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## ABSTRACT

In 1990, President Bush and the nation's governors adopted six National Education Goals for the year 2000, calling for improvements in school readiness, high school graduation rates, curriculum mastery, math and science achievement, adult literacy and skills, and drug abuse and violence levels. Congress faces two overarching issues--identifying education reform strategies most likely to achieve the goals and shaping appropriate federal and congressional roles in reform efforts. Proposed strategies considered by the 102nd Congress included establishing national curriculum standards and assessments, comprehensively reforming state and local education, restructuring individual schools, promoting parental choice, providing more resources for needy schools, deregulating schools, and providing rewards and sanctions for schools. Federal legislation embraced several of these strategies and called for more active congressional involvement in reform efforts. The primary legislative proposal, S.2 (Neighborhood Schools Improvement Act), failed to be enacted. The bill would have codified the goals and supported systemic state-level reform, restructuring grants for local education agencies, limited deregulation waivers, and national curriculum content and delivery standards. "America 2000," President Bush's 1991 strategy to accomplish the national goals, addressed reform of current schools through school choice, development of new model schools, enhancement of workers' skills, and community involvement in school reform. Reauthorization of the Elementary and Secondary Education Act by the 103rd Congress provides an opportunity to consider amendment of current programs to support such strategies. (MLH)

# CRS Report for Congress

## National Education Goals and Federal Policy Issues: Action by the 102d Congress

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# NATIONAL EDUCATION GOALS AND FEDERAL POLICY ISSUES: ACTION BY THE 102d CONGRESS

## SUMMARY

In 1990, President Bush and the Nation's Governors adopted six National Education Goals to be achieved by the year 2000. The Goals call for improvements in readiness to begin school; high school graduation rates; students' mastery of the curriculum; math and science achievement compared to that of other nations; adult literacy and skills; and the levels of drug abuse and violence in the schools. As congressional and public interest in the Goals has grown, they have become an organizing framework for education reform proposals.

The Goals present two overarching issues for Congress: identifying education reform strategies most likely to achieve the Goals; and shaping appropriate Federal and congressional roles in this effort.

Proposed strategies considered by the 102d Congress included: establishment of national curriculum standards and assessments; comprehensive, systemic reform of State and local education; restructuring of individual schools; parental choice of schools; provision of more resources for high need schools; deregulation of schools; and provision of rewards and sanctions for schools.

Legislation acted on by the 102d Congress embraced several of these strategies and called for a more active congressional role in the reform effort. The primary legislative proposal, S. 2 (Neighborhood Schools Improvement Act), failed to be enacted. Among its provisions, the conference version of S. 2 would have codified the Goals in statute; supported State-level systemic reform and grants to local educational agencies, primarily for restructuring individual public schools; permitted a limited waiver of designated Federal education regulations; supported national curriculum content and school delivery standards; and authorized a new council to address educational standards and model assessments.

In 1991, President Bush proposed an education reform strategy, entitled AMERICA 2000, to accomplish the Goals. This strategy addressed four broad areas: reform of current schools through activities such as school choice; development of new model schools; enhancement of workers' skills; and enlistment of communities in support of this education strategy. Legislation introduced in the 102d Congress to enact this strategy (H.R. 2460, S. 1141) was not enacted.

The 103d Congress is likely to continue to debate these various strategies. Reauthorization of the Elementary and Secondary Education Act by this Congress provides an opportunity to consider whether current Federal elementary and secondary education programs should be amended to support such strategies.

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## **NATIONAL EDUCATION GOALS AND FEDERAL POLICY ISSUES: ACTION BY THE 102d CONGRESS**

### **INTRODUCTION<sup>1</sup>**

The six National Education Goals agreed to by President Bush and the Nation's Governors have provided an organizing framework for various education reform efforts and proposals. The Goals have presented the Congress with two overarching issues:

- identifying education reform strategies most likely to achieve the Goals; and
- shaping appropriate Federal and congressional roles in this effort.

This report analyzes how these two issues have been considered by the Congress. Its primary focus is legislative action by the 102d Congress (1991-92). It provides an overview of the National Education Goals. The report then provides analyses of (1) several of the key reform strategies that have garnered significant attention from Federal policymakers over the past several years; (2) S. 2, the major legislative proposal acted upon by the 102d Congress; and (3) President Bush's education strategy, AMERICA 2000. The concluding section of the report briefly reviews the prospects for further consideration of these issues by the 103d Congress.

### **NATIONAL EDUCATION GOALS**

At the 1989 summit conference on education, the Nation's Governors, led by Arkansas Governor Clinton and South Carolina Governor Campbell, and President Bush agreed to set National Education Goals. In his January 1990, State of the Union address, President Bush announced six Goals which the Governors later endorsed at their winter meeting in February 1990, when they also identified objectives for each Goal. These were agreed to by the President. The six National Education Goals establish that, by the year 2000:

- All children in America will start school ready to learn.
- The high school graduation rate will increase to at least 90 percent.

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<sup>1</sup>Much of the text of this report is drawn from U.S. Library of Congress. Congressional Research Service. *National Education Goals: Federal Policy Issues*. CRS Issue Brief No. IB92012, by James B. Stedman and Wayne Riddle, Oct. 2, 1992, (archived).

- American students will leave grades 4, 8, and 12 having demonstrated competency in challenging subject matter including English, mathematics, science, history, and geography; and every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in our modern economy.
- United States students will be first in the world in science and mathematics achievement.
- Every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.
- Every school in America will be free of drugs and violence and will offer a disciplined environment conducive to learning.

