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REAUTHORIZING THE EDUCATION ACT

INTRODUCTION

Congress is scheduled this year to reauthorize the Education Consolidation and Improvement Act (ECIA). This is the legislation that funds the federal compensatory education program, Chapter 1 (formerly Title I of the 1965 Elementary and Secondary Education Act), and the education block grant, Chapter 2.

Passage of the ECIA in 1981 was an important step in deregulating federal programs and returning authority over education to the states and localities. Current legislative efforts, however, overlook data that challenge the efficacy of Chapter 1 and threaten to reimpose federal control over the implementation of Chapters 1 and 2.

A thorough analysis of Chapter 1 has reinforced earlier study findings that the program has failed to accomplish its goal of closing the gap between average-achieving and low-achieving students. Despite billions of dollars and extensive effort, Chapter 1 participants remain at comparatively low achievement levels in reading and mathematics--the subject areas targeted by the Chapter 1 program. Instead of acknowledging the program's failure, however, Congress and the education establishment point to small, temporary gains, proclaim the program a success, and call for its expansion and increased funding. This is a mistake. Chapter 1 should be repealed, and its nearly \$4 billion proposed expenditure returned to the federal Treasury. Failing this, Chapter 1 could fund vouchers that parents could use to purchase educational services for their children. Another option would be to repeal Chapter 1 and transfer its funds to the Chapter 2 Block Grant.

Satisfied Coordinators. The Chapter 2 Block Grant has by nearly all accounts been a success. Most of the local program coordinators have expressed satisfaction with their increased flexibility and the reduced administrative burden. A major study of the local implementation of Chapter 2 reports that the localities have used the funds responsibly and in ways that have contributed to widespread educational improvement. Despite this evidence, Congress is threatening to expand the federal program in inappropriate ways (such as a plan for sending "experts" into the homes of the poor to "train" parents in preparing their children for school) and to target narrowly local school districts' use of Chapter 2 funds (for dropout prevention and illiteracy programs, for example). These efforts run counter to the original intent of Congress to further local and state control, and they ought to be resisted.

CHAPTER 1

Chapter 1 of the ECIA provides funds to school districts for the remedial education of low-achieving students from poor families. The program was based on the premise that social deprivation causes the generally poor academic performance of students from low-income families and that this can be overcome by concentrated remedial instruction. The aim was to lift the academic performance of poor students who were low achievers up to the level of the average student. In academic year 1983-1984, the program served 4.8 million students.¹ Of these, 51 percent were white, 29 percent were black, and 16 percent were Hispanic.² Chapter 1 services are concentrated in the elementary grades, but they are also provided in preschool and high school. Private school students traditionally have been eligible to receive Chapter 1 services. In 1983-1984, Chapter 1 serviced over 300,000 such students, of whom 77 percent were attending Catholic schools.³

Nearly \$1 billion was appropriated for Title I (Chapter 1) in FY 1966, its first year of funding; the \$2.7 billion appropriated in 1978 represented some 47 percent of all federal elementary and secondary education spending.⁴ The Reagan Administration's FY 1988 budget request for Chapter 1 is \$4.1 billion, up from \$2.8 billion in Jimmy Carter's last year in the White House.

Is Chapter 1 Effective?

The results of the program have been analyzed several times. Each assessment has asked the same questions: 1) Is the program serving the population for which it was intended? and 2) Is the program academically effective?

In 1968 the National Advisory Council on the Education of Disadvantaged Children reviewed the administration and operation of Title I. It reported that Title I funds were supplanting state and local dollars to support general education needs rather than providing supplemental compensatory services for poor, slow students.⁵ Other studies found that the achievement test scores of students receiving compensatory education were not significantly better than those of eligible children who were not in Title I. The improvements credited to Title I, meanwhile, proved temporary.⁶

1. Poverty, Achievement and the Distribution of Compensatory Education Services: National Assessment of Chapter 1, 1986. U.S. Department of Education, Office of Educational Research and Improvement, Office of Research, Appendix F-4.

2. Terry H. Hartle and Andrea Bilson, "Increasing the Educational Achievement of Disadvantaged Children: Do Federal Programs Make a Difference?" Draft 5 (Washington, D.C.: American Enterprise Institute, November 3, 1986).

3. Poverty, Achievement, op. cit., Appendix F-3.

4. "Report to Accompany S. 991 to Establish a Department of Education and for Other Purposes, Together with Additional Views," Committee on Governmental Affairs, United States Senate, Report No. 95-1078, May 17, 1978.

