

CAPE OUTLOOK



The Senate and Tuition Tax Credits

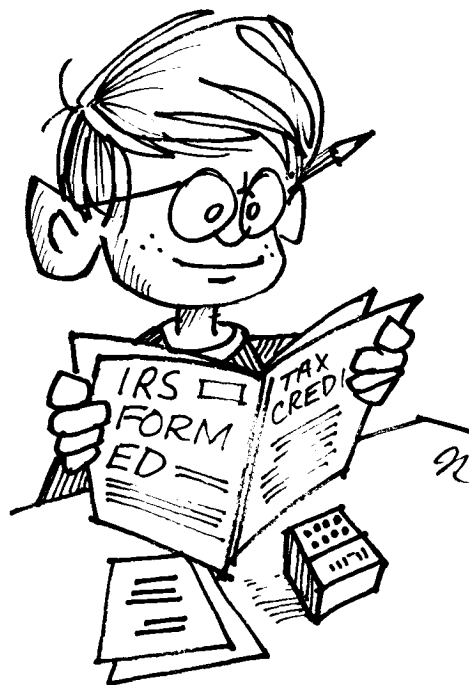
While students throughout the country were cramming for final exams, the Senate scheduled its own crash course in tuition tax credits on June 3 and 4. Sen. Daniel Patrick Moynihan (D-NY), co-sponsor of S.550 with Sen. Bob Packwood (R-OR), announced early in the sessions that he and his colleague regarded the hearings "as a mode of teaching." They proceeded to receive instruction from representatives of virtually every group potentially affected by the legislation. More than 60 witnesses appeared before the Subcommittee on Taxation and Debt Management to air their views on the bill which would grant first a \$250, then a \$500, tax credit to parents of children enrolled in private elementary, secondary and postsecondary schools.

Constitutional scholars, economists, sociologists, educational administrators, lobbyists, civil rights advocates, parents' groups, teachers, religious leaders, labor groups and citizen action coalitions all came before the Subcommittee to explain why they favored or opposed the bill. While scholars invoked the names of John Stuart Mill and Sir Thomas More, parents spoke of sacrifice and struggle, of children stitching their own clothes and eating only one baked potato for dinner.

Packwood, calling tuition tax credits "one of the most important philosophical pieces of legislation to appear before the Congress," wondered aloud why some deem it constitutional to give tax aid to churches, whose primary purpose is indoctrination, but not to church schools, whose first goal is education. Moynihan, recalling the long history of American government support for religious institutions, commented, "This is not coming out of some Icelandic saga. The simple fact is that the founders of the constitution meant just that government shouldn't prefer one religion over another. They assumed religious groups would run churches and schools."

While Administration spokesmen heartily endorsed the concept of credits, they made it clear

that their enactment would not be the first order of business for the White House. Secretary of Education Terrel Bell testified that the Reagan Administration is "committed to financial relief for parents and students selecting private education" but said that if the bill were to become effective immediately it would put too much stress on efforts to balance the budget. Similarly, John E. Chapoton, Assistant Secretary for Tax Policy declared, "The Treasury Department supports tuition tax credits As you know, however, the Treasury's primary focus at this time is the President's initial set of tax proposals. Other proposals, however meritorious, must wait until completion of legislative action on the economic recovery program. Nevertheless, we can state now that tuition tax credits will be at the top of our agenda at the appropriate time."



On the issue of the credits posing a threat to public education, Bell remarked, "I don't share that concern. I feel that the diversity, the opportunity for choice and friendly competition will all be healthy for all of American education. I want to express unequivocally that I don't think this will harm the public schools." His comments were hailed by Sen. Moynihan as ". . . a moment in the history of American education." The Senator from New York congratulated Dr. Bell as being "the first Secretary (or Commissioner of Education) to accept the legitimacy of nonpublic schools."

The House and the Private Schools

Private schools became the object of Congressional scrutiny during two days of "oversight hearings" conducted by the House Elementary, Secondary and Vocational Education Subcommittee on May 13 and 14.

The Subcommittee, chaired by Rep. Carl Perkins (D-KY), began its work by considering some general information about American private education. The first panel of witnesses provided members with a statistical overview of nonpublic schools by Marie Eldridge, Administrator of the National Commission on Education Statistics; a survey of private education by Robert L. Smith, Executive Director of the Council for American Private Education; and an outline of Catholic school statistics by Bruno Manno, Director of In-Service Programs and Data Bank, National Catholic Educational Association.

The Subcommittee heard opposing views on the constitutionality of governmental aid to private schools delivered by Antonin Scalia, Professor of Law at Stanford University, and Leo Pfeffer, Law Professor at Long Island University.

