



ALLIANCE FOR
EXCELLENT EDUCATION

Straight A's:

An Update on Public Education: Policy and Progress

Volume 3, No. 2: February 3, 2003



PRESIDENT BUSH ADDRESSES THE NATION: Cites *No Child Left Behind* as a Major Accomplishment, But Says Little About Future Education Investments

A little more than two minutes into his State of the Union address on Jan. 27, President Bush cited the passage of the *No Child Left Behind Act* as one of the major accomplishments of the first two years of his administration. The remainder of the President's speech focused on the agenda he believes the Congress should undertake during the current session, an agenda that would "reform domestic programs vital to our country . . . save millions of lives abroad from a terrible disease . . . work for a prosperity that is broadly shared . . . and answer every danger and every enemy that threatens the American people."

The President outlined several new initiatives included in his fiscal 2004 budget released on Feb. 3. However, with the exception of a new \$450 million initiative to bring mentors to disadvantaged junior high students whose parents are prisoners, the President shied away from education and focused more on his \$674 billion economic stimulus package, Medicare reform, a plan to bring AIDS relief to Africa and the Caribbean, homeland security, and the war on terror.



A STATE OF THE STATES ROUNDUP: For Most States Budget Shortfalls Loom Large, Education Spending in the Crosshairs

Notably absent from President Bush's State of the Union address last week was the mention of any federal relief for states—which are currently struggling to close budget shortfalls totaling at least \$67 billion. Like the federal government, state governments are feeling the effects of the downturn in the economy along with reduced tax collections and spending increases that were promised during the economic boom of the late 1990s.

However, increased spending and revenue loss are not the only factors that have placed state governments in their current economic pickle. Medicaid, a program first created as a partnership between the federal and state governments to cover health insurance for the poor, now must often cover the long-term care costs of care for the elderly, and, in some

A State of the States Roundup

(Continued from p. 1)

states, their prescription drug costs. Meanwhile, promised federal support for homeland security, election reforms, and programs contained in the *No Child Left Behind Act* is missing.

There is a growing frustration among governors. As Arkansas Gov. Mike Huckabee recently told the *Washington Post*, “I realize the federal government can’t go in and rescue everyone. It’s not all their fault, but when we hear that the government is going to bail out the airlines, to heck with the airlines. We’re providing the services that you’re supposed to be providing. Help us out.”

Over the last month, “State of the State” addresses issued by governors have reflected this belt-tightening fiscal environment. To their credit, most governors have promised not to cut education spending, choosing instead to raise cigarette, and state sales and property taxes. Here is a brief look at the current condition of education in selected states:

Arizona

Janet Napolitano, Arizona’s new governor, made improving public education her top priority in her State of the State address. Citing Arizona’s worst-in-the-nation high school dropout rate, she pledged to increase Arizona’s per-pupil expenditure. However, Arizona is currently facing a \$300 million spending gap for 2003 and a projected \$1 billion deficit in fiscal 2004. Given this environment, Napolitano faces a steep climb in the coming months. Her already tough road became more difficult after the Arizona GOP legislators released a plan to cut funding to universities, community colleges, and public schools in an effort to close the budget shortfall. According to *The Arizona Republic*, Republican lawmakers praised their plan as a way to end Arizona’s worst-ever fiscal crisis without raising taxes, overspending dwindling state revenues, or putting the state deeply into debt. Napolitano called it an unacceptable “wholesale attack on education.”

California

California’s \$35 billion budget gap dwarfs the challenges that confront many other states. In his State of the State address, Gov. Gray Davis focused on what he called “one of the toughest budgets ever created” and stressed that his most immediate priority is “jobs, jobs, and even more jobs.” In a speech several days after his State of the State message, Davis promised to protect education as much as possible, but summarized deep cuts in education programs. In addition, he announced a plan that would roll 64 state education programs into a block grant that would allow districts to choose which programs they fund. Davis hopes that school districts would use money from what they see as less beneficial programs in favor of those that have better results.

Idaho

In his State of the State address, Idaho Gov. Dirk Kempthorne offered the state's legislators a choice of raising taxes or making cuts in areas including public schools and higher education. Nevertheless, Kempthorne stressed that he would not "accept a budget that cuts education and guts the very services that Idahoans expect and deserve." He is proposing a 1½ cent increase to the state sales tax over three years in order to generate \$240 million.

Kentucky

In his State of the State address, Gov. Paul Patton promised to continue Kentucky's nationally acclaimed school improvement programs, but asked state legislators to develop a compromise with him that would address the \$500 million shortfall in the fiscal 2003 and 2004 state budgets. Calling the upcoming legislative session the most difficult he has faced, he warned that Kentucky cannot cut more money from the budget without affecting schools and other government services. He challenged the legislature and the citizens of Kentucky to decide between raising taxes or cutting expenses to existing commitments such as education, public safety, and public infrastructure.

