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## Executive Summary

No. 1172

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## A+ ACCOUNTS: MORE EDUCATIONAL OPPORTUNITY, NOT MORE BUREAUCRACY

*NINA H. SHOKRAII AND SARAH E. YOUSSEF*

The Senate will soon debate the Parent and Student Savings Account Plus Act, as well as several proposed amendments to the bill. The key component of this bill, sponsored by Senators Paul Coverdell (R-GA) and Robert Torricelli (D-NJ), offers parents and concerned citizens a new way to invest in a child's education from kindergarten through 12th grade: A+ Accounts. Under this plan, families, single parents, or anyone earning less than \$95,000 annually (\$150,000 on joint tax returns) could deposit up to \$2,000 per child in after-tax income into these interest-bearing savings accounts each year. The tax-free funds that accumulate in A+ Accounts could be used for any education-related expense, from books and transportation to special programs or private school tuition.

The A+ Account program offers a tangible opportunity to parents to improve their children's K-12 education. In addition, the bill would allow parents to make tax-free withdrawals from state-operated tuition savings and prepaid tuition programs for their children's higher education expenses. The bill also contains two provisions on school building and repair: The first (Private Activity Bonds) would free \$3 billion in school construction bonds for public schools over the next five years—enough to build 500 new elementary schools. The second would expand from \$10 mil-

lion to \$15 million the maximum value a school district could issue in tax-exempt bonds without having to comply with complicated IRS arbitrage rebate rules.

### STRENGTHENING A+ ACCOUNTS

Several proposals before the Senate would strengthen A+ Accounts. For example, measures have been proposed that would:

- **Promote equity.** A proposal sponsored by Senator Kay Bailey Hutchison (R-TX) would promote the use of existing federal education dollars for reform projects that provide same-gender schools and classrooms, as long as comparable opportunities are offered to students of both sexes.
- **Promote parental choice.** Senator Dan Coats (R-IN) proposes to increase to 110 percent the tax deduction that individuals and families may take on charitable contributions to

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schools and other organizations offering educational scholarships to children at or below 185 percent of the federal poverty level.

- **Send dollars and power to states and localities.** Senator Slade Gorton (R-WA) advocates block granting several federal education programs to the states. Under this policy, a state's legislature and governor could send the money directly to a local or state education agency or else spend it as they always have.

## WEAKENING A+ ACCOUNTS

Many proposed amendments to the Coverdell-Torricelli measure, however, would undermine the value of A+ Accounts. Senator Barbara Boxer (D-CA) would create a five-year program for 300 to 500 after-school enrichment programs for students in kindergarten through 12th grade, which local districts already have authority to establish and many already fund. Congress should not pre-empt state and local authority.

Senators Dale Bumpers (D-AR) and Christopher Dodd (D-CT) would eliminate the Coverdell-Torricelli A+ Accounts while increasing funds for the Individuals with Disabilities Education Act (IDEA). Congress should not expand an unreformed federal program.

Senator Jeff Bingaman (D-NM) will offer an amendment to strike A+ Accounts and authorize \$750 million over five years to create a National Dropout Prevention program. Congress should not create another federal program, especially when existing programs are all inefficient.

Senator Kent Conrad (D-ND) would reduce the annual allowable contribution to an A+ Account for taxpayers with incomes between \$60,000 and \$95,000 from \$2,000 to \$500. The goal should be to encourage, not reduce, private investment in education.

Senator John Glenn (D-OH) would limit the use of A+ accounts to public schools. Again, the goal should be to expand, not restrict, parental choice.

Senator Edward Kennedy (D-MA) would replace A+ Accounts with new funding for a loan forgiveness program for teachers in areas with a shortage of qualified teachers (for example, bilingual education). Congress should not create another government loan program.

Senator Carol Moseley-Braun (D-IL) proposes allowing states and school districts to issue \$21.8 billion of school bonds at 0 percent interest to build and modernize schools, and providing tax credits to purchasers of the bonds in lieu of interest payments. Congress should not focus on extracurricular "inputs."

Senator Patty Murray (D-WA) proposes a "sense of Congress" resolution to support efforts to hire 100,000 new teachers and reduce class size in the 1st through 3rd grades to an average of 18 students per class. Congress should refrain from creating a "100,000 cops" program for education.

