



ALLIANCE FOR
EXCELLENT EDUCATION

StraightA's

Public Education Policy And Progress



SEE YOU NEXT YEAR: Congress Wraps Up for 2006, Delays Education Funding Decisions to 2007

At the beginning of last week, Congress had only passed two of the eleven FY 2007 appropriations bills that fund various government agencies. Facing a choice between additional weeks of contentious debate on the remaining appropriations bills, or a stopgap spending resolution that would temporarily fund federal programs into next year, the Republican leadership chose the latter during a brief session of Congress last week. The task of finishing the remaining FY 2007 spending bills now falls to Democrats, who will assume control of both chambers of Congress in January. The continuing resolution that Congress passed just before midnight on December 8 will expire on February 15, 2007.

Although Democrats have dreamed about controlling the government's purse strings for years, they were not particularly happy with the decision to punt FY 2007 spending issues into next year. In fact, **Representative David Obey (D-WI)**, who will become chairman of the House Appropriations Committee in January, called the decision "reckless and irresponsible inaction." He said that having to make decisions on the remaining FY 2007 appropriations bills could complicate action on President Bush's budget for FY 2008 and forthcoming requests for additional spending for the wars in Iraq and Afghanistan.

"Either the Congress will be consumed for months trying to pass those remaining bills...or it will be forced to pass some long-term continuing funding resolution," Obey said. He said that either of those scenarios would represent "lousy outcomes," which could have been prevented by Republican action last week.

In addition, the need to finalize FY 2007 spending when Congress returns will rob time and energy that Democrats had hoped to devote to their own agenda, which includes raising the minimum wage, negotiating lower drug prices for Medicare beneficiaries, cutting interest rates on college loans, and repealing some tax breaks for oil companies. Prior to the election, House Democrats pledged to pass all of these initiatives during the first one hundred legislative hours of the new Congress.

Appropriations Approval Already Two Months Late

Only the appropriations bills for the Department of Defense and the Department of Homeland Security have been signed into law so far. The nine remaining bills account for about \$460 billion of spending in support of government programs and have largely been held up because of

Congress Wraps Up for 2006, Postpones Education Funding Decisions to 2007

(Continued from p. 1)

disagreements within the Republican Party. For example, in March, the Senate passed an amendment by **Senators Arlen Specter (R-PA) and Tom Harkin (D-IA), the chairman and ranking member, respectively, of the Senate Labor, Health and Human Services (HHS), and Education Appropriations Subcommittee**, which added \$7 billion to the pool of money available for the Departments of Health and Human Services, Education, and Labor. The amendment, which enjoyed considerable bipartisan support, passed on a 73–27 vote.

To fund the Specter-Harkin amendment, the Senate stripped money from the Department of Defense appropriations bill but had to restore about \$5 billion after President Bush threatened to veto it. With other options limited, the Senate was looking at breaking through the \$873 billion FY 2007 discretionary spending limit that it had set for itself earlier in the year in order to provide the additional funding that the amendment promised—a move that many conservative Republicans were unwilling to make.

The U.S. House of Representatives passed all of its appropriations packages except for the Labor-HHS-Education appropriations bill. Back in May, **Majority Leader John Boehner (R-OH)** had promised Republican moderates an additional \$7 billion in funding for those departments in exchange for their support on the congressional budget resolution. Going into last week, the Labor-HHS-Education appropriations bill was approximately \$3 billion short of meeting the pledge. Without the extra funding, moderates continued to withhold their support for the bill, which, without support from the moderates, lacked the votes to pass.

This inability to come to agreement, combined with Republican losses on Election Day—which, according to the *Washington Post*, “sapped Republican enthusiasm for trying to finish [the remaining spending bills]”—led Republicans to abandon their efforts.

During the debate on the continuing resolution last week, **Senator Robert C. Byrd (D-WV), the ranking member of the Senate Appropriations Committee** criticized the Republican leadership for failing to pass the appropriations bills. “The majority leadership is apparently satisfied with a mindless continuing resolution,” Byrd said. He noted that while the Senate Appropriations Committee passed all of its bills by August, only two were debated and passed on the Senate floor. “That is a pathetic, sorry performance,” he said.

What Will the New Year Bring?

In an effort to finish work on FY2007 spending as soon as possible, Representative Obey and Senator Byrd announced on December 11 that Congress will pass a yearlong continuing resolution for the remaining government agencies when it returns in January.

“The outgoing Republican Leadership’s failure to govern has denied the new Congress the opportunity to start with a fresh slate,” the statement said. “As incoming Chairmen of the House and Senate Appropriations Committees, we are now responsible for finding a way out of this fiscal mayhem. It is important that we clear the decks quickly so that we can get to work on the American people’s priorities, the President’s anticipated war funding request, and a new budget.”

