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New Directions for Chapter 1

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ORAL STATEMENT OF

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before the

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Committee on Labor and Human Resources
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*This testimony is based on a study of Chapter 1 directed by Dr. Rotberg while she was a Senior Social Scientist at the RAND Institute on Education and Training. The views and recommendations presented in the testimony are solely those of the author and do not necessarily represent those of RAND or any of its research sponsors.

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to discuss with you the study of Chapter 1 that I directed at RAND.¹ The study focuses on federal policy options to improve education in low-income areas of the United States. I will begin by setting the context for Chapter 1, and then summarize the major recommendations of the study. I will conclude with a discussion of myths about educational performance in low-income areas that have weakened federal efforts to reform and improve Chapter 1.

CONTEXT

The United States faces the difficult challenge of improving the education of students from low-income families. Because family income, family education level, and student educational achievement are closely correlated, low-income children often face a double handicap: They have greater needs than more affluent children, yet they attend schools with substantially less resources.

Based on these broad considerations, the RAND Institute on Education and Training conducted an analysis of federal policy options to improve education in low-income areas. The analysis focuses on Chapter 1 of the Elementary and Secondary Education Act of 1965, the nation's \$6.1 billion program for assisting "disadvantaged" students in primary and secondary schools. After a quarter-century of experience with Chapter 1, it is a particularly appropriate time to review its accomplishments and problems and to assess options for strengthening the

¹The study findings are reported in three volumes: (1) *Federal Policy Options for Improving the Education of Low-Income Students, Volume I, Findings and Recommendations*, MR-209-LE, by Iris C. Rotberg and James J. Harvey, with Kelly E. Warner; (2) *Federal Policy Options for Improving the Education of Low-Income Students, Volume II, Commentaries*, MR-210-LE, by Iris C. Rotberg, editor, with Kelly E. Warner and Nancy Rizer; and (3) *Federal Policy Options for Improving the Education of Low-Income Students, Volume III, Countering Inequity in School Finance*, MR-211-LE, by Stephen M. Barro.

program while maintaining its concentration on the education of disadvantaged students.

The RAND study considered a broad array of questions. For example, can Chapter 1, as currently financed, respond to recent increases in the incidence of poverty? What new possibilities for program improvement would emerge if federal funding for the education of disadvantaged students increased substantially? What are the consequences of alternative approaches for distributing funds and selecting students, and for increasing the level of resources available to low-income school districts? Can federal funds be used as an incentive to encourage greater school finance equalization? Is there any reason to believe that low-income students will benefit if the focus of Chapter 1 changed from supplemental services to "schoolwide improvement?" What are the effects of current Chapter 1 testing requirements?

Shorn of its legislative and regulatory complexity, Chapter 1 is designed to do two things: (1) deliver federal funds to local school districts and schools responsible for the education of students from low-income families and (2) supplement the educational services provided in those districts to low-achieving students. School districts with ten or more children from families below the poverty level are eligible to receive Chapter 1 funds.

Chapter 1 uses two separate formulas to distribute funds: the Basic Grant and a separate Concentration Grant. The Basic Grant provides money to the counties of each state, based on the number of low-income children and state per pupil expenditures. Where school district and county boundaries do not coincide, the state divides county allocations of Chapter 1 funds (as determined by the incidence of poverty) among the districts.

The Concentration Grant provides additional money (10 percent of Chapter 1 funds) to counties if at least 15 percent, or 6500, of the children aged 5 to 17 are from families with income below the poverty line. However, this grant has little concentrating effect; instead, it spreads a relatively small amount of money quite broadly.

School districts allocate funds to schools according to poverty and achievement. Schools select eligible students not on income criteria,

but on the basis of "educational deprivation," normally determined by performance on standardized achievement tests or by teacher recommendations.

As a result, Chapter 1, for the most part, provides supplemental services to individually selected children within a school. Typically, funds are used for remedial reading and mathematics programs. Chapter 1 funds also support such programs as computer-assisted instruction, English as a second language, the teaching of reasoning and problem solving, early childhood activities, health and nutrition services, counseling and social services, and summer activities.

