



ALLIANCE FOR  
EXCELLENT EDUCATION

# Straight A's:

An Update on Public Education:  
Policy and Progress

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## NATION MARKS FIRST ANNIVERSARY OF THE NO CHILD LEFT BEHIND ACT: States Grapple with Funding and Requirements

On January 8, First Lady Laura Bush, U.S. Secretary of Education Rod Paige, and eight principals from across the country joined President Bush in celebrating the first anniversary of the signing of the *No Child Left Behind Act*. The event lacked the bipartisanship of last year as Democratic lawmakers chose not to attend and instead held a separate event, criticizing the President for a failure to adequately fund the law. Meanwhile, a new report by the Center on Education Policy suggests that funding shortages and federal delays in issuing guidelines threaten to derail the Act's goal of improving the academic performance of every student and every school.

The report, *From the Capital to the Classroom*, found that states remain committed to the law and have made significant progress in complying with testing and accountability mandates. However, they still face formidable challenges over the next few years as new requirements increase and as budget woes potentially constrict federal and state funding for schools.

In its Jan. 8 issue, *Education Week* provided a 50-state snapshot of budget shortfalls, which are quite daunting in some states. In California, for instance, the state legislature is trying to deal with a budget shortfall that could total as much as \$30 billion over the next year and a half. Nationally, states could face an estimated \$40 billion total shortfall in current year revenue and a projected \$60 billion total shortfall for the next budget year.

Thus far, states have been hesitant to reduce education spending, relying instead on rainy day funds or reduced spending in other programs, but this year could be different. The National Governors' Association has asked for funding assistance from the federal government to fund programs such as Medicaid and the testing and accountability requirements found in *No Child Left Behind*. Those calls for help have remained unanswered. The President's economic package includes no money for states.

The Center on Education Policy report, *From the Capital to the Classroom* is available at: [http://www.cep-dc.org/pubs/nclb\\_full\\_report\\_jan2003/nclb\\_full\\_report\\_jan2003.pdf](http://www.cep-dc.org/pubs/nclb_full_report_jan2003/nclb_full_report_jan2003.pdf)

The *Education Week* 50-State Budget Snapshot is available at:  
<http://www.edweek.org/ew/ewstory.cfm?slug=16crunch-c1.h22>



## CONGRESS STRUGGLES UNDER TIGHT FEDERAL SPENDING LIMITS: Size of Education Investment At Stake

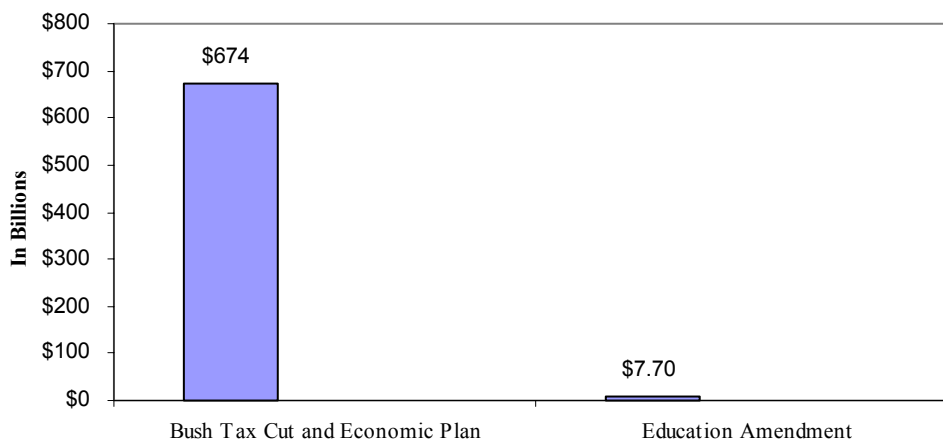
As the new Congress settles into town, its first order of business is finishing the leftover appropriations bills that remain from last year. However, much like last year, members of Congress still find it difficult to adhere to President's budget constraints for fiscal 2003.

In the House of Representatives, **Labor-HHS-Education Appropriations Subcommittee Chairman Ralph Regula (R-OH)** introduced a bill that complies with the President's level by reducing the President's increases for Title I and special education. In the Senate, **Senate Appropriations Committee Chairman Ted Stevens (R-AK)** met the overall White House targets, but was able to include a \$1.7 billion increase for education by introducing a bill that cut several homeland security accounts as well as some education programs under *No Child Left Behind*.