In their statement, Senator Byrd and Representative Obey acknowledged that they had “no good options available,” but said they would try to make “whatever limited adjustments” that were possible within the confines of the Republican budget and its \$873 billion spending cap.

“There is no good way out of the fiscal chaos left behind by the outgoing Congress,” the statement said. “But that is a temporary price that we will pay in order to give the President’s new budget the attention and oversight it deserves and requires, and so that we can begin work right away at putting the people’s priorities front and center.”

House and Senate Committee Chairmen and Ranking Members Announced

Last week, both Democrats and Republicans took the first step toward putting their committee rosters into place by appointing chairmen and ranking members. For the most part, committees simply “flipped,” with the highest-ranking Democrat assuming the chairmanship while the highest-ranking Republican will take over as the ranking member, the highest committee position for the minority party.

Representative David Obey (D-WI) will serve as chairman of the House Appropriations Committee while **Representative George Miller (D-CA)** will chair the Education and the Workforce Committee. In addition, **Representative Charles Rangel (D-NY)** will be the chairman of the tax-writing Ways and Means Committee, and **Representative John Spratt, Jr. (D-SC)** will chair the Budget Committee.

For Republicans, incumbent chairmen will move to the ranking member position, which means that **Representative Jerry Lewis (R-CA)** will be the ranking member on the Appropriations Committee, and **Representative Howard P. “Buck” McKeon (R-CA)** will be the ranking member of the Education and the Workforce Committee. In addition, **Representative Jim McCrery (R-LA)** will serve as ranking member of the Ways and Means Committee, replacing **Representative William Thomas (R-CA)**, who retired. **Representative Paul Ryan (R-WI)** was elected ranking member of the Budget Committee; he will replace **Representative Jim Nussle (R-IA)**, who lost his bid for governor of Iowa.

In the Senate, **Senator Robert C. Byrd (D-WV)** will serve as chairman of the Appropriations Committee, and **Senator Thad Cochran (R-MS)** is expected to be the ranking member. **Senator Edward Kennedy (D-MA)** will chair the Health, Education, Labor, and Pensions Committee, with **Senator Michael Enzi (R-WY)** to serve as the ranking member. In addition, **Senator Max Baucus (D-MT)** will chair the Finance Committee, and **Senator Charles Grassley (R-IA)** will be the ranking member. **Senator Kent Conrad (D-ND)** will chair the Budget Committee, and **Senator Judd Gregg (R-NH)** will serve as the ranking member.



HEALTHIER AND WEALTHIER: Ensuring that Every Student Graduates from High School Could Save More than \$17 Billion, According to New Alliance Brief

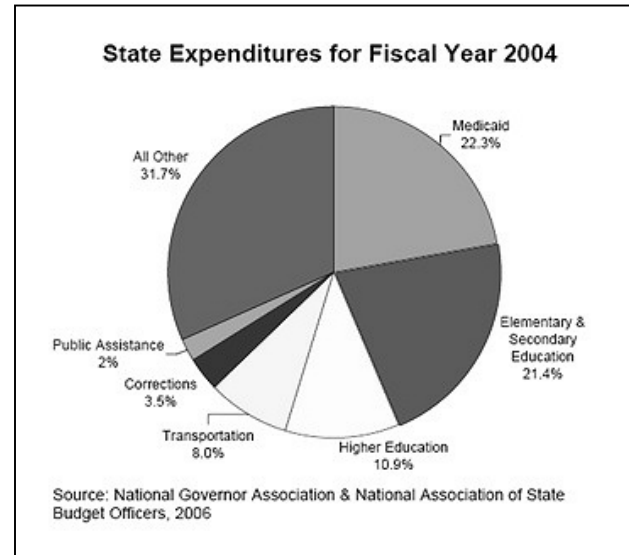
If the approximately 1.2 million young people who are expected to drop out of school in the United States this year were to earn their diploma instead, states could save more than \$17 billion in health care costs over the course of those young people’s lifetimes. So says *Healthier and Wealthier: Decreasing Health Care Costs by Increasing Educational Attainment*, a new brief from the Alliance for Excellent Education that was funded by MetLife Foundation.

“This study shows clearly that providing quality education not only improves students’ lives, but also saves taxpayers dollars,” said **Bob Wise, president of the Alliance for Excellent Education and former governor of West Virginia**. “A high school diploma opens the door to physical health as well as financial health.”

Healthier and Wealthier (Continued from p. 3)

According to the brief, spending on health care has risen dramatically over the last few years as people are living longer, but the treatments they need to allow for longer lives are growing more expensive. Recently, health care expenses have even surpassed spending on K–12 education—traditionally the largest piece of a state’s budget pie—as the largest item in states’ budgets. As shown in the chart to the right, Medicaid alone accounted for approximately 22 percent of total state spending in FY 2004, slightly more than the 21.4 percent spent on elementary and secondary education.