5. Ibid.

6. "Intergovernmentalizing the Classroom: Federal Involvement in Elementary and Secondary Education," in The Federal Role in the Federal System: The Dynamics of Growth (Washington, D.C.: Advisory Commission on Intergovernmental Relations, March 1981), p. 44.

In 1974 and 1983, Congress again provided funds for national assessments of the federal compensatory education program. The 1974 study, "The Sustaining Effects of Compensatory Education on Basic Cognitive Skills," is one of the most comprehensive reviews of elementary education in U.S. history. Researchers were instructed to report on the targeting of eligible Title I students and on the effectiveness of the program. The second assessment, entitled "The National Assessment of Chapter 1," was released this February. It integrates the findings of the "Sustaining Effects Study" with those of several other noteworthy assessments of the Chapter 1 program.

Targeting Deficiencies. In reviewing targeting, this report found that, although Chapter 1 allocates federal funds to local school districts based on the number of school-aged students from poor families in the district, not all students eligible for Chapter 1 services receive them. In 1976, for example, many students receiving individual math and reading services were scoring above average in those subjects, while approximately 60 percent of the students who were scoring below the 25th percentile were not receiving services.

These deficiencies in the targeting of Chapter 1 services have been caused by several factors: Chapter 1 is not available to all schools with poor, low-achieving students. Districts with relatively low concentrations of poor families are not eligible for Chapter 1 funds. Chapter 1 services are not available at all grade levels. Adding to the problem are the schools' often erratic selection procedures. The main problem with Chapter 1, however, is not targeting but lack of effectiveness.

The 1986 National Assessment of Chapter 1 draws on data from several national studies evaluating the effectiveness of the program. Its overall conclusions are remarkably consistent with earlier assessments of compensatory education programs.⁹ Among the findings:

1) **"The achievement of disadvantaged students** has improved since 1965, especially in reading, relative to the achievement of the general population."

This conclusion is drawn from data from the National Assessment of Educational Progress, mandated by Congress in the 1960s to measure the reading, science, and mathematics performance of American 9, 13, and 17-year-olds. The NAEP assessment did not specifically identify Title I/Chapter 1 students, although it did differentiate between advantaged and disadvantaged populations.

Although the NAEP data show improvement in the achievement of this population, these students still perform well below their more advantaged counterparts. The reading achievement of urban advantaged students, for example, remained steady from 1971 to 1984, while that of the urban disadvantaged students improved. Even with the improvement, however, the disadvantaged 17-year-olds did less well than the advantaged 13-year-olds. In other words, the disadvantaged twelfth graders were reading at about the eighth grade level.

7. "A Study of Compensatory and Elementary Education: The Sustaining Effects Study" Final Report, Launor F. Carter. Prepared by the System Development Corporation for the Office of Program Evaluation, U.S. Department of Education, January 1983.

8. Poverty, Achievement, op. cit., p. 4.

9. "The Effectiveness of Chapter 1 Services," Second Interim Report from the National Assessment of Chapter 1, the Office of Educational Research and Improvement, U.S. Department of Education, July 1986, pp. iv-v.

2) "Students receiving Chapter 1 services experience larger increases in their standardized achievement test scores than comparable students who do not. However, their gains do not move them substantially toward the achievement levels of more advantaged students." [and] "Students participating in Chapter 1 mathematics programs gain more than those participating in Chapter 1 reading programs."

Data from two sources, the "Sustaining Effects" study and the "Title I/Chapter 1 Evaluation and Reporting System" (TIERS), show the changes in percentile ranks in reading and math of Chapter 1 students for 1976-1977 and 1983-1984.¹⁰ Tables 1 and 2 present the Sustaining Effects and TIERS pre- and post-test percentile rankings of Title I/Chapter 1 students during these years.

The original goal of Title I was to bring the academic performance of the targeted poor, slow children up to that of their average peers. While Tables 1 and 2 show some gain (more in mathematics than in reading), this gain is small. Moreover, the percentile ranking of Chapter 1 students steadily declines with the increase in grade level. For example, in reading, the rank falls from the 19th percentile in 2nd grade to the 16th percentile in the 12th grade.

3) "Students in early elementary Chapter 1 programs gain more than students participating in later-grade programs."