In an effort to keep the promise to fully fund the *No Child Left Behind Act*, **Sens. Tom Harkin (D-IA), Edward Kennedy (D-MA), and Joseph Lieberman (D-CT)** were joined by 40 of their Democratic colleagues in asking President Bush to support their amendment to increase education spending by \$7.7 billion over last year. Such an increase would match the funding increase for education that Congress and President Bush agreed to in 2001. The amendment was offered to the omnibus spending bill for 2003 but failed by a vote of 51 to 46. **Sen. Zell Miller (D-GA)** was the only Democratic Senator who voted against the amendment.

However, the Senate did approve an amendment offered by **Senator Judd Gregg (R-NH)** that provided a \$5 billion increase education funding by a vote of 52 to 45. The Gregg amendment is paid for by making an across-the-board cut of 1.3 percent for all programs in the omnibus bill, including education. The overall education increase, after the Gregg amendment, is about \$5.2 billion (including Stevens increase).

**The Federal Government Goes Shopping: Price Tags of Selected Proposals**



## **President Bush Proposes \$674 Billion Economic Package**

While Congress negotiates final spending levels for fiscal 2003, President Bush is preparing for the release of his fiscal 2004 budget on Feb. 3. Many experts agree that the President's proposed budget for fiscal 2004 will reflect a new, wartime path that will likely freeze domestic spending, including education, while providing increases for homeland security and defense spending. Although the President announced in his radio address on Jan. 4 that he would increase Title I funds by \$1 billion, that increase may come at the expense of other education programs.

In addition to homeland security and defense spending, another key issue for President Bush is his 10-year, \$674 billion economic plan. Democrats, and even some Republicans were quick to balk at the size of the President's proposal and portray it as another tax cut overwhelmingly skewed toward the rich. **Sen. Joseph Lieberman (D-CT)**, who recently joined others in announcing his candidacy for the Democratic presidential nomination, challenged the true intent of the Bush economic plan: "President Bush hasn't proposed a stimulus plan. Instead, he has put forward an irresponsible, ineffective, ideologically driven wish list."

Many private-sector budget forecasters have said that the President's economic plan combined with a war with Iraq could push the federal budget deficit to \$350 billion or more, which, in sheer dollar terms would dwarf the \$290 billion record set in the last year of President George H.W. Bush's Administration. Taken with the \$1.35 trillion tax cut, the current \$674 billion economic package means that the President has proposed more than \$2 trillion in tax breaks during his two years in the White House.

A study by The Brookings Institution found that the top 1 percent of Americans, those with incomes of \$317,000 or more, would get 28.3 percent of Bush's tax cut, an average benefit of \$24,428, or a 3.5 percent increase in income. The 20 percent of Americans in the middle, those earning \$21,000 to \$38,000, would get 6.1 percent of the benefit of Bush's plan, an average benefit of \$265 or an increase in income of 0.9 percent.

In a speech at a company in Alexandria, Va., President Bush argued that his economic plan would provide substantial benefits for small businesses and moderate-income families: "You hear a lot of talk in Washington, of course, that this benefits so-and-so or this benefits this, the kind of the class warfare of politics," he said. "Let me just give you the facts that, under this plan, a family of four with an income of \$40,000 will receive a 96 percent reduction in federal income taxes."

The complete report by The Brookings Institution is available at:  
<http://www.brook.edu/views/papers/gale/20030109.htm>

This newsletter contains a one-page insert done by OMB Watch that takes a closer look at the President's proposed economic plan as well as two alternatives. The complete chart along with further analysis, is available from OMB Watch at:  
<http://www.ombwatch.org/article/articleprint/1244/-1/95/>



## WHITE HOUSE CREATES NEW TASK FORCE FOR DISADVANTAGED YOUTH

Last month President Bush created a White House Task Force for Disadvantaged Youth. Bush charged the task force with developing a comprehensive federal response to the problems of youth failure, with a focus on enhanced agency accountability and effectiveness. The task force is composed of various Cabinet secretaries, including **U.S. Secretary of Education Rod Paige**, as well as **Attorney General John Ashcroft** and the **Director of the USA Freedom Corps John Bridgeland**.

