



Straight A's

Public Education Policy And Progress

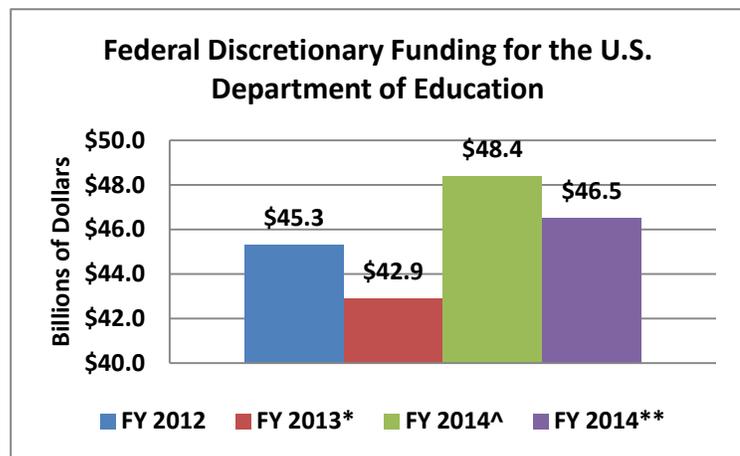


DESTINATION UNKNOWN: Senate Appropriations Committee Provides Significant Funding Boost for Early Childhood Education, Fails to Fund Obama's High School Redesign Program; Bill's Future Is Unknown, Compromise Unlikely with House of Representatives

On July 11, the U.S. Senate Appropriations Committee approved a \$164 billion Fiscal Year (FY) 2014 Labor, Health and Human Services (HHS), and Education appropriations bill. Of the total, \$69.2 billion, which includes Pell Grants, is pegged for the U.S. Department of Education. Although the bill will not fund President Obama's high school redesign program, it would provide a significant increase for early childhood education, slight increases for Title I and special education, and \$250 million for a new Race to the Top program that encourages states to improve college affordability, access, completion, and quality.

"The Labor-HHS-Education bill is such an important bill, the largest non-defense bill this committee does, the bill that focuses on compelling human needs—health care, medical research, education, worker's rights, energy assistance," [said Senate Appropriations Committee Chairwoman Barbara Mikulski \(D-MD\)](#). "I believe we must focus on reducing the public debt, but if that's all we do, then we risk creating other deficits—deficits in Alzheimer's research, deficits in education and access to child care, deficits in health-care programs. I believe this bill strikes the right balance."

In FY 2012, the U.S. Department of Education received \$45.3 billion in discretionary funding, which excludes Pell Grants, as shown in the graph to the right. In FY 2013, it received approximately \$43 billion after multiple funding cuts due to the sequester, which imposed an across-the-board cut of 5 percent, and other spending cuts designed to reduce the deficit. The Senate bill would provide \$46.5 billion in discretionary funding in FY 2014, which is \$3.52 billion, or 5.4 percent, higher than FY 2013.



* Includes impact of sequestration and across the board cuts

^ President Obama's budget request

** Proposed by Senate Appropriations Committee

Source: [Committee for Education Funding](#)

Even with the increase, most education programs would be funded at or near their FY 2012 levels. For example, Title I would

receive \$14.6 billion in the Senate bill, an increase of \$100 million, or 0.7 percent, compared to FY 2012. Special education grants to states would increase from \$11.6 billion in FY 2012 to \$11.7 billion in FY 2014, an increase of 0.9 percent. Career and technical education would receive \$1.1 billion, the same amount of funding it received in FY 2012.

Several programs would see meaningful increases, including School Improvement Grants, for which funding would increase from \$534 million in FY 2012 to \$567 million in FY 2014, a 6 percent increase; Striving Readers Comprehensive Literacy Program, which would receive an 8 percent increase and go from \$160 million to \$164 million; Investing in Innovation, which would increase from \$149 million to \$170 million; and Statewide Data Systems, for which funding would nearly double from \$38 million to \$75 million.