New Jersey

Despite a \$5 billion revenue shortfall in the state budget, New Jersey Gov. James McGreevey outlined several new initiatives for education in his State of the State address. Citing recent report findings that one in eight high school classes in New Jersey is taught by teachers without even a college minor in the subjects they teach, McGreevey said the state will insist that teachers be certified in their respective subject. After previously naming literacy the top education priority in the state, McGreevey also announced that 80 schools now have reading coaches.

New York

Gov. George E. Pataki pledged sweeping reforms for education in the state of New York. Specifically, he asked for more accountability from the state's education bureaucracy. He offered few details on his plan and hinted that education may face cuts: "With the exception of public security, no segment of the budget will be exempt." Several days later, Pataki released a budget plan that did, in fact, deeply cut state funding for schools, as well as health care. In New York City alone, the plan would cut education funding by \$450 million, reducing by hundreds of millions of dollars the funds that Mayor Michael R. Bloomberg had counted on in his city budget proposal. Pataki placed the budget gap at \$11.5 billion—\$2.2 billion for this year, and \$9.3 billion for next year.

North Dakota

One of the few states in reasonably good economic shape, North Dakota nevertheless is not without its problems. While the state's fiscal situation is sound, it has struggled to attract industry and prevent the exodus of thousands of young people. In his State of the State address, Gov. John Hoeven proposed a \$100 million program that would link education and economic development to a goal of revitalizing the state. The initiative, "Smart Growth," would focus on improving education, increasing the number of high-skilled jobs, and would attempt to link schools and businesses. The plan also calls for an increase of \$1,500 for teacher salaries in both 2003 and 2004, which would raise the state's average teacher salary to \$32,000. He also sought a 7 percent raise in per-pupil expenditure and an additional \$1 million to close the funding gap between poor and affluent districts.

Mississippi

After \$79 million in spending cuts, Mississippi still faces a \$246 million deficit in the state's 2003 fiscal budget. In his State of the State address, Gov. Ronnie Musgrove presented a plan to devote greater attention to teacher quality and increase K-12 education spending by \$230 million. In order to pay for these increases, new taxes on casino gambling and cigarettes are currently being considered.

Oregon

While newly elected Oregon Gov. Ted Kulongoski has yet to give a State of the State address, he has certainly had plenty to talk about during his first month in office. On Jan. 28, Oregon voters rejected Measure 28, a three-year tax increase to help pay off the state's \$1.5 billion shortfall over the next two years. Passage would have prevented big cuts in education, public safety, and social services. Now officials must consider spending cuts to remedy a budget shortfall that remains even after \$300 million in cuts for fiscal 2003. Cuts will likely include a 20 percent layoff of Oregon State Police employees and dropping 24 days—instead of 15—from the second semester of Portland Public Schools. In recent weeks, Portland students have taken to the streets to protest the shortened year (photo and article at: <http://www.edweek.org/ew/vol-22/16thiswk.htm>).

Kulongoski, who supported Measure 28, has said he would not seek new taxes if it failed. In a statement after the measure's defeat, the governor said, "Measure 28 was a short-term fix to a long-term problem. We need to face up to the fact that Oregon is in a recession and our tax structure is such that when the economy takes a downturn, state services take a hit."

Virginia

"We have made too much progress to retreat from our commitment to public schools. So let me be clear: If you send me a budget that cuts funding for education, I will not sign it." So said Gov. Mark Warner in his State of the State address. In light of Warner's strong stand on education funding, he and the Virginia General Assembly will likely have a very difficult time closing Virginia's \$2.1 billion shortfall. Warner has proposed a \$65

million increase in the state's K-12 education budget and urged state lawmakers to consider ending the state's recently enacted plan to eliminate the property tax on automobiles. Warner also indicated that other tax increases may follow.

Washington

Despite a \$2.4 billion budget deficit, Washington Gov. Gary Locke maintained in his State of the State address that education remains his highest priority: "We are committed to building a world-class education system. . . and [protecting] the core of public education even as we make deep and painful budget cuts in other areas." The governor also stressed the importance of closing the gap between white and minority students and promised his support for a constitutional amendment that would allow school levies to be passed by a simple majority of voters.

West Virginia

West Virginia Gov. Bob Wise promised to protect K-12 education programs from the \$200 million in spending cuts he is proposing for the 2004 budget. "Education is still the centerpiece of our economic-development plan and still the key to our future," he said.

A page of links to each state governor's State of the State address can be found on the Alliance Web site at: <http://www.all4ed.org/stateaddresses.html>



TEXAS TO STUDY COST OF AN ADEQUATE EDUCATION: Only Maryland, Ohio, and Wyoming Use an "Adequate" Amount to Fund Schools

The state of Texas is the latest state to commission consultants John Augenblick and John Meyers to determine how much it would cost the state to provide students with an "adequate education." While Augenblick and Meyers have identified an adequate spending level per pupil in several states in recent years, only Maryland, Ohio, and Wyoming actually use an "*adequate*" dollar amount to fund their schools.

Currently, Texas uses what opponents call a "Robin Hood" system. Property taxes from affluent districts are distributed among poorer districts in an effort to fund all public schools *equally*. Moves from such equity-based to adequacy-based systems are growing more popular in the United States. This approach allows questions about discrepancies among school districts to center on what resources are needed to provide an adequate education (high-quality teachers, small class size, etc.) and whether they are available, rather than equal funding formulas based on property taxes.

