

CAPE OUTLOOK



Reagan Offers Tuition Tax Credit Plan

The President of the United States went to Chicago on income tax filing day and laid before the National Catholic Educational Association a plan for a tax bill to allow working families "...to keep a little more of their own money." He declared his support of "a tuition tax credit for parents who bear the double burden of public and private school costs."

"I am pleased to announce," said the President, "that, after consulting with Congressional leaders, we will send to the Congress later this spring draft legislation to be known as 'The Educational and Opportunity Equity Act.' Our bill will be aimed at middle and lower income working families who now bear the double burden of taxes and tuition. While still paying local taxes to support public schools, working families would be able to recover up to half the cost of each child's tuition. Our proposal is fair, equitable and designed to secure the parental right to choose."

The President emphasized that the aid is intended for individuals, not private schools. With regard to those individuals he said: "We do not seek to aid the rich, but those lower and middle income federal taxpayers who are most strapped by inflation, oppressive taxation and the recession that grips us all."

"Private education," said Reagan, "is no divisive threat to our system of education. It is an important part of it. . . . Taken together, public and private institutions sustain the diversity that has made our culture rich."

Acknowledging the competition inherent in this diversity, the President continued, "Excellence demands competition—among students and among schools. . . . But let's remember: Without a race there can be no champion, no records broken, no excellence—in education or any other walk of life."

The key elements of the draft proposal are as follows:

Credit is restricted to the elementary and secondary level.

The program will begin in 1983 and will be completed by 1985.

\$500 will be the maximum credit allowed per child.

An "income cap" will assure that benefits go to working families.

Credits will not be available to parents who send their children to schools which discriminate on the basis of race.

House Looks at Title I Funding

Although the witness sporting a green and yellow button bearing the message "Title I—It's Working" represented a public school district, he seemed to be mirroring the views held by all in attendance at the March 23 oversight hearings of the House Subcommittee on Elementary, Secondary and Vocational Education.

Chairman Carl Perkins' (D-Ky.) statement, opening the week of hearings on the President's budget recommendations for Title I of the Elementary and Secondary Education Act, manifested his attitude toward the program for which the Administration has requested a one-third reduction in funding between fiscal years 1982 and 1983. "We must remember that Title I has already borne the brunt of the budget axe; funding was cut seven per cent between fiscal years 1981 and 1982. With the Administration's new proposals, what we are really talking about is a 37% cut over a two-year period in actual dollars received at the local level, not taking inflation into account. In my view, these proposals would gut one of the most worthy Federal programs, a program of demonstrated effectiveness. The President's recommendations could cut off remedial services for two million poor and low-achieving children, for whom Title I may mean the difference between a life of success and one of deprivation."

The U.S. Catholic Conference, represented by Rev. Thomas Gallagher, Secretary for Education, and officials from several of the largest dioceses in the country, attested to the deleterious effect the proposed cuts would have on nonpublic school children. Gallagher pointed out that even in times of "adequate funding" of Title I, the level of involvement of nonpublic school children does not

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Commission on Excellence Seeks Private School Information

"Excellence" itself may be secondary; understanding its origins may prove to be more important in the long run.

The National Commission on Excellence, established by Education Secretary Terrel H. Bell in August, 1981, is seeking information about "ways to foster higher levels of academic excellence in the nation's schools and colleges" (*Outlook*, October 1981). The Commission gathers information by holding nationwide public hearings, conducting symposia, commissioning papers and even "accepting free advice." (As Executive Director Milt Goldberg told the CAPE Board on March 15, "It has gotten much more free advice than it bargained for, but we want all we can get.")

The 18-member group plans to hold a symposium on private education in late summer or early fall. In advance of this meeting, Commission member Richard Wallace, Principal of Lutheran High School East in Cleveland, Ohio, is trying to ascertain what private schools regard as the source of the excellence they see themselves possessing.

Toward that end, he asks high school administrators among the *CAPE Outlook* readership to respond to the following:

Please organize the factors listed below in order of importance, assigning numbers 1-7 to these possible sources of excellence in your school and adding an explanatory comment if desired:

No. ____ Administrative Leadership _____

No. ____ Staff Selection _____

No. ____ Student Selection _____

No. ____ Teaching Methodology _____

No. ____ Religious Influence _____

No. ____ Parental Commitment _____

No. ____ Other _____

CAPE asks that responses be sent to its office for analysis and tabulation. The replies, of course, will be shared immediately with Mr. Wallace and the Commission.

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A coalition of 15 national organizations serving private schools (K-12)

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reflect the equitable participation mandated by Congress, but in times of fiscal stress, the local school districts which administer program funds will naturally tend to favor public schools when disbursement choices arise. Moreover, state and local entities cannot be expected to "make up the shortfall" arising from budget cuts because in many states there are statutory or constitutional provisions limiting or prohibiting the use of state funds for private school children.

Edward Purnell, Director of Government Funded Programs for the Archdiocese of Philadelphia, said to the Committee: "I believe that you really want to know if the children will be hurt. I tell you yes."

Committee members emphasized the need for Title I advocates to convince still-undecided legislators of the necessity of restoring money to the program. "You witnesses may be preaching to the choir," said Rep. Dale Kildee (D-Mich.), "and even though the choir needs preaching to every now and then, we have to reach the people who are playing kick-the-can in the alley behind the church."