Even when compensatory services are extended to the high school level, Chapter 1 students lose ground. The data presented do not indicate what proportion of Chapter 1 high school students were also Chapter 1 elementary school students. Such data are needed, however, to determine if uninterrupted Chapter 1 participation significantly improves the achievement of the participating students. No doubt some of the Chapter 1 high school students were also in the programs during their preschool years. If this is true, then the academic regression of Chapter 1 high school students argues against extending Chapter 1 services to the high school level.

4) "Students who discontinue Title I appear gradually to lose the gains they made when receiving services."

The small gains of the early years, therefore, do not seem to help students to accommodate future learning demands. This appears also to be the case when the Title I/Chapter 1 program is extended to the high school level.

5) "Chapter 1 students with very low achievement scores appear to maintain their relative academic positions but not to move ahead. However, the evidence suggests they would have lost ground relative to their peers if they had not received services."

In a "Sustaining Effects" chart comparing the changes in percentile rankings for Title I students with those of similar students not receiving compensatory education, Title I students consistently outscored their non-Title I peers in mathematics, although both groups remained well below the 35th percentile rank (with the exception of first grade Title I math students, who rose to the 34th percentile at the spring testing).¹¹

10. The percentile rank is a test score showing the percentage of all students nationwide who score below a given level. The average student scores at the 50th percentile. To be eligible for Title I/Chapter 1, students must fall below the 50th percentile on an achievement test.

11. "The Effectiveness of Chapter 1 Services," *op. cit.*, p. 28.

Table 1
Changes in Percentile Ranks in Reading and Math
of Title I/Chapter 1 Students
1976-1977

<u>Grade</u>	<u>Reading</u>		<u>Math</u>	
	<u>Fall 1976</u>	<u>Spring 1977</u>	<u>Fall 1976</u>	<u>Spring 1977</u>
1	30	30	31	34
2	26	26	28	29
3	23	25	26	30
4	22	23	23	26
5	21	21	23	26
6	20	21	26	28

Table 2
Changes in Percentile Ranks in Reading and Math
of Title I/Chapter 1 Students
1983-1984

<u>Grade</u>	<u>Reading</u>		<u>Math</u>	
	<u>Spring 1983</u>	<u>Spring 1984</u>	<u>Spring 1983</u>	<u>Spring 1984</u>
2	29	31	35	40
3	24	29	31	37
4	24	29	28	34
5	23	28	28	35
6	23	28	28	35
7	23	27	25	31
8	23	27	28	33
9	23	25	30	32
10	18	20	24	25
11	17	18	25	26
12	16	16	22	25

Source: Tables 1 and 2: "The Effectiveness of Chapter 1 Services," *op. cit.*, p. 26P.

The reading rank of Title I first graders remained at the 30th percentile from fall to spring testings, while comparable low-achieving first graders in non-Title I schools dropped from the 29th percentile to the 25th. However, data comparing the two groups at the sixth grade level show the needy students in noncompensatory education schools outperforming their Title I counterparts.

Results of the Studies

Studies thus consistently indicate problems in targeting the population that Title I/Chapter 1 is meant to serve. Studies also show that the goal of the federal compensatory education program is not being reached. Temporary, modest gains occur in reading and mathematics performance in the early grades. The extension of compensatory services into the higher grades, however, does not raise the targeted students' relative standing. Older Chapter 1 students, in fact, fall further behind the average achiever. It is argued that compensatory services help to keep young at-risk students from losing ground. This may be so, but it is reasonable to ask whether it is worth spending \$4 billion a year to hold the academic performance of the targeted students at the 25th and 30th percentile ranks.

RECENT LEGISLATIVE INITIATIVES

Several bills have been introduced to modify the Chapter 1 legislation. Among them:

The Equity and Choice Act of 1985 (TEACH)

The U.S. Supreme Court declared in 1985 that the 15-year-old practice of allowing public school teachers to administer Chapter 1 services to children in parochial schools was unconstitutional. The U.S. Department of Education responded to the ruling with the TEACH voucher proposal. TEACH would have required local school districts to provide any eligible parent, on request, with a voucher for the amount the district spent per pupil for Chapter 1 services. The voucher could be cashed at a public or private school for compensatory services or full tuition. The Department failed to win bipartisan support for TEACH, and the measure thus died in committee.

The Department of Education's New Proposal

The Department this February sent a new proposal to Congress. The plan, however, seeks to improve Chapter 1 services by top-down administrative oversight and incentives. States are to monitor districts, for example, and intervene to correct deficiencies. States also may set aside 1 percent of their Chapter 1 funds to award grants to local districts to replicate or expand effective Chapter 1 programs.