Proponents of an adequacy-based system argue that a clearly defined "adequate" dollar amount would guarantee that all schools have enough money to provide the necessary resources, without taking local revenue from wealthy districts. However, critics of the

Texas to Study Cost of an Adequate Education

(Continued from p. 5)

study argue that it is merely a stalling mechanism to delay reforming the flawed Robin Hood system. Another concern is likely to emerge once the study defines an adequate dollar amount: How can Texas afford to pay for what will likely be an increase over its currently estimated \$6,800 per pupil expense, especially when facing a \$9.9 billion budget shortfall?

To read more on the adequacy/equity debate, read *Education Adequacy, Democracy and the Courts* by Michael A. Rebell, executive director and counsel of the Campaign for Fiscal Equity, Inc. at: <http://www.accessednetwork.org/resources/EDUADEQ.PDF>



SEN. DASCHLE RELEASES DEMOCRATIC ECONOMIC PLAN: Plan Includes \$6 Billion for States to Implement *No Child Left Behind*

After dubbing President Bush's economic plan the "Leave No Millionaire Behind Act," **Senate Minority Leader Tom Daschle (D-ND)**, released a stimulus plan that he hopes Democrats can rally around as an alternative to the President's plan. Adding Daschle's plan to the mix brings the current total of Democratic economic plans to five, a number that will grow when the three Democratic senators vying for their party's presidential nomination release their own plans.

The *Washington Post* had this to say of the Democrats' situation: "Even though the plans are similar in many respects, the sheer number of them causes Democrats to appear to have more ideas than focus. That puts them at a disadvantage in articulating a clear alternative to President Bush's plan to speed up income tax cuts and stop taxing dividends."

Daschle's plan, which has a 2003 cost of \$141 billion, would send \$23 billion in aid to states. Of that, \$6 billion would be specifically targeted to "keep the promise of *No Child Left Behind*." According to his press release, Daschle's plan would fully fund the major programs in the *No Child Left Behind Act*. It "will ensure that every classroom is led by a highly qualified teacher; fund after-school and summer school programs to keep kids safe when they are out of school; and fund programs to help rural schools address their unique challenges." If combined with the additional \$6.65 billion increase for education included in the Senate-passed version of the omnibus spending bill, the \$6 billion in Daschle's economic passage would make a significant contribution for programs included in the *No Child Left Behind Act*.

More on Daschle's economic plan is available on his Web site at:
<http://daschle.senate.gov/~daschle/pressroom/releases/03/01/2003124959.html>



SALLIE MAE TACKLES FINANCIAL AID FOR COLLEGE: New Report Says Students with the Greatest Need Receive the Least

According to a recent Harris Poll, students who need the most financial assistance to pay for college and have the best chance of getting it are the students who are least likely to know how or where to find that assistance. In reaction to the survey, Sallie Mae, a leading provider of education loans, announced the launch of a new three-year \$15 million awareness campaign to increase understanding of the student financial aid process among disadvantaged students.

The survey found that 66 percent of African-American and Hispanic parents said that they do not have enough information about how to pay for college. Meanwhile, 44 percent of white parents said they lacked the same information. The poll also showed that more than 66 percent of parents with incomes under \$25,000 could not identify basic sources of financial aid such as grants, loans, or scholarships. It also revealed that many parents misjudge tuition costs by as much as 50 percent in either direction. This lack of information often leads many black, Hispanic, and low-income students to give up on their dream of attending college.

Sallie Mae's "Project Access" awareness plan will consist of financial aid workshops to be given around the country to students and parents, as well as toll-free telephone assistance, and a half-hour television program called "Paying for College" that is scheduled to air three times this spring in at least seven U.S. television markets.

Read more on the project on the Sallie Mae Web site at:

http://www.salliemae.com/tools/print/printer_friendly012203.html#ind012203b

Teacher Shortage Wrongly Identified as a Problem in the Nation's Schools

According to a new report by the National Commission on Teaching and America's Future (NCTAF), a shortage of teachers is not the real problem in our nation's schools. The report, entitled *No Dream Denied: A Pledge to America's Children*, states that the actual problem is teacher retention.

NCTAF's findings show that about one third of teachers quit during their first three years and almost half leave within five. The most disturbing fact is that the turnover rate for teachers is highest in poor, predominantly minority schools. Some reasons for the mass exodus are said to be poor working conditions and the increase in lower standards for teachers, including inadequate pay, training, and mentoring programs. The report recommends more than 30 solutions, including rigorous teaching quality preparation and standards, and an upgrade in the appeal of teaching through better preparation, mentoring, and pay.

The complete report is available at: www.nctaf.org/dream/dream.html

Straight A's: An Update on Public Education is a biweekly newsletter that focuses on education news and events both in Washington, D.C., and around the country. The format makes information on federal education policy accessible to everyone from elected officials and policymakers to parents and community leaders. The Alliance for Excellent Education is a 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.