



HOUSE PREVAILS IN CUTTING EDUCATION BELOW SENATE BILL AND THE PRESIDENT'S REQUEST: Final FY2005 Education Budget Fails to Make Promised Investments in Education Improvement

On November 20, as part of a \$388 billion omnibus bill that includes almost the entire domestic budget for fiscal year 2005, Congress approved \$56.58 billion in funding for the U.S. Department of Education. The total for education programs is \$920 million more than that allocated last year. However, it is \$760 million less than the amount requested by President Bush earlier this year, and \$2.27 billion less than the total approved by the Senate Appropriations Committee just two months ago. The final bill, which includes funding for thirteen government departments and dozens of domestic agencies, passed the House of Representatives by a 344 to 51 margin and a 65 to 30 vote in the Senate. President Bush is expected to sign the bill.

In total, funding for domestic programs grew only 1 percent over last year, giving a victory both to fiscal conservatives, who sought to control domestic spending in order to reduce the deficit, and to the president, who had threatened to veto the bill if spending grew by more than that percentage. But while a number of programs were cut or eliminated, the omnibus bill included significant funding for the pet projects of individual members. For example, the bill provided up to \$2 million to buy a former presidential yacht for a navy museum, according to the *Washington Post*.

Few Education Programs Receive Increases—New Initiative for Striving Readers Cut Below President's Request

Advocates for domestic programs were not the only individuals disappointed by the reductions in funding for the programs they support. Even President Bush did not receive the funding he sought for several of his initiatives. For example, the Striving Readers program, designed to increase adolescent literacy levels, received only \$25 million in funding, as opposed to the \$100 million proposed by the president in his FY 2005 budget request.

In a slight deviation from the pattern that has developed over the last few years, signature education programs such as Title I and special education still received increases—although much smaller than the \$1 billion increases in previous years—while most other education programs were either frozen or cut. For FY 2005, Title I will receive \$12.74 billion, an increase of \$400 million over last year but still \$7.8 billion less than the amount authorized in the No Child Left Behind Act. Other programs receiving increases include GEAR UP and TRIO. The Smaller Learning Communities program received nearly a 50 percent cut from last year's level; it will be funded at close to \$95 million in FY 2005, down from \$174 million in FY 2004.

House Prevails in Cutting Education Below Senate Bill and the President's Request (Continued from p. 1)

Funding levels for specific programs are not yet final. In another measure to rein in total domestic discretionary spending, all programs included in the omnibus bill are subject to an across-the-board cut of approximately 0.8 percent. (As a result, several programs that were frozen at last year's funding levels in the omnibus bill will effectively be cut.) Additionally, because of furor over a provision inserted in the omnibus bill that would have allowed congressional appropriations committees to view the tax returns of individual Americans, the president will not receive the bill for signature until after the week of December 6, after the House acts to remove the controversial language. Final totals for selected federal education programs will be available as an insert to the December 13 issue of *Straight A's*, after the cuts are official and President Bush has signed the bill.

As the last issue of *Straight A's* reported, many observers were watching the lame-duck session as an early indicator of how the Bush administration and the Republican Congress, with its increased majorities, intend to govern in the 109th Congress, especially with respect to domestic discretionary spending. If the omnibus bill is any indication, those individuals who had hoped for additional federal funding for domestic priorities could be in for a long 2006.



SECRETARY PAIGE STEPS DOWN: White House Adviser Margaret Spellings Appointed New U.S. Secretary of Education

Calling his work a "labor of love," **U.S. Secretary of Education Rod Paige** announced earlier this month that he was stepping down at the end of President Bush's first term in order to return to Texas and devote time to a "personal project." Shortly thereafter, President Bush announced that **White House Domestic Policy Adviser Margaret Spellings** would take Paige's place.

"Rod Paige has been at the forefront of fundamentally reforming and improving our nation's public education system so that no child is left behind in America," the president said in a statement. "His passion for taking on the status quo and fighting for reform underscores his strong commitment to our country's young people and his desire to give them a brighter future."

As the top-ranking official in the U.S. Department of Education, Paige led the implementation of the No Child Left Behind (NCLB) Act and campaigned tirelessly on its behalf. On the two-year anniversary of the act's signing, Paige portrayed NCLB as the "next logical step" to the *Brown v. Board* Supreme Court case that ended racial segregation in the nation's public schools:

No Child Left Behind addresses the latent segregation, de facto apartheid, that's emerging in some of our educational settings. Like Brown, No Child Left Behind faced resistance. But if we have the will this law will have a powerful and healing impact on our society . . . This country does not yet provide equal opportunities for millions of children. That is why the No Child Left Behind Act is so important. After 50 years we still have a lot of work to do.

