

STATEMENT OF ALBERT SHANKER
PRESIDENT, AMERICAN FEDERATION OF TEACHERS, AFL-CIO
to the SENATE SUBCOMMITTEE ON LABOR-HEW APPROPRIATIONS
April 6, 1977

Mr. Chairman and Members of the Committee. The American Federation of Teachers, AFL-CIO, strongly urges that this Committee take dramatic steps to increase the level of Federal support for education. As you know, Federal support for education has stagnated over the last eight years at an unacceptably low-level, in fact, on a percentage basis it has actually declined.

Erosion due to inflation, cutbacks, impoundments and vetoes have taken their toll and currently only about 7% of the cost of education comes from the Federal government; a decline of approximately 1% point from the highest level mark of fiscal year 1969.

The schools have been caught in an unusual combination of circumstances. On the surface it seems that since enrollments are going through a period of decline, the cost of education should also be reduced without damaging the level of service. This is a facile argument that cannot withstand even the most perfunctory examination.

First, as with the cost of everything else, education has been hard hit by the staggering inflation of the past six years. Federal dollars did not keep pace with the inflationary pressures. We are attaching a chart showing the effects of inflation on ESEA Title I resulting in a 34% reduction in the number of students served.

Other costs items have increased even faster than the Consumer Price Index. For example, books increased on the average of 15% a year, periodicals and other material resources increased at the same staggering rate.

Energy has been an especially difficult item to deal with in school budgets. Reports of the Federal Energy Agency shows that school budgets have had to accommodate increases of more than \$500 million per year since 1974 simply to pay for increased energy costs. That figure at the current national average teacher salary could employ more than 40,000 needed professional educators.

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Interest Rates. In addition, schools like all governments from time to time are required to go into the credit market to meet short-term cash flow needs. The increase in interest rates have fallen on school districts with the same impact that they have on the economy in general.

Secondly, the type of student now being educated in public schools has increasingly costly needs.

Since Lau v. Nichols, it is the law of the land that children without skills in English be provided with very costly programs that help teach English and maintain educational achievement. Statistics show that one in every ten public school students comes from a family where English is not the native language. It is also the law of the land since Public Law-94-142 that all handicapped children be provided with a "free, appropriate public education." Educating the handicapped is expensive although we believe the investment saves money in the long-run compared to the expense of doing nothing. Additionally, good sense and sound education practices requires that disadvantaged students have educational programs supplemented with compensatory education. Education is seen, and we believe this is true, as one of the great equalizers for economically disadvantaged people that allows full participation in our economic system.

In fact, our complex society requires that individuals possess more educational skills simply in order to maintain their place in this society and these considerations do not deal with the intrinsic value of education for a free society. Democracy has an intimate relationship with an educated citizenry.

In the past we have submitted statements to the Committee calling for amounts of money far beyond what the Congress has seen fit to appropriate and certainly a great deal more than could have survived the annual education veto of President's Ford and Nixon.

Those figures and the ones we are about to present reflect needs that we believe must be addressed at this time. If the first step toward increasing Federal support for education is not taken now, consequences with which we are already familiar will continue and be aggravated. School closings for budgetary reasons will accelerate and the educational opportunities that are lost will become increasingly more expensive and difficult to recapture.

Title I of the Elementary and Secondary Education Act. This program which is the largest of all Federal aid to education programs ranks as one of our very highest priorities. In 1968, Title I served 7.6 million children at an average per pupil expenditure of \$145; that \$145 calculates at \$378 in FY 1978 dollars after adjustments for inflation. (See attached chart.)

Title I currently serves 5.2 million children at an average level of \$377 per child; simply to maintain the same level of services per child. The Title I population has been reduced by 34%. To provide Title I support for the same number of children that were served in 1968 requires \$1 billion more than the current level of 2.285 billion. That would raise the percentage of eligible population served by Title I from 52 to 82% and would have a dramatic impact on the education of disadvantaged children in this country. President Carter's proposed increase would only serve 62% of the eligible population. Title I would continue as a program that does not serve enough of the children it was designed to help. Because of forward funding, this money could not be received by local school districts until July 1, 1978. Something must be done in the meantime to help provide additional services in the coming school year.

We recommend that Public Law 874, Impact Aid, be fully funded through Tier 3.

Impact aid which has been unjustly maligned in recent years is the only vehicle in existence that can deliver additional Federal dollars for the next school year.

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The 1974 Education Amendments eliminated on a phased-down-basis impact payments for Category B; children whose parents worked out of the county or out of state included in their place children who reside in low-rent public housing, I am attaching an article which appeared as an advertisement by our Union in the NEW YORK TIMES which shows the extent to which cities now benefit from Impact Aid. Increases above last year to fund Tier 3 would go to aid many of our largest cities because of the fact that 50¢ out of every dollar in Impact Tier 3 goes to pay for education of public housing children. A second chart shows the result for major cities of funding Tier 3.

Impact Aid has another feature that is especially attractive in this time of extreme financial pressures on school districts. Funds received from impact aid can be used to prevent a financial closing or to pay part of the increases in energy costs faced by school districts everywhere. This flexibility is absolutely crucial for school districts. Funds from other education programs cannot be so employed because of the restrictions on their use. We therefore recommend an appropriation of \$1.2 billion for impact aid in order to fully fund Tier 3. Again, this is the only way school districts can be helped this coming September. A third area of concern for the AFT is Education for the Handicapped.