Chapter 1 provides essential supplemental services to large numbers of students nationwide. While it benefits many of these students, however, it has virtually no effect on overall school quality. It has not kept pace with the needs in either poor inner-city or poor rural schools. As designed, it cannot provide fundamental schoolwide improvements because (1) the amount of funding is small in relation to overall education expenditures and (2) the funds are widely dispersed. Further, because public school expenditures vary tremendously among states, districts in a state, and schools in a district, less money is devoted to the education of many Chapter 1 participants, even after the addition of Chapter 1 funds, than is devoted to the education of other children across the nation.

Indeed, Chapter 1's multiple purposes--an amalgamation aimed at assisting low-income districts while also providing funds for low-achieving children in wealthy districts--have produced a difficult combination of objectives: improving the overall quality of education in low-income communities while raising the achievement of the lowest-performing students in a large proportion of the nation's schools--all without sufficient resources.

Because funds are spread so broadly across states, districts, and schools, the neediest schools rarely have the resources to do much more than provide remedial basic skills programs. The funds certainly are not adequate to improve the quality of education generally--for poor children or for low-achieving children. In short, given the current

level and distribution of resources, Chapter 1 cannot lead to comprehensive improvements in low-income communities.

The RAND study draws on (1) a comprehensive review of existing evaluation data on Chapter 1, (2) invited commentaries by 91 policymakers, researchers, and educators (teachers, principals, and administrators) describing the strengths and shortcomings of Chapter 1, and (3) a commissioned study of federal options for school finance equalization. The study reviews the program's accomplishments, assesses the status of Chapter 1 today, and argues that it needs to be fundamentally reshaped to meet the challenges of tomorrow.

RECOMMENDATIONS

The report recommends a new three-part federal strategy for meeting the needs of low-income students: (1) increase Chapter 1 funding for the lowest-income school districts and schools, (2) reformulate Chapter 1 to encourage better education for low-income children of all achievement levels, and (3) use a separate general aid program to provide incentives for equalizing overall funding within states.

- 1. Increase Chapter 1 funding for the lowest-income school districts and schools.**

The existing Chapter 1 funding mechanism spreads the available funds thinly and widely, taking little account of the disproportionate educational problems faced by school districts with high concentrations of poor children and the serious underfunding of their schools. Because of the high correlation between poverty and educational problems, children in poor schools need substantially more educational resources than do more affluent children, yet they receive much less. While school districts receive larger amounts of Chapter 1 funding as their numbers of low-income students increase, districts with high concentrations of low-income students do not receive larger allocations per poor pupil.

The proposed changes would alter the distribution pattern by providing substantially greater aid per low-income child to the districts and schools with the most severe poverty-related problems.

Chapter 1 funds would be concentrated by merging the present Basic Grant and Concentration Grant formulas into a single weighted formula that provides more money per poor child as the proportion of poor children in a district increases. For example, a weighted formula might be designed so that an urban or rural district with, say, 70 percent of its children from families with income below the poverty line would receive twice as much Chapter 1 money for each low-income child as an upper-income suburban district with, say, only 8 percent of its children from poor families.

Funds would be allocated first to states (rather than to counties) and then to the school districts in each state. Retaining the county-level formula would reduce the accuracy of allocating Chapter 1 funds in relation to poverty concentration when counties contain districts with very different concentrations. Los Angeles County, for example, includes extremely wealthy districts like Beverly Hills and very poor, almost all-minority districts like Compton. If Los Angeles County received an allocation of Chapter 1 funds based on its countywide average poverty rate, the poorest districts in the county would not receive aid commensurate with their high poverty concentrations.

Under the formula that we propose, almost all districts currently eligible for Chapter 1 would continue to receive some funding. In practice, the level of funding in a district would depend on the combined effects of (1) the overall Chapter 1 appropriations and (2) the degree of weighting for low-income districts built into the formula. Because of the needs of low-income school districts, consideration should be given to the use of a formula weighted by concentration of poor children regardless of the overall level of Chapter 1 appropriations.