However, despite Paige's public visibility and the time and effort he put into defending NCLB and trumpeting its successes, many observers, according to the *Washington Post*, "believed that the real power over education policy lay in the White House, particularly with (Margaret) Spellings, who advised Bush when he was the governor of Texas." In naming Spellings as his new secretary of education, Bush said that "the issue of education is close to my heart, and on this vital issue there's no one I trust more than Margaret Spellings."

Bush stressed that education would remain a priority during his second term, and that the focus on high schools that he promised during the campaign would become a reality. "We've made great progress in our schools," he said, "and there is more work to do. Margaret Spellings and I are determined to extend the high standards and accountability measures of the No Child Left Behind Act to all of America's public high schools. We must ensure that a high school diploma is a sign of real achievement, so that our young people have the tools to go to college and to fill the jobs of the twenty-first century."

Spellings pledged to work to make America's schools the finest in the world and stressed the importance of a strong education to the future of the country. "I am a product of our public schools," she said. "I believe in America's schools, what they mean to each child, to each future president or future domestic policy adviser, and to the strength of our great country."

Secretary Paige's resignation letter is available at http://www.ed.gov/news/pressreleases/2004/11/11152004.html.

President Bush's statement on the appointment of Margaret Spellings as the U.S. secretary of education is available at http://www.whitehouse.gov/news/releases/2004/11/20041117-4.html.



EDUCATION BALLOT INITIATIVES SEE MIXED RESULTS ACROSS THE COUNTRY: Creative Funding Options See Support, Tax Increases Rejected

As the results from election day become clearer, it appears that education-related ballot initiatives saw mixed results. Education funding measures were on the ballot in five states. Voters in Nevada, North Carolina, and Oklahoma approved measures to increase school funding. Tax increases for education funding were defeated in Arkansas and Washington.

In two high-profile races for the U.S. Senate, former educators went down in defeat in South Carolina and Florida. At the same time, Democrats fared better in several state legislative races, leading some observers to express hope for additional school funding.

Creative Funding Options for Education Garner Support...

In Oklahoma, voters approved the Oklahoma Education Lottery Act, which will create a statewide lottery with net proceeds from ticket sales going to education funding. Proponents of the Lottery Act have estimated that it could generate up to \$150 million for education in the state. Earlier this year, **Governor Brad Henry (D)** pushed a different plan, expected to raise an additional \$71 million for education through the state's installation of electronic gaming devices at pari-mutuel horse tracks.

Education Ballot Initiatives See Mixed Results Across the Country (Continued from p. 3)

Voters in North Carolina passed a constitutional amendment that will create a state fund to be used exclusively for education. The amendment allows the state legislature to place proceeds from civil penalties, civil forfeitures, and other civil fines into the fund and dedicate them to maintaining free public schools.

In Nevada, voters supported making funding for education a state priority, but refused to force their legislature to meet the national average for per-pupil spending by 2012. Question 1 on Nevada's ballot, which passed by a 57 percent to 43 percent margin, requires lawmakers to pass the state's education budget before considering any other item in the state budget. Question 2, which failed 51 percent to 49 percent, would have required lawmakers to raise per-pupil spending in Nevada public schools to match or exceed the national average by 2012, a measure that would have cost state taxpayers more than \$500 million a year. Based on 2002 numbers from Stateline.org, Arizona ranks forty-ninth in per-pupil spending, at \$5,487 per student.

... As Voters Reject Tax Increases Tied to Education Funding

By a vote of 70 percent to 30 percent, Arkansas voters rejected a referendum to raise property taxes to pay for the maintenance and operation of schools. Many state legislators believed the measure could have raised up to \$90 million in new revenue for state schools and provided an answer to a recent school funding court case that said that Arkansas's public school system is unequal and inadequate.

