



ALLIANCE FOR  
EXCELLENT EDUCATION

# StraightA's

Public Education Policy And Progress



## **DEMOCRATS CONSIDER LEFTOVER SPENDING BILLS: Coalition of Health and Education Advocates Pushes for \$2 Billion in Additional Spending**

When Congress adjourned in December, it had passed appropriations bills only for defense and homeland security for Fiscal Year 2007, which began on October 1. Anticipating that it would not be able to pass the remaining nine appropriations bills before the end of 2006, Congress passed a continuing resolution that punted spending decisions to the 110<sup>th</sup> Congress, which began on January 4, with Democrats assuming control of both the U.S. Senate and House of Representatives.

To expeditiously finalize FY 2007 spending and move on to the FY 2008 budget development process, the new chairmen of the House and Senate Appropriations Committees, **Senator Robert C. Byrd (D-WV)** and **Representative David Obey (D-OH)**, announced in late December that Congress would enact a yearlong spending resolution when it returned in January. The resolution would freeze funding for programs under the nine remaining appropriations bills at their current levels through the end of the fiscal year on September 30, 2007.

“The outgoing Republican Leadership’s failure to govern has denied the new Congress the opportunity to start with a fresh slate,” their statement read. “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 maximum. According to congressional staff with knowledge of the process, an additional \$2 billion to \$12 billion could be made available for certain priorities.

The current expectation is that a yearlong continuing resolution would fund programs of the departments of Labor, Health and Human Services, and Education at about \$5 billion more than requested in the president’s FY 2006 budget. Last week, however, a coalition of approximately 250 health, education, and other domestic organizations, including the Alliance for Excellent Education, sent a letter to **House Speaker Nancy Pelosi (D-CA)**, **Majority Leader Harry Reid (D-NV)**, and Appropriations Committee Chairmen Byrd and Obey asking them to provide an additional \$2 billion in spending for these domestic priorities, for a total of \$7 billion over the president’s budget request level.

## Democrats Consider Leftover Spending Bills

(Continued from p. 1)

Not only would the \$2 billion restore cuts in funding that were made in FY 2006, but it would also honor the commitment that the Senate made in March of last year when it approved an amendment by **Senators Arlen Specter (R-PA)** and **Tom Harkin (D-IA)** that set aside an additional \$7 billion for the Departments of Health and Human Services, Education, and Labor. The amendment, which enjoyed considerable bipartisan support, had passed on a 73–27 vote.

“Over the past year, you have spoken out strongly about your commitment to funding health, education, and other vital programs,” the letter reads. “Now you have to the opportunity to act on that commitment.”

While Democrats hope to resolve the outstanding spending issues quickly, some congressional staff have hinted that the process is more likely to be finished closer to February 15, the day that the stopgap funding resolution that Congress passed in December is set to expire.

### Movement for Voluntary National Standards Gaining Ground in the New Congress

A consensus has been building among researchers and policymakers that far too many states have set their educational standards well below the levels needed to ensure that students are effectively prepared for college and the modern workforce, with implications for the nation’s ability to remain internationally competitive and commitment to educational equity. Thus, national standards are gaining steam as an important issue for discussion by members of the 110th Congress. Although they were previously seen as politically taboo, voluntary national standards are already the focus of at least two bills that were introduced in the first few days of the new legislative session.

Introduced by **Senate Health, Education, Labor, and Pensions Committee Chairman Edward M. Kennedy (D-MA)**, the States Using Collaboration and Coordination to Enhance Standards for Students (SUCCESS) Act takes a roundabout approach to reaching common national standards. For example, the SUCCESS Act would examine gaps in student performance on state-level assessments and assist states that want to see how their standards compare to those of the National Assessment of Educational Progress (NAEP). It would also establish P–16 Preparedness Councils that would align student knowledge and skills with the expectations of the college and the labor market. It would also encourage states to work together to develop common standards and assessments that are rigorous and that adequately prepare students for the economy of twenty-first century.

A second bill, the Standards to Provide Educational Achievement for All Kids (SPEAK) Act, introduced by **Senator Christopher Dodd (D-CT)** and **Representative Vernon Ehlers (R-MI)**, would address the issue of developing national standards more directly by calling on the National Assessment Governing Board to create rigorous voluntary content standards in math and science in grades K–12. The bill would also provide significant incentives to encourage states to adopt such standards. The authors were careful to note that the bill does not establish a national curriculum and that participation in the program would be voluntary.

