In January Rep. John Kline (R-MN), chairman of the House Committee on Education and the Workforce, released two draft discussion bills to reauthorize the Elementary and Secondary Education Act, or ESEA. The Student Success Act and the Encouraging Innovation and Effective Teachers Act would increase state and local control over education. In the process, however, the proposals would weaken equity provisions in the law designed to ensure historically disadvantaged students get a fair shot at a good education.

ESEA, currently titled the No Child Left Behind Act, is the nation’s largest public education law, and its reauthorization is far past due. The decade-old law needs immediate repair:

• It identifies schools as “in need of improvement” whether they missed achievement targets by a little or a lot.
• It prescribes interventions for those schools, but the interventions are not showing results.
• It ensures teachers have credentials to enter the profession but does not ensure they are effective with students in the classroom.

The next version of ESEA should look markedly different from the current one, and such significant change will require bipartisan efforts. Rep. Kline’s highly partisan proposals would so weaken equity provisions, however, that bipartisan negotiations broke down.

This brief outlines specific ways the Kline bills would undermine how historically disadvantaged students are treated and how schools with low-income students are funded. The brief concludes with a progressive vision for how ESEA could be reauthorized in ways that do promote equity.

Specifically we recommend that ESEA should:

• Hold all schools accountable for getting results with all students
• Invest in teachers and principals so they become more skilled and effective
Lack of protections for historically disadvantaged students

Several aspects of the Student Success Act would diminish or dismantle equity provisions for historically disadvantaged students. In a press release Rep. Kline said his plan promotes education reform by “maintaining and strengthening long-standing protections for state and local autonomy.” Clearly the goal is to reduce federal involvement and protect local autonomy. But in the process it weakens protections for disadvantaged students. In fact the public debate about ESEA has focused far more on strengthening the hand of adults (local control) than that of students. In particular, the Student Success Act diminishes the following.

Responsibility for student learning

Current law requires states to set goals for gradually improving student achievement and graduation rates and to ensure districts take action to improve struggling schools that do not do well on those measures. But under the Student Success Act, states would not be required to set goals for student achievement or graduation rates, nor would they be required to intervene or support schools that are inadequately educating historically disadvantaged students. States would still have to measure the achievement of all students and subgroups of students named in current law—namely low-income students, students of color, disabled students, and English language learners. But states would come up with their own accountability and improvement system free of any federal parameters.

That means states would report how well students are learning, but they would not have to do anything about it. They would also continue to receive federal funding regardless of their success. This is a significant retreat from current law in an attempt to return greater control to states and districts. While many states act in good faith, history reminds us that prior to ESEA only two states included student subgroups in their accountability system. The federal government had to push states to identify and act on achievement gaps. To diminish that role is to weaken protections for historically vulnerable student groups.

Student access to effective teachers

Current law requires states to ensure that poor and minority students are not taught at higher rates by unqualified or inexperienced teachers or by teachers who lack knowledge of the subject they teach. But the Student Success Act would strip this requirement and
only ask states to “address the disparity” in the distribution of effective teachers. At first glance this may seem like a mild change. But “ensuring” means a state is on the hook for student access to good teachers, and “addressing” means no more than trying to fix problems irrespective of the outcome.

**Public use of public money**

Current law requires school districts to ensure students and teachers in private schools have equitable access to educational services such as computer equipment or professional development. The Student Success Act would maintain the parity and strengthen it by requiring every state to hire an ombudsman to monitor and enforce the provision. This is a new federal requirement placed on states and districts that would require greater federal oversight to ensure compliance. It is interesting that the Kline bill would diminish equity for disadvantaged students while strengthening equity for private school students.

**Low-income children left behind by design**

The Kline proposal would also significantly change federal funding patterns. Some changes would clearly diminish the targeting of federal resources based on poverty levels in schools, districts, and states. Other changes would create incentives to divert education funding. Still more telling is the failure of the Kline proposal to close a loophole in federal law that allows school districts to shortchange schools with larger populations of low-income students.

**Targeting federal funds based on poverty**

Current law provides about $3 billion for improving the skills of teachers and principals under Title II, Part A, or Title II-A. These funds are allocated to states and districts based on poverty levels and population, with the poverty factor given greater weight. This is consistent with the federal role in promoting equity. The Encouraging Innovation and Effective Teachers Act, however, would radically alter the way Title II-A funds are distributed, thereby diluting the targeting of funds to offset the effects of poverty.