The biggest increases in the bill were reserved for early education. Taking a cue from President Obama, who proposed a ten-year, \$75 billion program in his FY 2014 budget that would provide universal access to high-quality preschool for all four-year-olds from low- and moderate-income families, the Senate bill provides a combined increase of \$2.56 billion for Head Start, the Child Care and Development Block Grant, and Preschool Development Grants, which combined serve children from birth through age five.

The Senate's proposed funding increases are different than what is in the president's proposed budget, which would create a federal-state partnership for early education in which the federal government would assume a significant share of the program's costs in its first years with states gradually assuming more responsibility over time. Obama would pay for the program through a 94-per-pack increase in taxes on cigarettes. The Senate has yet to develop legislation based on Obama's proposal, but the funding increases for early childhood education could be seen as a down payment on his plan.

“What this bill does is give our next generation the greatest chance at success,” Mikulski said. “It does so by investing in Head Start, a program that provides health, nutrition, and social services to children in low-income families from birth to age five. We fund Early Head Start, which helps mothers deliver healthy babies and then supports those babies up to the age of three. We increase funding for Child Care Development Block Grants that help lower-income families afford child care for their children while parents are at work or school. And we fund universal pre-K, which supports the president's initiative to ensure that every four-year-old in this country can attend preschool.”

Unlikely to garner the sixty votes needed to pass the Senate, the bill's future is unknown. Further complicating matters, the U.S. House of Representatives is working with a lower overall spending limit than the Senate. While the Senate would devote \$164 billion for its FY 2014 Labor-HHS-Education appropriations bill, the House is only expected to provide \$122 billion, meaning the Senate would need to cut funding for every program included in its bill by an average of 25 percent to match the House's level. Given this large gulf in spending targets, the likelihood of the two chambers achieving a compromise before the new fiscal year begins on October 1 seems remote. Instead, Congress will probably have to pass a continuing resolution—if not several—to temporarily fund the government until a compromise can be reached.

ESEA UPDATE: U.S. House of Representatives to Consider Legislation to Rewrite the No Child Left Behind Act

During the week of July 15, the U.S. House of Representatives is expected to consider legislation to rewrite the Elementary and Secondary Education Act, currently known as the No Child Left Behind Act. The bill, named the Student Success Act, passed the House Education and the Workforce Committee on June 19 on a party-line vote, and according to **House Education and the Workforce Committee Chairman John Kline (R-MN)**, it would “reduce the federal footprint” in education.

“Recognizing Congress must protect the autonomy of states and school districts, the Student Success Act includes several provisions to rein in the Secretary of Education’s authority and prevent future federal overreach,” Kline said in his [opening statement](#) on June 19. “In light of this administration’s track record, expanding the Department of Education’s control over schools would be the wrong approach. The legislation will also eliminate more than 70 federal programs tied to K–12 classrooms, end the rigid federal accountability metrics and overly prescriptive school improvement requirements, and grant states the freedom to develop their own plans to raise the bar.”

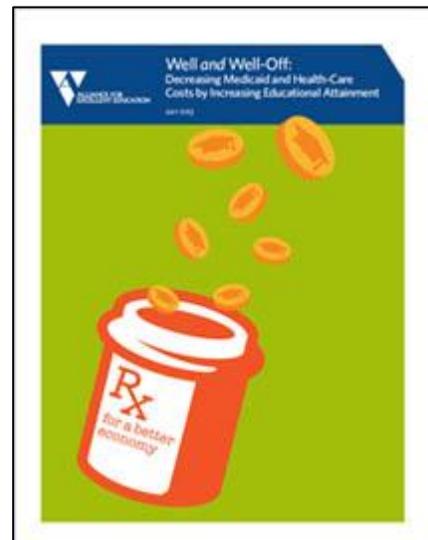
More information on the bill is available at http://www.all4ed.org/publication_material/straight_as/07022013#ESEA.



