

TESTIMONY OF
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President Ronald Reagan's proposed budget and fiscal policies amount to disaster for public education.

In the name of economic recovery upwards of one-quarter of the children who are served by the Elementary and Secondary Education Act will have compensatory education programs eliminated. In areas where the Federal effort is barely adequate such as, Title I-ESEA, more than 1.5 million children will not receive these services due to a termination of funds. In other areas where aid is completely inadequate such as, Education for the Handicapped, trauma from these cuts will be more wide-spread than anyone has yet realized.

What the President proposes is to slash Federal funds for public elementary and secondary schools from \$10.8 to \$7.4 billion--a reduction of 32%. This is a greater cut than in any other area of government spending.

When the President's proposed cuts in Child Nutrition are considered, the consequences to the Federal role in our education system approach tragic proportions.

In justifying these cuts, the President has stated that we must get the Federal government out of the business of subsidizing programs for people who do not really need Federal assistance and that by doing this we can assure that the truly needy receive aid which they deserve.

In education policy, as in other areas, the President's rhetoric is exactly 180° from the realities of what he is proposing. We have before us an

education policy with the following features:

1. Reduce aid by at least 25% to economically disadvantaged children and handicapped children.
2. Reduce the availability of Vocational training.
3. Eliminate Impact Aid for virtually all districts currently receiving assistance.
4. Slash the School Nutrition programs so that literally thousands of school lunchrooms all over the country will close.
5. Use the \$3.4 billion "saved" by these policies to finance a tuition tax credit for private schools.

The sum of these policies are clear---take support away from those who need it most and give it to those who need it least! This is a complete reversal of the long-standing Federal policies of using Federal aid to education to help the states and localities meet high priority needs such as, the handicapped and disadvantaged and, instead, spending Federal dollars to aid those who can already afford to send their children to private schools.

That this policy is the the underlying assumption of the President's Education program is beyond question. What has not been thoroughly examined is the fact that these cuts will likely result in additional taxes on the local and state levels. Cuts in the program for desegregation, the handicapped and non-English speaking are purely transfers of taxes from one level of government to another.

By slashing Federal aid to the handicapped, the President will not be lifting the Federal mandates that require all handicapped children to be provided with a free appropriate public education. The Federal law and many court decisions will remain on the books. State and local governments will be required to raise their taxes in order to pay for these services.

A change of heart on the presidential level will not end the court orders which require school desegregation. The fact that Federal Courts have ordered some expensive remedies will mean that local taxes will have to be increased to pay the bills. The same principle applies with bilingual education funds. While the Federal program has never paid for the programs mandated by the Supreme Court's Lau decision, cuts in funds will mean that when the new regulation to implement the Lau decision are established there will be even less aid available to carry-out the mandate than now exists.

What the President has proposed is not simply a cut in programs, but a reduction in the quality of education as the attached chart shows.

This result is presented as a necessary step to help our economy recover. And, if that result could be reasonably expected from this proposal the suffering that will result from these budget cuts might at least serve a purpose. However, it is a well-established fact that education is a capital investment in the productivity of our workers. Estimates are that more than 40% of all productivity increases since World War II are directly related to education. How can slashing compensatory and vocational education programs fit into our national plans for re-industrialization and greater productivity?

Short changing education is a guarantee of future problems that will be more expensive to solve the longer they are not addressed. It is good that Headstart will be saved from the budget ax, but the benefits of Headstart will be lost without a Title I program to carry the work forward.

The Federal Budget for public elementary and secondary education has been gutted. Almost 30% of the Department of Education has been slashed; one-half of the cuts of the Department of Agriculture come out of the Child Nutrition program when

taken together these cuts amount to 31% of the Fiscal Year 1981 Appropriation. This establishes as fiction the contention that these cuts are even-handed as across-the-board. The Department of Interior has been cut by 13%; Labor 21%; and Transportation by 15%. Education has clearly been singled out for special treatment.

While education programs amount to only 1% of the total Federal Budget, education is subject to 7% of Reagan's budget cuts. This is a prescription for disaster!

Child Nutrition has been so singled-out for the ax that even those who support virtually all of the cuts proposed by the White House blanch at the scope of the Child Nutrition cuts. The Reagan budget which reduces Child Nutrition funds by almost 40% are "totally unacceptable and I truly believe it would devastate the school lunch program," said Rep. William Goodling (R-Pa). The Administration's proposal would slash an additional \$1.6 billion from the School Lunch program which was cut by \$150 million last December. The Administration contends that the truly needy will not be hurt because the cuts only come from the portion of the program that subsidizes the reduced price meal and those who pay for their lunches.

