

CRS Report for Congress

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Education Issues in the 105th Congress, 2nd Session

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Summary

Several education issues are being considered by the 105th Congress. Some of the congressional action results from expiring legislation, such as the Higher Education Act of 1965 (HEA). Other action may occur because of debate over the appropriate federal role in education, including federal support for school reform or national testing. This report provides a brief summary of education issues anticipated for the 2nd Session, as well as a synopsis of education activity during the 1st Session.

Higher Education

The 105th Congress, 2nd Session, will consider the reauthorization of the Higher Education Act of 1965 (HEA). The principal objective of the HEA is to expand postsecondary education opportunity for low and moderate income families. The HEA supports an estimated \$38 billion a year in student aid, including Pell Grants, Federal Family Education Loans (FFEL), and Direct Loans (DL). This amount represents about 68% of financial assistance awarded to postsecondary students from all sources. Other HEA programs include student support services, such as TRIO, aid for institutional development, international education, and teacher education and recruitment. A variety of issues are being considered in the reauthorization of the HEA; these issues include:

- **access** to postsecondary education, particularly for students who are low-income or from certain minority groups; and how to cope with rising college costs;
- **the forms of assistance**, the balance among grants, loans, and work-study; the relation between forms of assistance and tax relief programs; and the balance between student and institutional assistance;
- **standards and accountability**, including not only the administration of HEA programs and student default rates, but also whether eligibility should be predicated in some degree on standards of academic quality;
- **the efficiency of the student aid system** including whether there are too many current programs possibly resulting in costly and confusing administration as well as inequity in student participation; and

- **teacher education and recruitment**, including assistance or provisions for preservice education for elementary and secondary school teachers, inservice training for professional development, recruitment, license issues, workplace quality, and quality standards or accreditation for teacher education programs.

In the 1st Session: hearings were held on HEA oversight and reauthorization issues. For additional information: CRS Issue Brief 98004, *The Higher Education Act: Reauthorization by the 105th Congress*, by James B. Stedman and Wayne C. Riddle.

Vocational and Adult Education

The 105th Congress has continued the process, started in the 104th Congress, of revising the Carl D. Perkins Vocational and Applied Technology Education Act (Perkins Act) and the Adult Education Act (AEA).¹ The objectives of the Perkins Act are to assist states improve vocational education at the secondary and postsecondary levels and to provide access to special populations, such as disadvantaged or disabled students, to quality vocational education programs. The objectives of the AEA are to assist states provide adult basic education and literacy, adult secondary education and high school equivalency, and English-as-a-second-language programs. To date, Perkins Act and AEA issues include:

- **possible consolidation with other programs**, particularly job training programs, or continuation as separate education programs;
- **administrative simplification and accountability** at the state and local levels, including the extent to which governors would determine which state agency would be responsible for the administration of the federal program;
- **allocation of state grants between state and local levels**, and in the case of the Perkins Act, the degree of targeting for poverty populations in the substate allocation formula; and
- **performance standards and measures**, and their use in program administration and funding allocations.

In the 1st Session: the House passed H.R. 1385 (AEA) and H.R. 1853 (Perkins Act) and the Senate reported S. 1186 (AEA and Perkins Act). For additional information: CRS Report 97-283, *Vocational Education: Legislation to Reauthorize the Carl D. Perkins Vocational and Applied Technology Education Act*, by Richard N. Apling; and CRS Report 97-534, *Adult Education and Literacy: Current Programs and Legislative Proposals in the 105th Congress*, by Paul M. Irwin.

¹ Vocational education programs and most adult education programs are authorized through FY1995 by the Perkins Act and the AEA, respectively. However, the General Education Provisions Act, §422, extends the authorization of appropriations for most education programs for one additional year, through FY1996 in this instance, unless the authorization of appropriations for the program has been changed prior to the beginning of the final fiscal year. In addition, the Congress has enacted appropriations for FY1997 and FY1998 for some Perkins Act and AEA programs, in effect providing an automatic extension of authorization for those years as well.

Elementary and Secondary Education

The 2nd Session is likely to continue to consider several issues related to elementary and secondary education; a number of these have already received some attention during the 1st Session as part of the consideration of the President's FY1998 budget request and the enactment of FY1998 appropriations.

School Reform. Federal support of systemic state and local reform of elementary and secondary education has raised concern in some quarters about inappropriate federal direction and control of education. Congressional attention has focused on the state grant program under the Goals 2000: Educate America Act, which funds state and local efforts to establish and achieve high standards in education. The Goals 2000 Act authorizes grants through FY1998, and codifies national education goals. Continuing controversy over the program, the expiration of authorization of appropriations, and interest in competing reform proposals are expected to prompt debate during the 2nd Session. **In the 1st Session:** For the FY1998 appropriations, the House would have reduced funding by more than 20%, and the Senate would have transferred all funds to a block grant, but the final version continued funding at the FY1997 level. For additional information: CRS Report 95-502, *Goals 2000: Educate America Act Implementation Status and Issues*, by James B. Stedman and Wayne C. Riddle.

