

# CAPE OUTLOOK



## House Committee Approves Major Education Bill

With bipartisan approval the House Committee on Education and Labor voted on April 24 to extend most major elementary and secondary education programs through 1993 with minor changes. The omnibus bill, "The School Improvement Act", H.R. 5, authorizes fourteen programs, including Chapter 1 remedial education, Chapter 2 block grants, bilingual, adult and Indian education, impact aid, math and science, gifted and talented and several smaller programs. While the programs are due to expire at different times over the next two years, H.R. 5 would put them on the same schedule for reauthorization so that Congress can consider most education programs at one time.

The measure cleared subcommittee on April 7 with action on controversial issues postponed until full committee consideration on April 21 and 22.

While the Committee did not consider the Department of Education's proposal for vouchers or compensatory education certificates, private school participation in the Chapter 1 program dominated much of the Committee's attention. The bill authorizes an additional \$30 million a year capital fund to help pay for expenses associated with serving private school Chapter 1 students as a result of the U.S. Supreme Court's decision, *Aguilar v. Felton*, which prohibited public school teachers from providing Chapter 1 services on the premises of nonpublic schools. While concern was expressed that \$30 million would not be adequate to alleviate the severe delivery problems existing in many parts of the country, the Committee deferred consideration of increases until completion of a study by the Government Accounting Office (GAO) of what services are being provided currently, what alternatives cost, and whether services provided to private school students are comparable to those for public school students. The study is expected to be completed before funding would be appropriated for a second year of the capital fund at which time Congress can reevaluate the funding needed to serve Chapter 1 private school students.

In the area of special education, an amendment was approved that requires states to articulate their policies and guidelines for mainstreaming handicapped students, bringing special education under Chapter 1 state-supported programs in line with the Education of All Handicapped Children Act, P.L. 94-142. While this proposal is intended to provide momentum for transferring handicapped students from "segregated" to regular classrooms, the Committee defeated a proposal to require states to set aside 10% of their funds for such transfers.

The other major changes adopted in the Chapter 1 program include targeting funding through "concentration grants" to the neediest school districts; establishing new program components to assist pre-schools and secondary school students; increasing the requirements for parental participation; and emphasizing program improvement.

Under Chapter 2, the Committee approved an amendment clarifying that the funding allocations generated by high-cost children in public and nonpublic schools must go to schools which enroll those students. The formula, however, is determined by the state.

The most controversial issue debated was bilingual education. The final agreement included a compromise that would revise the Bilingual Education Act by allowing a greater share of any funding increase to be used for methods that stress the use of English.

Representative Augustus Hawkins, Chairman of the House Education and Labor Committee, expects to bring the omnibus bill before the full House in late May.

The Senate Labor and Human Resources Committee has begun its hearings on bills to reauthorize these programs but has not yet acted on an omnibus bill. The Committee, however, has acted on the reauthorization of the Bilingual Education Act. On May 6, it approved, S.857, which would reauthorize the Bilingual Education Act with more radical changes than those adopted in the House Education Committee. S.857 would allow the education secretary to set aside up to 25% of bilingual education funds for alternative programs, such as English-only instruction. Current law allocates only 4% of bilingual funds for non-native language programs.

On May 7, CAPE Board member and Secretary of Education for the U.S. Catholic Conference, Reverend Thomas Gallagher, testified before the Senate Subcommittee on Education, Arts and the Humanities on the reauthorization of Chapter 1 and Chapter 2. The Subcommittee will continue its hearings in June.

## Facts and Figures - Private School Revelations

Private school enrollment as a percentage of all K-12 enrollment remains about the same as it was three years ago, 11.4%, according to the Center for Statistics of the Department of Education in a new report, *Private School Enrollment and Tuition Trends*.

The private school percentage of all students wavered downward through the 1970's, from 10.9% in 1970 to 9.1% in 1979. Since that time it began a steady climb to the present plateau reached in 1983. Among other figures of particular interest:

\* The percentage of Asian students increased by about 50% during the first half of the 80's in both Catholic and Independent schools. (Enrollment data does not include Asian statistics for all private schools.)

\* Black enrollment in private schools declined by 25% between 1979-1985 according to the Census Bureau. Approximately 7.5% of private school students were Black in 1979 compared to 5.5% in 1985. This decline is largely due to a reduction in Black enrollment in church-related schools, from 4.2% to 2.4% of all students. The report points out that it is not clear in what types of church-related schools Black enrollment has gone down. Catholic schools, which enroll by far the largest number of Black students, experienced only a 1% decline in their enrollment between 1980 and 1984. The National Association of Independent Schools reports that Independent schools experienced a 13% increase in Black students between 1981 and 1986. Lutheran elementary schools, which enroll a high percentage of all Lutheran students, reported a decline of less than 1% in Black enrollment last year. Friends schools show a .5% increase between 1980 and 1986.