With the passage of Public Law 94-142, Congress has mandated that all handicapped children be provided with a free, appropriate public education. Given the sorry state of school finances these days, this law must be fully funded in order to prevent a difficult situation from developing into chaos. The Authorization committee has estimated that \$740 million is required to fully fund the formula which goes this year from 5% to 10% of the national average per pupil expenditure per child counted.

Other ESEA programs. ESEA 4B. We recommend an increase of \$43 million over the President's bringing that total up to \$197,330,000. 4B which provides funds for vital library, media and other hard goods to school districts has been

neglected over the years despite the fact that the costs of these materials continues to rise sharply. Books, for example, have increased by 15% per year. 4B also provides funds for guidance and counseling -- a service hard hit by cutbacks in local revenue. ESEA IV-C, we believe that an increase comparable to the one in IV-B is a necessity. This, again, is an area that has been neglected over the last few years. Innovation in education should be encouraged through this consolidated program.

Bi-lingual education. The AFT recommends an appropriation of \$150 million, \$15 million more than the administration proposes. With the impact of Lau v. Nichols decision, funds from this program can be helpful both in terms of training for badly needed personnel and operating grants for programs in districts with the greatest need. With other increases needed in programs such as, state equalization grants, right to read, drug abuse education and others, the AFT recommends \$3.8 billion for elementary and secondary education exclusive of Impact Aid and Education for the Handicapped.

Occupational, Vocational, and Adult Education. We recommend full funding of this program for the discretionary program and for programs of national importance. This year's Authorization is \$880 million for the state grant program and \$115 million for the discretionary and programs of national importance. Clearly, vocational training is of high importance in an economy with 7% or more unemployment.

For higher education and student assistance -- the AFT recommends \$2.8 billion for BEOGs. This figure which has been estimated by the College Entrance Board as necessary for fully funding the \$1800 entitlement exceeds other estimates we have seen regarding BEOGs funding. However, this source has traditionally been more accurate regarding what has ultimately been needed over the past few years. We believe that the Committee should appropriate however much is necessary to fund the \$1800 maximum grant level.

Other Student Assistance. We recommend \$350 million for SEOGs, \$500 million for college work study, \$338 million for direct loans, \$100 million for state scholarships incentive grants -- for a total of \$4,088,000,000 in student assistance. These campus based student assistance programs must continue as a supplement to BEOGs and to provide institutions of Higher education with the flexibility to tailor an aid package for their students.

For the remaining institutional assistance program, we recommend funds be included for the newly enacted "trigger" which went into law in the Educational Amendments of 1976. Institutional assistance is a high priority item necessary to assure that institutions of Higher education maintain their ability to provide quality educational experiences. Student aid cannot provide enough support without the continuation of institutional assistance.

New Initiatives. We hope the Committee will fund the new initiatives taken in the Education Amendments of 1976. Our highest priority is for Teacher Centers. This program was developed to find new ways of improving in-service teacher education. We in the AFT strongly believe that greater input by the teaching profession can have a positive effect on the entire education process. We urge, therefore, that the teacher center program be fully funded at the authorized \$75 million level. Teacher center programs would require a collaboration between teachers, administrators, school boards and institutions of Higher education that has been virtually non-existent in teacher training. Teachers training has had an unfortunate lack of relationship to what actually goes on in the classroom. We also believe that funds should be provided for the new life-long learning program. Education as a life-long pursuit will become increasingly common and necessary in our complex society and attempts to examine models for this reality should be encouraged.

Finally, we believe the time has come to meet one of the major problems of

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education head-on. I am referring to the lack of a solid research base that can be used for education problem-solving. We, like much of the rest of the education community, have in the past been critical of the National Institute of Education. Now, however, we believe new circumstances will permit a major effort in educational research -- a new administration which truly wants to help solve the problems of education should be provided with as much support as possible for N.I.E.

We therefore urge the Committee to appropriate the full \$109 million requested for this effort. Education research must go forward. In the long run, the benefits will far out-weigh the costs.

In conclusion, there are many programs that we have not specifically mentioned in this testimony. We do believe that funding for these programs such as, emergency school aid, Barrier removal for the handicapped and 815 school construction is important as well.

We strongly urge that this Committee make the fiscal year 1978 Appropriations Bill the first major step toward improving the percentage of Federal aid to education. By our calculations, a total appropriation of more than \$13 billion would be justified or \$4 billion more than President Carter requested. This is well within the Authorization's already enacted. This is a dramatic increase but without it we fear that education will continue to stagger along with a backlog of unmet needs and unfulfilled promises mortgaging its future. This bill is the place to change that trend.

Thank you for the opportunity to testify. We will be happy to answer any questions you may have.

