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PRESERVATION

EDUCATION INVESTMENT IN BUDGET PROPOSALS: PRESIDENT'S PROPOSAL AND REPUBLICAN BUDGETS

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Head Start	Increase annual funding by \$1.5 billion and add 50,000 children.	Cut by \$210 million below 1995; cut 180,000 children by 2002
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School-to-Work Opportunities	Increase funding by 60% for 1996 to \$400 million.	Block grant and cut 1995 levels by 25%.
Summer Jobs	Support each year, funding 615,000 jobs this summer alone.	Block grant and cut by 25%--eliminating 1 million jobs for young people over 7 years.
Direct Student Loans	Expand the program, which has saved over \$6 billion while lowering interest rates and allowing pay-as-you-earn repayment. Up to 20 million students will benefit.	Cap participation by schools and students.
In-School Interest Exemption	Support exemption from interest on loans for 4 million need-tested students still in school and in grace period.	Eliminate exemption, raising college costs by up to \$3,000 for 4 million students.
Pell Grants	Increase maximum to record levels of \$2,620 in 1996 and \$3,128 in 2002, and reach 960,000 more students.	Freeze funding at 1995 level.
AmeriCorps	Expand to provide nearly 50,000 opportunities next year alone for young people to serve their communities and earn college aid.	Eliminate.
Job Training	Put Skill Grants directly into the hands of workers--with 800,000 Skill Grants in 1996 alone, and \$2 billion added in 2002.	Block grant and cut job training by 25 percent.
Education and Training Tax Deduction	Support \$10,000 deduction for education expenses for families earning up to \$100,000.	Do not yet support deduction.
ALL EDUCATION	INCREASE BY \$40 BILLION OVER 7 YEARS.	CUT BY \$43 BILLION OVER 7 YEARS.

Republican cuts drawn from House and Senate proposals.

PRESIDENT CLINTON'S COMMITMENT TO EDUCATION AND TRAINING

The fundamental goal of President Clinton's comprehensive economic policy is to raise the living standards and expand opportunity for hard-working Americans--so that every American has the chance to realize the American Dream. While supporting deficit reduction, open trade, innovation and job creation, the President has recognized that nothing is more critical to our nation's future than ensuring that all Americans have the education and skills they need to succeed in the new economy. The President has made an unprecedented commitment to lifelong learning--from the expansion and improvement of early childhood education to a bold new reform of adult education and training programs.

EDUCATION IS THE KEY TO RISING STANDARDS OF LIVING

In an economy where technology is constantly changing, trade is expanding, and capital is mobile, education has become the fundamental fault-line running through the work force. Most Americans have seen their incomes stagnate over the last fifteen years; the real income of the typical family actually declined. Yet college graduates have bucked the trend. In 1979, a male college graduate earned 39 percent more than a man with only a high school degree. By 1993, this gap had doubled, and a male college graduate out-earned his school graduate counterpart by 80 percent. In addition, the availability of health coverage, pension plans, and other work-related benefits has become closely correlated with education levels.

A BIPARTISAN EDUCATION RECORD

While bringing the deficit down by historic amounts--over \$600 billion so far--President Clinton has also made investing in education a top priority. During the last Congress, Republicans and Democrats shared his commitment to lifelong learning, and together they enacted a historic series of initiatives to expand the amount and the quality of educational investment in America. Landmark legislation includes:

- **Head Start Amendments of 1994** (signed 5/18/94; passed House 393-20; Senate 98-1).
- **Goals 2000: Educate America Act** (signed 3/31/94; passed House 306-121; Senate 63-22).
- **Improving America's Schools Act** (signed 10/20/94; passed House 362-132; Senate 77-20).
- **School-to-Work Opportunities Act** (signed 05/04/94; passed House 339-79; Senate Voice Vote)
- **National and Community Service Trust Act** (signed 9/21/93; passed House 275-152; Senate 57-40)
- **Direct Lending and Pay-as-You-Can Loans** (signed on 8/10/93 as part of the Omnibus Budget Reconciliation Act)

This year, President Clinton went a step further and proposed expansions and improvements in these and other education investments. In addition, as part of his Middle Class Bill of Rights, the President has sought to work with Republicans on two new initiatives:

- **Education and Training Tax Deduction** up to \$10,000.
- **The G.I. Bill for America's Workers**--consolidating 70 programs and putting Skill Grants directly into workers' hands.