The economics of this situation, however, dictate a different result. As the cost of the lunches go up for most paying students, many will drop out of the program and, as they leave food service contractors will not be able to make a profit. Since food service programs are voluntary as contractors pull out, poor children will be deprived of the free lunch since the lunchrooms will be closed.

HIGHER EDUCATION

The cuts in higher education are, if anything, even more drastic. Currently, the Federal government provides about \$10 billion per year in student aid. Two billion dollars comes from the Social Security program which is proposed to be totally eliminated over the next four years. In addition, cuts are proposed for the Pell Grants and radical surgery for the loan programs.

While details are not available, it is our understanding that a \$750 contribution is going to be required of all recipients of the Pell Grants. This will work a special hardship for the poor who will be faced with paying a deductible if this proposal were to be properly described.

Student Loan programs currently represent a major element to higher education for so many American families. The AFT has always held that more Federal resources should be placed behind grant programs and that loans are not the best way to finance college costs. Still a sound loan program is vital to a balanced student aid package.

By dramatically increasing the costs of loans to families and students, there is no doubt that less access to higher education will be the result.

These facts paint a grim picture of the consequences of the proposed Reagan cut but what must be remembered is that these cuts are coming on top of another massive cut that takes effect this year with the elimination of state revenue sharing. Over \$750 million has been lost to education by the termination of state revenue sharing. Thirteen states used all of their revenue sharing funds for education any many more used significant amounts to support their education efforts.

Some losses due to the termination of state revenue sharing:

Florida has lost over \$70 million in education funds; Illinois \$115 million; New York over \$75 million; Ohio \$93 million; and, Pennsylvania \$111 million.

When these cuts are put together with such tax limitation proposals as Proposition 13 in California and 2½ in Massachusetts the picture is complete.

There is no place to go to fill in the gaps in our education program that will be left by the loss of this vital Federal aid. This program of President Reagan's is misguided and will not achieve economic recovery. It will, if enacted by Congress cause severe damage to our educational system and other services. A proposal such as this should not be enacted until all the consequences are fully understood. Fast action cannot substitute for a good program. This "program for economic recovery" does not meet the needs of our country. The Congress must come up with an alternative to the elimination of at least 65,000 teachers and the loss of services to millions of children.

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ESTIMATED TEACHER POSITION LOSSES DUE TO
PRESIDENT REAGAN'S BUDGET PROPOSALS FOR FY 1982

	<u>Total for Selected Cities</u>	<u>State Total</u>
Alabama		2,200
Alaska		250
Arizona		1,150
Phoenix	250	
Rest of State	900	
Arkansas		1,125
California		5,800
Los Angeles	1,200	
San Diego	205	
San Francisco	75	
Rest of State	4,320	
Colorado		450
Connecticut		650
Delaware		250
District of Columbia		500
Florida		2,200
Georgia		2,550
Hawaii		355
Idaho		340
Illinois		3,200
Chicago	800	
Rest of State	2,400	
Indiana		1,130
Indianapolis	130	
Rest of State	1,000	
Iowa		640
Kansas		450
Kentucky		1,125

	<u>Total for Selected Cities</u>	<u>State Total</u>
Louisiana		2,500
New Orleans	300	
Rest of State	2,200	
Maine		375
Maryland		775
Baltimore	250	
Rest of State	525	
Massachusetts		1,350
Boston	110	
Rest of State	1,240	
Michigan		1,720
Detroit	420	
Rest of State	1,300	
Minnesota		875
Mississippi		1,510
Missouri		1,840
St. Louis	260	
Rest of State	1,580	
Montana		320
Nebraska		420
Nevada		100
New Hampshire		220
New Jersey		1,020
New Mexico		760
New York		2,300
New York City	1,260	
Rest of State	1,040	
North Carolina		2,675
North Dakota		270
Ohio		1,775
Cleveland	240	
Rest of State	1,535	
Oklahoma		1,280

	<u>Total for Selected Cities</u>	<u>State Total</u>
Oregon		430
Pennsylvania		3,200
Philadelphia	525	
Rest of State	2,675	
Rhode Island		200
South Carolina		1,725
South Dakota		350
Tennessee		1,685
Memphis	265	
Rest of State	1,420	
Texas		5,400
Dallas	230	
Houston	175	
San Antonio	125	
Rest of State	4,870	
Utah		390
Vermont		150
Virginia		1,800
Washington		875
West Virginia		550
Wisconsin		925
Milwaukee	140	
Rest of State	785	
Wyoming		130
TOTAL - UNITED STATES		<u>64,460</u>

Source: AFT Department of Research calculations from National Center for Education Statistics data.

Note: Calculated on basis of 31% decline in total Federal education expenditure (as estimated by National School Boards Association) by state, assuming a constant student/teacher ratio.