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IMPACT AID - PROPOSED
\$455 MILLION CUT
ESTIMATED FY 1978 LOSS

TITLE I - \$350 MILLION
INCREASE OVER FY 1978
CURRENT SERVICES
ESTIMATED FY 1979 GAIN

IMPACT AID - \$385 MILL
INCREASE OVER FY 1977
CURRENT SERVICES
ESTIMATED FY 1978 GAIN

BALTIMORE COUNTY (& CITY) BALTIMORE	2,344,231 943,719	3,026,850	1,478,035 865,933
SUFFOLK COUNTY BOSTON	1,768,143 1,601,338	1,668,091	1,435,703 1,304,420
COOK COUNTY CHICAGO	6,674,334 6,497,104	9,709,945	18,167,064 18,056,442
CUYAHOGA COUNTY CLEVELAND	1,616,848 957,896	1,587,206	2,377,428 2,100,887
DALLAS COUNTY DALLAS	1,592,740 843,022	1,321,815	2,065,173 1,752,007
WAYNE COUNTY DETROIT	918,216 866,771	4,709,279	1,780,784 1,646,314
HARRIS COUNTY HOUSTON	990,915 467,665	1,842,126	903,305 683,592
MARION COUNTY INDIANAPOLIS	728,325 395,072	717,856	744,099 590,378
LOS ANGELES COUNTY LOS ANGELES	6,387,600 2,761,536	6,169,108	6,465,327 4,416,098
SHELBY COUNTY MEMPHIS	1,445,114 912,938	1,700,367	1,861,038 1,593,925
MILWAUKEE COUNTY/CITY	428,588	1,464,482	934,341
ORLEANS COUNTY/NEW ORLEANS	944,893	1,923,794	2,488,949
NEW YORK CITY	21,801,795	25,256,870	62,979,630
PHILADELPHIA COUNTY/CITY	4,471,193	5,179,596	9,776,721

MARICOPA COUNTY	1,784,367		1,136,719
PHOENIX	210,027	1,404,029	194,641
ST. LOUIS COUNTY (& CITY)	1,624,244		1,438,849
ST. LOUIS	479,417	1,477,971	915,251
BAXER COUNTY	8,119,899		5,056,033
SAN ANTONIO	1,631,501	1,072,727	2,077,684
SAN DIEGO COUNTY	14,263,730		6,388,271
SAN DIEGO	4,966,559	846,313	2,431,540
SAN FRANCISCO COUNTY/CITY	448,732	969,111	936,219
WASHINGTON, D.C.	5,058,061	2,220,584	6,133,211

NOTE: THE IMPACT AID LOSS IS AN FY 1978 LOSS - THE TITLE I GAIN WOULD NOT OCCUR UNTIL A FULL YEAR LATER IN FY 1979.

NOTE: ESTIMATES MAKE NO ASSUMPTIONS ON INCREASE OR DECREASE IN ELIGIBLE STUDENTS. IN IMPACT AID A TEN PER CENT (10%) INCREASE IN THE RATE OF PAYMENT FOR FY 1978 IS ASSUMED. IMPACT AID LOSSES INCLUDE THE LOSS OF HOLD HARMLESS ENTITLEMENTS. IMPACT AID GAINS DO NOT INCLUDE ANY HOLD HARMLESS AMOUNTS.

TITLE I APPROPRIATIONS ADJUSTED
BY PER PUPIL EXPENDITURES, FY 68-78

<u>Year of Appropriation</u>	(\$ in billions) TITLE I APPROPRIATIONS		
	<u>In Current Dollars</u>	<u>Ratio of Per Pupil Expenditure: 68 Expenditure^{1/}</u>	<u>Dollars adjusted from FY 1968</u>
FY 78		2.761	3.288
77	2.285	2.538	3.023
76	2.050	2.322	2.766
75*	1.900	2.109	2.512
75	1.876	1.907	2.271
74	1.720	1.834	2.184
73	1.810	1.632	1.944
72	1.598	1.505	1.792
71	1.500	1.307	1.557
70	1.339	1.240	1.477
69	1.123	1.058	1.260
68	1.191	1.000	1.191

* First year of Advance Funding

^{1/} Based on CBO per pupil expenditure estimates

Methodology:

-- Per pupil expenditure ratios: calculated by dividing specific FY (fiscal year) by 1968 per pupil expenditure (\$658).

-- Adjusted \$=68: calculated by multiplying each per pupil expenditure ratio by FY 1968 Title I appropriation for each fiscal year.



Where We Stand

by Albert Shanker

President, United Federation of Teachers

President Proposes Impact Aid Cuts

Disappointing Start on Funds for Schools

Since school districts all across the country are facing financial problems, they all waited hopefully for the first budget proposal by President Carter. That proposal has now been made, and it is disappointing.

The headlines which appeared throughout the country correctly reported that Carter had increased the federal money for schools over what President Ford had proposed. That is true. But when we compare the Carter proposal not with the Ford budget but with what the federal government actually spent on schools last year, we get a different picture.

President Carter is proposing a very slight increase in federal aid to education, but an increase so small that it will not even begin to cover the inflationary costs of this year. In real dollars, schools will be getting less money under the Carter budget than they are getting now under a budget which the Congress compelled President Ford to accept.

One of the most unfortunate aspects of the Administration's proposal is that it drastically reduces "impact aid" by \$300 million. This cut, if approved by Congress, is not justified and would be disastrous.