DRAWING THE LINE ON EDUCATION

Despite the bipartisan efforts that expanded educational opportunities last year, the current budget debate points to a divide between the President and the Republican Congress over the right economic strategy for the nation. Both the President and Republicans believe we must reduce the budget deficit and balance the budget, and both propose deep cuts in discretionary spending to reach this goal. But the President also believes that in order to create more opportunity, we must reduce the education deficit by expanding investment in education. Republicans appear to disagree. Thus, **while the President's balanced budget proposal launches an all-out effort to expand educational opportunity, the GOP budgets dramatically decrease educational opportunity.**

THE EDUCATION GAP BETWEEN THE BUDGETS

The House Republican budget slashes education and training by \$43 billion between 1995 and 2002, the Senate budget by slightly less. In contrast, the President's budget increases investment in these same areas by \$40 billion. As a result, there is major education gap between the President's proposal and Republican proposals.

President Clinton will fight to expand investment in education, and he will fight against efforts to reduce, gut, or eliminate key investments in education and job training. Following is a brief outline of the fundamental differences between the President's approach to education and the Republican approaches to education -- from pre-school through post-secondary training.

I. PRE-SCHOOL EDUCATION

President Clinton has made expanding and improving pre-schooling the starting point for his lifelong learning agenda. Republicans would slash these investments.

- **HEAD START: *President Clinton Adds 50,000 Children; Republicans Cut 180,000 Children.***

President Clinton already expanded investment in Head Start by \$760 million from 1993 to 1995. Now, he proposes to increase annual funding by \$1.5 billion by 2002 to reach another 50,000 children. At the same time as he expands Head Start, he has also reformed the way the program works to improve teaching and facilities for all the children who participate.

Republicans propose cutting Head Start by \$210 million below 1995 levels. This cut would reduce the number of children in Head Start each year, providing Head Start opportunities to as many as 230,000 fewer children than the President's proposal in the year 2002. [House]

II. K-12 EDUCATION

President Clinton has lent national support to local efforts to reform our schools, recognizing that the federal government is an important partner with states and communities in improving K-12 education, setting high academic standards, and ensuring equitable treatment for all our children. Republicans would eliminate national support for local reform, leaving students without crucial resources they need to succeed.

- **GOALS 2000.** *President Clinton Created It and Would Provide \$867 Million in 2002 To Help 44 Million Children in 85,000 Schools; Republicans Would Eliminate It.*

President Clinton helped create Goals 2000, which supports community and school efforts to raise academic standards and encourage students to work hard meet them. Forty seven states are already participating in this program. In his 1996 budget, the President calls for a \$354 million increase in funding, with the total level rising to \$867 million by 2002. That's enough to support improvements for 44 million children in over 85,000 schools.

Republicans propose **eliminating** Goals 2000--undermining what was once a bipartisan effort to spur bottom-up school improvement at schools across the nation. [House and Senate]

- **TITLE ONE (Formerly Chapter One).** *President Clinton Has Expanded It and Remains Committed To It; Republicans Would Cut by Over \$5 Billion and Deprive 700,000 Children of Added Educational Assistance.*

President Clinton supports Title One, designed to provide needed resources to students from disadvantaged backgrounds. The program has been reoriented to give schools more flexibility to support effective innovations that help all students read and write well and meet challenging standards. The President has already increased Title One funding by \$524 million over two years, and he proposes an increase of \$213 million this year, with further increases every year in the future.

Republicans would cut Title One by \$730 million in 1996 alone. This cut would mean that over 700,000 children in our poorest communities would be denied the extra instruction they need to achieve the same high standards as other children. [House]

- **SAFE AND DRUG-FREE SCHOOLS:** *President Clinton Has Supported It; Republicans Would Gut It.*

President Clinton supports this initiative to make our schools safe from drugs and violence. The program funds everything from innovative anti-violence education and after-school programs to metal detectors and security personnel. The President would maintain funding at \$500 million per year.