Similar weighting could ensure that the funds went to the poorer schools in a school district. The objective is to increase substantially the resource levels available to these schools so that they can fundamentally change their education program.

We further recommend that school districts use only poverty criteria, rather than the current mix of poverty and achievement criteria, to allocate funds to schools. The use of poverty criteria

would eliminate current perverse incentives that increase funds for schools as numbers of low-achieving children increase, while decreasing funds for schools reporting achievement gains.

Finally, the proposed strategy should be implemented so as to ensure that the federal funds do not replace what otherwise would have been spent. A strategy designed to provide sufficient resources to high-poverty schools becomes meaningless if those resources simply replace state and local expenditures. We recommend, therefore, strengthening the comparability regulation so that it creates real resource equality among schools before the addition of Chapter 1 funds. Such a requirement would increase substantially the total resources available to the lowest-income schools. The current variation in dollar value of the assets in schools can vary by a factor of two. A large part of the difference is caused by teacher allocation: The neediest schools usually get the teachers with the lowest levels of experience and education. Chapter 1 could promote real comparability, for example, by requiring that the dollar per pupil operating costs of schools must be equal (say, within 5 percent) before Chapter 1 funds are made available.

2. Reformulate Chapter 1 to encourage better education for low-income children of all achievement levels.

Provided they are sufficient for the purpose, Chapter 1 funds directed to low-income communities should be used to encourage schoolwide improvement in the designated schools. This recommendation is based on the evidence that low-, moderate-, and high-achieving children in schools with large concentrations of poor children have fewer educational opportunities than do children in more affluent schools. By reorienting Chapter 1 to serve the broad range of low-income children and by directing resources to meet that objective, Chapter 1 would have the potential to go beyond remedial basic skills instruction to provide significant improvements in the education available to low-income students, whatever their level of tested achievement.

Under existing law, schools with an enrollment of 75 percent or more poor students are permitted to use Chapter 1 resources to make overall improvements in their education programs (schoolwide projects) rather than limiting services to selected students. Some 2000 schools have implemented schoolwide projects to date, although more than 9000 schools are eligible. Many of these schools currently do not have the level of resources required to make schoolwide projects a viable option.

The level of Chapter 1 funding needed to make the widespread use of schoolwide projects a realistic option in the poorest communities will clearly depend on many factors. These include a school's per pupil expenditure, local costs of education, the characteristics of the existing educational program, start-up and training costs, and the special needs of the students served. While it would be unwise to set specific national funding levels for individual schoolwide projects, a general estimate of the number of schoolwide projects that could be supported at various Chapter 1 appropriations levels is needed.

A review of additional costs of schoolwide projects, magnet schools, and other "innovative programs" shows wide variations in per pupil expenditures. In Philadelphia, for example, schoolwide projects received an average of approximately \$720 per enrolled student (i.e., including every student attending the school, not only Chapter 1-eligible students) in the 1992-1993 school year; the range was between \$500 and \$1000 per student. Similar variability holds for magnet schools. Additional costs of magnet schools in one district ranged from \$400 to \$1300 per pupil. Another district added between .5 and 5 additional staff members in magnet elementary schools, while a magnet high school received 9.5 additional staff to serve 325 students.

Robert Slavin's *Success for All* program spends about \$1000 extra per pupil, while the figure for the *Reading Recovery* program is slightly higher. Sweden is reported to spend two to three times the national average on schools with high proportions of disadvantaged children.

The 1965 Title I legislation stated that local education agencies were eligible to receive grants equal to 40 percent of the average per pupil expenditure in the state (but not less than 80 percent nor more than 120 percent of national average expenditure per pupil), multiplied

by the number of eligible poor children ages 5-17. This figure is considerably higher than the current national average expenditure per Chapter 1 student, which is estimated at about \$1100 (based on appropriations for the 1992-1993 school year).

While these diverse examples of per pupil expenditures serve as a starting point for projecting Chapter 1 costs, they clearly cannot provide specific guidance. First, the expenditure figures vary greatly; second, systematic data are not available for each school on overall expenditures, on student needs, or on how the funds were used. Therefore, projections of Chapter 1 costs should not be based simply on what current programs spend but should also consider the broader context--school finance inequalities, as well as the greater educational needs of low-income children. In combination, these factors provide the foundation for making a rough estimate of the expenditure level required to make a difference.