Impact aid, which was first enacted in 1950, is an important school aid program which is not generally understood. Under the program, the federal government provides financial assistance to local school districts in order to compensate for the special burdens they confront because the federal government owns property within the school districts, and they must educate the children of those who live or work on such property. The idea behind impact aid is simple. School districts get most of their funds from taxes imposed on both residential and commercial property. In the most common situation, schools receive support through taxes which parents pay on their residences and taxes paid by the businesses for which the parents work. But since school districts cannot impose real estate taxes on federal installations, such districts are hard-hit when they must educate children who live with their families on federal property and/or whose parents work on a federally-owned site.

Just imagine the problems faced by a school district in which a large number of the residents live on a local military base or in public low-income housing and where many of the residents work in federal buildings! The taxpayers in the district who live and work on privately-owned property would have to agree to a very high tax rate to cover the education of all the children.

The impact aid formula defines two categories of federally connected children. Category A are those who live on federal property and reside with parents who work on federal property. The federal government now pays roughly 90% of the cost of their education. Category B children are those who either live on federal property or in low-income housing, or reside with parents who work on federal property—so that only one tax source, rather than the usual two, supports their education. Currently the federal government provides about 45% of the cost of educating Category B children.

The Carter Administration proposes to eliminate payment for Category B children. Major cities—which were to be targeted for special help by this Administration—will lose a staggering amount of money for education. The Council of Great City Schools has given the following estimate of the dollar loss for 27 such school systems:

SCHOOL SYSTEM	IMPACT AID DOLLAR LOSS	SCHOOL SYSTEM	IMPACT AID DOLLAR LOSS
Atlanta	-\$ 1,208,601	Minneapolis	-\$ 357,571
Baltimore	— 771,881	Nashville	— 246,790
Boston	— 466,405	New Orleans	— 858,994
Buffalo	— 306,824	New York City	— 19,819,814
Chicago	— 5,906,459	Oakland	— 963,836
Cleveland	— 870,815	Philadelphia	— 4,064,721
Dade County	— 909,936	Pittsburgh	— 778,898
Dallas	— 766,384	Portland	— 236,866
Denver	— 1,176,242	St. Louis	— 435,874
Detroit	— 787,974	San Diego	— 3,625,120
Long Beach	— 620,824	San Francisco	— 407,939
Los Angeles	— 2,510,488	Tokyo	— 266,608
Memphis	— 829,944	Washington	— 3,727,528
Milwaukee	— 389,626		

Though popular with Congress (impact aid is said to benefit anywhere from 375 to more than 400 congressional districts), impact aid was often opposed by the Executive Branch on the ground, largely, that because some federally-connected children lived in certain wealthy school districts surrounding the capital, where their parents worked, the aid went to districts which did not need it. But in a reform amendment in 1974, such children were gradually phased out and, in their place, children from low-rent public housing were substituted, thus providing assurance that the funds would go to districts with the greatest need. By proposing now to eliminate payments for such Category B children, the Carter Administration is not only undoing the reform but throwing out the baby with the bath water.

It cannot be that the President does not mean to keep his oft-stated commitment to a larger federal support level for education. It must be that the same Nixon-Ford bureaucrats who have opposed impact aid in the past are still around making their irresponsible suggestions. Or perhaps the Carter Administration is not aware of the reforms instituted in 1974 to meet the arguments of the impact aid critics. In either event, the Administration's proposal is unsound and should be re-thought.

Comparative Statement of New Budget Authority

	New BA Enacted Fiscal Year 77	New BA Estimates Fiscal Year 78	New EA House Fiscal Year 78	House Bill compared with FY 77 enacted	House Bill compared with FY 78 estimate
ELEMENTARY AND SECONDARY EDUCATION					
Grants for disadvantaged children (Title I)	2,263,000,000	2,635,000,000	2,735,000,000	+450,000,000	+100,000,000
Support & innovation grants	194,000,000	194,000,000	194,000,000	---	---
Bilingual Education:					
Grants to school districts	74,300,000	81,000,000	81,000,000	+6,700,000	---
Training Grants	29,700,000	36,973,000	36,975,000	+7,275,000	---
Materials	7,000,000	10,000,000	10,000,000	+3,000,000	---
Grants to State agencies	3,900,000	4,373,000	4,375,000	+475,000	---
Advisory council	100,000	150,000	150,000	+50,000	---
Information clearinghouse	167,000	500,000	500,000	+333,000	---
replication and studies	---	2,000,000	2,000,000	+2,000,000	---
Subtotal, Bilingual Ed.	115,107,000	135,000,000	135,000,000	+19,833,000	---
Right To Read	26,000,000	26,000,000	27,000,000	+1,000,000	+1,000,000
Follow Through	59,000,000	59,000,000	59,000,000	---	---
Drug Abuse Education	2,000,000	2,000,000	2,000,000	---	---
Environmental Education	3,500,000	3,500,000	3,500,000	---	---
Educational Broadcasting Fac.	15,000,000	15,000,000	15,000,000	---	---
Ellender fellowships	750,000	750,000	750,000	---	---
Ethnic heritage studies	2,300,000	2,300,000	2,300,000	---	---
State equalization grants	10,500,000	---	---	-10,500,000	---
Indochinese refugee assistance	10,500,000	---	---	-18,500,000	---
Subtotal, Elem & Sec. Educ.	2,731,717,000	3,072,550,000	3,173,550,000	+441,833,000	+101,000,000