The objectives for each Goal serve one or more functions: some serve to help explain a Goal; some expand upon a Goal and identify additional areas for national attention; and some offer specific steps that might be taken toward achievement of a Goal.<sup>2</sup>

What roles have the various levels and branches of government played in setting the Goals and reporting on progress, and what roles should they play? To date, the Goals have been mainly the work and responsibility of executive action at the Federal and State levels. Legislatures, whether State or Federal, have had relatively little direct involvement in choosing the Goals, establishing the process for reporting on progress toward the Goals, or creating plans to implement them. Professional educators and education policy analysts, among other groups, also have not had a substantial role in this process.

### **National Education Goals Panel**

The National Education Goals Panel (NEGP) has been a focal point of the debate about the roles to be played by different branches of government. In July 1990, the President and the National Governors' Association (NGA) agreed on the formation of NEGP to monitor and report on the Nation's progress toward meeting the Goals. In particular, NEGP was charged with selecting appropriate interim and final measures of educational progress, and preparing an annual report to the Nation on these measures. NEGP was also made responsible for reporting on the Federal Government's actions to fund existing programs,

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<sup>2</sup>For an overview of the objectives, see U.S. Library of Congress. Congressional Research Service. *National Education Goals: Where Are We Now?* CRS Report for Congress No. 90-169 EPW, by James B. Stedman. Washington, 1990.

provide more flexibility, and modify mandates "limiting the states' ability to finance education."<sup>3</sup>

Of most significance for this debate, NEGP was initially composed of 10 **voting members**: 4 senior level members of President Bush's Administration, and 6 Governors (3 from each major political party). In addition, **nonvoting** positions were held by four Members of the U.S. Congress: the Senate Majority and Minority Leaders, the Speaker of the House, and the House Minority Leader. Further, as originally chartered, any final decisions by NEGP had to be approved by at least three-quarters of the voting members. This allowed any three members to veto an action by voting negatively. Thus, any of the three groups represented on NEGP--Republican Governors, Democratic Governors, or the Administration--could prevent any policy or decision from being adopted.

Legislation to establish a different panel or council to oversee progress toward the National Education Goals was considered by both the 101st and 102d Congresses. The primary concerns expressed by Members of Congress about NEGP as originally structured centered on the lack of voting representation of the U.S. Congress; the ability of the Administration's representatives to veto any policy decisions; and the absence of representatives of the education or business communities.

Despite the fact that legislation to change NEGP failed to be enacted in either of the last two Congresses, NGA and the White House agreed to reconfigure the Panel. It now has 14 members: 2 appointed by the President, 8 Governors (3 from the same political party as the President), and 4 Members of Congress.<sup>4</sup>

As is explored further below, questions about the roles that different levels and branches of government will and should play in the Nation's efforts to attain the Goals have arisen not only with regard to representation on NEGP, but also with regard to such issues as the setting of national education standards; assuring equity in the process; providing financial support; and integrating current Federal, State, and local programs and requirements with reform efforts.

## STRATEGIES FOR MEETING THE GOALS

Several strategies to achieve the National Education Goals were considered by the 102d Congress. These strategies are not mutually exclusive; rather, they have often been combined to constitute different elements of a legislative proposal focused on the Goals. The following strategies are analyzed below:

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<sup>3</sup>National Governors' Association. *A Process for Measuring and Reporting on Progress Toward the National Education Goals*. July 1990.

<sup>4</sup>Apparently, the super-majority (three-fourths affirmative vote) requirement for matters coming to a vote has not been modified.



- establishing national curriculum standards and assessments;
- undertaking comprehensive, systemic reform of State and local education;
- restructuring of individual schools;
- permitting parental choice of schools;
- providing more resources to high need schools;
- deregulating schools; and
- rewarding and sanctioning schools.

### **National Curriculum Standards and Assessments**

Several proposals to help the Nation meet the National Education Goals include development of national curriculum standards and assessments. The task of measuring progress toward the Goals is a primary reason for the interest in establishing national standards for what students should know in different curricular areas and administering new, national assessments to measure how well they have met those standards. Further, the coupling of standards and assessments, it is argued, can lead to educational reform as educators, students, and their families come to know clearly what should be mastered and whether it has been mastered.

### ***Curriculum Standards***

Proponents of **national** curriculum standards generally do not envision a single national curriculum, nor the establishment of curriculum standards by the Federal Government. What they generally advocate is a system under which professional groups of subject matter specialists and others reach consensus on what pupils across the country ought to know at different age or grade levels in each major subject area. The resulting standards would **not** constitute a detailed curriculum. Rather, they would serve as important guidance to those at the national, State, and local levels who will actually fashion the curriculum taught in schools. These standards would be intended, as well, to help shape assessments of students' mastery of the curriculum.

Work on national curriculum standards has already begun. Indeed, national curriculum standards have been developed and adopted by the National Council of Teachers of Mathematics. These mathematics standards are being applied widely to the development of State level curriculum standards, mathematics curriculum itself, and assessments of students' mathematical achievement. Various other groups are at earlier stages in the process. For example, the National Research Council has established a National Committee for Science Education Standards and Assessment to develop science education standards. These will consist of curriculum standards, assessment standards,

and teaching standards. To date, the Committee has released a "discussion document" to help it identify what should be the guiding principles in standard setting for the sciences. It also has stated that it will release "prototype" curriculum standards in December 1992. Final standards are due for release in 1994. Similar efforts are underway in such subjects as English (National Council of Teachers of English, International Reading Association, Center for the Study of Reading); history (National Center for History in the Schools); geography (National Council for Geographic Education); civics education (Center for Civic Education); arts education (Consortium of National Arts Education Associations); and social studies (National Council for the Social Studies). Nearly all of these standards efforts have received Federal funding, from the U.S. Department of Education, the National Science Foundation, or the National Endowment for the Humanities, among Federal agencies.

