene of the Manhattan Institute that found a severe dropout problem in America's high schools. Two weeks ago, the **Business Roundtable** released a report that reinforced Greene's research and specifically took issue with the method used by the U.S. Department of Education to calculate graduation rates. It found that some of the more widely cited official government measures of school dropout rates in the U.S. substantially underestimate the number of youth who leave high schools without obtaining a regular high school diploma.

Conceding that evidence on high school dropout rates is mixed and often controversial, the Business Roundtable found that somewhere between 25 and 30 percent of America's teenagers, including recent immigrants, fail to graduate from high school with a regular high school diploma. The study, *The Hidden Crisis in the High School Dropout Problems of Young Adults in the U.S.*, also includes state-by-state estimates of dropout rates and examines the different ways that dropout rates are counted. It concludes by saying that there is a hidden dropout crisis in America's high schools that "must be immediately acknowledged and addressed by national, state, and local policymakers if the nation is to achieve important educational and economic goals in the twenty-first century."

A new report from the **Urban Institute** takes the graduation rate argument a step further and finds that the way a state calculates its graduation rate could have a dramatic effect on its ability to meet the accountability provisions of *NCLB*. The report, *Counting High School Graduates when Graduates Count*, found substantial differences among the three alternative graduation rate indicators that it examined.

Under *NCLB*, a state must use graduation rates as one of the indicators to determine whether its schools are making adequate yearly progress at the secondary level. While the law defines a "graduate" as someone who has received a high school diploma and excludes GED certificates, it still allows states some latitude in developing their own definition that must be approved by the U.S. Secretary of Education.

The report used three different methods to calculate graduation rates for states:

A National Center for Education Statistics (NCES) method that compares the number of high school completers in a given year (excluding GEDs) against the number of students who dropped out during the previous three years;

- A method developed by Jay Greene of the Manhattan Institute that compares the number of graduates in a given year to the number of ninth-graders four years earlier; and
- A "Cumulative Promotion Index" developed by the Urban Institute's researchers which multiplies the proportion of 12th-graders who earn diplomas with the percent of students in grades nine through 11 who are promoted to the next grade that same year.

## Calculating Graduation Rates

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In the end, the NCES method favored by a majority of the states studied pegged the graduation rate at 85 percent, while the rates calculated by Greene and the Urban Institute were much lower.

The Business Roundtable report is available at: <http://www.brtable.org/pdf/914.pdf>

The Urban Institute report is available at:

[http://www.urban.org/UploadedPDF/410641\\_NCLB.pdf](http://www.urban.org/UploadedPDF/410641_NCLB.pdf)

### Princeton Review Tests the Testers

In a new report, the Princeton Review ranks the overall character and effectiveness of state accountability systems. *Testing the Testers 2003* highlights good and bad accountability practices with the hope of improving the overall quality of state tests. Sadly, nearly 30 percent of states received overall scores of 65 or lower, and of the individual grades given to the bottom-performing twenty states, nearly 40 percent were C or lower.

Based on data using twenty-two relevant indicators from every state and the District of Columbia, the report graded states in four weighted categories to determine an overall score. The categories were: academic alignment, test quality, sunshine (openness to ongoing improvement of policies and procedures surrounding the tests. ), and policy. Every state was assigned a number rank and a letter grade.

The top five states were 1) New York; 2) Massachusetts; 3) Texas; 4) North Carolina; and 5) Virginia. The bottom five states were 46) Wisconsin; 47) West Virginia; 48) South Dakota; 49) Rhode Island; and 50) Montana.

The complete report is available at: <http://www.princetonreview.com/footer/testingtesters.asp>



### As the Success of Alternative Teacher Certification Grows, New Report Recommends The Same for Principals

A new report released on May 20, by the Fordham Institute and the Broad Foundation, *Better Leaders for America's Schools: A Manifesto*, contends that there is a “crisis in leadership” in our nation’s public schools. It maintains that the current system of superintendent and principal recruitment is insufficient to meet this crisis and needs reform if we are to ensure no child is left behind. The manifesto recommends changing the current certification process and opening recruitment to proven successful leaders from outside the education field. In the words of Fordham Foundation President Chester E. Finn Jr., “Alternative routes have already become the source of almost one third of our new teachers. Now it’s time to think anew about the key leadership posts of principal and superintendent.”

The report notes that the role of school leaders such as principals, superintendents, and administrators have changed dramatically since the states and colleges of education established school leadership certification programs. It found that the role of the school administrator, for instance, has moved from a director of instruction to that of a CEO of a small business. They must be dynamic leaders capable of handling a myriad of complex issues, not merely being overseers of our educational system. At the report’s release, Eli

## New Report Recommends The Same for Principals

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Broad, founder of the Broad Foundation, said “I believe that a strong, competent governing body, combined with a talented CEO and senior management team, can make a profound difference in turning our school systems from lackluster bureaucracies into high-performing enterprises.”