The new proposal includes a severely weakened choice option in the form of compensatory education certificates (CECs), which would not be as useful as the TEACH vouchers. Parents would be able to use the CECs only for supplemental compensatory services, while the TEACH voucher could have been used for full tuition costs. CEC availability would be at the discretion of the local education agency, while TEACH would have placed the choice option at the discretion of the parents.

The initial reaction of Capitol Hill and education groups to the top-down controls in the Department bill has been generally positive. Both groups, however, reject the limited voucher.

H.R. 950

House Education and Labor Committee Chairman, Augustus Hawkins, the California Democrat, and second-ranking minority member, Pennsylvania's William Goodling, have introduced legislation very similar to the Department's bill, but without the CECs. It would broaden the Chapter 1 program at the preschool and high school levels.

The bill calls for \$350 million to be added to the FY 1987 appropriation of \$3.9 billion, to fund "concentration grants" for districts with high percentages of poor students. Hawkins and Goodling also reportedly intend to request an extra \$30 million to help school districts pay for the added cost of serving eligible students in sectarian schools.¹²

The Children's Opportunity for Intensive Compensatory Education Act of 1986 (CHOICE)

Last year, seven House Republicans, led by Michigan's Paul Henry and Wisconsin's Thomas Petri,¹³ crafted a bill that would have given Chapter 1 parents a voucher to exercise greater control over their children's education. They now have withdrawn their bill, and no substitute has been introduced.

CHOICE would have changed the distribution of Chapter 1 funds from the state to the local school districts to target eligible children better. In consultation with Chapter 1 parents, the schools would have been required to draw up an "Individual Instructional Plan" (IIP) for each child. Based on the needs identified in the IIP and the range of services offered, parents would have been given freedom to decide which educational institution--public, private, or proprietary--would best serve their child.

With the TEACH and CHOICE bills withdrawn, there is no pending legislation that truly upholds the sovereignty of parents over their children's education and the right of public and private schools to tailor their Chapter 1 programs to the unique needs of their students without top-down government control. The only bills that remain in the hopper curtail the freedom of individual schools and parents.

CHAPTER 2

Chapter 2 was the first education block grant. Implemented in the 1982-1983 academic year, it consolidated over 40 categorical education programs, such as metric education, preschool partnership programs, law-related education, and desegregation funds. It replaced these categorical programs with block grant money for school districts, which gave them greater latitude to spend the federal funds on broader-based activities. The priorities of the block grant included the reduction of administrative and paperwork burdens, strengthening local control over program expenditures, and distributing program benefits more equitably to children in private schools.¹⁴

12. Since the Supreme Court decision, public school districts have wrestled with the problem of providing compensatory services to eligible sectarian school students without sending government teachers into the religious schools. The van purchases, building rental fees, and transportation costs that have been required in order to do this have consumed a disproportionate amount of many districts' Chapter 1 allocations.

13. The other Representatives were Willis Gradison (OH), Rod Chandler (WA), William Whitehurst (VA), Robert Livingston (LA), and Ralph Regula (OH).

14. Michael S. Knapp and Craig H. Blakely, "The Education Block Grant at the Local Level: The Implementation of Chapter 2 of the Education Consolidation and Improvement Act in Districts and Schools," SRI International, Menlo Park, California. Prepared for the U.S. Department of Education, Office of Planning, Budget and Evaluation, Washington, D.C., January 1986, pp. 3-4.

Three-quarters of the school districts, especially the smallest, gained funds through the block grant. The largest districts, however, suffered heavy losses, because of changes in funding distribution. According to a study by SRI International, commissioned by the Department of Education, however, with the exception of the largest urban districts, the block grant has not resulted in "obvious shifts of funding" from poor children.¹⁵ In fact, Chapter 2 schools reportedly are placing an increasing emphasis on remedial programs for disadvantaged students.