### ***National Assessments***

A great deal of pupil assessment now takes place in American elementary and secondary schools, with results from some of these tests being used to gauge academic performance on a national basis.<sup>5</sup> Among these are college admissions tests--the Scholastic Aptitude Tests (SATs) administered by the Educational Testing Service and the tests administered by the American College Testing Program--and the tests administered by the federally funded National Assessment of Educational Progress (NAEP). Of all widely administered tests, NAEP is of most importance with regard to the effort to measure progress toward the National Education Goals because it alone produces results that are nationally representative of the achievement of all students at grades 4, 8 and 12 in specific subject areas.<sup>6</sup>

Nevertheless, for many observers, all current testing efforts are considered to be inadequate to the challenges of assessing progress toward school reform or toward meeting the National Education Goals. The perceived major deficiencies include the following:

- At all levels, and for all purposes other than perhaps college entrance, many different tests are administered to pupils in different States and LEAs.
- There are generally no methods currently available for equating scores on one of these tests with those on others, to produce comparable scores for pupils in different States and LEAs.

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<sup>5</sup>U.S. Congress. Office of Technology Assessment. *Testing in American Schools: Asking the Right Questions*. Washington, Feb. 1992.

<sup>6</sup>U.S. Library of Congress. Congressional Research Service. *National Assessment of Educational Progress: Background and Status*. CRS Report for Congress No. 91-232 EPW, by Paul M. Irwin, James B. Stedman, and Wayne Clifton Riddle. Washington, 1991.

- NAEP provides results less frequently than many consider to be desirable. NAEP is designed primarily to track changes over time in national achievement levels, not to assess whether achievements are as high as they "should" be or to assess individual LEAs, schools, or pupils. Further, NAEP has only just begun to gather and report scores on a State-by-State basis, an effort that remains experimental and only temporarily authorized.
- The standardized tests that are now commonly administered have been widely criticized for focusing on a relatively limited range of skills, often overlooking, in particular, such higher order skills as analysis and problem solving. These tests have also been criticized as having little direct relationship to school curriculum; and as being designed more to sort pupils into different achievement levels than to assess what instructional skills or material they have mastered, or to diagnose specific learning deficits.
- The primary college admissions tests (the SATs and American College Testing Program) are an inadequate gauge of performance of students in general because they are taken to differing degrees across the United States, and are generally only taken by high school students with college aspirations.
- As indicated in NEGP's annual reports, several types of information necessary or helpful for assessment of progress toward meeting the Goals are not now collected.<sup>7</sup>

A key point on which proponents of national tests differ is whether pupils in different States or LEAs should be required to take the same test, or various tests whose results might be equated. Some have proposed that a single, nationally developed test be administered to all American students at one or more stages of their elementary and secondary educational career, such as, at the end of high school, as a condition for graduation; at that or other junctures to certify "initial mastery" of basic educational skills before further education or job training; or at grades 4, 8, and 12 in line with the Goals. Sometimes, such proposals specify that participation by individual students or States should be voluntary.

More common are proposals that a variety of current or new assessments be used in different States or regions. Methods would be developed to assure that scores on different tests could be compared, through either translation of scores to a standard scale, or adjustment of the tests themselves so that they are deemed to be comparable in certain respects. While technically complex, this approach may be possible to undertake, and may be more consistent with the

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<sup>7</sup>Thus far NEGP has issued two annual reports.

historical primacy of the States in educational governance. Nevertheless, key questions include the ultimate feasibility of this effort, what organization would assure the equivalency of tests or scores, how long this process would take, and how to pay for it.

The development, certification, and implementation of national curriculum standards and assessments might serve a variety of purposes beyond measuring progress toward meeting the National Education Goals. If they are well-developed and widely agreed upon, assessments tied to national curriculum standards might be used in a number of areas in which it is critical to identify desired outcomes of schooling. For example, they might provide the basis for deregulation of school inputs or procedures in return for accountability expressed in pupil outcomes. They might also be the basis for selection of schools to receive rewards, or sanctions, based on their performance (rewards and sanctions are discussed further below).

### ***National Council on Education Standards and Testing***

To explore some of the standards and assessment issues, the Congress established a National Council on Education Standards and Testing (NCEST, P.L. 102-62). The final recommendations of this Council were released on January 24, 1992.<sup>8</sup> NCEST recommended the establishment of several kinds of education standards:

- national curriculum content standards to identify those things that students should learn while in school;
- national student performance standards to identify different degrees of mastery of the content standards;
- State school delivery standards measuring the extent to which students have the opportunity to learn the materials developed under the curriculum standards; and
- national criteria for assessments.

The NCEST addressed several specific issues regarding these standards. The national curriculum content standards would not, according to NCEST, constitute a national curriculum; States and localities should be able to add to the standards. With regard to assessments, NCEST called for creation of a national system of multiple assessments linked to the curriculum content standards to measure student attainment of those standards. Tests would be voluntary for States. NCEST noted that, **before** performance on these assessments would have actual consequences for students, all students should have the opportunity to learn the new materials developed under the standards.

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<sup>8</sup>National Council on Education Standards and Testing. *Raising Standards for American Education*. Jan. 24, 1992.

In addition, NCEST recommended use of other tests of samples of students, such as NAEP, to measure the condition of educational programs and systems.