Republicans propose eliminating the program and replacing it with a block grant with 30% less funding--thereby threatening to cut off support for anti-drug and anti-violence efforts serving 39 million children in over 90% of the school districts in the nation. [House]

- **TECHNOLOGY LEARNING CHALLENGE (TECHNOLOGY FOR EDUCATION):** *Republicans Would Gut This Clinton Initiative That Leverages Private Money for Technology in Public Schools.*

President Clinton has helped initiate this challenge to the private sector to join with public school districts to put computers and technology in the classroom. A \$50 million federal investment in 1996 will leverage hundreds of millions of dollars in private support.

Republicans would eliminate this innovative new program, denying school districts across the country the ability to participate in this initiative, and halting an effort to leverage millions more from the private sector. [House]

- **SCHOOL-TO-WORK OPPORTUNITIES.** *President Clinton Has Supported A New 50-State Movement; Republicans Would Stop It In Its Tracks.*

President Clinton, with bipartisan support, signed into law the most important national program ever to ensure that all young people--including the 70% of young Americans who don't get four-year degrees--get the skills they need to obtain good jobs with a future. All states have received planning funds, and eight "leading edge" states have programs underway that are getting positive reviews from companies nationwide. Twenty more states will come into the program this year, and President Clinton has proposed increasing support by 60% for FY 1996 to \$400 million.

Republicans would cut fully 20% [House] to 25% [Senate] in their budgets. These cuts would likely deny the opportunity for nearly half the states--22 states--to join the program after this year, and reduce support for the 28 states that will already be implementing programs by year end.

- **SUMMER JOBS.** *President Clinton Supports Work Experiences for Youth; the Republicans Would Cut These Jobs.*

President Clinton recognizes that the summer jobs program is an important first opportunity to get work experience for many low-income youths - especially those in inner cities where jobs are scarce. Without these opportunities, these young people might not otherwise have any chance to learn skills and workplace behavior during their formative years. The President has proposed financing 615,000 jobs this summer alone.

Republicans have proposed cutting summer jobs by 25 percent--slashing the President's request by \$300 million. In the summer of 1996 this would eliminate this valuable work experience for 170,000 at-risk youth. About one million jobs would be denied to young people over the next seven years. [Senate]

III. POST-SECONDARY EDUCATION

Now more than ever, education and job training are the gateway to America's middle class. Studies show that for every year of training a person gets after high school, his or her earnings rise by 6 to 12 percent. After 15 years in which college costs increased far faster than inflation but family incomes stagnated, President Clinton has initiated historic efforts to expand college access. Republican proposals would devastate grants and loans, college and job training, setting back college access by years if not decades.

- **DIRECT LENDING AND INDIVIDUAL EDUCATION ACCOUNTS.**
President Clinton Supports Expanding These Initiatives; Republicans Want To Raise the Cost to Students and Reduce Access.

President Clinton supports expanding the new direct lending program and individual education accounts. With the passage of the Student Loan Reform Act, 104 schools and over 252,000 students are already participating in the program. This year more than 1,400 schools -- representing 40% of all loans and the maximum allowed under this year's authorization -- have committed to enrolling. This program is already saving \$6.8 billion for taxpayers, lowering interest rates for students, and allowing borrowers to choose flexible repayment arrangements -- including pay-as-you-earn plans through Individual Education Accounts. In time, 20 million students will be able to benefit.

Republicans have proposed legislation to reduce funds available for direct lending, prevent schools from choosing to participate in the initiative, and cap participation at 40 percent of all loans. [House and Senate legislative proposal]

- **IN-SCHOOL INTEREST EXEMPTION.** *Republicans Raise College Costs for 4 Million Students By Up to \$3,000 Each.*

President Clinton supports the in-school interest exemption, under which **four million** need-tested students with Stafford loans do not have to pay interest while enrolled in school and during the grace period (six months) between leaving school and entering repayment.