With the No Child Left Behind Act (NCLB), which celebrated its fifth anniversary on January 8, due for reauthorization this year, a discussion around national standards is shaping up to be a key part of the process. The January 22 issue of *Straight A’s* will offer complete coverage of NCLB’s fifth anniversary.



## ***TOUGH CHOICES OR TOUGH TIMES: New Commission Recommends Radical Changes to American Education System***

In 1990, the first Commission on the Skills of the American Workforce warned that globalization of the world's economy would send low-skilled jobs to countries where the price of low-skill labor was the cheapest. The commission was right. Today, people in India and in other foreign countries solicit us for credit cards and walk us through glitches on our computers.

Rather than competing with these countries for low-wage jobs in a contest that the United States could never win, the 1990 commission advised the nation to abandon low-skill work. Instead, it argued, the nation should focus on educating our students and workers to achieve high levels because only countries with highly skilled workforces could successfully compete.

Last month, however, a report from the New Commission on the Skills of the American Workforce reports that the first commission got its forecast only half right. The 1990 commission did not anticipate the trend of outsourcing or automating higher-paying jobs that demand high-level skills, as well. The report, *Tough Choices or Tough Times*, explains that China, India, and other countries have large numbers of highly educated workers who are willing to work for lower wages. Why would a company pay an American engineer \$45,000 a year if it could get someone in India to do the same job for \$7,500 a year? Such is the basic question that the new commission, which was organized by the National Center on Education and the Economy and is composed of former Cabinet secretaries, governors, college presidents, and business, civic and labor leaders, seeks to answer in its new report.

### **Dramatic Overhaul of American Education System Required**

The commission concludes that the United States' only chance to retain its competitive position is if it can offer companies highly educated, highly skilled workers and an important additional element: creativity. In the report's prototypical world for the United States in the twenty-first century, Americans will supply the creative work for developing, marketing, and selling the most important products and services while the rest of the work will be done by people in less developed countries or by machines. But to reach this goal, the commission argues, the nation cannot simply place a Band-Aid on its current education system. Instead, it recommends a complete and total overhaul that will require tough decisions and radical thinking.

"This is a world in which a very high level of preparation in reading, writing, speaking, mathematics, science, literature, history, and the arts will be an indispensable foundation for everything that comes after for most members of the workforce," the report reads. "It is a world in which comfort with ideas and abstractions is the passport to a good job, in which creativity and innovation are the key to a good life, in which high levels of education—a very different kind of education than most of us have had—are going to be the only security there is."

Unfortunately, our current education system is not up to the task. Among the limitations that the report lists are a teacher pool that disproportionately comes from among the less able of the high school students who go to college, growing income inequality, a lack of motivation among most

### ***Tough Choices or Tough Times*** (Continued from p. 3)

American students, a teacher compensation system designed to reward tenure rather than performance, and a lack of continuing education.

In response, the commission—which also says that the problem is not with educators, but rather with the system in which they work—recommends ten steps to improve the nation’s educational system and student outcomes, and demonstrates that the costs of reforms would be paid for by the restructuring. Recommendations include recruiting and training a teaching force that comes from the top third of the high school students going to college; building a high-quality early education system for every three- and four-year-old child; and providing the nation’s disadvantaged students with the resources they need in order to meet new standards and graduate from high school. The commission calls for the creation of high-performing schools and districts everywhere—an undertaking that would require changes to the way the American education system is governed, financed, organized, and managed.

To address the reality that most of the people who will be in our workforce for the next twenty years are already in the workforce, it recommends that federal legislation be passed to entitle every adult and young worker—at no charge—to a quality education supported by a system of new board exam standards. Other recommendations include the creation of personal competitiveness accounts—“a G.I. Bill for our times”—that would allow individuals to save for tuition at any accredited institution for a work-related program of study; that the government provide \$500 to every newborn baby and continue to contribute at a lower level until the person reaches the age of sixteen; and the creation of regional competitiveness authorities that would coordinate the work of the region’s education and training institutions to make sure that each region’s workers develop the skills necessary to succeed in the labor market.

“If we actually do these things,” the report maintains, “there is every reason to believe that we can send almost everyone to college and have them do well there.” Conversely, the report argues, “If we continue on our current course, and the number of nations outpacing us in the education race continues to grow at its current rate, the American standard of living will steadily fall relative to those nations, rich and poor, that are doing a better job. If the gap gets to a certain—but unknowable—point, the world’s investors will conclude that they can get a greater return on their funds elsewhere, and it will be almost impossible to reverse course.”

