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# The Federal Role in Education— A Look Forward and a Look Backward COMMENTARY

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This is a watershed era in education as the states and the nation move from the "old equity" of basic skills and minimums to the "new equity" of excellence for all children at all schools and the achievement of the national education goals. This historic shift is being driven by the requirements of the knowledge society and global economy, and is reflected in the education sector by two major forces: the passage of national education goals and the groundswell of school finance litigation.

For the first time in the nation's history, ambitious national education goals (NEG) have been created, adopted and codified into law. Two of the goals would bring all students to high levels of thinking and problem solving in English, mathematics, science, geography and history and have the U.S. rank first in the world in mathematics and science. At the same time, a groundswell of school finance litigation is sweeping the country and propelling school finance reform to the top of state policy agendas. Currently litigation is in process in two dozen states; state supreme courts have rendered decisions in another twelve states. The courts and litigants are calling for closing the gap between the best and the worst financed education systems within a state. They suggest remedies that would give to the many what has been reserved for the fortunate few—equal opportunities for financing excellence in education. *An overriding issue for the balance of the decade is how to link the directions of the courts with the achievement of the national education goals.*

This year the Clinton administration and Congress have an unusual opportunity to address this key issue, as virtually every federal elementary and secondary education program is being considered for reauthorization. Already the administration's major initiative for the schools enacted in the 103rd Congress, *Goals 2000: Educate America Act* (P.L. 103-227), begins to move in this direction. *Goals 2000* codifies the NEG into law, provides \$400 million to states for development and implementation of a systemic improvement plan aimed at reaching the ambitious national education goals, and establishes several boards—to certify and monitor progress towards voluntary state/national standards and assessments; and to develop and certify national occupational skill standards. Title III of the Act provides grants to states for the development of: (1) *state content* standards that define what all students should know and be

able to do in specific subject areas, (2) *performance standards* that define what students need to do to demonstrate proficiency under the content standards, and (3) *opportunity to learn standards* (OTL) and strategies that define the resources and services needed to assure that all students have a fair opportunity to attain the upgraded requirements. (See goals listed on page 3).

New directions related to the federal role in education, as evident in the *Goals 2000* legislation, also surround the reauthorization of the majority of federal aid programs; and are discussed further in this volume of *Educational Considerations*—including the major programs of assistance for postsecondary education and the schools, and rural/urban issues.

Most federal aid for postsecondary education is provided by the federal government in the form of student financial assistance. The lion's share of federal aid for the schools is authorized under the Elementary and Secondary Education Act (ESEA) of 1965, with 80% of the funding provided under Title I, Chapter 1 of the Act (\$6.4 billion in FY 1993). Chapter 1 authorizes the compensatory education program for economically disadvantaged children and youth. Other programs authorized under the ESEA include: Title II—Eisenhower mathematics and science state grants (Title II, \$246 million) and Education Block Grants for school improvement (\$435.5 million); Title III—magnet schools assistance (\$108 million); Safe and Drug Free Education Aid (Title V, \$582.1 million), Bilingual Education assistance (Title VII, \$213.4 million). Chief issues related to these programs concern how they should interact with systemic reform initiatives, what should be the federal role in these efforts, and how federal aid might promote fiscal equalization within states—to ensure federal aid supplements (not supplants) interstate resource configurations, particularly in poor districts.

Other major programs that are not in the ESEA but that are likely to be considered for reauthorization this year include: The Individuals with Disabilities Education Act (IDEA), which provides aid for children and youth with disabilities and is the second largest federal aid program for elementary and secondary education (\$2.053 billion); and the Impact Aid program (\$840.2 million), which compensates school districts for lost taxes due to the impact of federal activities. Chief issues related to special education include the strengths and weaknesses of "inclusion" programs, the high and growing numbers of students entering the system and the associated costs, and the gap in the federal commitment to special education assistance versus actual appropriations.

An overriding reauthorization issue related to the federal role in education relates to the amount of funding that is necessary to stimulate states and localities to upgrade the education system, achieve the national education goals, address the special educational needs of students with disadvantages/disabilities, and achieve other federal priority areas. The current fiscal context for reauthorization of federal aid to the schools is one of an expanding economy but it follows a decade of shrinking federal aid to elementary and secondary education.

Between 1980 and 1990, federal aid to education fell from 9.2% to 6.2% of total school aid from all sources. In real terms,<sup>1</sup> federal aid increased less than one-tenth of 1% over this time (when inflation is taken into account). Total aid to education from the federal government for the ten year period was \$20 billion lower than what it would have been if it held steady at FY 1980 levels. Over the ten-year period from FY 1983 to 1993, it was \$10 billion lower than what would be expected if it stayed at FY 1980 levels. Between FY 1980 and 1990, the low mark in federal aid to education was in FY 1983; FY 1981 marked the high point in federal support. (See federal aid table on page 4).