School Choice and Vouchers. School choice and voucher programs are widely considered as an alternative to school reform. Such programs provide parents increased control over the choice of schools attended by their children. These alternatives may include: public schools within or outside of their own school district; schools operating under a charter with public school authorities; or private schools through the use of vouchers. Current programs for public school choice include Magnet Schools Assistance, Public Charter Schools, and State Systemic Reform under the Goals 2000: Educate America Act. In the 2nd Session, consideration is anticipated to continue, with a possible focus on private school voucher proposals. **In the 1st Session:** proposals were considered but not enacted (H.R. 1797 and S. 1502) for "tuition scholarships" for students from low-income families in the District of Columbia for use in public or private schools. A proposal (H.R. 2646) for education individual retirement accounts (Education IRAs) for elementary and secondary education passed the House. Authority for using Elementary and Secondary Education Act of 1965 (ESEA), Title VI funds for private school scholarships was voted down by the House (H.R. 2746). For additional information: CRS Report 95-344, *Federal Support for School Choice: Background and Options*, by Wayne C. Riddle and James B. Stedman.

Charter Schools. Federal support has been increasing for charter schools, especially under the Public Charter Schools program, whose funding has grown from \$6 million in FY1995 to \$80 million in FY1998. Charter schools represent an innovative approach to public schools where state regulatory requirements are sharply decreased in exchange for increased responsibility and accountability for pupil outcomes. One-half of the states have authorized such schools with varying degrees of autonomy and accountability. Issues include the share of federal funds for such schools, the minimization of federal administrative burdens through special waivers, and research to support increased accountability for such schools. **In the 1st Session:** a proposal (H.R. 2616) passed the House to increase the authorization for the Public Charter Schools program, and to

increase support for schools in states providing financial autonomy to such schools. For additional information: CRS Report 97-519, *Charter Schools: State Developments and Federal Policy Options*, by Wayne Riddle, James Stedman, and Steven Aleman.

Reading. The FY1998 appropriations included \$210 million for a child literacy initiative *to be spent only if* authorizing legislation were enacted by July 1, 1998. President Clinton's "America Reads Challenge" has the objective of helping all children read successfully by the end of the third grade, primarily through the use of trained volunteers and tutors. The House has responded with a proposal that differs in some key aspects. In particular, the President's proposal includes a major role for AmeriCorps to recruit and coordinate tutors; the House would emphasize professional development for teachers without AmeriCorps. Other issues include the degree of emphasis on schools in low-income areas, research and models for program implementation, and the extent to which profit-seeking firms and parent-selected tutorial services would participate. **In the 1st Session:** the House passed the Reading Excellence Act (H.R. 2614); the Administration has given its qualified approval to that bill. For additional information: CRS Report 97-972, *Reading Instruction: New Federal Initiatives*, by Wayne Riddle.

Voluntary National Testing. In the State of the Union Address of February 4, 1997, President Clinton proposed an initiative to encourage states and local educational agencies (LEAs) to use new voluntary national tests specifically developed for 4th grade reading and 8th grade mathematics. These tests would be based on existing tests administered by the National Assessment of Educational Progress (NAEP), and would begin in 1999. The NAEP is the only nationally representative assessment of what school children have learned, on a subject by subject basis. Opponents of the proposal have been concerned with the lack of congressional input, challenged the necessity of such tests, and feared that the tests indirectly would lead to inappropriate federal influence on state and local curricula. These issues are anticipated to continue in the 2nd Session, possibly during consideration of the NAEP reauthorization, which was previously authorized through FY1997. **In the 1st Session:** language in P.L. 105-78 prohibits field testing or other administration of the tests in FY1998, but allows test development and commissions a series of studies of national testing issues by the National Academy of Sciences. For additional information: CRS Report 97-774, *National Tests: Administration Initiative*, by Wayne Riddle.

Educational Technology. Federal assistance for technology in education flows through myriad channels such as grant programs administered by ED and other federal agencies. Further, the implementation of the Telecommunications Act of 1996 is likely to make telecommunications connections available to elementary and secondary schools at substantially reduced rates. Congressional oversight is expected regarding expenditure and implementation during the 105th Congress. Issues include the federal role in this fast evolving area; the role of technology in improving the quality of education; the integration of technology into the curriculum; equity of access; and the multiplicity of programs supporting new technologies in the schools. **In the 1st Session:** significant increases were provided in FY1998 appropriations for several programs supporting educational technology, and the Federal Communications Commission made rate reductions for elementary and secondary services from between 20% and 90%, effective January 1, 1998. For additional information: CRS Report 96-178, *Information Technology and Elementary and Secondary Education: Current Status and Federal Support*, by James B. Stedman.