According to NCEST, the process for setting these standards should be in the hands of a reconfigured NEGP (along the lines discussed above) and a new National Education Standards and Assessments Council (NESAC). Both entities would have a role in certifying standards developed by various entities across the country. NESAC would provide oversight and guidance to the setting of standards and the development of assessments.

The conference version of S. 2 incorporated provisions for curriculum content standards that were similar to the recommendations of the NCEST; however, S. 2 was more cautious regarding assessments, authorizing only grants for development of model assessments in mathematics and science, but no certification of assessments. S. 2 would have gone beyond the NCEST recommendations concerning school delivery standards by authorizing support for their development on the national level and by providing a process for their certification. Although it was less specific regarding organizational arrangements, AMERICA 2000 also supported development of national curriculum standards, and a system of voluntary assessments tied to them.

### **Systemic Reform**

Another strategy proposed to help the Nation meet the National Education Goals is **systemic reform**. This reform strategy was a key element of S. 2 and encompasses five basic elements, each of which should be pursued simultaneously, at least with respect to a particular subject or level of education. The primary features of systemic reform are the following:

- establishment of ambitious educational goals and expectations that apply to all children;
- development of curricular frameworks (descriptions of the knowledge and skills pupils should acquire at each grade level in a particular subject area) that are based on the goals;
- identification or development, and use, of high quality instructional materials that are based on the curricular frameworks;
- creation and implementation of pupil assessment systems that are directly based on the curricular frameworks, employ a variety of techniques and measures, and are fair, reliable, and valid; and
- institution of professional development programs to enable teachers, administrators, and other school staff to understand the curriculum and the most effective ways of instructing pupils in it.

This strategy is premised on a belief that reform will **not** be accomplished without the total involvement of State and local educational authorities, or without attention to all major areas of education policy or practice. The success of reform undertaken without the active support of these authorities or in the face of active opposition is highly unlikely. Nor is reform likely without provision of adequate resources in all LEAs of the State.

Although systemic reform was a core element of S. 2, the legislation actually would have supported an amalgam of systemic reform and individual school restructuring. The bill would have awarded Federal funds to SEAs for systemic reform at the State level, with LEA-level reform consisting primarily of grants to individual schools for restructuring activities.

Several States are currently implementing the systemic reform strategy. A frequently cited example is Kentucky which, in response to a State Supreme Court ruling, has overhauled its entire policymaking and governance system for elementary and secondary education.

### **Reform of Individual Schools**

Some policymakers are emphasizing support for restructuring of **individual** schools to display the process and effects of education reform at individual school sites. One expectation of advocates of this reform strategy is that these schools will inspire imitation by other schools. Further, it is posited that reform at the level of the individual school is what is most critically needed and where change will, in fact, affect the educational performance of students.

Concern about the potential for success of this approach centers on whether school-based reform, by itself, can be sustained and replicated without change in, and support from, the broader educational systems at the local educational agency and State educational agency levels, as would be called for in a systemic reform effort (see above).

An individual, model school approach was a key ingredient of AMERICA 2000, which called for creation of a privately funded **New American Schools Development Corporation** (NASDC) to design model schools, and for Federal support for creation of over 535 New American schools. NASDC, a private, nonprofit organization, is in the process of attempting to raise between \$150 and \$200 million privately. It recently awarded grants to 11 research and development teams for an initial 12-month effort to develop the designs for New American schools. According to the NASDC's original plans, the designs with the best prospect for success will be eligible for additional multi-year support for testing and implementation, and for dissemination among communities nationwide.

The conference version of S. 2 would have combined support for State level, and to a lesser extent LEA level, systemic reform with a focus of most funds on competitive restructuring grants for individual schools. While all of a State's funds could be used for statewide systemic reform in the first year that the State



receives a grant, beginning with the second year, at least 68 percent (72 percent in succeeding years) of each State's funds would have to be used in individual public schools, with funds controlled by staff in those schools.

### School Choice

The role of school choice generated substantial controversy in the 102d Congress' deliberations on education reform.<sup>9</sup> Supporters assert that empowering parents to choose their children's schools will be an important accountability tool leading to: change in public education bureaucracies; increased parental attention to, and involvement in, their children's education; and greater educational equity for families that currently lack the economic resources to enroll children in private schools. Further, choice is viewed as a logical complement to site-based management, a popular education reform in which schools are more fully in the direct control of principals and teachers. According to advocates, site-based management will create healthy differences among schools; choice will enable parents to select among different schools. Some proponents also posit that providing choice among public **and** private schools is important to ensure that participants enjoy the same range of choices available to affluent families, and that the educational strengths of the private sector are more broadly accessible.

Opposition to choice arises partly from concern that educational equity will suffer. Without careful attention to issues such as information dissemination, public financing of transportation, and monitoring of the effects of choice, it is argued that choice may lead to greater segregation of pupils by race, ethnicity, and income. Further, opponents assert that attention to choice deflects resources from more fundamental issues such as school finance equity and improving the quality of all schools. The possible inclusion of private schools within a publicly funded choice program prompts concern from those who argue that this will siphon resources from public schools, rendering them incapable of responding to the challenges of choice, and that such a program might violate the establishment of religion clause of the First Amendment.