Senator Carl Levin (D-MI) would increase to 50 percent the funding for "lifetime learning credits" for technology training of K-12 teachers. Funding for "technology" education should not be increased.

Senator Paul Wellstone (D-MN) would undermine welfare reform by counting school attendance as a "work activity." Congress should not undermine the work requirements in welfare reform.

## CONCLUSION

The Coverdell-Torricelli A+ Accounts legislation is one of the first serious federal efforts to encourage parents to save for their children's education. Members of Congress interested in improving educational opportunities by getting parents involved should consider the benefits of A+ Accounts. Otherwise, federal dollars will continue to be directed to "input-driven" solutions and school systems instead of to academic outcomes and children.

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*The* Heritage Foundation  
**Backgrounder**

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## **A+ ACCOUNTS: MORE EDUCATIONAL OPPORTUNITY, NOT MORE BUREAUCRACY**

*NINA H. SHOKRAI AND SARAH E. YOUSSEF<sup>1</sup>*

The Senate will soon debate the Parent and Student Savings Account Plus Act<sup>2</sup> and several proposed amendments to the bill. The key component of this bill, sponsored by Senators Paul Coverdell (R-GA) and Robert Torricelli (D-NJ), would offer parents and concerned citizens a new way to invest in children's education from kindergarten through 12th grade: A+ Accounts. Under this program, families, single parents, or those earning less than \$95,000 annually (\$150,000 for joint filers) who want to help build educational opportunities for individual children would be able to deposit up to \$2,000 per child in after-tax income into interest-bearing savings accounts each year. The tax-free funds that accumulate in these accounts could be withdrawn and used to pay for the child's education-related expenses, from books and transportation to special programs or private school tuition.

This new educational funding program would benefit students directly, whether they attend private or public schools or are home schooled. The new opportunities offered by education savings accounts would help children excel in school and

would encourage parents and other interested adults to participate directly in each child's education. At the same time, however, several proposed amendments to the Coverdell-Torricelli measure would expand federal authority in education, duplicate state and local functions, or limit parental choice.

The Coverdell-Torricelli A+ Accounts legislation is one of the first serious federal efforts to encourage parents to save for their children's education. A+ Accounts may not be a panacea for all of the problems facing the American educational system, but they do represent one of the most innovative congressional attempts to improve the availability of quality education for America's children. Parents could use the tax-free savings in

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1. The authors would like to thank Senior Analyst Robert Rector, Policy Analyst John Barry, and Domestic Policy intern Jason Allen for their assistance with this report.
  2. The Parent and Student Savings Account Plus Act is designated H.R. 2646 in the House and S. 1133 in the Senate. Because this is a spending bill, for technical reasons the Senate is voting on H.R. 2646.



these accounts to choose a school better suited to a child's needs; to buy books, computers, educational software, or other educational aids; to pay for tutoring or transportation; and to pursue many other options that facilitate learning and academic achievement.

For higher education, the measure also would give taxpayers the ability to make tax-free withdrawals from state-operated tuition savings and prepaid tuition programs. Currently, 21 states have established plans, which are eligible for tax-advantaged status, to help parents and students save for public college expenses. Another 27 states are considering such plans. But the Coverdell-Torricelli measure ignores America's nearly 1,000 independent colleges and universities. Under the bill's current language, these independent institutions would not be able to offer similar, tax-advantaged tuition savings plans. Extending this sensible provision to all American colleges and universities would level the playing field between public and private colleges.<sup>3</sup>

The bill contains two provisions on school building and repair. The first (Private Activity Bonds) would make \$3 billion in school construction bonds available over the next five years for public schools—enough to build 500 new elementary schools. School districts would issue tax-exempt facility bonds to private investors, who in turn would build or renovate a school facility and lease it to the school district. The second provision would expand from \$10 million to \$15 million the maximum value a school district could issue in tax-exempt bonds without having to comply with complicated IRS arbitrage rebate rules.

## PROPOSALS THAT WOULD STRENGTHEN A+ ACCOUNTS

Several proposals before the Senate would strengthen A+ Accounts. For example, measures have been proposed that would:

- **Promote equity.** A proposal by Senator Kay Bailey Hutchison (R-TX) clarifies that existing federal education dollars for reform projects (Title VI of the Elementary and Secondary Education Act) can be used voluntarily by state and local school districts for same-gender schools and classrooms as long as comparable educational opportunities are offered to students of both sexes.

