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## Cuts Put Schools and Law to the Test

By SAM DILLON

**O**KLAHOMA CITY, Aug. 30 — Angela Houston, the principal of Eisenhower Elementary School, spent this week hunkered down in her office here phoning unemployed teachers, trying to rebuild her staff after a dozen instructors lost their jobs in a state budget crisis last spring.

But even if Ms. Houston can hire teachers for all her classrooms, she worries about her school's morale. "The layoffs brought a big letdown," she said.

Dozens of other Oklahoma City schools were also reeling from the financial turmoil that forced the closing of seven schools and the dismissal of 600 teachers at the end of the last school year.

As children return to classrooms, many of the nation's 90,000 public schools are, as in Oklahoma City, feeling battered and worn down. Most states have reacted to declining tax revenues by trimming education spending, setting the stage for one of the most austere school years in memory.

In Alabama, where a budget crisis has left 38 of the state's 129 school systems on the verge of bankruptcy, Birmingham closed nine schools before the fall term began this month. Boston closed five schools and eliminated 1,000 jobs, including 400 teaching positions. Teachers lost jobs in cities like Toledo, Ohio; Norwich, Conn.; and Vista, Calif. In New Port Richey, Fla., school officials closed a popular 29-year-old science field trip center.

"School finances across the country are teetering on horrendous," said Michael Griffith, an analyst for the Education Commission of the States, a research group in Denver.

Many schools are raising revenues in new ways, charging students to participate in sports, plays, band or other activities that were once free. The Los Alamitos District in Orange County, Calif., is urging parents to make a \$40 donation for each day a student misses classes, to compensate for state aid forfeited through the absence, David Hatton, a spokesman, said.

If austerity is challenging parents and educators at schools across America, the new term also appears likely to pose a critical test for the education law, called No Child Left Behind, which President Bush has made a centerpiece of his domestic agenda. Mr. Bush developed its central concept — using standardized tests to hold schools accountable for student achievement — as governor of Texas in the 1990's, when the economy was booming. Flush with tax revenues, Texas sent squads of experts to schools labeled as failing to help them sort out their educational program.

But the education law, which seeks to replicate Mr. Bush's Texas experiment nationally, is taking force in an economic downturn, and a fierce debate is under way about whether the federal government will provide enough help to schools the law identifies as failing, or simply pass the costs of the law on to the states.

"We believe the law is amply funded," Dan Langan, a Department of Education spokesman, said. "There's more money than ever before to achieve the intent of the law."

But legislators in several states have introduced proposals for those states to opt out of the federal law if its costs are not fully financed by the federal government. By doing so, however, they would also lose all federal aid to low-income schools.

The National Education Association, the teachers union, said in an August newsletter that the nation's school districts were grappling with "the worst budget shortfalls since World War II."

"It will be impossible for our public schools to meet the strict demands of the new federal education law if vital school services continue to be cut across the country," the union said.

The N.E.A. is preparing a lawsuit against the Department of Education that will challenge what it terms "the gigantic financial gap" between the law's costs and its financing, Bob Chanin, the union's lawyer, said.

James Guthrie, a professor of public policy at Vanderbilt University, put the squeeze in historical perspective. Public school spending has risen constantly over recent decades, Professor Guthrie said, from a national yearly average of about \$1,000 per pupil in 1970 to an average of about \$4,000 today, expressed in 1970 dollars. "This is just a slowdown," Professor Guthrie said. "School spending has reached a plateau, but in a year or two the trajectory will continue upward."

Whether his forecast is accurate or not, school systems must now contend with the demands of the federal law, under which every racial and demographic group in each school must score higher on standardized English and math tests to make "adequate yearly progress."

If any group fails to advance for two consecutive years, a school is labeled "needing improvement," a euphemism for what educators used to call failing, and must offer parents the option of transferring students to higher-scoring schools or paying for tutoring if they stay. Schools labeled as needing improvement for several years face escalating sanctions that can include removal of the staff.

It is an accountability system with so many ways for disqualifying schools that many prominent educators fear the law will, within its first few years, subject the vast majority of public schools to sanctions. If that happens, these educators say, it may be impossible to provide so many schools with the special help they need.

These fears gained strength this month, when officials in many states identified large numbers of schools that had failed to make adequate yearly progress, or had already been labeled as needing improvement.

Chicago authorities said 365 of the city's 600 schools were labeled as needing improvement, obligating the city to offer transfers, and demonstrating the challenges awaiting cities with large numbers of failing schools. Superintendent Arne Duncan said there was limited alternative space, but the city still sent out letters to 240,000 parents offering a chance to compete for about 1,000 seats at higher-performing schools.

In California, about 3,200 of the 7,100 schools subject to the law failed to make adequate yearly progress, and 1,135 were "needing improvement." In Florida, about 2,500 of the state's 3,000 schools failed to make adequate yearly progress, and 48 were rated as needing improvement.

In Pennsylvania, about 1,250 of 2,800 schools failed to make adequate yearly progress, and 171 were labeled as needing improvement. Many schools were labeled as needing improvement in Delaware, Georgia and dozens of other states.

Here in Oklahoma City, the authorities said 37 of the city's 70 elementary and middle schools had failed to make adequate yearly progress, and 11 schools were labeled as needing improvement, including Eisenhower.

Bob Moore, the new superintendent, said one of his priorities would be to help schools like Eisenhower meet the law's requirements. He said he would draw on his experience as school superintendent in Amarillo, Tex., in the 1990's, where he participated in Governor Bush's drive to raise school achievement across Texas.

"I give George Bush credit for providing so much support to the Texas schools rated low-performing," Mr. Moore said. "Kids' needs were not being met, so we had to provide services, and that meant money. But today we're living different financial times."

The recent cuts in the Oklahoma City system have been hugely disruptive, he said.

"It's hard for us now just to keep the grass mowed and the floors shined at our schools," Mr. Moore said.

Nowhere, perhaps, was that clearer than at Eisenhower, a low-slung brick building on a barren prairie, many of whose students come from low-income apartments. The school was labeled as needing improvement three years ago, and in the last school year it received \$161,000 in federal money for tutoring and other efforts to raise scores. Yet the chaos that accompanied the Oklahoma budget crisis obliterated whatever progress the federal money might have bought.

Last spring, Ms. Houston said, she worked with her staff to prepare the 562 students for standardized tests. But in the critical days before the tests were administered, the city sent layoff notices to half her teachers, provoking a crisis atmosphere that she said hurt student performance on the exams.

"The teachers tried," Ms. Houston said, "but when you've just been told you don't have a job, it plays on your psyche."