According to the National Institutes of Health, individuals with lower income, less education, and lower-status occupations and employment have poorer health. Using this logic, *Healthier and Wealthier* postulates that raising educational levels would reduce health-related expenditures for the public sector, as well as for individuals.



According to research by **Dr. Peter Muennig, assistant professor at Columbia University’s Mailman School of Public Health**, better educated people are less likely to receive Medicaid assistance and are more likely to be insured. In fact, he has shown that every student who graduates from high school, instead of dropping out without a diploma, will save states an average of \$13,706 in Medicaid and expenditures for uninsured care over the course of his or her lifetime.

In an analysis commissioned by the Alliance for Excellent Education, Dr. Muennig applies his per-person-savings to the number of high school dropouts from the Class of 2006 in each state to determine the total lifetime health savings for that state were it to graduate every high school student. Savings for selected states appear in the chart below.

Lifetime Health Savings if All Students in the Class of 2006 Graduated from High School

State	State Medicaid Savings per Additional Graduate	State Uninsured Savings per Additional Graduate	Total Health Savings per Additional Graduate	Total Lifetime Health Savings if All Students Graduated
Alabama	\$9,216	\$896	\$10,112	\$244,976,155
California	\$14,637	\$724	\$15,361	\$2,325,813,659
Illinois	\$15,143	\$1,001	\$16,143	\$647,038,335
Massachusetts	\$15,143	\$731	\$15,873	\$363,462,657
Michigan	\$13,595	\$957	\$14,552	\$750,225,999
Texas	\$11,702	\$831	\$12,533	\$1,560,947,102
Wyoming	\$10,891	\$917	\$11,808	\$22,752,102

The brief also finds that, in addition to contributing to better physical health, better education improves earning power and social status and affects cognitive ability—both of which influence lifestyle choices, knowledge and understanding of health issues, and the health-related decisions that people make. For example, better educated people are more able to follow doctors’ instructions successfully and to navigate medical bureaucracy. In addition, the occupations of people with lower educational attainment are generally more dangerous and expose workers to greater health hazards, from heavy machinery and chemicals to shifts that disrupt sleep cycles. On average, a high school graduate lives six to nine years longer than a dropout.

The brief concludes by saying that health care costs incurred by states could be greatly reduced if high schools around the country better prepared more students for the challenges of postsecondary education and the workforce. Higher educational attainment increases a student’s future income, occupational status, and social prestige, all of which contribute to improved health. It argues that this potential public benefit is just one among a multitude of positive results that would accrue to society if America’s educational system successfully educated all of its students—instead of allowing over one million youth to drop out without a diploma each year. “A citizenry that is not only healthier, but also wealthier and wiser, is an asset that every state, and the country as a whole, needs,” it concludes.

The complete brief, as well as specific findings for each state and the District of Columbia, are available at <http://www.all4ed.org/publications/HandW.pdf>.



ADDRESSING AMERICA’S DROPOUT CHALLENGE: New Report Calls for Federal Role in Raising Graduation Rates

A new report from the Center for American Progress and Jobs for the Future calls for an investment of \$1 billion to \$1.5 billion annually to raise high school graduation rates and close the graduation gap within the next five years. The report, *Addressing America’s Dropout Challenge: State Efforts to Boost Graduation Rates Require Federal Support*, argues that increased federal support can provide a boost to state and local efforts to end the dropout problem.

“With U.S. global competitiveness and the economic self-sufficiency of our citizens at stake, the dropout problem no longer can be ignored,” the report reads. “We need all our youth to succeed and advance. It is time for an aggressive national effort to pursue a new, dual agenda for high school reform—one that embraces high standards and high graduation rates.”

As part of that agenda, the report calls on Congress to pass what it calls the Graduation Promise Act of 2007. By doing so, it says that Congress could establish a federal commitment to partner with states, districts, and schools to raise graduation rates. In addition, the act would “seed and scale up” state and local efforts to keep high school-aged students in school and achieving at a high level, and it would put these proven strategies to use immediately in the nation’s worst-performing high schools.