Federal funding should not discriminate either for or against same-sex education. Yet the Department of Education's Office of Civil Rights (OCR) has threatened to withdraw federal funding from school districts that allow the use of these funds for same-sex education, even though same-gender schools boast years of success. According to an American Association of University Women (AAUW) 1990 survey of 3,000 boys and girls between the ages of 9 and 15, only 29 percent of girls, compared with 46 percent of boys, retain high self-esteem in high school. This coincides with a drop in their interest in math and science.<sup>4</sup> Studies have shown that single-gender education works well in the inner city: Seventh graders who attended Detroit, Michigan's Malcolm X Academy, an all-boys inner-city school, achieved the highest math scores among 77 Detroit schools and the second highest among 780 schools in Michigan.<sup>5</sup> Cornelius Riordan, a professor at Providence University, found that African-American and Hispanic students in single-gender schools outperformed their coed peers by nearly a grade level.<sup>6</sup> This pro-

3. For more information on this provision, see John S. Barry, "Private Prepaid Higher Education Plans Gain Momentum," Heritage Foundation *Executive Memorandum* No. 507, February 4, 1998.

4. Rosemary C. Salomone, "Sometimes 'Equal' Means 'Different'," *Teacher Magazine*, October 8, 1997.

5. Robert L. Maginnis, "Faulkner Is Gone, But Battle Over Single-Sex Schools Threatens Educational Diversity," Family Research Council *Perspective*, August 22, 1995.



posal simply clarifies the use of Title VI funds without increasing the burden on the taxpayer.

- **Promote parental choice.** Senator Dan Coats (R-IN) would increase to 110 percent the tax deduction that individuals and families may take on charitable contributions to schools and other organizations that offer educational scholarships to children at or below 185 percent of the federal poverty level.

America's poor suffer the most from the sorry state of inner-city schools. By offering incentives for individuals to invest in the education of poor children at a school of their choice, this proposal would greatly enhance the academic future for inner-city children. Both current school choice studies in Milwaukee and Cleveland and longitudinal studies on the effects of Catholic schools on poor children show that inner-city children benefit from school choice. The Milwaukee experiment was conducted by Paul Peterson of Harvard University and Jay Greene of the University of Texas at Austin, followed by Cecilia Rouse of Princeton University. The Peterson-Greene study showed that, after just three years, the gap in test scores between whites and minorities narrowed by 33 percent to 50 percent.<sup>7</sup> The Rouse study found that the Milwaukee choice program significantly increased the mathematical achievement of participating students.<sup>8</sup> Peterson and Greene also studied the effectiveness of the Cleveland scholarship program and found that, after only one year, students in the choice program who attended

Hope City and Hope Central Academy scored 5 percentile points higher in reading and 15 percentile points higher in math concepts.<sup>9</sup>

Although it would further complicate the tax code, Coats's proposal would help poor children. It could be greatly improved, however, if existing federal funding were given as a direct voucher to poor students rather than as an indirect tax deduction.

- **Send dollars and power to states and localities.** Senator Slade Gorton (R-WA) proposes to block grant funds to the states for several federal education programs. Under this policy, the state legislature and the governor could send the money directly to a local or state education agency or else spend it as they always have.

By directing federal funds closer to parents, this amendment would eliminate several layers of bureaucracy and guarantee that more existing federal dollars reach the classroom. In 1995 alone, for instance, only 33 percent of the \$100 billion the federal government allocated for education was spent by the Department of Education; less than half of all Department of Education funds went to elementary and secondary education; and less than 40 percent of Department of Education funds went to local educational agencies—13.1 percent of total federal education spending.<sup>10</sup> This proposal would turn several failed federal programs over to states or school districts, and thus bring them closer to the children they are supposed to serve. It also is not

6. *Ibid.*

7. Jay P. Greene and Paul E. Peterson, "The Effectiveness of School Choice in Milwaukee: A Secondary Analysis of Data from the Program's Evaluation," presented at the Panel on the Political Analysis of Urban School Systems, American Political Science Association, San Francisco, California, August-September 1996.