WELL AND WELL-OFF: Reducing National High School Dropout Rate Would Save \$7.3 Billion in Medicaid Spending, Finds New Alliance Report

Cutting the number of high school dropouts in half nationally would save \$7.3 billion in annual Medicaid spending, according to a new report from the Alliance for Excellent Education. The report, *Well and Well-Off: Decreasing Medicaid and Health-Care Costs by Increasing Educational Attainment*, examines Medicaid spending for all fifty states and the District of Columbia on four key afflictions—alcoholism, heart disease, obesity, and smoking—as well as determines overall Medicaid savings. Support for the report was provided in part by State Farm® as part of a series of documents that demonstrates the economic benefits from improving high school graduation rates.

“An educated citizen is a healthy, productive, and happier citizen,” said **Bob Wise, president of the Alliance for Excellent Education and former governor of West Virginia**. “And, as this report shows, healthier citizens are also a great benefit to the nation’s economic health.”



According to the report, the \$7.3 billion in annual Medicaid savings breaks out to \$900 million in preventative costs related to heart disease, \$1.9 billion linked to obesity, \$1.4 billion related to alcoholism, and nearly \$2 billion associated with reduced smoking and tobacco use. To make the connection between high school graduation and health-care savings, the Alliance worked with **Dr. Peter Muennig, assistant professor of health policy and management at Columbia University’s Mailman School of Public Health**.

Muennig’s research shows that a high school graduate is about 50 percent less likely to use Medicaid compared to a high school dropout. Using that finding, he incorporated each state’s specific contribution to Medicaid to produce an estimate of what would be saved for each additional high school graduate. Differences in contributions to Medicaid cause the annual savings per graduate to vary and savings per graduate range considerably by state, from a low of \$777 in Utah to a high of \$2,482 in Massachusetts. The report includes two tables that represent estimated savings for every state and the District of Columbia.

The health-related savings from graduating more students from high school extend beyond Medicaid savings, the report notes. In fact, the projected societal savings are even larger and are represented through improved productivity at work to decreased health problems and the freedom from pain and suffering caused by illness and disease. After accounting for these factors, the report pegs the societal savings to be nearly \$12 billion in heart disease-related savings, \$11.9 billion in obesity-related savings, \$6.4 billion in alcoholism-related savings, and \$8.9 billion in smoking-related savings.

“In the national effort to reduce health-care costs and boost health outcomes for individuals, dramatically increasing the number of high school graduates is a meaningful strategy,” Wise said.

Previous research cited in the report also finds that, on average, high school graduates live six to nine years longer than dropouts. The report attributes high school graduates’ longer life spans to several factors. For example, high school graduates are less likely to be employed in fields associated with health risks. They also generally can afford appropriate health care, or they work in jobs that provide health insurance, are more apt to follow doctors’ instructions, have the ability to navigate medical bureaucracy, and have more access to health-related information on how to stay healthy.

The complete report, including a state-by-state breakdown of potential savings on Medicaid and health care, is available at <http://www.all4ed.org/files/Well&WellOff.pdf>.



BROAD SUPPORT FOR BROADBAND: Fifty-Plus National Organizations Urge FCC to Act Swiftly to Expand High-Speed Internet in Nation’s Schools and Libraries

On July 2, the Alliance for Excellent Education joined more than fifty national organizations—representing nearly every aspect of the nation’s education system—in urging the Federal Communications Commission (FCC) to act swiftly to provide 99 percent of America’s students with high-speed wireless internet access through next-generation broadband in schools and libraries within five years.

“High-speed broadband can literally open the world to the nation’s students by increasing the availability of high-quality instruction, expanding access to rigorous course work, and providing additional opportunities for supporting student success in and beyond the classroom,” the organizations wrote in a letter to **FCC Acting Chairwoman Mignon Clyburn** and **FCC Commissioners Jessica Rosenworcel and Ajit Pai**. “Yet too many schools lack the

infrastructure to benefit from the advances in technology that have revolutionized the way in which much of the world operates.”