Based on these broad considerations, we have selected a Chapter 1 expenditure per enrolled student (as defined above) equivalent to the nationwide average expenditure per Chapter 1 student of \$1100. That amount represents a 20 percent increment in funding relative to the U.S. average per pupil expenditure of \$5500.

The \$1100 expenditure figure is intended to serve as a guideline for estimating the overall level of Chapter 1 funding required to provide a critical mass of resources to the nation's lowest-income schools. It is not intended as the basis for legislating specific funding levels for individual schools.

With a per pupil Chapter 1 expenditure of \$1100, a school with an enrollment of 500 students would receive \$550,000 in Chapter 1 funds. In many cases, however, the proposed revenue increments still would not raise per pupil expenditures to the level of those in affluent districts. The increase would nevertheless provide a realistic opportunity for participating schools to make comprehensive schoolwide improvements.

The RAND study estimated the national cost of funding schoolwide projects at the per pupil expenditure proposed above in schools where the proportion of low-income students ranges from 75 percent to 60

percent. A funding level of approximately \$9.1 billion would provide the critical mass of resources needed to make significant educational improvements in schools with an enrollment of 75 percent or more poor children (approximately 9300 schools) while continuing to fund the other schools at current levels. A funding level of \$12.3 billion would serve schools with an enrollment of 60 percent or more poor children--that is, more than 16,000 schools or approximately one-third of the nation's Chapter 1 schools.

Adequately funded, schoolwide projects provide an opportunity to make fundamental improvements in the quality of education available in low-income communities. They do so by increasing resources to the neediest schools, providing services to low-income children at all achievement levels, and facilitating the design of a range of education programs. Schoolwide projects would also address the concern that Chapter 1 has created in some schools a "second system" of education that tracks students into special programs which substitute for the instruction that children would receive in their schools' regular instructional program.

Moreover, a combination of poverty, immigration, a weak local economy, and program fragmentation have rendered many schools incapable of serving the majority of their students. With dropout rates exceeding 50 percent in some schools and a serious lack of resources, it is hard to argue either that students need "just a little extra," or that a small minority of students suffers from selective neglect. Many of these students need help. Yet, Chapter 1 reaches relatively few of them, and only in narrow instructional areas. The point is that some schools are so pervasively inadequate and underfunded that they need fundamental reform, not the addition of a few services at the margin.

The emphasis on schoolwide projects does not cancel the need for supplemental instruction or individual tutoring for particular students in some schools. Indeed, a blanket recommendation for schoolwide projects, universally applied, responds no better to the diversity of individual school and student needs than the prevailing, nearly universal practice of supplemental services for low-achieving students in designated schools. The new orientation simply provides options.

Moreover, Chapter 1 resources should continue to focus on supplemental services in schools that do not receive sufficient funds to implement schoolwide projects. If the current limited Chapter 1 resources went into the overall school budgets, many children now receiving special services would probably lose them, while the quality of the educational program would not improve noticeably.

It is hardly meaningful to recommend schoolwide projects in a school that receives only enough Chapter 1 funds to support (as is often the case) one aide or a part-time teacher who has time to work only with children who score below the 15th or 20th percentile in reading. Educational choices are limited by funding--the question of the "optimum" Chapter 1 program (whether schoolwide projects or services to individually selected students are the best approach) cannot be separated from the level and allocation of resources.

The argument is made, however, to continue to permit schools with high poverty concentrations (perhaps reducing the criterion from 75 percent to 65 or 70 percent) to implement schoolwide projects even if funding does not increase substantially. In this view, supplemental services cannot begin to address the widespread educational problems in high-poverty schools. Permitting schoolwide projects in these schools is a reasonable option.

If schoolwide projects are widely adopted, however, policymakers should be realistic about what the projects can--and cannot--accomplish. Permitting schoolwide projects is not the same as funding them adequately; without sufficient resources, schoolwide projects are unlikely to translate into significant schoolwide improvement.

