

# RAND

## NEWS RELEASE

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STUDY URGES SWEEPING CHANGES IN FEDERAL SCHOOL AID TO POOR  
RESEARCHERS CALL FOR BASIC RESTRUCTURING, BIG SPENDING BOOST

Washington, D.C., September 23 -- Stressing that "the educational problems in low-income schools cannot be separated from the problems of poverty and unemployment in the larger society," a new RAND report calls for a \$3 to \$6 billion expansion of Chapter I of the 1965 Elementary and Secondary Education Act, the program that represents the federal government's principal education effort for poor children.

"The environment for Chapter I today is far more challenging than the problems for which the program was originally designed," observe study director Iris C. Rotberg and co-author James J. Harvey. "The numbers of poor children and the problems in high-poverty schools have increased substantially.

"Up until now, the nation has chosen not to make the needed investment in low income schools. We will not produce better schools -- no matter what peripheral reforms are implemented -- unless we address the serious underfunding of education in poor communities."

The authors also recommend sweeping structural changes aimed at focusing the bulk of the funds on the poorest schools and children, suggest a new general aid program with incentives for equalizing school spending within states, and urge the elimination of special testing of Chapter I students.

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"The evidence from both research and practical experience suggests that federal testing requirements do not lead to improvements in education," the authors insist. "They tell us only what we already know -- the effects of inadequate resources and poverty on the learning experience."

Their study appears as reauthorization hearings for the expiring program pick up where they left off last spring. On Thursday, Secretary of Education Richard W. Riley will present the Clinton Administration's legislative approach in testimony before the House Education and Labor Committee. Details of its proposals were released last week.

The RAND authors' suggestions resemble the Administration's in several respects. Both agree, for example, that the program's current funding formula -- which provides at least some money to more than half the nation's public schools -- sacrifices effectiveness to breadth and should be changed. Both seek to increase program funding, to concentrate more resources on the poorest schools and students, to improve overall school quality rather than just provide remedial services, and to eliminate perverse program features, such as denying further funds to schools where achievement improves. But there are major differences between the two sets of proposals.

o The Administration wants to increase spending by 11 percent, or \$700 million. Rotberg and Harvey argue for increases that could "dramatically improve educational opportunities for the most disadvantaged children." Accordingly, they urge a boost of 50 to 100 percent -- to total program funding of \$9.1 billion to \$12.3 billion -- in order to bring "a critical mass of resources" to bear on schoolwide improvement in settings where the great majority of the children are poor. The higher figure would finance such efforts in schools where 60 percent or more of the children are poor (about a third of the Chapter I schools), the lower amount for those where 75 percent or more are impoverished.

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SECOND ADD RAND Study

o The funding formulas also diverge in other respects. One of the most important differences is that the Administration plan would continue to direct Chapter I funds to counties. The RAND authors would channel federal funds to school districts through the states in order to increase the accuracy of allocating Chapter I funds in relation to poverty concentration when counties contain districts with very different concentrations.

o Rotberg and Harvey would eliminate existing federal testing requirements. Chapter I students would take the same tests routinely given to other students in their school district. The Administration envisions the development of new state standards and tests which would be linked to the Chapter I program.

Even drastically revised Chapter I funding formulas cannot address the "more fundamental" problem of large disparities in expenditures across school districts, Rotberg and Harvey emphasize. Acknowledging that "massive initial funding for equalization incentive grants would seem unrealistic" given the federal budget deficit, they recommend starting with a \$1 to \$2 billion demonstration program. "With general aid, the federal government would possess genuine leverage in encouraging intrastate equalization," they observe.

The study, conducted in RAND's Institute on Education and Training, was funded by the Lilly Endowment. The findings and recommendations draw on a comprehensive review of existing evaluation data on Chapter I, commentaries by a group of 91 leading educators and researchers, and an analysis of federal options for school finance equalization.

The report, "Federal Policy Options for Improving the Education of Low-Income Students; Volume I: Findings and Recommendations," is available for \$15 from RAND's distribution department. Write to 1700 Main Street, P.O. Box 2138, Santa Monica 90407-2138, or telephone (310) 451-7002. Ask for document MR-209-LE.

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