	New BA Enacted Fiscal Year 77	New BA Estimates Fiscal Year 78	New BA House Fiscal Year 78	House Bill compared with FY 77 enacted	House Bill compared with FY 78 estimate
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SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

Maintenance and operations:					
Payments for 'A' Children	271,000,000	295,700,000	295,700,000	+24,100,000	---
Payments for 'B' Children	341,550,000	---	375,000,000	+33,450,000	+375,000,000
Special Provisions	15,350,000	16,600,000	16,600,000	+1,250,000	---
Payments to other Federal agencies	52,500,000	57,700,000	57,700,000	+5,200,000	---
Savings provisions	87,000,000	---	25,000,000	-62,000,000	+25,000,000
Subtotal	760,000,000	370,000,000	770,000,000	+2,000,000	+400,000,000
Construction	25,000,000	25,000,000	30,000,000	+5,000,000	+3,000,000
Subtotal	793,000,000	395,000,000	800,000,000	+7,000,000	+405,000,000

	New BA Enacted Fiscal Year 77	New BA Estimates Fiscal Year 78	New BA House Fiscal Year 78	House Bill compared with FY 77 enacted	House Bill compared with FY 78 estimate
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EMERGENCY SCHOOL AID

National Competition Projects;					
Bilingual Educ. projects . . .	3,000,000	3,000,000	3,600,000	---	---
Educational Television . . .	6,450,000	6,450,000	6,450,000	---	---
Special programs & projects.	45,750,000	50,750,000	48,250,000	+2,500,000	-2,500,000
Evaluation	2,150,000	2,150,000	2,150,000	---	---
Magnet schools	7,500,000	5,000,000	7,500,000	---	+2,500,000
State appropriated projects:					
Pilot programs	32,250,00	32,250,000	32,250,000	---	---
Grants to non-profit org. .	17,200,000	17,200,000	17,200,000	---	---
General grants to school districts. .	137,600,000	137,600,000	137,600,000	---	---
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Subtotal, Emergency School aid (direct)	257,500,000	260,000,000	260,000,000	+2,500,000	---
Civil Rights advisory services	34,700,000	34,700,000	34,700,000	---	---
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Subtotal, Emergency School Aid	292,200,000	294,700,000	294,00,000	+2,500,000	---

	New BA Enacted Fiscal Year 77	New BA Estimates Fiscal Year 78	New BA House Fiscal Year 78	House Bill compared with FY 77 enacted	House Bill compared with FY 78 estimate
EDUCATION FOR THE HANDICAPPED					
State Assistance:					
State grant program	315,000,000	365,000,000	465,000,000	+150,000,000	+100,000,000
Deaf-blind centers	16,000,000	16,000,000	16,000,000	---	---
Preschool incentive grants	12,500,000	12,500,000	12,500,000	---	---
Subtotal, State assistance	343,500,000	393,500,000	493,500,000	+150,000,000	+100,000,000
Special population programs:					
Severely handicapped projects	5,000,000	5,000,000	5,000,000	---	---
Specific learning disabilities	9,000,000	9,000,000	9,000,000	---	---
Early Childhood projects	22,000,000	22,000,000	22,000,000	---	---
Subtotal, Special population programs	36,000,000	36,000,000	36,000,000	---	---
Regional vocational, adult and postsecondary programs	2,000,000	2,000,000	2,000,000	---	---
Innovation and development	11,000,000	11,000,000	11,000,000	---	---
Media & resource services:					
Media services and captioned films	19,000,000	19,000,000	19,000,000	---	---
Regional resource centers	9,750,000	9,750,000	9,750,000	---	---
Recruitment and information	1,000,000	1,000,000	1,000,000	---	---
Subtotal, Media and resource services	29,750,000	29,750,000	29,750,000	---	---
Special education & manpower development:					
Special education & manpower development	45,375,000	45,375,000	45,375,000	---	---
Special studies	1,735,000	2,300,000	2,300,000	+565,000	---
Subtotal, Educ for Hand.	469,360,000	519,925,000	619,925,000	+150,565,000	+100,000,000

Comparative Statement of New Budget Authority

New BA Enacted Fiscal Year 77 New BA Estimates Fiscal Year 78 New BA House Fiscal Year 78 House Bill compared with FY 77 enacted House Bill compared with FY 78 estimate

OCCUPATIONAL, VOCATIONAL,
AND ADULT EDUCATION

oc. education grants, academic year 1976-77.....	(451,246,000)	---	---	(-451,246,000)	---
oc. education (1977-1978 academic year vs. 1978-1979 academic year):					
Grants to States for Vocational Education:					
Basic Voc. Ed. Program.....	412,719,000	393,719,000	430,640,000	+17,921,000	+36,921,000
Program improvement supportive service.....	103,130,000	98,430,000	107,500,000	+4,320,000	+9,070,000
Program for students with special needs.....	20,000,000	20,000,000	20,000,000	---	---
Consumer & homemaking educ..	40,994,000	40,994,000	40,994,000	---	---
State advisory councils.....	5,066,000	5,066,000	5,066,000	---	---
Subtotal, Staff grants	581,959,000	558,209,000	604,200,000	+22,241,000	+45,991,000
Programs of National significance.....	27,153,000	25,903,000	28,000,000	+847,000	+2,097,000
Bilingual Voc. Training.....	2,800,000	2,800,000	2,800,000	---	---
Subtotal Voc. Education - 78-79.....	611,912,000	586,912,000	635,000,000	+23,088,000	+48,088,000
Adult Education.....	90,750,000	80,500,000	90,750,000	---	+10,250,000
Subtotal, Occupational Voc. Education & Adult Education.....	1,153,908,000	667,412,000	725,750,000	-428,158,000	+58,338,000