3. Use a separate general aid program to provide incentives for equalizing overall funding within states.

The first two recommendations--increasing resources to the neediest communities and reformulating Chapter 1 to serve low-income children at all achievement levels--can lead to significant improvements in the quality of education in poor communities. By themselves, however, improvements in Chapter 1 cannot address a more fundamental problem in

U.S. public education: the large disparities in expenditures across school districts.

State and local financial disparities obviously hinder the achievement of federal goals for the education of low-income students. As a practical matter, if the goal is to give the typical economically disadvantaged child in the United States greater (hence compensatory) educational resources than the typical advantaged child, the federal government has to include some effort to equalize base expenditures.

One option is to use the current Chapter 2 Block Grant program, which is essentially general federal aid to education, as the base for a system of fiscal incentives for funding equalization within states. It appears feasible, with available data, to consider the implications of using Chapter 2 to encourage equalization and to analyze the costs and the political and legal context for school finance reform in each state. That analysis would provide the best basis for assessing both the potential effectiveness of incentives for equity and the likely distribution of the proposed incentive grants among states.

Given the current federal budget deficit, massive initial funding for equalization incentive grants would seem unrealistic. A demonstration program, however, could be phased in with relatively modest initial funding. For example, between \$1 billion and \$2 billion in equalization incentive grants might be distributed initially, rising to perhaps three or four times that much over a period of years. In this case, a gradual phase-in would serve the specific purpose of allowing the states time to take the difficult steps needed to equalize their systems before the stakes become too high.

Our analysis shows that the use of a block grant--for example, Chapter 2--for increasing the federal role in school finance equalization has advantages over alternative approaches. However, its feasibility as a major national program can be determined only by a demonstration that would provide information about how the incentive system would work in practice and about its associated costs and political implications.

The study strongly recommends against using Chapter 1 for this purpose. First, some states would be forced to turn down the Chapter 1

funds because they did not have the resources to increase expenditures to poor districts. Second, Chapter 1 participants already harmed by unevenly distributed education expenditures, would be further harmed if federal funds were withdrawn.

PROGRAM ACCOUNTABILITY AND ACHIEVEMENT TESTING

The RAND study calls for fundamental changes in the delivery of federal education services. The proposed strategy involves substantially increasing funding for the nation's lowest-income districts and schools, thereby facilitating the adoption of schoolwide projects focused on enriching the educational experiences of low-income children of all achievement levels. These changes will require a new concept of accountability in Chapter 1.

Until now, two distinct approaches have characterized program accountability. The first approach involved national evaluations of Chapter 1, as well as studies that provided a more general sense of trends in the education of low-income students. The general studies included information about (1) resources and educational programs in low-income schools and (2) student attainment, including test scores, grades, promotion rates, attendance rates, high school graduation, and college attendance. The best of these studies have served the education community well in the past and can be expected to continue to provide essential information about both the effectiveness of Chapter 1 and, more generally, trends in the education of low-income students.

The second approach consisted of annual programs of achievement testing at the local level for purposes of accountability. For reasons described below, the study concludes that this approach has had adverse consequences and should be replaced by accountability methods that are more consistent with the reformulation of Chapter 1 recommended in this report.

Chapter 1 testing of students currently permeates virtually every aspect of the program. Students are tested first to determine program eligibility and, at the end of the year, to see how much they have learned. Policymakers hope that the more they hold schools accountable for the test scores of Chapter 1 students, the more their educational

programs will improve. Instead, the proliferation of testing has led to a diverse set of problems and negative incentives:

- The testing encourages the teaching of a narrow set of measurable skills. The mandated tests--and the rote learning associated with them--are particularly common in classrooms with high proportions of low-income and minority children.
- The use of test scores for funds allocation typically results in less funding for the schools that make achievement gains. The reliance on test scores, therefore, works against schools that have strong programs in the early years or promote successful students out of Chapter 1. If they succeed, as defined by the test scores, they lose money.
- The quality of an education system, of an individual school, or of a specific program--for example, Chapter 1--cannot be measured simply by comparing test score fluctuations from one year to another, or by comparing schools or classrooms on test scores. The reason is that the results do not control for changes in student population, incentives for encouraging certain students to take (or not to take) the test, or the consistency, or lack of it, between the test and the instructional program. Further, tests clearly cannot separate out the effects of the Chapter 1 program, which accounts for less than 7 percent of a student's instructional time, from the overall instructional experience.