An executive summary of the report and information on how to order the full report are available at <http://skillscommission.org/>.



### ***FROM CRADLE TO CAREER: Education Week Report Stresses Education as a Continuum, Highlights States Providing the Best Opportunity for Student Success***

Children born in Virginia, Connecticut, or Minnesota are more likely to experience success in their lives than their peers in other states, according to an analysis published last week. On the other hand, children born in New Mexico, Louisiana, or Arizona are more likely to face educational and economic difficulties. So says *From Cradle to Career: Connecting American Education From Birth Through Adulthood*, the latest in a series of *Quality Counts* reports that are published annually by *Education Week*.

The report bases its rankings on a Chance-for-Success Index that was developed by the Editorial Projects in Education (EPE) Research Center. The Index is based on thirteen different indicators—both economic and educational—that are grouped into three stages of life: the early years, the school-age years, and the adult years. It includes everything from family income and parents’ education levels to elementary school reading scores, high school graduation rates, and employment rates. As a result, it offers a perspective on the importance of education throughout an individual’s lifetime.

“Overall, the Index captures the cumulative effects of education experience from birth through adulthood and pinpoints the chance for success at each stage and for each state,” said **Christopher B. Swanson, director of the EPE Research Center**. “We find that a child’s life prospects depend greatly on where he or she lives.”

As shown in the chart below, individuals born in the South and Southwest are the least likely to succeed in life, while those born in the Northeast and North Central states are in a much stronger position.

#### Chance-for-Success Index: The Top 10 and the Bottom 10

Rank	State	Points Awarded		Rank	State	Points Awarded
1	Virginia	+22		51	New Mexico	-23
2	Connecticut	+21		49 (tie)	Louisiana	-16
3	Minnesota	+20		49 (tie)	Arizona	-16
4	New Jersey	+19		48	Texas	-15
5 (tie)	Maryland	+18		45 (tie)	Tennessee	-14
5 (tie)	Massachusetts	+18		45 (tie)	Mississippi	-14
5 (tie)	New Hampshire	+18		45 (tie)	Alabama	-14
8	Wisconsin	+17		43 (tie)	West Virginia	-13
9 (tie)	Nebraska	+16		43 (tie)	Nevada	-13
9 (tie)	Vermont	+16		41 (tie)	South Carolina	-12
				41 (tie)	Kentucky	-12

In calculating the Chance-for-Success Index, EPE awarded states one point when they performed significantly better than the national average on a particular indicator. If a state outpaced the nation by a very large margin, it received two points. Conversely, states that fall below the national average lose a point or two, depending on the size of the difference. The maximum score on the index is +26; the lowest possible score is -26.

The Chance-for-Success Index also acts as a tool to determine how successful states have been in connecting education from pre-kindergarten through postsecondary education and defining what students need to know and do to move successfully from one stage of education to the next. Unfortunately, successes have been few and far between. “In the United States, the historical separation between various levels of education, and the consequent lack of communication and coherence across sectors, means that children and older students are lost at every juncture,” the report reads.

According to the report, states have achieved some success in the early grades, but much more work needs to be done. For example, forty-one states and the District of Columbia have early-learning standards that are aligned with the academic expectations for elementary schools. In the higher grades, however, many states report that they are working to better align high school

***From Cradle to Career*** (Continued from p. 5)

graduation requirements with college- and workforce-readiness standards, but few actually have these requirements in place. According to the report, only eighteen states and the District of Columbia have a distinct definition of workforce readiness, and only eleven states have adopted a formal definition of college readiness.

In the past, *Quality Counts* has focused on state policies for improving elementary and secondary education, but, as **Lynn Olson, *Education Week's* executive project editor**, said at the report's release, "children's chances for success don't just rest on what happens from kindergarten through high school. They are also shaped by experiences during the preschool years and by opportunities for continued education and training beyond high school."

The complete report is available at <http://www.edweek.org/ew/toc/2007/01/04/index.html>.



***FISCAL SURVEY OF THE STATES: With Budget Surpluses, States Restore Funding to Previously Cut Programs, Keep a Careful Watch on Changes in the Economy and Medicaid Costs***

State fiscal conditions continued to improve in FY 2006, according to *The Fiscal Survey of States*, a twice-annual report from the National Governors Association (NGA) and the National Association of State Budget Officers (NASBO). The report found that increased state revenues and strong budget reserves allowed states to offer tax cuts, increase funding for education and other programs that were cut in the past, and replenish rainy-day funds. However, several factors, such as the cyclical nature of the economy and projected increases in Medicaid costs, have states cautious about the future.