\* The report notes that enrollment figures for Hispanics have been widely inconsistent, reflecting the very small sample used by the Census. Catholic schools report an increase of 3.5% between 1980 and 1985 and Independent Schools 7% between 1981 and 1985. Lutheran elementary schools report a .1% decline last year.

\* Patterns of tuition costs have not changed over the past 6 years. Church-related elementary schools, which enroll over 80% of private schools students, charge least and non-church-related secondary schools charge most. Two-thirds of students enrolled in church-related elementary schools are charged less than \$1,000 per year and more than half of the students

enrolled in non-church-related secondary schools are charged more than \$3,000 per year.

\* Median tuition costs rose faster than the Consumer Price Index between 1979 and 1985. The CPI increase was 48%. The median elementary and secondary school tuition increase was 103% and 69% respectively. Although the report did not attempt to explain this, a reasonable speculation is that the increase reflects the cost of the replacement of large numbers of religious by lay teachers in Catholic schools.

\* 14% of private school students come from low-income families (earning less than \$15,000) compared with 33% of public school students. 23% of private school families compared to 11% of public school families have high incomes (over \$50,000). (Not included in the report: 76% of high-income families send their children to public schools.)

A host of other useful statistics are included in this and the other reports just issued by the Office of Educational Research and Improvement. Teacher salaries, school size, pupil-teacher ratios and types of private schools are just some of the items for which these reports give much needed and clearly described data. The private school community in Washington has been pushing hard to have such data on a regular and prompt basis. The current set of reports are as welcome as they are important. The reports are part of *The Condition of Education*, 1986 edition, published by the U.S. Department of Education Center for Statistics. Copies of *Condition* are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. To order send a check or money order for \$13 and refer to stock no. 065-000-00276-1. To receive a copy of only the Issue Paper, *Private School Enrollment and Tuition Trends* write to the Department of Education, OERI, Office of Public Information, 555 New Jersey Ave., NW, Washington, D.C. 20208.

## Nonprofits Win Major Battle With the IRS

In response to outcries from the nonprofit sector, the Internal Revenue Service (IRS) announced that it will reconsider its proposed regulations on lobbying by public charities. In addition, IRS will consult with charities in the development of new rules. This action is an outcome of the efforts of legislators and voluntary and philanthropic organizations, including CAPE's member organizations, which urged the IRS to with-

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

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## IRS Reconsiders Regulations (continued from page 2)

draw the proposed regulations. The IRS statement indicates that the IRS may "re-propose part or all of the regulations."

The proposed regulations governing lobbying activities by non-profit, 501(c)(3) organizations were intended to implement statutory changes enacted in 1976. If they had been put into effect, the regulations would have greatly limited the ability of advocacy groups and their members to contribute to public policy debate in an organized manner. And according to Brian O'Connell, President of Independent Sector, the proposed rules, "would have seriously reduced foundation grants to nonprofits [for] research or for any projects which would create material that *might* later be used in lobbying activities. They would have had a chilling effect on nonprofit activity and foundation grantmaking..."

In response to criticism the IRS has announced that the proposed regulations will no longer be applied retroactively to 1976 but will apply to activities that occur after the date of publication of final regulations. Furthermore, IRS stated that it will carefully consider all comments on the proposed regulations and will pay special attention to those portions of the rule that were opposed as too ambiguous and too broad, including the definition of lobbying, the allocation of expenses and other accounting rules, the reliance rules for grantmaking by private foundations, and the rules concerning affiliated organizations.

An advisory committee will be set up by IRS to review remaining areas of difference. A public hearing on the proposed regulations was scheduled for May 11.

CAPE thanks all its member organizations and individuals who made their views known to IRS on this critical issue.

## Legislative Update

This year's House and Senate budget resolutions clearly treat federal education funding as a national priority and provide real growth for some programs. On May 7, after debating four budget plans and working out how much to boost education funding, the Senate approved a \$1 trillion budget by a vote of 56-42. The education increases were proposed by Senators Hollings (D-SC) and Danforth (R-MO) and would increase funding for all programs to cover inflation and allow \$1.7 billion for additional growth. The plan recommends increases in funding for Chapter 1 remedial education, math and science education, special education, Pell Grants and Trio programs for disadvantaged college students. Pending the outcome of the budget conference with the House, the appropriations panels will decide how to divvy the funds.