Comparative Statement of New Budget Authority

New BA Enacted Fiscal Year 77 New BA Estimates Fiscal Year 78 New BA House Fiscal Year 78 House Bill compared with FY 77 enacted House Bill compared with FY 78 estimate

HIGHER EDUCATION

Student assistance:					
Basic educational opportunity grants.....	1,903,900,000	2,316,000,000	2,300,000,000	+396,100,000	-16,000,000
Supplemental educational opportunity grants.....	240,093,000	240,093,000	270,093,000	+20,000,000	+30,000,000
Work-study.....	390,000,000	390,000,000	420,000,000	+30,000,000	+30,000,000
Direct loans					
Federal capital contributions.....	310,500,000	---	310,500,000	---	+310,500,000
Loans to institutions.....	800,000	---	1,000,000	+200,000	+1,000,000
Teacher cancellations.....	11,920,000	15,160,000	15,160,000	+3,240,000	---
Incentive grants for State scholarships.....	60,000,000	44,000,000	63,750,000	+3,750,000	+19,750,000
Subtotal, Student assistance	2,927,213,000	3,005,253,000	3,380,503,000	+453,290,000	+375,250,000
Special programs for the disadvantaged.....	85,000,000	70,331,000	125,000,000	+40,000,000	+54,669,000
Educational Information Centers	---	---	5,000,000	+5,000,000	+5,000,000
Minorities in the professions.	---	4,000,000	3,250,000	+3,250,000	-750,000
Institutional assistance:					
Strengthening developing institutions.....	110,000,000	120,000,000	120,000,000	+10,000,000	---
Language training and area studies.....	17,650,000	16,300,000	18,000,000	+350,000	+1,700,000
University community services	14,125,000	12,125,000	18,000,000	+3,875,000	+5,985,000
Aid to land-grant colleges.	11,500,000	11,500,000	11,500,000	---	---
State postsecondary education commissions.....	3,500,000	3,500,000	3,500,000	---	---
Veterans cost of instruction	23,750,000	23,750,000	23,750,000	---	---
Cooperative education.....	12,250,000	10,750,000	15,000,000	+2,750,000	+4,250,000
Construction - annual interest grants.....	---	4,000,000	4,000,000	+4,000,000	---
Subtotal, Institutional assist.	192,775,000	201,925,000	213,750,000	+20,975,000	+11,825,000

Comparative Statement of New Budget Authority

	New BA Enacted Fiscal Year 77	New BA Estimates Fiscal Year 78	New BA House Fiscal Year 78	House Bill compared with FY 77 enacted	House Bill compared with FY 78 estimate
Personal development:					
College teacher fellowships	100,000	---	---	-100,000	---
Local training for dis- advantaged (CLEO).....	750,000	---	1,000,000	+250,000	+1,000,000
Public service fellowships	4,000,000	4,000,000	4,000,000	---	---
Mining fellowships.....	4,500,000	3,000,000	4,500,000	---	+1,500,000
Law school clinical experience.....	---	---	1,000,000	+1,000,000	+1,000,000
Subtotal, personnel development	9,350,000	7,000,000	10,500,000	+1,150,000	+3,500,000
	=====	=====	=====	=====	=====
Subtotal Higher Education.	3,214,338,000	3,233,509,000	3,738,008,000	+523,665,000	+449,494,000

	New BA Enacted Fiscal Year 77	New BA Estimates Fiscal Year 78	New BA House Fiscal Year 78	House Bill compared with FY 77 enacted	House Bill compared with FY 78 estimate
LIBRARY RESOURCES					
Public libraries.....	60,237,000	60,237,000	60,237,000	---	---
School libraries and in- structional resources....	154,330,000	154,330,000	160,000,000	+5,670,000	+5,670,000
College library resources.	9,975,000	9,975,000	9,975,000		
Research Libraries.....	---	---	3,000,000	+3,000,000	+3,000,000
Training and demon- stration.....	3,000,000	1,500,000	3,000,000	---	+1,500,000
Undergraduate instructional equipment.....	7,500,000	7,500,000	7,500,000	---	---
Guidance, counseling and testing.....	3,000,000	---	3,000,000	---	+3,000,000
Subtotal, Library resources	238,642,000	233,542,000	246,712,000	+3,670,000	+13,170,000
SPECIAL PROJECTS AND TRAINING					
Special Projects:					
Metric education projects	2,090,000	2,090,000	2,090,000	---	---
Gifted and talented children	2,560,000	2,560,000	2,560,000	---	---
Community schools.....	3,553,000	3,553,000	3,553,000	---	---
Career education.....	10,135,000	10,135,000	10,135,000	---	---
Consumer education.....	3,135,000	3,135,000	3,135,000	---	---
Women's educational equity	7,270,000	8,085,000	8,085,000	+815,000	---
Arts in education program	1,750,000	1,750,000	2,000,000	+250,000	+250,000
Packaging and field testing	10,000,000	10,000,000	10,000,000	---	---
Educational TV programming	7,000,000	7,000,000	5,000,000	-2,000,000	-2,000,000
Subtotal.....	47,493,000	48,308,000	46,558,000	-935,000	-1,750,000