Choice programs, both current and proposed, come in various shapes and sizes. If choice is defined **broadly**, over half of the States have implemented some kind of choice program. At the Federal level, school choice was part of several legislative proposals during the 102d Congress. AMERICA 2000 would have authorized Federal assistance to choice programs open to public and private schools. During the second session of the 102d Congress, President Bush proposed a new school choice program for middle- and low-income families,

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<sup>9</sup>For further information, see U.S. Library of Congress. Congressional Research Service. *School Choice: Status and Issues*. CRS Report for Congress No. 92-55 EPW, by James B. Stedman. Washington, 1992; and U.S. Library of Congress. Congressional Research Service. *Choice Programs and State Constitutions: The Inclusion of Sectarian Schools*. CRS Report for Congress No. 92-260 A, by David M. Ackerman. Washington, 1992.

the Federal Grants for State and Local "GI Bills" for Children Act (introduced in the 102d Congress as H.R. 5664/S. 3010).<sup>10</sup>

The conference version of S. 2 had no explicit school choice related provisions. As is discussed below in the separate section on S. 2, whether to include choice in the reform legislation was a matter of substantial debate.

### **More Resources for High Need Schools**

Another strategy considered by the 102d Congress to help meet the National Education Goals emphasizes the need for additional resources felt by many schools and LEAs serving high need pupils, such as those from poverty families or with limited English proficiency. This approach emphasized the substantial degree of disparity in revenues and resources per pupil that exists among LEAs in most States, as well as among the States. In many cases, these disparities are currently being amplified by State and local budget cuts resulting from the sluggish national economy, with declining sales and property tax revenues. The expenditure inequality issue is currently being addressed by the courts or legislatures in at least half of the States, but some feel that Federal involvement is important as well, especially with respect to interstate disparities.<sup>11</sup> Others argue that while strategies such as systemic reform are appropriate, they are inadequate without providing substantial additional resources to many LEAs so that they might be able to implement State and local reform plans.

The conference version of S. 2 included several provisions specifically focusing resources or attention on schools and school systems with high needs. In the second year of the State grant program under the Neighborhood Schools Improvement Act, a substantial portion of State funds would have had to be awarded to LEAs with above average numbers or percentages of low-income children. Further, S. 2 called for the collection of data on LEA revenues,

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<sup>10</sup>Under this proposal, Federal "scholarships" of \$1,000 would have been available to meet educational expenses at public and private schools, including religious schools. The proposed FY 1993 funding level was \$500 million, with such sums as may be necessary authorized for the period FY 1994 through FY 2000. Federal scholarship assistance was first to be used to pay tuition and fees, and costs of attendance (if parents choose to do so); second, to pay for up to \$500 for supplementary academic services (if parents choose to do so); and, third, if the enrolling school were a public institution, to support its educational program, or, if the enrolling school were private, to be used to make new scholarship awards to other students. The proposal would also have required that the Elementary and Secondary Education Act's chapter 1 program of education for disadvantaged continue to serve students who would have received services in the absence of a funded choice program. To receive Federal funds, a school or provider of academic services would have had to comply with designated anti-discrimination statutes, under new regulations issued by the Secretary of Education to reflect the purposes of the proposed legislation and the missions of participating schools.

<sup>11</sup>For more information on school finance issues and developments, see U.S. Library of Congress. Congressional Research Service. *Expenditures in Public School Districts: Why Do They Differ?* CRS Report for Congress No. 90-322 EPW, by Wayne C. Riddle. Washington, 1990.



expenditures, and pupils served, and a national study of the equity of States' school finance systems.<sup>12</sup>

### **Deregulation**

In recent years, the NGA and other groups have called for conditional deregulation of Federal, as well as State and local, elementary and secondary education assistance programs. This concept involves waiving one or more program regulations in return for some form of additional accountability, usually stated in terms of pupil outcomes. AMERICA 2000 legislation proposed a broad authority for conditional deregulation of Federal elementary and secondary education assistance programs. Similar legislation with respect to State regulations has been adopted by some States.

The conference version of S. 2 would have authorized the waiver of a variety of Federal education and related program regulations in up to 75 schools, that could be located in as many as 20 LEAs, in each of a maximum of 10 States. In return, new forms of accountability based on program outcomes would have to have been proposed by participating LEAs and States. A number of civil rights and related regulations would not have been eligible for waiver.

Grantees under most Federal education programs are already provided with substantial flexibility in the use of aid. The specific complaints most frequently made against Federal education program regulations by proponents of conditional deregulation appear to be based on prohibitions against combining funds under different Federal programs with each other or with State and local programs; restrictions on the uses of instructional equipment, staff, or services purchased with Federal program funds; and, more broadly, a "narrowly categorical" approach to both programs and pupils that is said to characterize Federal programs.<sup>13</sup>

### **Rewards and Sanctions**

An educational reform strategy that emerged in the 1980s in various States is that of providing rewards for educational improvement. Reward systems have often been coupled with sanctions against schools or school systems that fail to improve. One of the most prominent approaches to providing rewards is the merit schools grant concept, under which additional funds are directed to

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<sup>12</sup>In related action during the 102d Congress, the House Subcommittee on Elementary, Secondary and Vocational Education held hearings on a series of bills intended to address the issue of the need for additional resources by high need schools and LEAs. These bills included H.R. 3548, the Incentives for Educational Excellence Act, introduced by Representative Mink; H.R. 1669, the Urban Schools of America Act, introduced by former Representative Gray; and H.R. 2819, the Rural Schools of America Act, introduced by Representative Perkins.