"It is a good time to be governor," said **NGA executive director Raymond C. Scheppach**. "The stable, healthy fiscal condition of states across the nation affords current governors options their predecessors did not experience. Governors are better-positioned to prepare their states for long-term spending pressures from structural deficits in Medicaid and rising health care costs."

Indeed, states have come a long way since FY 2002 and FY 2003 when thirty-seven states were forced to make midyear budget cuts that totaled nearly \$15 billion and \$11.8 billion, respectively. Even as recently as 2004, eighteen states made budget cuts that amounted to \$4.8 billion. In FY 2006, however, only two states were forced to make budget cuts, and revenues were up across the board. In fact, revenues exceeded expectations in forty-six states and were on target in the other four states.

Because of this increase in revenue, state spending was also up. According to the report, state general fund expenditures were \$602 billion in FY 2006, an increase of 8.7 percent compared to the previous year, and 2.3 percent higher than the twenty-eight-year historical average rate of growth. In overall spending, Medicare accounted for 22.2 percent of all state spending, followed by elementary and secondary education (21.5 percent), higher education (10.7 percent), transportation (8.7 percent), corrections (3.4 percent), public assistance (1.9 percent), and all other expenditures (31.6 percent).

Even with the increased spending, states were still able to build up significant balances at year's end. Total balances were \$59 billion in FY 2006, an increase of \$11 billion over 2005, and the highest level since 2000. With these high balances, states have faced increased pressure to restore cuts to health care, education, and other programs that were necessary in leaner years. "States have now effectively rebuilt their rainy day funds and spending is somewhat above average so that states have provided some limited tax cuts as well as bolstered programs that had previously been cut during the lean years," said **NASBO Executive Director Scott D. Pattison**. "The question state finance officials are asking is whether the state fiscal situation is peaking for this cycle."

Even though fiscal 2007 revenue is expected to be 3 percent higher than that of 2006, states have adopted a cautious approach when it comes to additional spending, in large part due to projected increases in Medicaid spending. According to the report, Medicaid spending increased by 5 percent in fiscal 2006 and, with long-range estimates for national health spending at 7.2 percent, Medicaid will continue to strain state budgets.

The complete report is available at <http://www.nga.org/Files/pdf/FSS0612.PDF>.

### **Governors Set to Deliver State of the State Addresses**

During the early weeks of 2007, the nation's governors will outline in their State of the State addresses how they intend to spend budget surpluses. During January and February, *Straight A's* will cover these speeches to see which governors intend to make investments in education. Specifically, coverage will focus on policies and initiatives around high school reform.

### **New Resource Guide Available from the National High School Alliance**

The National High School Alliance website features a new resource guide that allows policymakers and practitioners to access strategies, research, and other tools on how to transform high schools to meet the needs of their students.

The guide, dubbed the *Resource Guide for Action: Transforming High School for All Youth*, is based on the six core principles of the High School Alliance's *A Call to Action: Transforming High School for All Youth*, a framework of principles and recommended strategies to guide leaders at all levels in transforming the traditional, comprehensive high school so that all students are ready for college and work.

The National High School Alliance is a partnership of over 50 leading organizations that share a vision for a nationwide commitment to fostering high academic achievement, closing the achievement gap, and promoting civic and personal growth among all young people in our high schools and communities. The *Resource Guide for Action* is provided with support from Carnegie Corporation of New York, The College Board, and the Bill & Melinda Gates Foundation.

More information on the *Resource Guide for Action* and the National High School Alliance is available at <http://www.hsalliance.org>.

***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 7 No. 1: January 8, 2007

**Bob Wise**  
President

**Jason Amos**  
Editor

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

## Volume 7 No. 1: January 8, 2007

In this issue:

- **Democrats Consider Leftover Spending Bills:** Coalition of Heath and Education Advocates Pushes for \$2 Billion in Additional Spending
- *Tough Choices or Tough Times:* New Commission Recommends Radical Changes to American Education System
- *From Cradle to Career:* Education Week Report Stresses Education as a Continuum, Highlights States Providing the Best Opportunity for Student Success
- *Fiscal Survey of the States:* With Budget Surpluses, States Restore Funding to Previously Cut Programs, Keep a Careful Watch on Changes in the Economy and Medicaid Costs



ALLIANCE FOR  
EXCELLENT EDUCATION

<http://www.all4ed.org>