The organizations—representing chief state school officers, school administrators, school boards, teachers, principals, and librarians, as well as students, parents, civil rights advocates, and business—urge “swift action” from the FCC as part of an endorsement of President Obama’s [ConnectED plan](#) for connecting all schools to twenty-first-century technology. They argue that the college- and career-ready standards and the forthcoming assessments aligned with them are largely dependent upon technology that is not yet readily available in far too many school districts across the country. As evidence, they cite a 2010 FCC survey finding that current broadband connections do not fully meet the needs of the nearly 80 percent of the e-Rate–funded schools that responded to the survey.

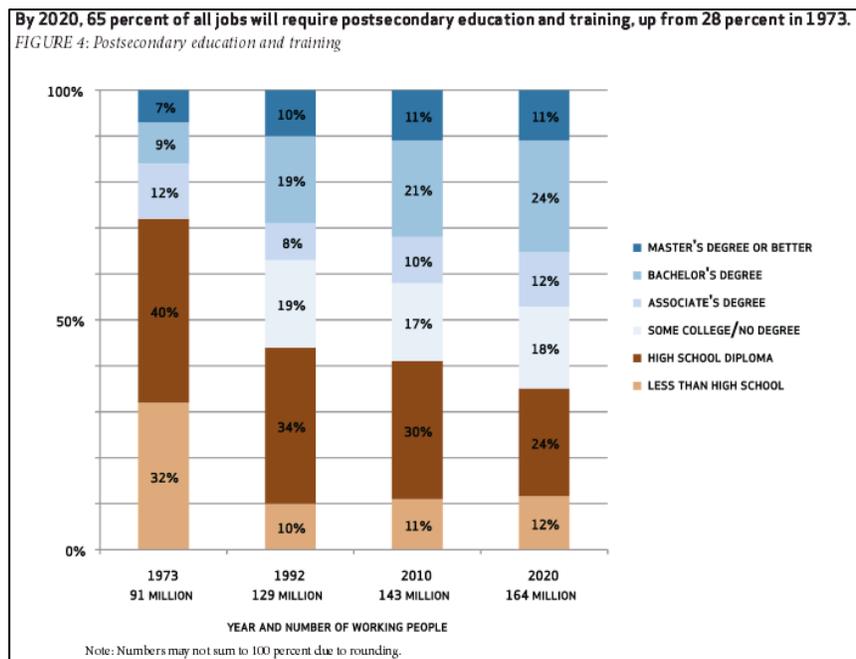
“The ConnectED initiative and the expansion and modernization of the e-Rate program will help transform the technological infrastructure in the nation’s classrooms and libraries, allowing schools and communities to provide students with a twenty-first-century education,” the letter reads. “We, the undersigned, stand ready to support the FCC at this historic moment to connect all schools to the digital age.”

The letter, which includes a list of the signing organizations, is available at <http://www.all4ed.org/files/ErRateSignonLetter.pdf>.



FUTURE SHOCK: By 2020, 65 Percent of Jobs to Require Postsecondary Education, Only 36 Percent of Jobs Expected to Be Open to High School Graduates, Finds New Report

By 2020, 65 percent of all jobs—compared to 28 percent in 1973—will require some form of postsecondary education, according to a new report from the Georgetown University Center on Education and the Workforce. At the other end of the education spectrum, the percentage of jobs requiring a high school diploma or less will continue to shrink. According to the report, *Recovery: Job Growth and Education Requirements Through 2020*, 72 percent of jobs were open to high school graduates in 1973; by 2020, that percentage is expected to fall to just 36 percent, as shown in the above graph from the report.



In addition to looking at the job market of the future, the report examines the impact that the Great Recession of 2007 has had on the current job market, finding that the slow recovery has disproportionately affected young people and individuals of color.

“African Americans are twice as likely to be unemployed as their white counterparts and three times as likely to be unemployed if they are young,” the report notes. “All Americans younger than age twenty-four are almost twice as likely to be unemployed as the rest of the working-age population.”

The report finds that the nation has recovered approximately 6.1 million of the 8.7 million jobs that were lost in the recession, but adds that the jobs that were lost look nothing like the ones that are coming back.