<sup>13</sup>For additional information on this topic, see U.S. Library of Congress. Congressional Research Service. *Conditional Deregulation of Federal Elementary and Secondary Education Programs: The AMERICA 2000 Proposal*. CRS Report for Congress No. 91-531 EPW, by Wayne Clifton Riddle. Washington, 1991.

especially successful schools.<sup>14</sup> Rewards have been related to deregulation (discussed above) in some reform efforts, where reduction in rules and regulations is tied to improved academic performance by schools or school systems. The discussion below focuses on the merit schools grant concept because it is the approach that has been most extensively considered by the Congress. Merit school grants were included in President Bush's AMERICA 2000 proposal, as well as in several versions of congressional legislation in the 101st and 102d Congresses.

The merit schools strategy is based on an assumption that school staff and pupils will respond to financial incentives for increased performance, however that performance is defined. Evidence to either substantiate or refute this assumption is limited, mainly because such incentives have only recently been used in elementary and secondary education, and only in very limited locations and circumstances.

Another issue raised regarding merit schools awards is the extent to which differences among schools and schools systems are taken into account in the reward process. Many educators and policymakers have asserted that variations in the pupil population served by different schools, the mobility of those pupils, and the resources available to schools should influence the distribution of rewards. That is, a merit schools grant program should not simply reward those already advantaged. A simple, but rough way to adjust for variations in pupil characteristics and school resources is to base awards on **improvement** in achievement, not on some absolute level of achievement. Other concerns include restrictions on the use of funds (most programs and proposals include none); the fairness of the criteria by which schools would be judged; and whether private schools may be included in the competition.

As already noted, some view sanctions against unsuccessful schools as a complement to merit schools programs. In several States, unsuccessful schools or LEAs face the possibility of greater State involvement in their operations, leading to increased regulation or monitoring, technical assistance, and even State takeover in extreme cases. In a related development, the program improvement provisions of the program for disadvantaged children under Chapter 1, Title I of the Elementary and Secondary Education Act (ESEA) has stimulated State action to identify unsuccessful schools and to improve their performance through increased technical assistance. However, several concerns have arisen with respect to the implementation of these chapter 1 provisions, especially that school performance is measured with relatively narrow and crude tests; that State standards for "adequate" performance are set too low; and that little technical or financial assistance is available to the schools identified as being "unsuccessful."

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<sup>14</sup>U.S. Library of Congress. Congressional Research Service. *Merit Grants to Schools Based on Performance: The AMERICA 2000 Proposal*. CRS Report for Congress No. 91-612 EPW, by Wayne Clifton Riddle. Washington, 1991.

## OVERVIEW OF THE CONFERENCE VERSION OF S. 2

Significant congressional debate related to the National Education Goals has occurred over the past 4 years. The 101st Congress developed legislation authorizing an extensive array of initiatives which did not pass. A similar fate befell the legislative proposals considered by the 102d Congress. As has been noted, its primary legislative vehicle was S. 2, Neighborhood Schools Improvement Act. Analysis of the provisions of this bill as it emerged from Conference Committee provides insight into the issues considered by the Congress and how they were resolved, at least in this bill.

Debate during legislative consideration of S. 2 centered on certain issues, among them:

- funding of school choice;
- support for assessments;
- development of school delivery standards;
- school restructuring versus systemwide reform at the school district level;
- support for New American Schools; and
- regulatory flexibility demonstrations.

### *Summary of Conference Issues*

What were the different positions on these issues that went into the Conference and how they were dealt with? The conference version of S. 2 included no school choice language, but did contain language stating that, with narrowly defined exceptions involving information dissemination and teacher training, none of the funds were "to directly or indirectly benefit any school other than a public school." The Senate version of the bill authorized support for public school choice; an amendment was offered on the Senate floor to include a private school choice program in S. 2, but this was rejected. The House passed version of S. 2 had no choice provisions. An earlier bill, H.R. 3320, reported by the House Education and Labor Committee, would have authorized LEAs to use Federal funds for choice programs to the extent such programs were permitted by State law and constitution.

The conference version supported development of model assessments only in mathematics and science; it did not support creation of a national, voluntary system of assessments (for recommendations regarding such a system, see discussion above on standards and assessments). The Senate version of S. 2 supported the latter; the House version supported development of model assessments.

As is discussed further below, school delivery standards were included in the conference version of the legislation. Such standards were a major component of the House legislation, but were not part of the Senate version. It was argued, by proponents of these standards, that equity required students to have an opportunity to learn the curriculum based on the new standards, **before** their performance was assessed and especially **before** any actions were taken based on those results. The House version and conference version of S. 2 required development of these standards on a national basis. Although NCEST had called for creation of such standards, it was to be left to the States.

At issue between the House and Senate versions of the legislation was whether the primary focus of sub-State grants should be on development and implementation of districtwide reform, or on support for restructuring activities by individual schools. The House version emphasized the former; the Senate focused on the latter. As is delineated below, the conference version provided for sub-State grants to local school districts, most of which would have had to be passed on to individual schools for restructuring activities.

New American Schools, a component of AMERICA 2000, could have been supported at the State level under the Senate version of the legislation; such support would have been an option at the local level under the House version. Nevertheless, the conference version included no reference to New American Schools.

Finally, both versions of S. 2 would have provided for waivers of some Federal education and related program regulations in a limited number of schools or school districts. The conference version largely followed the House legislation, allowing waivers to be granted in up to 75 schools in each of a maximum of 10 States.

### ***Major Provisions of S. 2<sup>15</sup>***

***Goals, Standards, and Assessment.*** Title I of S. 2, as reported from conference, would have codified the six National Education Goals, adding language regarding steps that the Federal Government should take to help achieve them.