8. Cecilia E. Rouse, "Private School Vouchers and Student Achievement: An Evaluation of the Milwaukee Parental Choice Program," *Executive Summary*, Princeton University Labor Lunch and the National Bureau of Economic Research's Program on Children Conference, December 1996.

9. Jay P. Greene, Paul E. Peterson, and William Howell, "An Evaluation of the Cleveland Scholarship Program," Harvard University Program in Education Policy and Governance, September 1997.

10. Funds for elementary and secondary education reach school districts via other agencies, but the total amount is only about \$20 billion.



burdened by detailed federal guidelines for states and localities to follow. Instead, state and local authorities are free to allocate money to any program they deem necessary.

## PROPOSALS THAT COULD WEAKEN A+ ACCOUNTS

Members of Congress also are likely to consider amendments that could weaken A+ Accounts while throwing taxpayer money at new or failed federal programs.<sup>11</sup> For example, amendments have been proposed that would:

- **Pre-empt state and local authority.** Senator Barbara Boxer (D-CA) is proposing a five-year program to create 300 to 500 after-school enrichment programs for K-12 students. Her legislation would authorize the Department of Education to award program grants to schools to carry out at least two of the following after-school activities: mentoring programs, academic assistance, recreational activities, or technology training. Schools could use the funds for drug, alcohol, and gang prevention activities; health and nutrition counseling; and job skills and employment preparation activities.

Though after-school programs are particularly helpful to disadvantaged children, they are promoted and funded most effectively at the state or local level. Local school districts already have the authority to establish after-school learning centers, and many currently finance them or will benefit from the additional provisions for after-school programs in this year's budget. Under the 21st Century Community Learning Centers Act, for exam-

ple, the Secretary of Education can award three-year grants to rural and inner-city public schools for establishment or expansion of community programs.<sup>12</sup> Current federal funding available for the program is \$40 million.<sup>13</sup>

Creating a new federal program would spread scarce state resources across more programs and encourage schools to spend more time and money to apply for yet another federal grant.<sup>14</sup> Furthermore, because the program provides funding for the centers for only five years, states and localities will be left holding the tab after five years unless Congress continually renews its funding. The best way to assist disadvantaged students after school is by allowing parents to keep more of their own money to spend on the best programs for their children.

- **Expand an unreformed federal program.** A proposal by Senators Dale Bumpers (D-AR) and Christopher Dodd (D-CT) would eliminate the Coverdell-Torricelli A+ Accounts while increasing funds for the Individuals with Disabilities Education Act (IDEA).

Although IDEA funding has increased (last year alone, funding rose by an additional \$694 million), the program has not delivered on its promise of "mainstreaming" disabled children or offering them real help. A recent survey by the National Association of Elementary School Principals (NAESP), for instance, found that 78 percent of principals criticized IDEA for "unreasonably limiting" their ability to manage disruptive or dangerous disabled students.<sup>15</sup>

A+ Accounts offer all middle-class Americans an incentive to save for the education of

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11. Because Members are allowed to modify their amendments until April 20, when the bill reaches the floor for debate, some of these amendments are subject to change.
  12. U.S. Code, Title XX, Chapter 70, Sec. 8243.
  13. Linda Jacobson, "Foundation, Feds Join Forces on After-School Effort," *Education Week*, February 4, 1998.
  14. Christine L. Olson, "Clinton's FY 1998 Education Proposals: Building Bureaucracy for the 21st Century," Heritage Foundation *Talking Points* No. 21, March 24, 1997.
  15. See *Education Daily*, Vol. 30, No. 71 (April 14, 1997), and National Association of Elementary School Principals at <http://www.naesp.org/comm/pressrm.htm>.



their children, including children with disabilities. Under IDEA, parents currently do not have more authority over the type of education their children receive. The best way to assist parents of children with disabilities is to offer them an opportunity to receive additional funding to invest in their children's education. A+ Accounts give them that opportunity.

- **Create another federal program.** Senator Jeff Bingaman (D–NM) will offer an amendment to strike A+ Accounts and authorize \$750 million over five years to create a National Dropout Prevention program. His measure would give grants to schools that implement research-based, sustainable, and widely replicated strategies for dropout prevention. It also would create an interagency plan to assess the coordination of resources and availability of funding under federal law to address school dropout prevention.