In his executive order, President Bush asked the task force to submit a preliminary report no later than April 30, 2003, that evaluates the potential for expanding successful federal disadvantaged youth programs through program consolidation, redirection of resources, and elimination of ineffective programs. One key directive asks the task force to “analyze and quantify the impact of Federal efforts aimed at disadvantaged youth,” which will be “carried out consistent with [the] Administration’s implementation of performance-based budgeting.” A final report will be submitted to the President no later than Oct. 1 for his approval.

Read the entire executive order at:

<http://www.whitehouse.gov/news/releases/2002/12/20021223.html>



## NEW REPORT LAUDS COST-EFFECTIVENESS OF AFTERSCHOOL PROGRAMS: Taxpayers Would Save \$3 for Every \$1 Spent

According to a new study of a voter-approved afterschool program in California, every dollar invested in afterschool programs would save taxpayers approximately \$3 in future costs such as child care, remedial education, and criminal justice. Analysts also determined that attending an afterschool program is likely to increase a student’s earnings after high school and reduce costs to the state welfare program.

The study, conducted by the Rose Institute of State and Local Government at Claremont McKenna College, provides a cost/benefit analysis of the California ballot measure commonly known as Proposition 49, which would provide grants to elementary and middle schools for afterschool programs. When fully funded, it will provide \$433 million in additional state funds for afterschool programs, but revenues would not increase until the economy improves enough to provide the state with additional revenue to fund the program.

The complete report, *The Costs and Benefits of Afterschool Programs*, is available at: [http://rose.research.claremontmckenna.edu/publications/pdf/after\\_school.pdf](http://rose.research.claremontmckenna.edu/publications/pdf/after_school.pdf)



## **KLEIN FOCUSES ON PRINCIPAL LEADERSHIP: New York City Schools Chancellor Hands Out Grades to City Principals**

In a bold move to send a wake-up call to principals throughout New York City, Schools Chancellor Joel Klein plans to issue report cards to all of the city's 1,100 principals and to fire at least 50 of them. The report cards for elementary and middle school principals (high school principals will be rated at a later date) include a letter grade for 11 categories, including standardized math and reading test scores, suspension rates, and attendance rates. In addition, Klein plans to institute a new plan to lure top principals to low-performing schools and bring in a former business executive to train them.

Of the 1,100 principals, at least 50 are said to have received failing marks—a number in line with Klein's announcement to remove 50 poorly performing principals at the end of the school year. Since 1997, the schools chancellor had the power to remove principals with "persistent education failure," but no chancellor has ever exercised that right. Meanwhile, school principals with strong performance records will receive up to a \$75,000 bonus if they agree to work in a failing school for three years. According to *The New York Times*, Klein's plan is meant to "infuse the ranks of New York's principals with new blood, put the most experienced administrators where they are most needed, and weed out those who preside over schools plagued by low test scores, poor discipline, and other problems."

Klein is also bringing in John F. Welch Jr., the executive who turned around General Electric, to work closely with Robert E. Knowling Jr., another former corporate executive, whom Klein has hired to run a new principal-training program. The program, called the Leadership Academy, is modeled on the management-training program that Welch created for General Electric.



## **NEWMAN TO LEAVE DEPARTMENT OF EDUCATION: Former Assistant Secretary to Return to Her Research on Reading**

Last week, assistant secretary for elementary and secondary education Susan Newman announced her resignation from the U.S. Department of Education. Newman's resignation is effective Jan. 31.

In a department press release, Newman said, "It is a pleasure and an honor to have been a part of the administration, and the implementation of No Child Left Behind. However, it is now time for me to return to the academy and resume my research in reading."

"Susan Newman has been a part of a team that's worked hard to make sure we have a swift and smooth implementation of the No Child Left Behind Act," U.S. Secretary of Education Paige said in a statement accepting Newman's resignation. "It has been a very busy and intense two years, and I thank Susan for her efforts and for her service to the American people. I wish her well in her future pursuits."

Read more on Newman's resignation in *Education Week* at:  
[http://www.edweek.com/ew/ewstory.cfm?slug=18neuman\\_web2.h22](http://www.edweek.com/ew/ewstory.cfm?slug=18neuman_web2.h22)



## RHODE ISLAND TO BEGIN STATEWIDE PROGRAM TO RAISE HIGH SCHOOL GRADUATION LEVELS

After speaking with hundreds of principals and teachers, the Rhode Island Board of Regents for Elementary and Secondary Education approved a plan to transform its high schools to create smaller schools-within-schools and implement a new focus on improving the reading levels of high school students who read well below their grade level.