## Recent Action...

**Reauthorization of Education Programs** - On April 21 & 22, the House Education and Labor Committee marked up the reauthorization of the Chapter 1 and Chapter 2 programs and 14 other education programs. Under the Chapter 1 program, the Committee included a \$30 million capital fund to help pay for the new delivery systems required for serving nonpublic school children as a result of the 1985 Supreme Court decision in *Aguilar v. Felton*. (See related story in this issue.)

**Star Schools Program Act, S. 778** - On April 23, the Senate approved a bill authorizing \$100 million over five years to create school telecommunications networks. The networks would involve school districts, state agencies, other public agencies, universities and the private sector. One requirement of the program is that one-half of the students that participate must be educationally disadvantaged or eligible for Chapter 1 assistance. The measure is now pending before the House Education and Labor Committee.

## New Environmental Issue Faces Schools

As new environmental safety issues surface, school officials need to be aware of not only the possible hazards that exist but the laws and regulations related to these issues. Some of the key concerns facing schools today include: asbestos; lead levels, particularly in drinking water; PCBs; small quantity generators of hazardous wastes; and radon gas.

Radon is the latest environmental issue to be considered on Capitol Hill. There is a growing concern that there may be dangerous levels of radon gas in schools and in private residences, especially in the Northeast and Western parts of the country. While the extent of the danger has not been established, a bill has been reported from a Senate subcommittee that would fund a \$1 million two-year study, under the direction of the Environmental Protection Agency (EPA), to determine if there are hazardous levels of radon gas in our nation's private and public schools. The education community has cautioned the bill's sponsor, Senator John Chafee (R-RI), that while there is support for a study, if federal mandates follow as result, federal funds must be adequate to help schools deal with solving the problem. In addition, CAPE has suggested that EPA should consult with education organizations in preparing its school survey.

The Senate Environmental Protection Subcommittee incorporated two bills S.744, the State Radon Program Development Act of 1987, and S.743, the Radon Detection in School Buildings Act. In addition to the study of the extent of radon pollution in the nation's schools, the bill, as reported, would authorize \$10 million for three years to help states develop their own radon protection programs.

## The American Lutheran Church In Transition

OUTLOOK has reported recently on the progress of the merger of three Lutheran Church bodies — The Lutheran Church in America, The American Lutheran Church and the Association of Evangelical Lutheran Churches — which becomes effective in January, 1988. The American Lutheran Church is presently a member of CAPE; the Association of Evangelical Lutheran Churches ended its membership in December, 1986 because of the upcoming merger. CAPE anticipates the membership of the new association when the reorganization is complete.

This month OUTLOOK will update readers on some of the things the American Lutheran Church (ALC) has been concentrating on in the year prior to the merger.

The three primary goals of the ALC schools are to provide: Christian education, quality education, and evangelical outreach to families. Each school is supported by its congregation which elects a school board. Congregational support and tuition provide the main financial base of each ALC school. Although student enrollment in ALC's seventy elementary and five secondary schools remains stable, the pre-school area has experienced enormous growth. All of the forty elementary schools located in California and most of ALC's other schools provide after school (extended day) programs. ALC's latest student population statistics show a 26% minority enrollment.

One of the most critical responsibilities in achieving the goal of quality education in ALC schools is knowing the importance of recruiting and retaining teachers who have both strong teaching credentials and the qualifications for teaching the faith said Glenn Bracht, the Director of Christian Day Schools for the ALC. Currently he is conducting a study to develop practical solutions for recruiting teachers in Lutheran schools.

The project has three objectives: to develop strategies for recruiting potential teachers on Lutheran college campuses; to devise plans for recruiting students to enroll in teacher education programs for Lutheran colleges; and to design funding strategies for making salaries in Lutheran schools more competitive. When the new church body is formed it will have a Division of Education which will continue to sponsor the same type of leadership development currently provided by Mr. Bracht's office.

Glenn Bracht is a member of CAPE's Board of Directors and has been Director of Christian Day Schools for ALC for the past three years. Prior to that he was an elementary school principal and a university professor.

## Capenotes...

On behalf of its constituency, CAPE...

...alerts schools that they have until June 30 to order Presidential Academic Fitness Award certificates from the Department of Education. Awards are given to students graduating from elementary, middle, junior and senior high schools who have maintained a B+ average and who score in the 80th percentile on a standardized achievement test. For information about the awards contact: Presidential Academic Fitness Awards, U.S. Department of Education, 400 Maryland Ave., SW, Washington, D.C. 20202.

...is happy to provide complimentary copies of *Exemplary Schools, 1986*, the report of the 1985-86 Private Elementary School Recognition Program. Requests should be sent to CAPE, 1625 Eye St., NW, Suite 822, Washington, D.C. 20006.

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