Voters in Washington State rejected a 1 percent increase in the state sales tax, which would have gone from 6.5 to 7.5 cents on the dollar, to fund an education trust fund. The measure, which was defeated 61 percent to 39 percent, was expected to have increased education spending by \$4.7 billion in the first five years. Of that total, \$2.3 billion would have gone to K–12 schools to reduce class sizes, extend afterschool learning opportunities, and provide salary increases and professional development for teachers. Nearly \$2 billion would have gone toward increasing state-funded higher education enrollments by at least 25,000, expanding financial aid, and boosting state-funded research. Observers believe that the overwhelming failure of the sales tax increase is likely to make Washington legislators less likely to support increased funding for education.

Former Educators Defeated in U.S. Senate Races

In races for the U.S. Senate, former educators were unsuccessful in their efforts to be elected. In South Carolina, U.S. Representative Jim DeMint (R) defeated state Superintendent of Education Inez Tenenbaum (D), 54 percent to 44 percent. In Florida, Mel Martinez (R), former housing and urban development secretary under President George W. Bush, defeated former Florida Education Commissioner Betty Castor 50 percent to 48 percent.

At the state level, Democrat increases in Colorado, North Carolina, Oregon, and Vermont gave hope to those seeking additional funding for education. In Colorado, Democratic gains "could give a boost to advocates of increased school funding and ward off legislation to allow state-

financed vouchers," according to *Education Week*. In North Carolina, Democrats took control of the state house, and **Governor Michael F. Easley (D)** was reelected. Easley has said he will seek greater funding for education in general and could ask for more money for his anti-dropout program, Learn and Earn, which allows students to attend high school for five years and receive both a high school diploma and an associate's degree.

"Legislative Shifts Alter Prospects for Funding and School Vouchers" is available at http://www.edweek.org/ew/articles/2004/11/10/11legis.h24.html.



NEW REPORT FINDS HIGHER MATH SCORES MIGHT NOT REPRESENT GAINS IN STUDENT ABILITY

Sharp increases in National Assessment of Education Progress (NAEP) math scores since 1990 may reflect little gain in student ability, a new report finds. The report, released last week by the Brown Center on Education Policy at the Brookings Institution, reveals that NAEP test questions do not incorporate much challenging arithmetic. In fact, the study reports, questions designed for eighth graders typically require only second- to fourth-grade arithmetic skills.

The report, *How Well Are American Students Learning?*, gauges the average arithmetic demand of NAEP from a sample of more than five hundred math questions from NAEP exams for fourth and eighth graders. It found that more than 40 percent of math questions addressed skills taught in first or second grade. (The questions are available to the public on the NAEP website, at http://www.nces.ed.gov/nationsreportcard/ITMRLS/search.asp?picksubj=Mathematics.)

According to **Tom Loveless, director of the Brown Center on Education Policy**, too many of the questions rely on whole numbers, with few problems that involve fractions, decimals, and percentages. "Such instruction sets students up for trouble in more advanced high school classes and in daily life, where tasks such as shopping and measuring rarely involve neat, round numbers," the *Boston Globe* quoted him as saying.

The report groups the questions by the conceptual area they test. On both the fourth- and eighth-grade exams, questions test general problem-solving ability or one of five specific "content strands"—number sense, measurement, geometry, data analysis, and algebra. Based on the level of arithmetic skill that questions in each area require, the report determines the average "arithmetic demand" of each section. As a measure of demand, the Singapore math textbook program—widely regarded as a challenging curriculum—is used. The report maintains that using most states' grade-level standards would yield similar conclusions. According to **Sharif Shakrani**, **deputy executive director of the National Assessment Governing Board**, which sets the test content, the Singapore model leads to skewed results.

While NAEP suggests that today's eighth graders know as much math as tenth graders did in 1990, score gains "only apply to the mathematics found on the NAEP test." The report does not examine differences that may exist between NAEP exams for different years. Loveless said that it is unclear whether increased scores reflect true gains in math knowledge—especially since higher scores have not translated into larger enrollments in higher level math classes.

New Report Finds Higher Math Scores Might Not Represent Gains in Student Ability (Continued from p. 5)

The report also finds that most middle school math teachers have little training in mathematics or mathematics teaching. Based on a random sample of 252 middle school math teachers nationwide, the report finds that less than 25 percent of America's sixteen thousand middle school math teachers have a bachelor's degree in mathematics. Another 25 percent of the sample had completed fewer than four college mathematics courses. More mathematics teachers—54 percent of eighth-grade teachers—earned degrees in education. Yet the teacher education level of sample math teachers was not impressive. Only 41 percent of the sample held a teaching certificate in mathematics.