Creating a new program to prevent students from dropping out is not a federal responsibility. This is an issue addressed most appropriately at the state or local level. School districts with high dropout rates suffer from myriad other ailments caused by poor management and lack of good teachers and principals. The national dropout rate is 5.3 percent. The Bingaman proposal calls for giving up to \$750 million in grants only to schools with the highest dropout rates. The schools in the districts that would receive most of this money already have per-pupil expenditures above the national average. Throwing more money at them is counterproductive. Senator Bingaman once attributed high dropout rates to the fact that some students “are bored with dumbed-down lessons that they don't see have any relevance to their own lives.”<sup>16</sup> Boosting the quality of education in these school districts through charter school and school choice programs would do more to increase the quality of education in their schools than federal

dropout prevention efforts, no matter how well-intentioned.

- **Reduce private investments in education.** A proposal by Senator Kent Conrad (D–ND) would reduce the annual allowable amount contributed to A+ Accounts from \$2,000 to \$500 for taxpayers whose annual incomes fall between \$60,000 and \$95,000.

Like the President's \$500 higher education IRA program, this proposal would phase out the \$2,000 limit on annual contributions to A+ Accounts for those making more than \$95,000 (\$150,000 for joint returns). However, an advantage of A+ Accounts is that anyone who makes less than \$95,000 a year can open one for a child, including a less well-to-do child. Senator Conrad's proposal could have the unintended consequence of limiting this opportunity for poor children. Its premise seems to be that the rich—in this case, those making between \$60,000 and \$95,000—somehow will benefit from A+ Accounts. In many parts of the country, especially in big cities, a household of four with a combined income of between \$60,000 and \$95,000 is considered middle-class. Senator Conrad's proposal would water down a modest effort to boost savings for education.

- **Restrict parental choice.** Senator John Glenn (D–OH) proposes limiting the use of A+ Accounts to public school education. This would tie the hands of many inner-city parents whose children currently attend a poorly performing public school, and would prevent them from sending their children to a better school of their choice.

Congress should not ignore the mounting social science evidence that inner-city children perform better academically in religious and private schools. University of Chicago Professor Derek Neal recently found that African-American and Hispanic students attending

16. Senator Jeff Bingaman, statement to Committee on Labor and Human Resources, “The National Dropout Prevention Act of 1997,” *Congressional Record*, October 20, 1997, p. S10859.



urban Catholic schools were more than twice as likely to graduate from college as their counterparts in public schools. Specifically, 27 percent of black and Hispanic Catholic school graduates who started college went on to graduate, compared with 11 percent from urban public schools. In addition, the probability that inner-city students would graduate from high school increased from 62 percent to at least 88 percent when those students were placed in a Catholic secondary school. When compared with their public school counterparts, Neal found, minority students in urban Catholic schools can expect wages that are roughly 8 percent higher in the future. Caroline M. Hoxby, a Harvard economist who studied the effectiveness of school choice programs, noticed a wage increase of 14 percent for private school graduates.<sup>17</sup>

The money saved in A+ Accounts could be of great help to lower-income parents who want to save and send their children to a school of their choice. By limiting the benefits of A+ Accounts to public schools, however, the Glenn proposal turns its back on millions of children consigned to poorly performing urban public schools who would like to attend a better, safer private school.

- **Establish another government loan program.** A proposal by Senator Edward Kennedy (D-MA) would replace A+ Accounts with new funding for a loan forgiveness program for teachers in areas that have a shortage of qualified teachers (for example, bilingual education).

This proposal would do little to boost the quality of teaching in those areas because it relies on the current definition of quality, which is analogous to “certified and graduate of a teacher training college.” Professor Michael Podgursky, an economist at the Uni-

versity of Missouri, has warned repeatedly of the flaws in the current teacher accreditation system which, he reports, attracts mostly education majors whose SAT and ACT scores rank near the bottom of the scale. “Many private schools,” Podgursky argues, “do not require that their teachers hold state certificates,” yet they tend to produce better academic results.<sup>18</sup>

The best way to attract more teachers to public schools in needy neighborhoods with a teacher shortage is for state and local authorities to give principals in those areas greater autonomy to hire qualified teachers, judging them on their knowledge of subject matter and not just on a bureaucratic certificate. Quality teaching will follow schools that have the autonomy to hire the best and brightest on their own, not on the basis of some arbitrary criterion assigned from the top. Charter schools, alternative teacher certification, merit pay, and school choice are approaches that address the current teacher “shortage” far more effectively than the Kennedy loan forgiveness scheme.