Reducing Red Tape. The Chapter 2 Block Grant apparently has reduced red tape and permitted greater local flexibility in using federal funds. About half the district coordinators surveyed by SRI International felt that Chapter 2 is more flexible than the categorical programs, while about 40 percent felt it was about the same, and only 10 percent felt Chapter 2 is less flexible.¹⁶ Although few Chapter 2 personnel in local districts view the block grant as a means of carrying out state or federal reform proposals, they actually use the funds to support reforms and advance priorities proposed by the states and Washington. These include upgrading computer, math, and science education, improving minimum competency test scores, and applying effective schools research to new programs.¹⁷

Significantly, nearly two-fifths of the local representatives say that no improvement is needed in implementing Chapter 2. Of those with recommendations for improvement, the one most often cited is a further reduction in federal strings.¹⁸ Private school officials also are pleased with Chapter 2 services, judging them to be as equitable or more so than those services provided by the previous programs.¹⁹

Legislative Initiatives

There are currently three major proposals to amend Chapter 2--one each from the Department of Education, the Senate, and the House.

◆◆ **The Department of Education's proposal** calls for two major changes in the Chapter 2 legislation designed to encourage localities to enact state reform measures: expand the list of activities allowed funding under Chapter 2 to include state education reforms mandated "on or after enactment" of the ECIA (Education Consolidation and Improvement Act) reauthorization; and waive provisions in the current law that prohibit schools from using funds for state-funded programs.

◆◆ **S. 2598, The Targeted Educational Assistance Act**. Senator Claiborne Pell of Rhode Island, Chairman of the Senate Education, Arts and Humanities Subcommittee, has introduced S. 2598, which would amend ECIA to provide grants to the states to meet educational needs in the areas of dropout prevention, illiteracy, programs for gifted and talented students, basic skill programs for elementary and secondary students, and library resource programs. This legislation would highly restrict the use of Chapter 2 funds.

15. Maggie Hume, "Report Faults Chapter 2 for Shunning Students with Special Needs," Education Daily (Alexandria, Virginia: Capitol Publications, December 29, 1986), p. 16.

16. Knapp and Blakely, op. cit. pp. 269-269.

17. Ibid.

18. Ibid.

19. Ibid., p. 213.

◆◆ **H.R. 4463, The Effective Schools and Even Start Act.** In the House, California's Augustus Hawkins, Chairman of the House Education and Labor Committee, has introduced legislation to require states to use at least half of their share of Chapter 2 funds to develop, implement, and evaluate effective schools programs. States would have to submit the results of these evaluations to the National Diffusion Network, a federal curriculum dissemination system.

The bill also would combine adult basic education for parents and school readiness training for children into a single education program. Through this program parents would be trained by "experts" at educational facilities and in the home in how to prepare their children for school.

Possible Effects of Proposed Legislation

The Senate and House bills would curtail seriously local school districts' discretion over expenditures of Chapter 2 funds. The Senate bill limits local flexibility in choosing program priorities, while the House bill sets up a system that will result in increased government intervention into family affairs.

Chapter 2 has proved itself effective and popular with local school officials and teachers. Indeed, their major criticism of Chapter 2 is that it is not free enough of Washington's control. With the exception of the Department of Education's bill, none of the bills discussed here honors the spirit and purpose of Chapter 2.

RECOMMENDATIONS

The reauthorization of the ECIA offers Congress an opportunity to reform key federal legislation affecting the nation's schools. Ideally Chapter 1 should be repealed and the \$4 billion returned to the federal Treasury. Instead of pouring more money into a program with only marginal demonstrated success, schools should be provided with information on what works with slow students--such as an orderly environment; persevering, dedicated teachers; repetition; hands-on, concrete learning activities; phonics reading instruction; and high expectations. None of these requires massive amounts of extra money.

Transfer Funds to Chapter 2. Given the likely opposition to such a step, an alternative would be to transfer Chapter 1 funds to Chapter 2. Since most Chapter 2 districts are executing effective schools recommendations and strengthening remedial instructional services, adding Chapter 1 monies to the Chapter 2 Block Grant would benefit disadvantaged students by enhancing the total academic environment as well as by meeting their specific remedial needs.

The Voucher Alternative. Congress should also examine the voucher program as an alternative to Chapter 1, despite the withdrawal of TEACH and CHOICE. A voucher program would place control of compensatory education in the hands of those, other than the students themselves, who are most affected by education services--the parents--forcing schools to be far more sensitive to demands for effective approaches.

In addition, the prohibition of the use of Chapter 2 funds in conjunction with state funds should be removed to give schools greater flexibility. Other than that, Chapter 2 is fine as it is. The experience generally with block grant funding has been that states and localities have responded well to the increased flexibility provided to them, and that successful innovation tends most often to come from institutions and levels of government closest to the people, and not from Washington. In education, as in other areas of domestic policy, lawmakers need to incorporate that principle into legislation.

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