Comparative Statement of New Budget Authority

	New BA Enacted Fiscal Year 77	New BA Estimates Fiscal Year 78	New BA House Fiscal Year 78	House Bill compared with FY 77 enacted	House Bill compared with FY 78 estimate
Educational personnel training:					
Teacher centers.....	---	5,000,000	5,000,000	+5,000,000	---
Teacher Corps.....	37,500,000	37,500,000	37,500,000	---	---
Planning and evaluation.....	7,085,000	7,200,000	7,085,000	---	-115,000
General Program dissemination	500,000	500,000	---	-500,000	-500,000
Information clearinghouse...	333,000	400,000	400,000	+67,000	---
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Subtotal, Special Projects and Training.....	92,911,000	98,908,000	90,543,000	+3,632,000	-2,365,000

Comparative Statement of New Budget Authority

	New BA Enacted Fiscal Year 77	New BA Estimates Fiscal Year 78	New BA House Fiscal Year 78	House Bill compared with FY 77 enacted	House Bill compared with FY 78 estimate
Guaranteed Student Loan Program:					
Interest subsidies.....	325,000,000	121,731,000	121,761,000	-203,219,000	
Student Loan Insurance Fund.	32,312,000	133,943,000	133,943,000	+101,631,000	---
Contingency Borrowing Authority (SLIF).....	---	25,000,000	25,000,000	+25,000,000	---
Subtotal, Guaranteed student loan program	357,312,000	280,724,000	230,724,000	-76,583,000	---
Higher Education Facilities					
Loan & Insurance Fund.....	2,119,000	1,847,000	1,847,000	-272,000	---
Educational Activities					
Overseas:					
Special Foreign Currency Pg.	2,000,000	2,000,000	2,000,000	---	---
Salaries & Expenses:					
Advisory Committees	2,281,000	2,041,000	2,261,000	-20,000	+220,000
Program Administration....	112,976,000	127,018,000	123,128,000	+10,152,000	-3,890,000
Subtotal, Salaries and Expenses.....	115,257,000	129,059,000	125,389,000	+10,132,000	-3,670,000
Subtotal, Office of Education.....	9,462,164,000	8,984,176,000	10,105,143,000	+642,979,000	+1,120,967,000
NATIONAL INSTITUTE OF EDUCATORS					
Research and development...	58,300,000	96,000,000	70,000,000	+18,300,000	-19,400,000
Program administration.....	12,065,000	13,000,000	13,000,000	+915,000	---
Subtotal, National Insti- tute of Education.....	70,385,000	109,000,000	89,600,000	+19,215,000	-19,400,000

Comparative Statement of New Budget Authority

New BA Enacted Fiscal Year 77 New BA Estimates Fiscal Year 78 New EA House Fiscal Year 78 House Bill compared with FY 77 enacted House Bill compared with FY 78 estimate

ASSISTANT SECRETARY FOR EDUCATION

Improvement of Post-Secondary Education.....	11,500,000	14,500,000	12,500,000	+1,000,000	-2,000,000
Salaries and Expenses.....	9,062,000	10,159,000	9,939,000	+377,000	-220,000
National Center for Educational Statistics.....	13,120,000	15,940,000	14,940,000	+1,820,000	-1,000,000
Subtotal, Assistant Secretary for Education...	33,682,000	40,599,000	37,379,000	+3,697,000	-3,220,000
Subtotal, Education Division.....	9,566,231,000	9,133,775,000	10,232,122,000	+665,891,000	+1,098,347,000

handicapped in the private sector. We expect that a portion of these funds will be used for continued support of projects sponsored by labor organizations, as well.

Let me assure you, Mr. Chairman, that the bill is not all increases. Many programs are held at or below the 1977 level. Many authorized programs are not funded at all. As I said at the beginning, we have made reductions from the President's budget request totaling almost \$1.4 billion.

Mr. Chairman, the recommendations of our committee as usual will seem too high to some and too low to others. It is always like that. As usual, the bill represents a compromise, and that is the art of legislation—compromise. I believe that our recommendations are both fiscally responsible and responsive to human needs, and I urge the members of the committee to support the bill when it is read for amendment.

Mr. Chairman, we have a very, very detailed table here showing the amounts of this bill in each of these hundreds of programs that I have talked about, and I intend to ask unanimous consent to insert the table at the proper point in the RECORD.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, in view of the fact that probably we will be

just having general debate today and reserve the reading of the bill until tomorrow, I would like to make some preliminary remarks here so that some of the Members who may be reading the RECORD tomorrow morning may know at the outset that I intend to offer a significant amendment that will aggregate some half billion dollars-plus in savings. The reason I mention that is to dispel if I might at the very outset the fears that Members may have that we are going to touch impacted aid. Let me allay those fears, because not one dime of impacted aid would be reduced in the amendment I am going to offer.