- **Focus on extracurricular “inputs.”** Senator Carol Moseley-Braun (D-IL) proposes allowing states and school districts to issue \$21.8 billion of school bonds at 0 percent interest to build and modernize schools, and providing tax credits to purchasers of the bonds in lieu of interest payments.

One of the education establishment’s key problems has been its obsession with “inputs” (such as school facilities) and lack of focus on “outputs” (performance). Moseley-Braun’s proposal is a perfect example of this. Building more schools and renovating old ones will not boost the quality of teaching inside the classroom. In addition, this money likely would be channeled to school districts and buildings that already spend a considerable amount of

17. See Nina H. Shokraii, “Why Catholic Schools Spell Success for America’s Inner-City Children,” Heritage Foundation *Backgrounder* No. 1128, June 30, 1997.

18. Dale Ballou and Michael Podgursky, “Reforming Teacher Training & Recruitment,” *Government Union Review*, Vol. 17, No. 4 (November 1997).





money on education. According to the U.S. General Accounting Office (GAO), school districts often need large sums of money to renovate schools because of the cumulative effects of overcrowding, mismanagement, and neglect. The District of Columbia, for example, has the highest expenditures per student in the country, yet the GAO found it to be among the “worst of the worst” in the quality of its facilities. Only 75 percent of the District’s school maintenance and capital improvement funding goes to schools for maintenance and repairs; the remainder goes to the District’s facilities office for salaries and expenses.<sup>19</sup>

One way for Congress to assist schools is by removing the existing federal mandates that undermine state and local efforts to make school repairs. The GAO estimates that of the \$112 billion that will be required to upgrade U.S. schools to “good overall condition,” nearly \$10.7 billion over the next three years will have to be used to comply with federal mandates.<sup>20</sup> The President himself has noted that “the construction and renovation of school facilities has traditionally been the responsibility of state and local governments, financed primarily by local taxpayers; we are opposed to the creation of a new federal grant program for school construction.”<sup>21</sup>

The Coverdell–Torricelli A+ Account bill already contains two provisions that address state and local school building and repair needs. This legislation would cost a fraction of the amount in the Moseley-Braun proposal. The Private Activity Bond provision would free \$3 billion in school construction bonds for public schools over the next five years—enough to build 500 new elementary schools. It would allow school districts to issue tax-exempt facility bonds to private investors, who

in turn would build or renovate a school facility and lease it to the school district. Other organizations, including private nonprofit schools, already benefit from issuing private activity bonds to construct private elementary and secondary schools. Extending this privilege to public schools would reduce construction costs without increasing the federal role.

A second provision of the Coverdell–Torricelli measure would expand from \$10 million to \$15 million the maximum value a school district could issue in tax-exempt bonds without having to comply with complicated IRS arbitrage rebate rules. At a cost of only \$21 million over five years, it would expand the reach of education construction bonds and shrink construction costs for many small and rural school districts.

- **Create an education “100,000 Cops” program.** Senator Patty Murray (D–WA) proposes a “sense of Congress” resolution to support efforts to hire 100,000 new teachers and reduce class sizes in the 1st through 3rd grades to an average of 18 students per class. (Such resolutions are legally non-binding.)

This effort focuses on “inputs” and neglects performance. According to economist Eric Hanushek of the University of Rochester, an across-the-board reduction in class size is not likely to raise student achievement.<sup>22</sup> Nationally, class sizes have fallen dramatically over the years with no correlation to student academic outcomes. Furthermore, countries like Japan and Korea, whose students outperform American students on international tests, tend to have the largest pupil–teacher ratios.

The United States does not have a serious teacher quantity problem; rather, it suffers from problems with teacher quality (many

19. Olson, “Clinton’s FY 1998 Education Proposals.”

20. *Ibid.*

21. U.S. Department of Education, FY 1996 Justification of Appropriations Estimate, Vol. I, p. D40.

22. Eric A. Hanushek, “The Evidence on Class Size,” *Working Paper No. 10*, W. Allen Wallis Institute of Political Economy, 1996–1997 Working Paper Series, September 1997.



teachers who do not know their subject very well) and teacher distribution (few of the best are teaching the neediest children). State and local officials can attract additional good teachers to schools serving the neediest children by transforming these schools into autonomous, accountable institutions.