Addressing America's Dropout Challenge

(Continued from p. 5)

Specifically, the act, which has not been introduced in Congress, contains three major initiatives and would:

- Spend \$300 million to \$400 million per year to help states and districts develop systemic strategies to improve graduation rates without compromising academic standards
- Devote \$50 million to \$150 million per year toward increasing the supply of proven school models and strategies for improving the graduation rate of students who are not on track to graduate
- Use \$700 million to \$950 million toward identifying high schools with the worst dropout rates and use proven practices and models to improve the graduation rate in those schools

According to the report, this relatively modest federal investment could leverage significant change in state and local policies and practices but argues that Congress should act now rather than waiting to address these problems during the reauthorization of the No Child Left Behind Act (NCLB). It points out that the United States cannot reach the goal outlined in NCLB of proficiency for all students by 2014 if one third of all students do not graduate from high school. It also notes that the reauthorization process is likely to be long and drawn out and that the nation “cannot afford to wait while losing such large numbers of young people from the education system.” The report adds that NCLB has proven to be a “weak instrument” for improving high schools. It notes that NCLB has created little real accountability for graduation rates at the state or district level and has offered no incentives for districts to hold on to low-performing students.

“Passing the Graduation Promise Act now would ensure that the kind of spur that federal action provided around academic achievement will now also be applied to the challenge of raising graduation rates,” it reads. “Every year we wait, 1.2 million more students will leave high school without a diploma. The cost is far too great to young people, their families and communities, the states, and the nation.”

The complete report is available at

http://www.americanprogress.org/issues/2006/11/pdf/hs_grad_report.pdf.



NGA TASK FORCE TO ADDRESS AMERICAN INNOVATION, COMPETITIVENESS

Earlier this month, the National Governors Association (NGA) announced the creation of a seventeen-member task force that will guide *Innovation America*, the 2006–07 Chair’s initiative of **Arizona Governor Janet Napolitano (D)**.

“To maximize our strengths in this increasingly global environment, governors must partner with the business and academic communities to ensure state policies complement and reinforce private [sector] innovation,” Napolitano said. “The *Innovation America* task force provides an outstanding forum for these groups to work together to enhance our economic competitiveness.”

Minnesota Governor Tim Pawlenty (R) will join Governor Napolitano as the task force's cochair. Other governors on the panel include **Kansas's Kathleen Sebelius (D)**, **Missouri's Matt Blunt (R)**, **Pennsylvania's Edward Rendell (D)**, and **Utah's Jon Huntsman, Jr. (R)**.

Governor Napolitano's *Innovation America* initiative seeks to raise national awareness of the urgent need to embrace innovation as the United States' path to maintaining competitiveness. During its two-day meeting, the task force is expected to discuss the state innovation landscape, K–12 classes in science, technology, engineering, and mathematics, and the role of postsecondary education as an engine of innovation.

"The goal of my Chair's initiative is to educate our students to be innovators, and to carry that spirit of innovation through their university experience and into the workforce," Napolitano said when she unveiled the initiative at the NGA's annual meeting in August. "Math and science education teaches true problem solving skills that, in turn, will increase our nation's capacity for innovation in virtually every field."

In 2004–05, **former Virginia Governor Mark Warner (D)** chose *Redesigning the American High School* as his NGA Chair's initiative. During the course of that year, the NGA brought national attention to the urgent need to improve America's high schools, highlighted by a major summit on high schools in 2005. The summit featured an appearance by **Bill Gates, chairman of Microsoft and cofounder of the Bill & Melinda Gates Foundation**, who garnered headlines when he told participants that today's high schools are "obsolete" and unequipped to adequately prepare the workforce of the twenty-first century.

More information on *Innovation America* is available at <http://www.nga.org/ci>.



Happy Holidays from the Alliance for Excellent Education!

The Alliance for Excellent Education wishes you and yours a happy holiday season and best wishes for the new year!

This issue is the last before the Alliance newsletter—although not the Alliance staff—settles in for a short winter's nap. The next issue of *Straight A's* will be dated January 8, 2007.

Straight A's: Public Education Policy and Progress is a biweekly newsletter that focuses on education news and events both 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. The Alliance for Excellent Education is a nonprofit organization working to make it possible for America's secondary school students to achieve high standards.



ALLIANCE FOR
EXCELLENT EDUCATION

1201 Connecticut Ave., NW
Suite 901
Washington, DC 20036

Phone 202 828-0828
Fax 202 828-0821
Alliance@all4ed.org
www.all4ed.org

StraightA's

Public Education Policy And Progress

Volume 6 No. 23: December 11, 2006

Bob Wise
President

Jason Amos
Editor

P R S R T
First Class Mail
U.S. Postage
PAID
Permit No. 534
Woodbridge, VA

Volume 6 No. 23: December 11, 2006

In this issue:

- See You Next Year: Congress Wraps Up for 2006, Delays Education Funding Decisions to 2007
- *Healthier and Wealthier*: Ensuring that Every Student Graduates from High School Could Save More than \$17 Billion, According to New Alliance Brief
- *Addressing America's Dropout Challenge*: New Report Calls for Federal Role in Raising Graduation Rates
- NGA Task Force to Address American Innovation, Competitiveness



ALLIANCE FOR
EXCELLENT EDUCATION

<http://www.all4ed.org>