“In short, the U.S. economy is slowly returning to normal—albeit a new normal—characterized by an increase in the natural rate of unemployment, permanent job losses in sectors employing the less-educated, and an ever-increasing demand for better education credentials and upskilling across an array of new fields,” the report reads.

According to the report, the skills most valued in today’s economy are leadership; communications, including speaking and reading comprehension skills; and analysis, which includes critical thinking and coordination. “Of all occupations, 96 percent require critical thinking and active listening to be either very important or extremely important to success,” the report notes.

Recovery: Job Growth and Education Requirements Through 2020 includes an executive summary, a national report card, and an analysis for every state and the District of Columbia. It is available at <http://cew.georgetown.edu/recovery2020>.



THE FISCAL SURVEY OF STATES: As States Continue to Recover, New NGA-NASBO Report Projects Moderate Increases in Spending

After several years of large budget gaps and drastic cuts in spending to close them, fiscal distress is beginning to subside for most states, according to *The Fiscal Survey of States*, released last month by the National Governors Association (NGA) and the National Association of State Budget Officers (NASBO). Even with the improving economic environment, however, the unemployment rate remains high and economic recovery is “relatively weak,” compared to other post-recessionary periods, the report warns. As a result, most states are expected to only “moderately” increase spending in Fiscal Year (FY) 2014.

According to the report, state general fund spending is projected to be \$728 billion in FY 2014, an increase of 4.1 percent over FY 2013 and higher than the \$687.3 billion in FY 2008—marking the first time that general fund spending passed pre-recession highs. When taking inflation into account, however, FY 2014 totals remain below the pre-recession high and would need to be approximately 4 percent higher to match FY 2008 spending levels.

“State spending in fiscal 2013 is still below the fiscal 2008 pre-recession peak,” said **NGA Executive Director Dan Crippen**. “Lower real-spending levels in fiscal 2013 compared to fiscal 2008 indicate that state budgets are not growing fast enough to make up for recession-induced declines and inflation.”

Additional challenges states expect to face in FY 2014 include slow revenue growth and a heightened pressure to spend, especially in areas directly impacted by the sluggish economy, such as Medicaid, higher education, and corrections, the report notes. States must also provide resources for programs that were cut during the recession and address declining federal funds for state programs subject to sequestration.

Even with these challenges, the report finds that states are in a better fiscal position to increase spending for some program areas in FY 2014. It specifically mentions K–12 education, which “experienced significant reductions during the recession.” At the same time, the report warns that new spending priorities are likely to be “curtailed” by health care–related expenditures and future health-care spending demands. Costs for pensions and health care for state employees are also expected to provide additional budgetary demands over the long run.

The decreasing frequency and dollar amounts associated with state budget gaps further demonstrate how far state economies have come. In FY 2011, thirty-one states were facing a combined \$78.2 billion in budget gaps. In FY 2013, only eighteen states faced budget gaps and the total budget gap—\$33.3 billion—was much lower. For FY 2014, thirteen states are projecting a total of \$6.8 billion in budget gaps.

The complete report is available at <http://www.nga.org/files/live/sites/NGA/files/pdf/2013/FSS1306.PDF>.

Straight A's: Public Education Policy and Progress is a free biweekly newsletter that focuses on education news and events in Washington, DC and around the country. The format makes information on federal education policy accessible to everyone from elected officials and policymakers to parents and community leaders. Contributors include Jason Amos, editor; Cyndi Waite; and Kate Bradley.

The Alliance for Excellent Education is a national policy and advocacy organization that works to improve national and federal education policy so that all students can achieve at high academic levels and graduate from high school ready for success in college, work, and citizenship in the twenty-first century. For more information about the Alliance, visit www.all4ed.org. Follow the Alliance on Twitter (www.twitter.com/all4ed), Facebook (www.facebook.com/all4ed), and the Alliance’s “High School Soup” blog (www.all4ed.org/blog).