The third set of witnesses testified on the involvement of private school children in federal education programs. The panel of federal, state and local school officials, representing both public and private education, described the Education Department's efforts to ensure the inclusion of such children; the methods employed by states to reach the youngsters, and the concern felt by the educators over the aura of uncertainty hanging over the future of federal education spending.

During a question period in the hearings, CAPE head Smith was asked to quantify private schools' hopes for federal support. He replied, "There is a difference of opinion within private education as to the willingness to accept federal aid. . . . We are opposed to regulation of private school freedom to operate schools. . . . We don't want to have put on our shoulders the same problems that the public schools have but rather find ways to eliminate the problems getting in the way of all education."

The Subcommittee hopes to consider tuition tax credits, the Coleman report and education vouchers later on in the summer. Chairman Perkins, while identifying himself as a "great supporter of private schools," said also that "some of the issues we will be dealing with are controversial. However, we

have tried very hard to be objective and even-handed about any controversial areas by scheduling an equal number of proponents and opponents on those topics."

Minority Students in Catholic Schools: A Difference Explained

In a variation on the familiar "heredity v. environment" theme, the Rev. Andrew Greeley concludes in *Minority Students in Catholic Secondary Schools* that what happens to a youngster in a school has as great an effect on his academic achievement as what he brings to the school.

Using data collected in the *High School and Beyond* project (*May Outlook*, pp.1-2), Greeley conducted his research with the assumption that background, or input, factors could explain the academic superiority of minority children attending Catholic schools over those in public schools. Even working with this bias, however, he found that "the differential experience as well as the differential background of private school students may have to be taken into account in explaining the difference in educational outcome."

By "differential experience," Greeley means the disciplinary and academic environments of the schools themselves which, in turn, are often affected by religious community ownership. The most important environmental aspect, in terms of academic outcome, proves to be "the quality of instruction."

Greeley's "differential background" takes into consideration the many social and economic advantages enjoyed by Catholic secondary school students, and his "difference in educational outcome" refers to the fact that even after the socioeconomic factors are taken into account, the parochial school students still report doing more homework and still achieve higher standardized test scores than their public school peers.

Legislative Update

Youth Employment and Training Program

S. 1070 passed Senate May 12.

H.R. 3337 passed House June 2.

CETA Title IV-A extended through FY '82.

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Tuition Tax Credits

S.550 (Packwood, R-OR; Moynihan, D-NY; Roth, R-DE).

Subcommittee on Taxation and Debt Management held hearings June 3-4.

H.R.380 (Luken, D-OH) and others.

Pending before Ways and Means Committee.

Education Consolidation

Senate Labor and Human Resources Committee approved compromise consolidation bill as part of budget reconciliation measure. Plan is more along lines of Ashbrook consolidation bill than Administration's block grant proposal. No action taken by House Education and Labor Committee.

Charitable Deductions to Extend to Non-Itemizers

S.170 (Packwood, R-OR and Moynihan, D-NY).

Pending before Finance Committee with 34 co-sponsors.

H.R.501 (Conable, R-NY and Gephardt, D-MO) and others.

Pending before Ways and Means Committee with 284 co-sponsors.

Tax-Exempt Status of Private Schools

H.R.82 (Ashbrook, R-OH) and others.

Pending before Ways and Means Committee.

Guidance for Elementary School Children

S.948 (Stafford, R-VT).

Pending before Subcommittee on Education, Arts and Humanities.

H.R.1598 (Perkins, D-KY).

Pending before Subcommittee on Elementary, Secondary and Vocational Education.

Foreign Language Training

H.R.3231 (Simon, D-IL).

Pending before Subcommittee on Elementary, Secondary and Vocational Education.

Subcommittee on Postsecondary Education plans to hold fall hearings.

National Service System

S.1052 (Tsongas, D-MA; Cranston, D-CA).

Pending before Committee on Government Affairs.

H.R.2500 (Panetta, D-CA).

Subcommittee on Select Education plans to hold hearings in the fall.

H.R.1730 (McCloskey, R-CA).

Pending before Committee on Veterans Affairs and Subcommittees on Military Personnel and Employment Opportunities.

National Commission on the Educational Problems of America's Linguistic Minority Children

H.J. Res.219 (Roybal, D-CA).

Pending before Subcommittee on Elementary, Secondary and Vocational Education.

