

**International Reading Association
Government Relations Update
October 15, 2007**

Key Issues

- Federal Funding for the next school year
- Rewriting NCLB
- Higher Ed and other bills

Funding

*Funding issues
hitting first*

The fiscal year began on October 1st with a continuing resolution in place. For education programs this has little impact as our funding for this school year was appropriated last year. However, it is important for next year. IRA members routinely report that one of the key problems with NCLB is the lack of funds.

This week the Senate is expected to take up their appropriations bill. The Senate bill is above the President in its proposed spending for education, but below the president. In gross terms:

Lower than last year

FY 07	President 08	House 08	Senate Committee 08
\$67.2	\$62.6	\$65.6	\$63.6 (in billion)

The problem is the overall spending level for non-defense appropriations. The President is pushing for a lower figure and may well veto any spending bill over his budget. The Senate a coalition of Democrats and Republicans are saying that they want an increased allocation so that they can put more into education. In the House they made a higher allocation to education and are trying to expand support for a higher Senate level – in both Republican and Democratic circles. They want to have a bill that is “veto-proof.”

Veto expected

Current timing is for the Senate to vote this week and then quickly move to a House-Senate conference and then send the bill to the president. Most likely it will be vetoed and then more cuts will be made OR an over-ride.

The Committee for Education Funding (CEF), a coalition of over 100 education groups, including IRA, is pushing for the entire education community to push for a vote in the Senate and then for the higher numbers in the House. For IRA members who wish to support higher spending, call your Senator this week (202-224-3121) and ask for your Senator to support the higher allocation for education. There are a lot of discussions going on now to determine what program will get what specific funding amount.

The following chart, from CEF, outlines several key programs

Selected Education Programs	FY07 Enacted	FY08 House Committee Passed Bill	FY08 Senate Committee Passed Bill	Percent Difference FY07 and FY08 (House)
Title I (Subtotal Grants to LEA's)	\$12,838.0	\$14,363.1	\$13,909.0	11.9%
Title I (Basic Grants)	\$6,808.0	\$6,808	\$6,808	0.0%
Title I (Concentration Grants)	\$1,365.0	\$1,365.0	\$1,365.0	0.0%
Title I (Targeted Grants)	\$2,332.0	\$3,094.5	\$2,868.0	32.7%
Title I (Education Finance Incentive Grants)	\$2,332.0	\$3,094.5	\$2,868.0	32.7%
Reading First State Grants	\$1,029.2	\$400.0	\$800.0	-61.1%
Early Reading First	\$117.6	\$114.5	\$117.6	-2.6%
Striving Readers: High and Middle school pgm	\$31.8	\$31.8	\$36.0	0.0%
Even Start	\$82.3	\$99.0	\$0.0	20.3%

Rewriting NCLB

Drafts on both sides

The staffs of both the House and Senate education committees have been working on redrafting NCLB. In the House, a draft was released in early September. Many groups have come out against parts of this legislation. The Republicans are pushing for a different set of strategies to drive the new bill, while the President is pushing to have a reauthorization.

Movement

As of today, the House Education and Labor Committee is rumored to be moving to a committee markup the week of October 22nd and quickly thereafter to the House floor. The chair of the Senate Committee on Health, Education, Labor, and Pensions chair has said that his staff will release a draft by the end of the month.

There is wide spread disagreement with NCLB and with the House staff draft, Miller-McKeon. Many freshman Democrats ran their election campaigns against NCLB. Many Republicans have signed

*Wide spread
disagreement*

on to letters that would make NCLB's accountability system voluntary. Some in the Civil Rights community have come out against the two tiered system of measuring schools that are in-need of improvement. NEA is threatening to come out against the proposed bill if it has pay-for-performance sections. The list of opponents goes on and on. IRA has been working to change many of the key sections in the accountability section of NCLB, Reading First, developed a new adolescent literacy programs and other literacy centered provisions. It is hard to predict what the final language will be and whether the Congress will agree to all – or- most of the changes that IRA has been arguing for during the last three years.

Workforce Investment Act Reauthorization

*WIA has been
awaiting action for
years*

On July 19, the House passed its FY 2008 Labor, Health and Education Appropriations Bill. The bill includes an undistributed reduction of \$49 million from Department of Labor employment and training programs, and a \$335 million rescission from prior-year balances from the Workforce Investment Act. The bill provides a \$158 million or 1.3 percent increase over fiscal year 2007 for employment, training, and worker protection programs. In real terms, however, total funding in the bill for these programs does not keep pace with inflation and population growth.

The House Committee on Education and Labor held a second hearing on WIA on July 26, 2007. The Committee heard testimony from various programs currently authorized. Both the witnesses and the Committee members focused on the need for the Act to position both employers and employees to meet the increasingly technical workforce demands of the future global economy.

Higher Education Reauthorization Passed in Senate

*HEA is still not
finished*

On July 24, the Senate voted 95-0 to pass S. 1642 the "Higher Education Amendments of 2007" to reauthorize the Higher Education Act of 1965. The bill would increase the maximum Pell Grant award, restrict the use of preferred lender lists and expand

government oversight of colleges' tuition-setting and transfer-of-credit policies. The bill calls for universities to adopt codes of conduct to define appropriate business conduct between lenders and schools. It also directs the Secretary of Education to assess costs that drive tuition increases and examine ways to contain costs and track pricing trends. The bill now awaits conference with the forthcoming House measure. The House and Senate both passed legislation to a three month extension for programs under HEA of 1965 through October 31, 2007.

Higher Education Access Act of 2007

Changes in how HEA student loans are financed

The College Cost Reduction and Access Act, H.R. 2669, passed with bipartisan approval in both the House and Senate on September 7. The vote was 79 to 12 in the Senate and 292 to 97 in the House of Representatives. The legislation will provide the largest investment in higher education since the 1944 G.I. Bill. President Bush signed the bill into law on September 27.

The law requires that \$750 million of the \$20 billion cut from lender subsidies will go to deficit reduction, with much of the rest funding the increase in the Pell Grant program to \$5,400 by 2012 and will cut the interest rate on Stafford and other federally backed loans in half over five years. In addition, it will let all federal student loan borrowers make payments based on their income. Student loan repayment is to be capped at 15 percent of discretionary income.

The law will provide upfront tuition assistance to qualified undergraduate students who commit to teaching in public schools in high-poverty communities or high-need subject areas of up to \$4,000 a year. The law will cancel unpaid loan balances for students who work at least 10 years in public service and who make payments for those 10 years if they become employed in areas of national need, including early childhood educators, nurses, librarians, foreign language specialists, highly qualified teachers in bilingual education or in low-income schools, child welfare workers, speech-language pathologists, those engaged in national service, school counselors, and public sector employees. To pay for the new programs, the bill will cut federal subsidies to private lenders that offer federally guaranteed loans.

*Very unsettled
timetable*

Summary

The next several weeks look to be important for education funding AND for the rewriting of NCLB. What is unclear is if either of these two issues will be resolved this calendar year. However, we need to assume that each of these issues will complete the Congressional process and be on the president's desk. We will be putting out short updates over the next few weeks and be updating the blog, www.latadvisory.blogspot.com.