One of the persistent myths concerning federal aid to education is that because it comprises about 6% of total school aid, it represents only a small amount of revenue to the schools and

limits the federal role in education. This is not the case. In fact, contrary to the implications suggested by this myth, federal aid does not provide 6 cents for every \$1 of school aid because it is not spread evenly across all children and all schools. Federal aid is targeted to special population groups, numerical minorities, and other individuals that have historically been underrepresented at the state/local level, or have been left out or left behind in the realization of the American dream. It, therefore, represents a larger share of funding for these children, youth, and program priorities. Likewise, reductions in federal school aid are borne disproportionately by these special population groups and by the programmatic areas that reflect the federal interest in education. Importantly, reductions in aid have characterized federal support of education over the past decade.

Between FY 1980 and 1990, federal aid fell -14% on average (when inflation is taken into account). This compares to a real increase of 57% percent during the 1970s, and a 78% increase during the 1960s. During the decade of the 1980s, most states experienced double-digit percentage reductions, but large variations were present within and across the states. For example, total federal aid fell -30% in Massachusetts, -35% in Pennsylvania, -44 percent in North Carolina, -40% in Michigan, -37% in Nebraska, -41 percent in Arizona, and -31% in Idaho. However, federal aid rose in Vermont (40%), New York (56%), Colorado (78%), and Nevada (35%).

In per pupil terms the reductions are less drastic on average, but still substantial. This is because in certain regions and parts of the country there were reductions in the number of students entering the system, thus providing more aid behind each student. But, again, variations are present across and within the states. For example, in Arizona, federal aid per pupil fell -55%, between FY 1980 and FY 1990. Reductions were -40% in North Carolina, -33% in Nebraska, and -40% in Alaska. Again, a majority of states experienced double digit percentage reductions.

These data indicate that substantial federal aid increases will be necessary if past losses are to be restored, provisions are made for all eligible recipients, programs are fully funded, and authorizations provide for prevention in addition to remedia-

tion activities. Issues facing Congress therefore include not only federal strategies to guide and drive the achievement of equity and excellence for all students and at all schools, but also the necessary level of federal support to stimulate a state-local response to the federal interest, and the implications of the federal role for coherent policy across all levels of the education system aimed at high-quality education systems.

In the pages that follow, these and other important issues and research findings concerning the federal role in education are presented, analyzed, and discussed. The authors bring a wide range of expertise and experience to bear on the research studies reported herein. Their efforts focus on student financial aid for postsecondary education, Title I (Chapter 1) of the Elementary and Secondary Education Act (compensatory education), the Individuals with Disabilities Education Act (special education), rural and urban issues, implications of the North American Free Trade Agreement on education, and state responses to the "education reform" movement of the past decade.

I am hopeful that you will find the articles in this volume both stimulating and informative. Moreover, I am hopeful that you will enjoy this special education on the *Federal Role in Education* as much as I did when conceptualizing and editing it.

**Deborah A. Verstegen, Guest Editor**

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September 22, 1994

**Endnotes**

1. Data source: National Education Association (selected years). *Estimates of School Statistics*. Adjusted by the implicit price deflator for state and local government purchases of goods and services (1980=100) using a school year index. Aggregate dollars were used to hold enrollment fluctuations constant.

## NATIONAL EDUCATION GOALS<sup>1</sup>

### The six National Education Goals adopted by the nation's Governors in 1990.

**SCHOOL READINESS.** By the year 2000, all children in America will start school ready to learn.

**SCHOOL COMPLETION.** By the year 2000, the high school graduation rate will increase to at least 90 percent.

**STUDENT ACHIEVEMENT AND CITIZENSHIP.** By the year 2000, all students will leave grades 4, 8 and 12 having demonstrated competency over challenging subject matter including English, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography, and every school in America will ensure that all students learn to sue their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in our Nation's modern economy.

**MATHEMATICS AND SCIENCE.** By the year 2000, United States students will be first in the world in mathematics and science achievement.

**ADULT LITERACY AND LIFELONG LEARNING.** By the year 2000, every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.

**SAFE, DISCIPLINED, AND ALCOHOL- AND DRUG-FREE SCHOOLS.** By the year 2000, every school in the United States will be free of drugs, violence, and the unauthorized presents of firearms and alcohol and will offer a disciplined environment conducive to learning.

### The two additional National Education Goals included in the *Goals 2000* legislation.

**TEACHER EDUCATION AND PROFESSIONAL DEVELOPMENT.** By the year 2000, the Nation's teaching force will have access to programs for the continued improvement of their professional skills and the opportunity to acquire the knowledge and skills needed to instruct and prepare all American students for the next century.