Taxation of Fringe Benefits

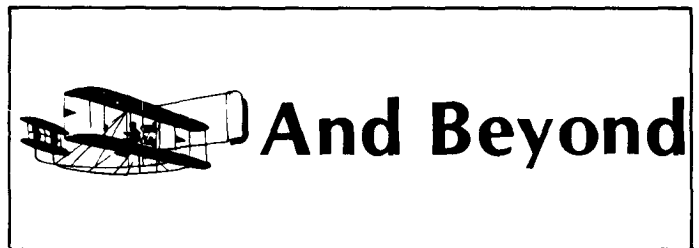
Treasury Sec'y Regan announced June 17 that his department would issue "no regulations altering the treatment of fringe benefits" before July 1, 1982.

S.1229 (Moynihan, D-NY); S.1154 (Mattingly, R-GA); S.1175 (Boschwitz, R-MN).

Pending before Finance Committee.

H.R.741 (Collins, R-TX); H.R.3744 (Heftel, D-HI).

Pending before Ways and Means Committee.



Note: "Capenotes" and "Capelines" are omitted from this month's Outlook in order to present the following summary account of the CAPE Conference. The conference report in its entirety is available from the CAPE office in Washington.

CAPE/OPRE Conference on Private School—State Relations

CAPE and the Education Department's Office of Private Education convened a conference on state-private school issues in St. Louis, Missouri, on May 7-8. Funded by a contract from ED, the meeting was the first national gathering of private school representatives to be held in three years and was called in response to interest expressed by CAPE member organizations, state CAPE leaders and the Office of Private Education. Representatives from state CAPEs, state education departments, the federal government and many other sectors of private education were in attendance.

The conference was convened in the belief that broad public purposes could be served by helping to solidify relationships between private schools and their home states, a particularly timely goal in view of the Reagan Administration's avowed intent to devolve power for education on the state and local levels of government.

In addition to three workshops and a panel discussion led by Robert Andringa, Executive Director of the Education Commission of the States, the meeting featured remarks by Elam Hertzler, Executive Assistant to the Secretary of Education, and addresses by Donald Erickson, Director, Center for Research on Private Education on recent litigation on regulation of private schools; Frank Monahan, Assistant Director, Office of Government Relations, U.S. Catholic Conference on tuition tax

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credit legislation; Richard Nault, Assistant Professor of Education, Washington University of St. Louis on the Coleman Report; and a summary by Al Senske, former Assistant Secretary for Private Education.

Throughout the conference, discussions centered on three general areas of interest: the philosophical issues involved in state-school control; the evolving network of relationships being established by the states and the schools, and the pragmatic questions arising from the working out of these relationships on a day-to-day basis.

The role of private school specialists in state education departments was examined by a panel of state officials who agreed that their greatest challenge lay in establishing and maintaining public trust in the private school community while at the same time helping parents exercise their right to educate their children as they saw best. They discussed various methods of staying in touch with private schools and acting as consumer advisors to parents who requested their evaluation of local private schools. They concurred on the importance of private school administrators and associations working with public schools to avoid the kind of community fragmentation which can arise from competition over funds and students.

Information-gathering on private schools—the newer as well as the more established schools—formed the basis for discussions in the first workshop. Conferees agreed on the importance of contacting the recently-established schools and exchanged ideas on avenues of possible approach to be used by the states in communicating with them. The role of the state CAPEs in such efforts was explored and suggestions were entertained on organizing and/or strengthening the state CAPE mechanisms.

The second workshop dealt with issues of school quality: the development of acceptable guidelines for private school accreditation and teacher certification, as well as the search for a working definition of the term "private school."

Delegates pondered the potential effect on established schools' standards and reputations of welcoming "underground" schools into state CAPE associations and urged caution in state CAPEs' use of state codes to judge school quality.

Varied ways of involving private schools in the work of the state departments of education were examined in the third workshop on establishing productive communication channels between schools and states.

The conference was summed up by CAPE Executive Director Robert L. Smith:

"We concluded the conference with the sense that we had shared a lot of practical advice and experience with each other, and that problems are not extremely dissimilar in the various states, despite differences in organization and the progress of relationships. We confirmed that private schools do serve their interests by joining forces and that respect for diversity in all aspects of private schooling is a practice we must all acquire. We recognized that we need to be especially sensitive and sensible in relation to newer schools in our states, whatever their "official status" may be. And we noted with regret the increasingly chilly climate between private and public education brought on by pending tuition tax credit legislation.

"We gave ourselves some new jobs, most having to do with communications—from CAPE in Washington, with each other and with the other key private school people in the states. And we looked forward to the next occasion for meeting to compare progress on the task of working for all the private schools in our states, a job which can only get bigger and more complex."

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