The initial 65 signers of the manifesto offered five recommendations for federal policy makers to adopt that would encourage the recruitment of high-quality leaders:

1. Slash conventional certification requirements and replace them with criteria that stress leadership qualities rather than formal training and education experience.
2. Recruit candidates from inside and beyond the education field, train them as necessary, and evaluate them on results achieved.
3. Give principals and superintendents “sweeping authority” over their schools’ personnel, operations and budgets – and hold them accountable for results.
4. Boost salaries to be competitive with other fields.
5. Empower school districts to train school leaders as they see fit and to seek that training from a variety of providers, not just colleges of education.

Read more about the Fordham Foundation’s manifesto at:

<http://www.edexcellence.net/manifesto/>



### **BROWN V. BOARD OF EDUCATION: What’s Changed in the Last 49 Years?**

On May 17, 1954, the Supreme Court handed down its landmark decision on *Brown v. Board of Education*, unanimously ruling that separate schools are inherently unequal and, as such, violate the 14th Amendment of the Constitution. Despite some progress in the past 49 years, huge inequalities remain in our educational system. Minorities, inner-city and rural residents, and students from low-income families face particularly daunting challenges in seeking to overcome the impediments to educational success that remain inherent in our system.

In the days leading up to the 49th anniversary of the *Brown* decision, **Rep. Chaka Fattah (D-PA)** and **Sen. Christopher Dodd (D-CT)** held an event, “Countdown to *Brown*,” to mark the beginning of a year-long push to enact their Student Bill of Rights legislation. The Student Bill of Rights would hold states accountable for providing resources for basic rights including highly qualified teachers, challenging curricula, up-to-date textbooks and materials, small classes, and guidance counselors for all students who rely on public schools for their education.

“A child’s educational opportunity should be based on their dreams, not zip code numbers,” said Dodd. “This measure helps correct that inequality by ensuring that all children have an equal opportunity to excel on the road to success.”

Fattah drew attention to the special plight that the nation’s low-income students must overcome: “After 49 years of lawsuits, presidential commissions, research studies, and countless news stories, poor children in every state are still the least likely to receive a

quality education. The Student Bill of Rights asserts that this national scandal to deprive poor children of a decent education must end now.”

In a new policy brief, *The Building Blocks of Success for America’s Middle and High School Students*, the Alliance for Excellent Education joined Fattah and Dodd in calling for a national movement that will demand and secure basic educational rights for all American children. “No matter who they are or where they live, all of America’s students deserve access to an education that prepares them to graduate from high school ready for college,” said Alliance executive director Susan Frost. “Without it, individuals face a lifetime of dead-end jobs punctuated by periods of unemployment; communities suffer from reduced civic participation; employers lose out on a more productive workforce; and the nation is deprived of increased tax revenues and required to foot the bill for additional costs of incarceration and other social services.”

### **Education Trust Reports Focus on Unfinished Business of *Brown* Decision**

Earlier this month, the Education Trust released two reports that document an education system that is still very much separate and unequal. The first report, *A New Core Curriculum for All*, stresses that the best way to prepare a student for future success in college or the workplace is a rigorous course schedule. It cites research that shows that students from every background and every income level benefit when placed in higher-level classes. However, minority students are often not enrolled in these upper-level classes at nearly the rate of their white classmates.

The report found that courses traditionally thought of as “college prep” are essential in today’s workplace, where most jobs that pay a family-supporting wage demand high skills. “While a student with a high school diploma without higher-level classes such as Algebra II may get an entry-level job, he or she may end up sweeping the factory floor,” said Patte Barth, the author of the report. “Even in fields like manufacturing, students now need advanced courses in subjects like mathematics both to secure a foothold on the ladder and to gain real job security.”

*Education Watch: Achievement, Attainment, and Opportunity from Elementary School Through College*, the second report, is a collection of state-by-state reports that documents the continued academic segregation of low-income and minority students. The report found that, nationally and in almost every state, minority students are enrolled in lower level classes, are assigned to less-qualified teachers, and are disproportionately placed in special education.

The Education Trust reports are available on the Education Trust Web site at:  
<http://www.edtrust.org>

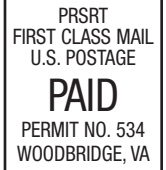
The Alliance policy brief is available at: <http://www.all4ed.org/media/051503.html>

**Straight A’s: An Update on Public Education** is a biweekly newsletter that focuses on education news and events both in Washington, D.C., and around the country. The format makes information on federal education policy accessible to everyone from elected officials and policymakers to parents and community leaders. The Alliance for Excellent Education is a nonprofit organization working to make it possible for America’s 6 million at-risk middle and high school students to achieve high standards and graduate prepared for college and success in life.



ALLIANCE FOR  
EXCELLENT EDUCATION

1101 Vermont Ave., NW  
Suite 411  
Washington, DC 20005



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ALLIANCE FOR  
EXCELLENT EDUCATION

Alliance for Excellent Education 1101 Vermont Ave., NW Suite 411 Washington, DC 20005

Susan Frost, Executive Director; Jason Amos, Associate Editor

Phone: (202) 842-4888 Fax (202) 842-1613

Alliance@all4ed.org <http://www.all4ed.org>