Furthermore, too many institutions of higher education have weak academic standards, and too many colleges of education focus on pedagogy rather than knowledge of subject matter. They simply are not preparing America's teachers for the modern classroom. Injecting more of these ill-prepared teachers into the classroom to reduce class size will do little to improve the quality of education. The best way to attract better teachers is to increase autonomy for school principals. And the best way to ensure teacher quality is to hold schools and teachers directly accountable for student achievement. Simply adding 100,000 new teachers to the system will not address its core problems.

- **Create a federal technology education program.** A proposal by Senator Carl Levin (D-MI) would increase to 50 percent the funding for the "lifetime learning credit" for technology training of kindergarten through 12th grade teachers.

Although teachers should be technologically literate, increasing congressional funding for teacher training is not the answer to the problem of low achievement. The priorities are misplaced: Teachers should learn how to teach the basics of math and English successfully. Recent results of the National Assessment of Education Progress (NAEP) indicate that 47 percent of all 4th graders read at a below-basic level. The percentage of students reading below basic in urban schools jumps to 57 percent.<sup>23</sup> A top-down congressional answer to a

local problem will not solve this problem. Inner-city children in drug-infested schools whose day-to-day lives are often in danger do not need technologically literate teachers. Like well-intentioned efforts to wire classrooms to the Internet, this proposal fails to address the most pressing needs of urban schoolchildren. Only encouraging real market competition between schools (with programs to promote school choice and charter schools) and encouraging states to design alternative teacher certification programs will help districts meet the needs of poor children. Teacher training remains a state and local responsibility.

- **Undermine work requirements in welfare reform.** A proposal by Senator Paul Wellstone (D-MN) would allow states to count two years of post-secondary education and vocational educational training as permissible welfare reform work activities.

Senator Wellstone was a vocal proponent of the old failed welfare system that led to record levels of dependence and illegitimacy. His amendment to the Coverdell-Torricelli legislation is an attempt to overthrow welfare reform and restore the corrupt welfare system of the past.

The welfare reform law passed in 1996 recognized that welfare dependence harms both recipients and society. Thus, it required the states to reduce their Aid to Families with Dependent Children (AFDC) caseloads by specified amounts in the future. If a state fails to do this, the residual number must be engaged in work. For example, the law requires states to reduce caseloads by some 40 percent by the year 2002. If a state reduced its caseload by only 30 percent by that year, it would have to place an additional 10 percent of recipients in community service work. Most

23. "By the Numbers: The Urban Picture," *Education Week*, January 8, 1998, p. 56; part of a special book-length issue, *Quality Counts '98*, self-described as "An *Education Week*/Pew Charitable Trusts Report on Education in the 50 States." Data based on unpublished tabulations from the U.S. Department of Education's Common Core of Data, provided by the NCES and the National Data Resource Center.



states already have reduced their welfare caseloads by 25 percent or more.

The reform experience of the past three years shows that work requirements rather than school attendance are key to reducing welfare dependence. In Wisconsin, work requirements have reduced caseloads by more than 80 percent. The Wellstone proposal would undermine reform by counting school attendance as a “work activity.” It is important to note that the welfare reform law places no real restriction on school attendance by welfare recipients; states are free to put 60 percent or more of their existing caseloads into educational programs. However, they are not permitted to count those who are merely attending school as “working.” The effect of Senator Wellstone’s proposal would be to eliminate the already weak work requirements of the welfare

reform law and restore much of the failed pre-reform system.

## CONCLUSION

The A+ Accounts bill is one of the first serious federal efforts to encourage parents to save for their children’s education. Offering alternative proposals that simply pour more money into existing federal programs or create new ones will only undermine long-term education reform. Members of Congress committed to improving education by getting parents involved should consider the benefits of A+ Accounts very seriously. Otherwise, federal dollars will continue to be directed to “input-driven” solutions and school bureaucracy, not to improving academic outcomes and opportunities for America’s children.

—*Nina H. Shokraii is the Education Policy Analyst at The Heritage Foundation and Sarah E. Youssef is a Research Assistant at The Heritage Foundation.*