Title II of S. 2 would have authorized a new Title VIII for ESEA. Part A of the new Title VIII would have authorized a reconfigured National Education Goals Panel with 18 voting members, including 2 appointed by the President, 8 Governors (3 from the same political party as the President), 4 Members of Congress, and 4 members of State legislatures, appointed by the National Conference of State Legislatures. The Goals Panel would have been charged with establishing procedures for development of voluntary national curriculum

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<sup>15</sup>For more detailed information on the separate House and Senate versions of S. 2 and companion legislation, see U.S. Library of Congress. Congressional Research Service. *The Neighborhood Schools Improvement Act: A Comparison of S. 2 and H.R. 4323*. CRS Report for Congress No. 92-604 EPW, by Wayne C. Riddle and James B. Stedman. Washington, 1992.

content standards and national school delivery standards; recommending to the Secretary the entities to receive funding to develop such standards as well as model mathematics and science assessments; certifying the standards; selecting indicators to measure progress toward the National Education Goals; and issuing an annual report card on such progress. The broad parameters of the procedure for developing the content and delivery standards would have been delineated in the law. School delivery standards would have been defined as "the criteria for, and means of assessing, the resources, practices, and conditions necessary . . . to provide all students with an opportunity to learn the material in . . . the voluntary national content standards . . . ."

A 15-member National Education Standards and Assessments Council (NESAC) would have been established to develop criteria, review, and make recommendations to NEGP regarding national content standards; to make recommendations to the Panel concerning organizations to receive grants for development of content and school delivery standards; and to develop criteria and make recommendations to the Secretary of Education regarding the development of model mathematics and science assessments. The composition of NESAC would have been: one-third educators, one-third members of the general public, and one-third persons with expertise in assessment, content standards, and curriculum design.

The Dwight D. Eisenhower Mathematics and Science Education Act (Title II, Part A of the ESEA) would have been modified to authorize the Secretary of Education to make grants for the development of model assessments of pupil achievement in mathematics and science. The Secretary would have been required to consult with the NEGP and NESAC before making these grants. There was no provision for certification of these model assessments by the NEGP, NESAC, or other body. The conference version of S. 2 would also have directed the Office of Technology Assessment (OTA) to conduct a study of the appropriate uses of a system of educational assessment.

***Systemic Reform and School Restructuring.*** Under the conference version, part B of the new title VIII would have authorized the Neighborhood Schools Improvement Program Act to provide formula grant assistance to States for systemwide reform. Participating States would have been required, through broad-based State-level panels along with State education agencies (SEAs), to:

- establish State education goals to complement the National Education Goals;
- develop curricular frameworks and identify relevant instructional materials;
- adopt school delivery standards;
- establish valid, reliable, and fair assessment systems;

- provide for professional development for teachers and school leaders;
- describe methods of coordinating health and social services with education;
- describe State efforts to provide remedial assistance where needed; and
- develop a strategy for use of educational technology.

States would have been eligible to apply for a waiver of these requirements if they had previously developed a similar systemic reform plan.

Beginning with the second year of the program, at least 80 percent of each State's funds would have been distributed to LEAs, on a competitive basis, with at least 50 percent of these funds going to LEAs with a number or percentage of poor school-age children above the State average, including a grant to the LEA with the greatest number of such poor children. An LEA would have to have established a broadly representative committee to develop a local education reform plan. Such plan would have had to incorporate school restructuring proposals of individual schools as well as initiatives for LEA-wide systemic reform. As with State plans, the LEA plan requirements would have been eligible for waiver if similar plans had already been developed. The plan would have had to be submitted to the LEA for approval. In the first year that an LEA received a grant, at least 85 percent of the funds would have to have been used for restructuring of individual public schools, selected on a competitive basis; in succeeding years, this minimum would have risen to 90 percent.

School restructuring would have incorporated a variety of activities, including (but not limited to) early childhood education, school-based management, professional and staff development, parental education and involvement, expanded use of educational technology, alternative programs for school dropouts, and class size reduction programs. States would have been permitted to conduct a separate competition for planning grants to LEAs.

The Federal share of program costs would have been 100 percent for the first 3 years, declining to 90 percent for the fourth year, 80 percent for the fifth, and 70 percent for the sixth and succeeding years. Information about State plans would have been made available to private schools, and private school teachers would have been allowed to participate in professional development activities funded under this program.

The authorized appropriations level would have been \$800 million for FY 1993, and "such sums as may be necessary" for the period of FY 1994 through FY 2001. One-half of appropriated funds would have been allocated among the



States in proportion to their grants under chapter 1, title I, ESEA,<sup>16</sup> and one-half in proportion to grants under the chapter 2 education block grant, title I, ESEA.<sup>17</sup>

**Regulatory Flexibility.** Part C of the new title VIII would have authorized a demonstration program of regulatory flexibility involving not more than 10 States and a maximum of 75 schools in 20 LEAs of each participating State. The authority would have permitted waiver or modification of Federal and State requirements for selected programs in four categories:

- preschool programs for disadvantaged children;
- elementary and secondary programs for disadvantaged students;
- social, health, and nutrition programs for disadvantaged students; and
- school lunch and breakfast programs.

Deregulation activity would have been required to improve services to disadvantaged children; eligible schools would have been limited to those participating in the chapter 1 program. Waivers could not have been granted for identified civil rights statutes, and all waiver authority would have terminated at the end of FY 1997. The Secretary of Education would have been required to contract with the National Academy of Education for an evaluation of the effects of the regulatory waivers.