The current Chapter 1 testing requirements do not lead to improvements in education. They tell us only what we already know--the effects of inadequate resources and poverty on the learning experience.

According to one argument, however, testing can be improved by developing innovative new tests, often called "authentic tests," which would include performance assessments, essay exams, and portfolio assessments. Little attention is paid to how long such tests would take to develop, how much they would cost and, indeed, whether they could be administered on a large scale, particularly for purposes of national

accountability. Authentic assessment for all Chapter 1 schools does not now exist. Moreover, it would be expensive to develop and administer, although it might be useful for research or diagnostic purposes.

Quite apart from the detrimental effects of testing on individual students and classrooms, the use of such tests to trigger school district and state intervention in poorly performing schools is questionable. The 1988 Hawkins-Stafford amendments added new provisions to encourage program improvement and greater accountability. In general, Chapter 1 programs deemed to need improvement are those in which aggregate achievement scores of participating students show either no change or a decline over the course of a year. Districts are required to intervene to upgrade performance in such schools. Following district intervention, states are authorized to help design and implement joint state-district improvement plans for schools that continue to show no improvement.

By the 1991-1992 school year, 10,582 schools in all 50 states had been identified as needing improvement. Six out of ten were in the first year of program improvement; 33 percent in the second year; and 6 percent in the third. Not surprisingly, schools in high-poverty districts (those in which 21 percent of the population are poor) were three times as likely to be in the program improvement category as schools in low-poverty districts (those in which less than 7 percent of the population are poor).

Unfortunately, the tests that determine the need for program improvement are inherently unreliable and therefore not well suited for the intended purpose. In the nationally representative Chapter 1 Implementation Study, about one-half of identified schools "tested out" of program improvement in the second year without making any changes in their Chapter 1 program. The scores improved because of a variety of circumstances that could not be identified. Test scores tend to fluctuate so much from year to year--apart from changes in the quality of education--that many schools identified as requiring program improvement apparently did nothing but wait until the next testing period, successfully counting on "testing out" of the requirements.

These findings do not mitigate the importance of district or state assistance to "failing" schools. They do, however, point out the impracticality of mandating this intervention nationwide based on test scores.

In short, the evidence from both research and practical experience suggests that federal testing requirements do not lead to improvements in education. This conclusion also applies to recent proposals to increase Chapter 1 accountability requirements as a trade-off for reducing other regulations. The fact is that these proposals cannot be implemented without continuing to incur the negative consequences of current testing practices.

The study recommends, therefore, that federal requirements for Chapter 1 testing--either for purposes of accountability or for determining student or school eligibility for program participation--be eliminated. Chapter 1 students should take the same tests routinely given to other children in their school district. Federal testing requirements would cease to influence the educational program in low-income schools, to encourage the teaching of a narrow set of skills, and to create perverse incentives that punish schools for raising achievement.

Instead of federal requirements for Chapter 1 testing, a system is needed to encourage accountability at the local level. The study proposes revising the program improvement concept to encompass far broader measures. These might include (1) indicators of student performance and progress, for example, grades, attendance, promotions, and dropout rates; and (2) information about the schools' educational program as shown, for example, by course offerings, class size, and teacher qualifications. Chapter 1 schools could provide this information to district officials, who would, in turn, report to state Chapter 1 officials. The choice of specific measures should be left to the discretion of states and localities, which have the best information about both the availability of data and the measures that would most closely reflect a district's educational program.

This approach combined with national studies and evaluations, would provide valuable information to all involved with Chapter 1: Federal

policymakers could draw on the results of national evaluations to gauge the effectiveness of the national effort; elected federal officials would be alerted to significant progress or problems in schools in their own constituencies; state officials would have statewide access to district reports; school district officials would have much richer information on operations in their own Chapter 1 schools and the problems that these schools face; and parents and community leaders would be able to judge how well their local schools were doing.