Republicans propose eliminating the in-school interest exemption for these 4 million students each year. This proposal could have a severe impact on college access; two-thirds of all Stafford borrowers are from families that earn less than \$30,000. For a four-year undergraduate who borrowed the maximum amount (\$17,125) at the maximum statutory interest rate (8.25%), the Republican proposal would increase costs by \$3,150--or 18 percent. [House]

- **PELL GRANTS.** *President Clinton Raised the Maximum to a Record High and Would Increase Annual Funding by \$3.4 Billion by 2002; Republicans Cut It By 10 Percent Or More.*

President Clinton has supported the Pell Grant program, increasing the maximum Pell Grant by 12 percent to its highest level ever, \$2,620. In his new budget, he would increase annual funding by \$3.4 billion by 2002--enough to reach 960,000 more recipients and increase the maximum award to \$3,128.

Republicans would freeze Pell Grant funding so that 4 million students will see their Pell Grants cut by about \$250 each compared to the President's proposal. For millions of students, grants make the difference between going to college and not going--between staying in school and dropping out. For example, \$250 equals approximately 25% of tuition and fees of community colleges. [House and Senate]

- **AMERICORPS.** *President Clinton Offers Opportunities to 20,000 Young People This Year Alone; Republicans Would Eliminate Nearly 1 Million Service Opportunities for People of All Ages.*

President Clinton created this initiative to enable young people to earn money for education by serving their communities--teaching, caring for the sick, making the streets safer. Already 20,000 Americans are serving in AmeriCorps, and 50,000 are expected next year.

Republicans would eliminate AmeriCorps and the Corporation for National Service, eliminating nearly a million service opportunities for people of all ages, and 50,000 opportunities for young people to pay for college through national service next year alone. [House and Senate]

- **EDUCATION AND TRAINING TAX DEDUCTION.** *President Clinton Supports A Deduction; With All the Tax Breaks for the Wealthy, Republicans Don't.*

President Clinton supports a tax deduction for middle-class families with education and job training expenses up to \$10,000. This deduction would provide tax-favored treatment to education similar to the benefits for other investments like housing and equipment. It invests in those who invest in themselves and in America.

Republicans do not yet support the education and training tax deduction. With its \$20,000 tax cut for the wealthiest 1%, the Contract with America includes tax breaks for capital gains, gifts and inheritances in excess of \$600,000, and the depreciation of business purchases--but not for education.

IV. LIFELONG LEARNING

In order to maintain good job prospects throughout their lives in a fast-changing economy, Americans need to be trained again and again throughout their lives. President Clinton wants to support lifelong learning by reforming job training programs and putting resources and information directly into workers' hands. Republicans just want to slash job training.

- **G.I. Bill OF RIGHTS FOR WORKERS (SKILL GRANTS).** *President Clinton Supports Skill Grants for America's Workers; Republicans Want a 25% Cut in Job Training Funds.*

President Clinton's G.I. Bill for America's Workers would consolidate or eliminate over 70 job training programs while putting resources and information directly into workers hands as Skill Grants. Under the proposal, low-income or unemployed workers could go to a One-Stop Center and learn about the services and track records of job training programs and community colleges in the fields they wanted to study. Then, they could apply their Skill Grants to skills training at those institutions. The President would provide 800,000 Skill Grants in 1996 alone and increase funding by \$2 billion in 2002.

Republicans would cut training opportunities by 20 [House] to 25 percent [Senate].

V. THE DEPARTMENT OF EDUCATION

President Clinton's commitment to a lifelong learning agenda reflects his belief in the critical role of education in building America's future, and in the federal government's role as a partner in that effort. Everyone acknowledges that states and localities have been and continue to be the lead on education. But education is a national interest, and it requires a national role to ensure that all children have the opportunity to reach challenging standards of academic achievement.

President Clinton believes strongly that education is a national issue, and that abolishing the Department of Education now would be the equivalent of abolishing the Department of Defense in the middle of the Cold War.

Republicans want to abolish the Department of Education. [House]

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