Unfortunately the educational community in this country has been sending out and lobbying and making trips to Washington and making and making phone calls. If we would take all the money they are spending lobbying against my amendment, I would not be surprised but that we would have all the money we need for some of these programs they are interested in.

But the thing that disturbs me most is it is the educational community above all where one would think their research would be accurate and what they say to Members would be accurate and well reasoned and well thought out, but such is not the case.

They do not know what is involved in my amendment. The erroneous information that is being sent to the Members is astonishing. I had, for example, to write three college presidents

this morning to set the record straight with them because of the phony information they had with respect to what I propose to do with this bill.

I think next year when the appropriation bill comes up I am going to offer a Michel amendment and increase the funding in the bill on 10 or 11 items and see what kind of reaction we get from the education community and see whether they are reading the amendment or whether, as the pattern has been, they will just send out telegrams to oppose this guy MICHEL and to oppose his amendment.

Now, Mr. Chairman, I would like to speak about the 11 items to which we will address ourselves in the package of amendments with the hope that every Member who then has some reservations or doubts will realize what is in the amendment.

There is a reduction from the bill of \$563.5 million, and that will result, even if the amendment is adopted, in our spending just for these 11 items \$819 million over the funding level for 1977 and \$478 million over what President Carter's budget has called for. So there are not any cuts from the Carter budget or cuts in last year's spending. There are reductions in increases, unconscionable increases that our subcommittee has written into this bill.

I am inserting at this point in the RECORD a table showing the items in my amendment and the appropriate dollar comparisons:

PACKAGE REDUCTION AMENDMENT

Items	Committee bill	Amendment funding level	Reduction from bill	Amendment versus 1977	Amendment versus Carter
Health capitation grants.....	\$144,000,000	\$134,000,000	\$10,000,000	+\$9,000,000	+\$19,500,000
ESEA title I.....	2,735,000,000	2,635,000,000	100,000,000	+350,000,000	
Education for handicapped.....	619,925,000	569,925,000	50,000,000	+100,565,000	+50,000,000
SEOG's.....	2,300,000,000	2,069,000,000	231,000,000	+377,000,000	
SEOG's.....	270,093,000	250,093,000	20,000,000		+10,000,000
Direct loans.....	310,500,000	288,000,000	22,500,000	-22,500,000	+288,000,000
Special programs for disadvantaged.....	125,000,000	100,000,000	25,000,000	+15,000,000	+30,000,000
Head Start.....	595,000,000	535,000,000	60,000,000	+60,000,000	+50,000,000
Aging (area planning and services).....	153,000,000	133,000,000	20,000,000	+1,000,000	+11,000,000
Aging (senior centers).....	40,000,000	25,000,000	15,000,000	+5,000,000	+5,000,000
Corporation for Public Broadcasting.....	145,000,000	135,000,000	10,000,000	+14,800,000	+14,800,000
Total.....			563,500,000	+819,865,000	+478,300,000

On the surface the \$61.3 billion in this bill represents an increase of \$917 million over the Carter budget and a decrease of \$10.8 billion from the 1977 level. I say on the surface, because both of these figures are totally misleading. The appropriation for the current fiscal year is artificially high because it includes several large items included in the fiscal year 1977 supplemental which covers fiscal year 1978 as well as 1977. These include public service jobs, and the various youth training and employment programs.

The effect of this not only makes the current level appear artificially high but also shows an artificially low level for the year 1978.

In addition, the 1977 appropriation contains such one shot items as that \$200 million for fuel subsidies, the \$227 million in initial advance funding for the Corporation for Public Broadcasting, and that \$612 million in additional advance funding for vocational education.

If we make adjustments for these various factors as well as unemployment benefit moneys appropriated in 1977 but projected for expenditure in fiscal year 1978, we find that the actual appropriation level for 1978 provided for in the bill is in the neighborhood of \$5 billion above the spending level for 1977, not \$11 billion below it.

Similar adjustments are necessary in order to get a true picture of the relationship of this bill to the Carter budget.

The Carter budget provided \$834 million in advance 1979 funding for the new youth training and employment program. This amount is not included in the bill because of delays in implementing the programs and in enacting the authorizing legislation and not because of any intention on our part not to provide the funds.

In addition, the medicaid appropriation has been reduced by \$351 million below the budget request, because of new estimates as to what it will take to fund

the program. If these estimates prove valid, then the budget request will be revised downward. If they are not, we will have to come up with additional funds in a supplemental; but whatever the case, the budget at the end will line up with our allocation; so when we eliminate these two reductions, we end up with a bill that is not \$917 million over the budget, but is \$2.1 billion over. Of this \$2.1 billion by which it exceeds the Carter budget, \$1 billion of it is concentrated in five programs: ESEA, title I, impact aid, education for the handicapped, direct student loans and Headstart. The remainder is scattered among the various other programs.

I suggest that a bill this much over the President's budget is not going to assist him to redeem his pledge to balance the budget by 1981.

I should also call attention to the recent press reports that the President claims he may be forced to veto this bill if it exceeds the budget by this large a