The Demystification of "Chapter 2"

Everything they ever wanted to know about Chapter 2 of ECIA, the Education Consolidation and Improvement Act of 1981, was explained to the 110 educational administrators who came to Washington from the 50 states, outlying areas and trust territories on March 28-30 to attend an Education Department-sponsored Chapter 2 National Conference.

Allen King, the Department's Deputy Director of the Division of Educational Support, opened the session on Policies and Procedures: Private School Participation and the By-Pass Provision with the observation, "The requirements for equitable participation of private school children generated much concern in the ED regional conferences last fall and in the groups I have addressed since that time."

Likening the requirements for such participation in Chapter 2 to those under the old ESEA IV-B program, King pointed out that the mechanisms for distribution of funds to the states and local educational agencies use as their bases, respectively, the 5-17 age population and the enrollment in public and private elementary and secondary schools; thus, children attending private schools "earn funds" for their states and localities.

He further noted that the intent of Congress that services be provided to those private school children and teachers desirous of receiving them was made abundantly clear by the choice of the word "shall" in the text of the legislation: "such agency shall provide"; "the state educational agency shall make arrangements"; "expenditures for programs. . . shall be equal."

King reviewed the salient points of five rules calling for private school participation in Chapter 2 programs:

1. An LEA must provide such services, materials and equipment or other benefits to children and teachers in private schools desiring to participate as will ensure equitable participation. (Criteria for judging equitability include equality of per pupil expenditures and comparability of services provided public and private schools.)

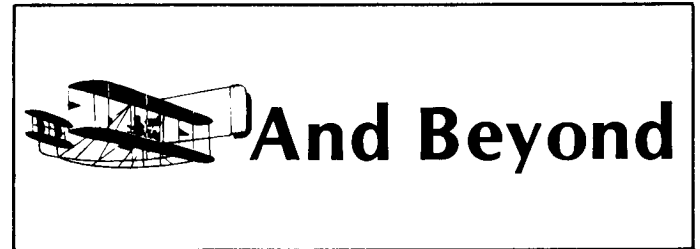
2. The services provided to private school children and teachers must be responsive to their needs, even though those needs differ from those of public school children.

3. Expenditures for public and private school programs must be equal, consistent with the number of children to be served and the needs of individual children and "other relevant factors."

4. Consultation with private school officials is required before making any decision which affects the opportunity of private school children to participate.

5. In the event of the unwillingness or inability of an SEA or LEA to provide services to private school children, the Secretary hires a contractor to provide such services on an equitable basis.

The relevant portion of P.L. 97-35 (ECIA) is Section 586; the applicable parts of the regulations (Chapter 2 of ECIA) are Sections 298.21-298.28 and 298.31.



Iowa Parents to the Rescue

The State of Iowa and the Suburban Heights Baptist Church School have found a way to render Caesar his due without violating either party's sense of the appropriate relationship between church and state.

According to the terms of an "Agreement and Stipulated Settlement" signed earlier this year, the state's requirements, set forth in § 299.3 of the Code of Iowa, that private schools submit information on students' names, ages, attendance records, courses of study, texts and teachers, will be satisfied by having a parent, rather than a school official, give the information to the local school board.

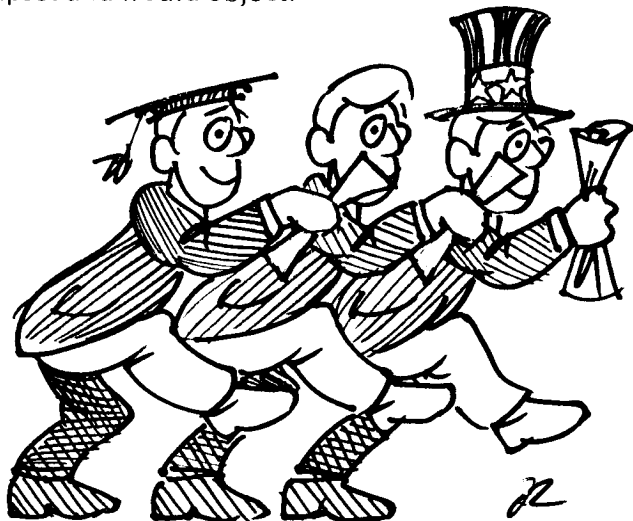
Suburban Heights School attorney Craig Hastings described the agreement to *Outlook* as follows: "The analogy which we have used to explain this is

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a situation where a church goer deducts contributions to the church on his income tax return. If the IRS audits the return, the church goer will request that the church provide him a receipt showing the amount of his contributions. He will then provide the receipt to the Internal Revenue Service to prove the amount of his contributions.

"This would be acceptable to most of the churches and individuals which we represent in these cases. However, if the IRS went directly to the church and demanded information regarding the individual taxpayer's contributions, both the church and the individual taxpayer would be very upset and would object.



"Similarly, when the State approached Suburban Heights Baptist church demanding information regarding the church school, the church and its pastor resisted on the grounds that it would violate their religious convictions and the constitutional separation of church and state. When the State agreed to receive the information from the parents which the church had previously provided the parents, it was a whole different matter."

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