Under current practice the accretion of various funding approaches makes it difficult to assess the extent to which Title II-A funds are driven by numbers of low-income children as opposed to populations of children served. For Title II-A funds in excess of the 2001 level—for combined Eisenhower and Class Size Reduction grants—the formula favors poverty (65 percent) over population (35 percent) in driving funds to states.¹ But Title II-A’s hold-harmless provision, which ensures that states continue to receive at least what they did in 2001 under the two predecessor programs, favors poverty with weights
higher than 65 percent. Consequently, about 82 percent of Title II-A funds are apportioned to states based on children in poverty.

The Kline teacher plan would substantially dilute this focus. The bill summary does not explain why. Formula changes always entail winners and losers, which we estimate in the table below. The clearest loser, however, is a federal focus on redressing poverty.

The winners of the Kline proposal, according to our estimates, would be states with the greatest population growth over the past decade. We obtained our results by comparing estimated fiscal year 2012 allocations to those yielded by the Kline plan (see Table 1). States gaining funds tend to be the Western and Southern states that experienced high population growth from 2000 to 2010. Losing states such as West Virginia and New York had low population growth. States enjoying the generous small-state minimum provisions would see no change in their allocations. These provisions, which the Kline proposal does not address, ensure that states receive at least 0.5 percent of funds appropriated for Title II-A.

### TABLE 1

<table>
<thead>
<tr>
<th>State</th>
<th>Percent change</th>
<th>FY2012 estimated awards</th>
<th>Simulated awards under Kline proposal</th>
<th>Gain or loss in dollar amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nevada</td>
<td>57.5</td>
<td>$12,427,753</td>
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<td>Florida</td>
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<td>South Carolina</td>
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<tr>
<td>Indiana</td>
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<tr>
<td>Texas</td>
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<td>2.0</td>
<td>$38,661,680</td>
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</table>
Maintenance of effort

Current law provides resources through Title I to schools with concentrations of low-income students to ameliorate the impact of poverty. The law requires states and districts receiving Title I funds to spend at least 90 percent of what they spent in the previous year from nonfederal sources. The goal is to prevent big decreases in education investment, whether driven by tough budget times or genuine desire to reduce education funding for whatever reason.
The Student Success Act would scrap this so-called maintenance of effort provision, or MOE. Supporters of the Kline plan claim striking MOE would reduce federal overreach into state and local decisions, and allow states and districts to spend money more efficiently. These arguments do not hold water, and striking MOE is a poor move for the following reasons:

- **MOE is not overreach.** Federal law makes demands about the levels of state and local spending, but it says nothing about how money should be spent. Additionally, current law already allows temporary waivers of MOE in the event of sudden and serious financial hardship. This is hardly micromanagement, though the rhetoric used by opponents of MOE is certainly consistent with the political agenda of shrinking the federal role in education.8

- **MOE does not penalize efficiency.** States and districts face no penalty for improving efficiency so long as their savings don’t involve cutting state and local spending by more than 10 percent from the previous year—generous leeway considering likely rates of efficiency gains in even the most aggressive districts.

- **MOE safeguards federal investment in education.** The Kline proposal would allow states and districts to reduce their nonfederal education spending by any amount without incurring any penalty to their Title I allocation. This is a recipe for converting federal funds into state and local tax relief, or for converting funds meant for education into support of other government services. Seen in this light it’s helpful to recall that President Ronald Reagan had an apt phrase for describing the role of MOE: “Trust, but verify.”

**Federal loophole that masks inequity**

One glaring omission from the Kline proposal is that it fails to close a federal loophole that allows districts to fund schools inequitably. The Senate passed a bipartisan ESEA bill in October 2011 that closed this loophole, which illustrates how partisan the Kline plan is since it fails to do so.

Current law requires that districts ensure schools receiving Title I funds and those not receiving Title I funds have comparable resources before federal funds are added, a requirement known as comparability. But districts may comply with the comparability requirement in ways that mask inequity, such as adopting a districtwide salary schedule, showing equivalent student/staff ratios, or reporting average (not actual) teacher salaries. These loopholes result in inequity.