**PARENTAL PARTICIPATION.** By the year 2000, every school will promote partnerships that will increase parental involvement and participation in promoting the social, emotional, and academic growth of children.

<sup>1</sup>Six national Education Goals were originally adopted by the nation's Governors in 1990. On March 31, 1994, President Clinton signed into law eight National Education Goals as part of the *Goals 2000: Educate America Act*. The underlined text indicates language added to the original goals in the Goals 2000 legislation and the two additional goals. **Please note that one of the new goals addresses teacher education and professional development.**

## Federal Aid to Education Cross Time Comparisons, 1980-90 and 1983-90

	Aggregate				Per Pupil Revenue			
	1980-1990		1983-1990		1980-1990		1983-1990	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
50 States and D.C.	45%	-14%	56%	16%	55%	-8%	43%	6%
NEW ENGLAND	41	-16	56	16	41	12	69	25
Connecticut	55	-8	37	2	90	13	49	10
Maine	84	10	64	22	106	23	67	24
Massachusetts	18	-30	62	20	53	-9	85	38
New Hampshire	35	-20	47	9	37	-18	37	2
Rhode Island	54	-8	78	32	76	5	84	36
Vermont	136	40	75	30	145	46	69	25
MID-ATLANTIC	74	4	86	38	52	23	97	46
Delaware	25	-26	39	3	33	-21	31	-2
Dist. of Columbia	23	-27	40	4	39	-2	60	19
Maryland	46	-13	47	9	62	-4	47	9
New Jersey	120	31	69	26	165	58	84	37
New York	162	56	117	61	201	80	128	70
Pennsylvania	9	-35	81	34	29	-23	96	45
SOUTHEAST	38	-18	36	1	28	-18	31	-3
Alabama	101	20	54	14	106	23	53	13
Arkansas	25	-26	29	-5	30	-22	28	-5
Florida	101	19	55	15	67	0	28	-5
Georgia	40	-17	31	-2	33	-21	23	-9
Kentucky	55	-8	25	-7	70	1	29	-4
Louisiana	31	-22	67	24	37	-19	67	24
Mississippi	27	-25	40	4	22	-28	28	-5
North Carolina	-6	-44	12	-17	1	-40	15	-15
South Carolina	28	-24	8	-20	31	-22	7	-21
Tennessee	17	-30	39	3	23	-27	39	3
Virginia	20	-29	22	-10	26	-25	21	-11
West Virginia	25	-26	30	-3	48	-12	49	11
GREAT LAKES	22	-27	34	0	29	-16	42	6
Illinois	8	-36	35	0	26	-25	42	5
Indiana	58	-6	24	-8	81	8	30	-3
Michigan	1	-40	36	1	25	-25	53	14
Ohio	66	-1	36	1	91	14	43	6
Wisconsin	30	-23	34	0	42	-15	35	0
PLAINS	31	-22	31	-2	29	-17	30	-3
Iowa	36	-19	20	-11	56	-7	27	-6
Kansas	59	-5	52	13	57	-7	43	6
Minnesota	35	-19	46	8	43	-15	42	5
Missouri	21	-28	26	-6	30	-22	26	-7
Nebraska	5	-37	2	-24	13	-33	2	-25
North Dakota	55	-8	24	-8	55	-8	23	-8
South Dakota	29	-23	44	7	36	-19	40	4
SOUTHWEST	68	0	64	22	31	-13	49	10
Arizona	0	-41	3	-24	-25	-55	17	-38
New Mexico	63	-3	36	1	60	-4	32	-2
Oklahoma	38	18	28	-5	40	-17	31	-2
Texas	89	13	91	41	63	-3	71	27
ROCKY MOUNTAINS	84	9	38	2	41	0	29	4
Colorado	199	78	44	7	189	72	39	3
Idaho	17	-31	50	11	9	-35	42	6
Montana	63	-3	-2	-27	78	6	-1	-26
Utah	64	-3	52	13	25	-25	29	-4
Wyoming	39	-17	64	22	37	-18	72	28
FAR WEST	54	-9	97	46	24	-22	72	27
Alaska	21	-28	98	47	2	-40	71	27
California	45	-14	109	55	26	-25	80	34
Hawaii	23	-27	8	-20	22	-28	-3	-23
Nevada	127	35	44	7	79	7	16	-14
Oregon	34	-21	62	21	32	-21	54	14
Washington	52	-9	86	38	43	-15	69	25

Source: Data, National Education Association, *Estimates of School Statistics*, selected years. Calculations: D. Versteegen, University of Virginia.