**Other Provisions.** An amendment to the General Education Provisions Act (GEPA) would have required States receiving Federal aid to provide ED with a variety of information, on an LEA-by-LEA basis, about their school finance programs; and to modify existing requirements to collect data on the recipients of Federal education assistance funds. ED would have contracted with the National Academy of Sciences to conduct a study of the equity of those State school finance programs.

S. 2 would also have amended GEPA to authorize the NAEP to conduct trial State-level assessments in 1994. It would have amended the Carl D. Perkins Vocational and Applied Technology Education Act to authorize an SEA or a consortium of SEAs to use NAEP items and data to evaluate a vocational education course of study; and to modify provisions for the National Occupational Information Coordinating Committee.

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<sup>16</sup>This portion of the funding would have been allocated to States in proportion to their population aged 5-17 years of age in poor families, modified by a "cost factor" based on the State average expenditure per pupil for public elementary and secondary education, with a State minimum of approximately .25 percent.

<sup>17</sup>This portion of the funding would have been allocated to States in proportion to their total population 5-17 years of age, with a State minimum of .5 percent.

S. 2 would also have authorized studies of Parents as Teachers programs, modeled after the program initiated by the State of Missouri in which new parents can receive support services to help address children's needs in their early years. S. 2 would also have established a national commission to study values education.

### **AMERICA 2000<sup>18</sup>**

President Bush's strategy for achieving the National Education Goals, AMERICA 2000, had four components:

- reform of existing schools;
- development of new kinds of schools;
- enhancement of workers' skills; and
- mobilization of 535 or more communities behind the strategy.

Bills to implement this strategy were introduced in the 102d Congress (H.R. 2460, S. 1141), but were not acted upon.

Reform of existing schools was to be accomplished in different ways, including the following:

- defining "New World Standards" to be achieved by students in certain core subject areas;
- establishing a voluntary, national system of achievement tests;
- using report cards to measure the academic performance of schools, school districts, States, and the Nation;
- adopting school choice programs;
- rewarding individual schools making significant progress in achieving the National Education Goals; and
- establishing academies for teachers and school leaders in every State to improve their skills.

The President's strategy was debated on a number of points, including the assessment of educational performance, the levels of government having responsibility for funding, breadth of its coverage of the National Education Goals, and the prominence of school choice. AMERICA 2000 called for a substantial degree of performance assessment, not only of students, but of

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<sup>18</sup>For a discussion of the AMERICA 2000 proposal, see U.S. Library of Congress. *AMERICA 2000: The President's Education Strategy*. CRS Report for Congress No. 91-430, by James B. Stedman. Washington, 1991.



schools, districts, and States. The majority of the activity was to be undertaken by State and local governments and the private sector; much of the funding also appeared to be their responsibility. For example, the basic research and development underlying the strategy, in particular the creation of the New American Schools, would be supported by the private sector.

The strategy was not specifically and directly addressed to each Goal. Goals with relatively little attention in the strategy included school readiness and the elimination of drug abuse and violence in schools. Finally, as discussed above, the prominent role of school choice in the strategy, particularly the inclusion of private schools in the proposed choice programs, sparked debate within Congress.

### 103d CONGRESS AND THE GOALS

The 103d Congress may well revisit many of these issues. The two overarching issues presented at outset of this report--identifying reform strategies most likely to achieve the Goals, and shaping the appropriate Federal and congressional roles--have not been fully answered. S. 2 clearly focused on setting goals, developing curriculum content standards and school delivery standards, moving toward national assessments, deregulating on a relatively narrow basis, and supporting an amalgam of statewide systemic reform with restructuring of individual schools. Further, by authorizing Federal funds for these activities, S. 2 would have moved the Congress into a more central role in these reform efforts. **But**, the failure to enact S. 2 leaves these issues unresolved.

The level of attention given to S. 2 by the 102d Congress suggests, by itself, that there is some possibility of continued interest in this activity. Perhaps more importantly, there are a number of other factors that are very likely to foster renewed debate on these issues. Several of these are considered below.

As was noted earlier, **national curriculum standards** are being developed in all of the major subject areas and a number are likely to be released to the Nation during the next 2 years. Nearly all of these have been financed, in part, with Federal funds. As these standards emerge, the Congress may be called upon to support their dissemination and application. It is certainly likely that the Congress will debate what impact these standards will have on educational opportunity and educational reform.

Annual reports on progress toward the National Education Goals, issued by **NEGP**, may possibly raise issues to which the 103d Congress will want to respond. Further, **NEGP** has announced plans to create a **NESAC** to work on certification of standards and assessments, without waiting for explicit statutory authorization to do this. This effort may also spark congressional interest.

Perhaps most significant among these various factors is the fact that the 103d Congress has the task of **reauthorizing the ESEA**.<sup>19</sup> Work on reauthorizing this broad package of Federal elementary and secondary education programs may focus the 103d Congress on a number of the reform strategies considered previously by the 102d Congress. For example, one of the key reauthorization issues for the multi-billion dollar Chapter 1 program is the level and nature of assessments required by the authorizing statute. The 103d Congress may consider how chapter 1 assessments are, or should be, integrated with assessments being developed at the State and national levels in line with State and national curriculum content standards. Further, chapter 2 of the ESEA has, for several years, been a major source of Federal support for locally initiated school reform. The 103d Congress may seek to target that program more fully on current reform strategies. In addition, the ESEA authorizes the Eisenhower Mathematics and Science Education Act. ED has awarded national program grant funds under the Eisenhower Act in support of the development of science education standards. The 103d Congress may consider whether this is an appropriate use of these funds and, if so, whether it should be expanded.

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<sup>19</sup>There is a forthcoming CRS issue brief on the reauthorization of the ESEA.