Experienced teachers, who are paid more, for example, tend to transfer to low-poverty schools so the actual dollars going to high-poverty schools are far less than wealthier
schools. The solution is to close the loophole by requiring districts to report actual expenditures and to act to ensure resources are truly comparable across schools.

Reporting actual per-pupil expenditures would have two main benefits. First, it would allow for greater transparency and more rigorous financial oversight. Second, it would give district officials a clearer picture of spending and thus flexibility in making budget decisions.

A better way forward

Rep. Kline has charted a course for increasing state and district control, yet taking this path leads to less equity for students and schools. This is not the only way to reauthorize ESEA. The onerous aspects of NCLB can be fixed without dismantling the federal role in education.

Elsewhere we have explained how a smart, progressive vision for revising ESEA can ensure equity for disadvantaged students and schools. In short a new education law should do the following:

• **Hold all schools accountable for getting results with all students.** A new ESEA should set a high bar for students and schools, requiring annual performance goals and action to improve low-performing schools.

• **Invest in teachers and principals so they become more skilled and effective.** A new ESEA should require rigorous evaluation systems and then use that data to improve teachers’ skills, to make hiring and dismissal decisions, and to ensure all students have a great teacher. Rep. Kline’s teacher bill has a bright spot here. He deserves credit for requiring states and districts to implement comprehensive evaluation systems and to use results of those evaluations to inform personnel decisions. His bill would not, however, leverage evaluations to improve teaching skills, which is the main goal of engaging in evaluation reform.

• **Make funding practices more fair and efficient so every student gets a fair shot at adequate resources.** By closing loopholes and adjusting funding formulas in current law that allow districts to shortchange poor schools, a new ESEA should prioritize disadvantaged students. And by reporting actual spending and achievement data, inequities and inefficiencies can be fixed.

• **Target support to low-performing schools.** A new ESEA should help restructure chronically underperforming schools, increase learning time in the school day or year, and address the nonacademic needs of disadvantaged students so they are able to learn.
Conclusion

The points above illustrate how the Student Success Act and Encouraging Innovation and Effective Teachers Act would diminish or dismantle federal equity provisions in the process of giving states and school districts greater control over education decisions. We believe this is a poor course of action because it retreats, or cuts and runs, on the historic federal role of ensuring disadvantaged students receive the extra resources and attention they need. And it fails to ensure these students achieve the educational outcomes necessary to succeed in today’s globally competitive workforce.

Reauthorizing ESEA requires serious bipartisan action. But these bills move congressional debate in the opposite direction toward partisanship and gridlock mostly because they weaken provisions for disadvantaged students and schools.

The American Dream rests on the idea that everyone has the chance to succeed if they work hard and play by the rules. We are an equal opportunity nation, after all. But when our nation’s schools fail to adequately educate most students, particularly disadvantaged students, then the answer is not to retreat on equity but to bolster it. Our nation’s students deserve better.

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Endnotes

1 The 2001 funding level comprises both Eisenhower grants and Class Size Reduction grants, programs that were essentially rolled into Title II by the No Child Left Behind Act.

2 Class Size Reduction grants were driven to states based on their aggregated Title I allocations to districts. Basic and Concentration grants under Title I were driven in 2001 by populations of low-income children served by districts.

3 The 82 percent figure is a weighted average based on the share of fiscal year 2010 Title II-A appropriations driven by poverty in the underlying formulas for Eisenhower grants, Class Size Reduction grants, and the formula pertaining to funds in excess of the hold-harmless baselines established by these two programs. Calculations are available from the authors upon request.

4 We simulated the effects of changes in the Title II-A allocation procedures by computing the percent changes in states’ allocations between the publicly available fiscal year 2012 estimates and what states could have expected for that year had the proposed formula been in place.

5 “FY 2010–FY 2012 President’s Budget State Tables for the U.S. Department of Education,” available at http://www2.ed.gov/about/overview/budget/statetables/index.html (last accessed January 24, 2012). Note: FY 2011 allocations are still only available as estimates, although FY 2012 estimates are also available. We used the latter. The results of this simulation, however, differ little when the 2011 estimates are used.