Title I Allocations. The effects of updates by the Census Bureau of estimates of the number of school-age children in poor families on the allocation formula may continue as an issue for the Elementary and Secondary Education Act Title I program of grants to local educational agencies for the education of disadvantaged children. Recent amendments to the Title I program are being implemented, and will likely come under scrutiny by the 105th Congress. Funding issues are anticipated to continue, particularly with regard to the extent of increased targeting of funds on LEAs with relatively high levels of poverty, and schools with relatively higher poverty rates within LEAs. **In the 1st Session:** P.L. 105-78 established 100% hold harmless levels for LEA Title I allocations, temporarily limiting the further implementation of Census updates; no substantial changes were made in the degree of targeting of funds for FY1998. For additional information: CRS Report 96-380, *Title I, ESEA: Current Status and Issues*, by Wayne Riddle.

Block Grants. The Senate agreed to a floor amendment during consideration of the FY1998 education appropriations that would have created an elementary and secondary education block grant. The grant would have used funds appropriated elsewhere in the bill and redirected them to a block grant for LEAs, for use as deemed appropriate by local officials. The provision would have channeled approximately \$13.4 billion from 51 other programs into the block grant. The conference committee subsequently deleted the block grant after the President threatened a veto. Nevertheless, the issues raised concerning the multiplicity of federal education programs and the associated administrative burdens imposed by them are anticipated to continue in the 2nd Session. **In the 1st Session:** the Senate passed but the conference committee deleted an elementary and secondary education block grant proposal prior to the enactment of P.L. 105-78 for FY1998 education appropriations. For additional information: CRS Report 97-893, *Education Block Grant in FY1998 Appropriations*, by Paul M. Irwin and Wayne C. Riddle.

School Construction. According to several recent reports by the General Accounting Office (GAO), the Nation's elementary and secondary schools need substantial repair and renovation, perhaps as much as \$112 billion. Such repairs are traditionally a state and local responsibility, but the size of the problem has resulted in increased congressional attention. As part of the FY1998 budget request, the President made a \$5 billion proposal to subsidize interest costs for school construction. The Congress did not enact this proposal, but the issue is expected to continue in the 2nd Session. Questions may include the extent and type of federal assistance, whether to expand federal tax benefits for state and local efforts, and whether to target assistance on certain schools, such as those in high poverty urban districts. **In the 1st Session:** the Senate passed but the conference committee deleted \$100 million in FY1998 funds for school construction grants already authorized under Title XII of ESEA; and the Taxpayers Relief Act of 1997, P.L. 105-34, authorized tax credits for "qualified zone academy bonds" to be used for school infrastructure. For additional information: CRS Report 95-1090, *School Facilities Infrastructure: Background and Funding in the 105th Congress*, by Susan Boren.

Other Issues in the 1st Session

Several education issues were considered during the 1st Session of the 105th Congress that are not expected to receive as much attention during the 2nd Session.

Special Education. The Individuals with Disabilities Education Act Amendments of 1997 was signed into law June 4, 1997, as P.L. 105-17. The legislation revised and extended the Individuals with Disabilities Education Act (IDEA) which supports early intervention and special education for children with disabilities. The amendments affected the remedies schools have for disabled children who misbehave, the rights of such children to special education services, limitations on the recovery of certain attorneys' fees, requirements for mediation and counseling prior to due process hearings, state and substate allocation formulas, and state performance goals and assessments; new grants for statewide special education reform were authorized. In the 2nd Session, interest will likely focus on the regulations proposed to implement the amendments. **For additional information:** CRS Report 97-535, *Individuals with Disabilities Education Act Reauthorization Legislation: An Overview*, by Steven R. Aleman and Nancy Lee Jones; and CRS Report 98-18, *The Individuals with Disabilities Education Act: Department of Education Proposed Regulations*, by Nancy Lee Jones and Steven R. Aleman.

Education Tax Benefits. The Taxpayer Relief Act of 1997 was signed into law August 5, 1997, as P.L. 105-34. The Act authorizes two new tax credits — the Hope Scholarship Credit and the Lifetime Learning Credit — to help families pay for the expenses of postsecondary education. It authorizes tax-exempt Education IRAs for postsecondary education, and allows a new deduction for interest payments on qualified education loans. The Act extended the exclusion for employer education assistance through May 31, 2000, expanded the tax exclusion for student loan forgiveness, enhanced the deduction for the contribution of computers to elementary and secondary schools, and authorized tax credits for “qualified zone academy bonds” for public school facilities, equipment, course materials, and training. In the 2nd Session, additional consideration may be given to Education IRAs for elementary and secondary education, such as the proposal included in H.R. 2646 that passed the House in the 1st Session. **For additional information:** CRS Report 97-915, *Tax Benefits for Education in the Taxpayer Relief Act of 1997*, by Bob Lyke; and CRS Report 97-852, *Education Savings Accounts for Elementary and Secondary Education*, by Bob Lyke.

For Further Reading

For additional information on these and related issues, please see *Education Issues in the 105th Congress: A Checklist of CRS Products*, CRS Report 96-941 L.