MYTHS AND REALITIES

Despite the growing severity of the problems Chapter 1 was designed to address, the program has not been modified to respond to the realities of increased poverty and vast differences in educational expenditures between rich and poor school districts.

- The first issue is financial: Schools serving many low-income students need more resources.
- The second is a matter of focus: Federal funds should be directed to the areas with the largest concentration of these youngsters.
- The third issue involves educational and policy coherence: If sufficient resources are available, Chapter 1 can play a much more significant role in improving education in our poorest communities by encouraging schoolwide improvement.

In this difficult fiscal environment, certain myths about educational performance in low-income areas have weakened effective federal efforts to reform and improve Chapter 1.

The first myth is that federal education programs do not work. This is the most destructive myth of all because it is so succinctly stated and easy to understand, and, if true, it would destroy the entire rationale for Chapter 1.

But the myth is demonstrably false. National evaluations of Chapter 1 show that the students are making gains in basic skills. Moreover, despite the public rhetoric about American education, we found

no evidence that student achievement has declined in the past generation. Our students' educational accomplishments equal and in many cases surpass those of students in previous years. With respect to minority children, prime targets for Chapter 1, the National Assessment of Education Progress reports achievement gains.

The second myth, a corollary of the first, holds that the nation cannot solve educational problems by throwing money at them. That is true only if one assumes that offering poor children the opportunities routinely available to their more affluent peers is the same as throwing money at a problem. Teachers' expertise and class size do matter.

Clearly, some schools--rich and poor alike--use money more productively than others. However, without adequate funding, even the best intentions cannot reduce student-teacher ratios, or support essential tutorial programs for small groups of students. Nor can underfunded school systems attract the best teachers. Teaching salaries influence teachers' career decisions--whether they will teach for one year only, or for long enough to gain expertise. Salaries also have an influence on where teachers choose to teach. And because, all things being equal, teachers prefer districts with high socioeconomic status (SES), low-income districts need to pay higher salaries to attract the best teachers.

The conditions in low-income schools--overcrowded classrooms, inexperienced teachers, shortages of counselors, science laboratories that lack even rudimentary equipment, obsolete instructional materials, decaying facilities--cannot be alleviated without additional resources. A judge in a school finance case put it this way: "If money is inadequate to improve education, the residents of poor districts should at least have an equal opportunity to be disappointed by its failure."

The third misconception holds that low-income children actually receive, because of perceived federal largess, more funding, and hence more educational services, than do more affluent youngsters. Therefore, the argument goes, why aren't these students making more dramatic achievement gains?

This myth amounts to little more than a denial of reality: Large differences in education expenditures exist *even after the addition of*

Chapter 1 funds. Federal programs do not provide anything close to the level of funds needed to compensate for the large inequalities in resources between low-income and more affluent districts.

The final myth proposes that schools can be reformed without new resources in low-income areas and without also dealing with problems in surrounding communities. Indeed, the educational problems in low-income schools cannot be separated from the problems of poverty and unemployment in the larger society. In recent years, several proposals --the restructuring of schools, the introduction of vouchers, and the use of national standards and national testing--have been put forward as the reforms needed to strengthen the nation's education system. These proposals do not begin to address either the severe problems of poverty in our inner-city and rural schools or the serious underfunding of these schools.

Up until now, the nation has chosen not to make the needed investment in low-income schools. Under the circumstances, policymakers should be realistic about what can and cannot be accomplished by rhetoric about world-class standards, accountability, or choice. Setting vague and unrealistic goals, or constructing additional tests, does not substitute for high quality education. We will not produce better schools--no matter what peripheral reforms are implemented-- unless we address the serious underfunding of education in poor communities. Further delays will result in diminished opportunities for this generation of low-income children.

Constance Clayton, former Superintendent of the Philadelphia Public Schools, summarized it this way in a paper written for the RAND study: "We must face every day the realities of the unequal hand dealt to our children and to our schools."