The complete report is available at http://www.brookings.edu/GS/brown/bc report/2004/2004report.htm.

"Study Finds National Math Test Easier" is available at http://www.boston.com/news/education/k 12/articles/2004/11/18/study national math test easier/



NEW REPORT FINDS HIGH ATTRITION RATES AMONG TEXAS HIGH SCHOOLS: Two Million Students Failed to Graduate Between 1985 and 2004

Texas schools are failing to graduate two out of every five students, according to a new study by the Intercultural Development Research Association (IRDA), a San Antonio—based think tank. According to the study, "Texas School Holding Power Improves—But Progress Is Slow," Texas has an overall high school attrition rate of 36 percent, but much higher rates for Hispanic students (49 percent) and black students (44 percent).

"This gives us a grim long-term picture of a consistent problem that has not been effectively addressed," said **Dr. Maria Robledo Montecel**, **IRDA's executive director**. "In fact, eighteen years later, attrition rates are higher than the original rate of 33 percent that alarmed many state and community leaders in 1986."

The report defined attrition rates as "an indicator of a school's holding power or ability to keep students enrolled in school and learning until they graduate," and calculated rates by examining the percent change in grade-level enrollment between ninth grade in a base year and twelfth grade three years later.

While IRDA found that the number and percent of students who failed to graduate has increased for the state of Texas since the 1985–86 school year, the Texas Education Agency (TEA) reports that dropout rates have declined over the same period. Whereas IRDA reported an overall attrition rate of 33 percent in 1985–86, growing to a 36 percent attrition rate in 2003–04, the TEA showed a decline in dropouts, from 6.7 percent in 1987–88 to less than 1 percent in 2002–03.

The study showed that more than two million secondary school students failed to graduate between 1985 and 2004. Annually, the report found, approximately 121,000 students drop out

and cost the state more than \$500 billion in foregone income, lost tax revenues, and increased job training, welfare, unemployment, and criminal justice costs.

The complete report is available at http://www.idra.org/Newslttr/2004/Oct/Roy.htm#Art1.

A "Cold, Complacent State"? Report Urges Changes at High School and College Levels

Earlier this year, **Minnesota Governor Tim Pawlenty (R)** asked the Citizens League, an independent, nonpartisan organization based in Minnesota, to make recommendations on how to best position Minnesota for the twenty-first century. According to their report, Minnesota must make reforms to its high schools and higher education system in order to meet the challenges of the state's economic, demographic, and state budget climate in the future.

"The facts point to a higher education infrastructure that has problems given the growing state budget pressures," Pawlenty said. "Minnesota's future depends upon a strong, efficient and accessible system of higher education. It's clear from the report that strategic changes are essential to maintaining Minnesota's edge."

The report noted Minnesota's reputation for providing a quality education, but stressed that the state was beginning to lose its advantage because of current education trends within the state and in the world. For example, Minnesota is currently ranked eighth in the country as a high-tech state, but its junior and senior high school students rarely take higher-level math and science. Of every one hundred Minnesota ninth graders, only eighty-four graduate from high school on time, fifty-three directly enter college, thirty-eight are still enrolled in college after their freshman year, and just twenty-five percent graduate within six years.

At the college level, the report found that more than 30 percent of Minnesota high school graduates need remediation classes in order to begin higher education and that the number of students who were enrolled in higher education declined by 7 percent from 1992 to 2002. Among minority students, only 3 percent of black and American Indian students, and 5 percent of Hispanic students, will receive a bachelor's degree in Minnesota within ten years of first enrolling in college.

"Minnesotans cannot afford to let complacency distract us from the critical need to address these trends," the report reads. "For a cold state that depends on a globally-envied education system to support our economy and quality of life, Minnesotans should be alarmed over our eroding competitive advantage in the knowledge economy."

The report stressed a need for increased expectations—both in high school and in higher education. It suggested setting at least two years of post—high school education as a *minimum* level of academic attainment for every student, as well as reforming the senior year and making better use of the time that students spend in high school to help them be better prepared to enter higher education. The report also suggested that the state provide parents, students, and educators with an online report card for all education institutions and urged the creation of a Higher Education Performance Council that would help "maximize the results that Minnesotans are receiving for their \$1.3 billion investment in higher education."

The complete report is available at http://www.citizensleague.net/.

Straight A's: Public Education Policy and Progress 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 secondary school students to achieve high standards and graduate prepared for college and success in life.



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