Beginning in September 2004, Rhode Island school districts will identify students in grades 5, 9, and 11 who perform below grade level and must provide special assistance to help students become proficient in reading and writing. In reaction to the plan, Stefanie Sanford, a senior policy officer with the Bill & Melinda Gates Foundation, told *Education Week* that such attention to high schools is long overdue: "High schools have not really been on the agenda until just recently. There has been a sense that if you fix the early grades, then you've fixed the later grades. And intuitively that sounds like it makes sense. But what we're finding is that you really do need to work hard at all levels."

Other reforms adopted under Rhode Island's plan include breaking down large high schools into schools-within-school and individual learning plans. Each child will also be assigned an adult who will follow that student through his or her high school career.

The *Education Week* article is available at:  
<http://www.edweek.org/ew/ewstory.cfm?slug=18ri.h22>

### **Los Angeles Superintendent to Tackle High School Test Scores**

After enjoying success in raising test scores in the district's elementary schools, Los Angeles school district superintendent Roy Romer has created a new initiative to boost secondary school test scores in a similar manner.

Under Romer's initiative, "Putting Students First," Los Angeles schools will be encouraged to establish small learning communities in order to personalize education for students. Romer's plan also will reconfigure the school calendar of the district's most overcrowded elementary and middle schools to increase the number of days students are in school from 163 to 180. The initiative is expected to cost \$1.6 million, which would be used to hire additional assistant principals and counselors.

### **Vallas Proposes to Reduce Class Size in Philadelphia's High Schools**

In Philadelphia, a new five-year, \$1.5 billion plan released by chief executive Paul Vallas takes significant steps to improve high school education in the city. According to *The Philadelphia Inquirer*, the plan calls for the addition of 20 high schools and major renovations to 13 other high schools. Of the 20 added high schools, 11 will be new and nine will be converted from middle schools. In addition, four under-enrolled elementary and middle schools will be closed at the end of the year. The proposed plan is to eventually phase out 20 of the city's middle schools which face low achievement and behavioral problems.

Under the plan, Vallas expects to lower the overall size of Philadelphia's high schools, some of which are as large as 3,000 students, to an average of about 800 students. The plan, which must still be approved by the School Reform Commission, will still questions about future finances but Vallas says that the district is on track to finish the fiscal year on target. "We're comfortable. We've done this before."



## EDUCATION WEEK RELEASES NEW REPORT: *Quality Counts 2003: If I Can't Learn From You, Reveals National Teacher Gap*

A new *Education Week* report finds that while states have begun implementing programs to recruit and retain qualified teachers, few efforts attempt to attract teachers to schools where their skills are needed most. *Quality Counts 2003: If I Can't Learn From You*, examines the “teacher gap” that exists between high-poverty, high-minority, and low-performing schools versus schools in more affluent areas.

According to the report, nearly one-third of students in high-poverty secondary schools, and one in four in high-minority secondary schools are taught by at least one teacher who does not have a minor, much less an academic major, in the subject he or she teaches. Meanwhile, one-fifth, an amount still unacceptable, of students in low-poverty or low-minority schools are taught by such teachers.

The report also highlights policies currently underway in the 50 states to attract, recruit, support and retain well-qualified teachers for high-needs schools and suggests ways that policymakers can develop programs and incentives to draw qualified teachers toward those districts with the greatest need.

The complete report is available at: <http://www.edweek.org/sreports/qc03/>

### Upcoming Forum on Highly Qualified Teachers

Educators will gather January 30 for *Pathways to Excellence: A Qualified Teacher for Every Student*, a discussion forum hosted by the National Board for Professional Teaching Standards and Education Week. The aim of the forum is to discuss effective strategies for providing highly qualified teachers for our nation's youth. There will also be an emphasis on how *No Child Left Behind* Act will affect the next generations of teachers.

Panelists will include Virginia Edwards of Education Week; Kati Haycock of the Education Trust; Sharon Draper, a National Board Certified Teacher; Pat Forgione, Austin Independent School District Superintendent; Lisa Graham Keegan of the Education Leaders Council; Mary Futrell of the George Washington University; and Ralph Regula (R-OH), Chairman of the House Labor-HHS-Education Appropriations Subcommittee.

For more information on the event, see the NBPTS Web site at: <http://www.nbpts.org>

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**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 non-profit 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.