

## **Republican Views and Estimates for FY 2009**

Committee on Education and Labor

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### ***Introduction***

The first responsibility of policymakers in allocating the federal budget is to act as good stewards of taxpayers' hard-earned dollars. Republican members of the Education and Labor Committee support effective investments in programs that ensure every child in America is afforded the highest quality education and that every worker is free to pursue the American Dream. In a time of war and economic insecurity we believe fiscal responsibility is of the utmost importance, adding urgency to the call for the reduction of wasteful government spending, unnecessary new programs, and bureaucratic federal mandates.

Committee Republicans support the President's goal of balancing the federal budget within five years by holding the line on spending and growing our economy without raising taxes. At a time when middle class families are struggling with a rising cost of living, Congress should focus on pro-growth policies that foster innovation and job creation, promote American competitiveness, and enhance economic freedom.

The Committee on Education and Labor oversees programs that impact Americans of every age and economic level. Committee Republicans recognize that education and workforce policies are intricately linked, with both playing a pivotal role in our nation's ability to compete on the international stage. We are focused on strengthening American competitiveness both at home and abroad and preparing America's workers for the challenges of a 21<sup>st</sup> century economy. The American education system can become more competitive by adhering to the principles of accountability, state and local flexibility, parental choice, and funding for what works. The American workforce can become more competitive and more productive by promoting education and job training for high-demand fields, cutting red tape, breaking down barriers between business and education, and helping build a workforce for the future. We encourage our Democratic colleagues to pursue an agenda focused on these priorities.

### ***Education Priorities***

Republicans will continue to advance fiscally responsible reforms in the Committee to improve educational opportunities from elementary and secondary education through higher education and beyond. With a bold vision for education reform, we have worked to close the achievement gaps in our nation's schools for all students, expand state and local flexibility, empower parents with educational choices, hold programs and schools accountable for increasing student academic performance, and keep college affordable.

## **Elementary and Secondary Education**

Republicans believe that the federal government properly plays a partnership role in the education of our children and that education remains primarily a state and local government responsibility. As reflected in the No Child Left Behind Act (NCLB), the federal government should focus its effort in elementary and secondary education to encourage systemic education reform in the states that focuses on narrowing the academic achievement gap between disadvantaged students and their peers.

In the second session of the 110<sup>th</sup> Congress, Republicans will work to reauthorize and strengthen NCLB to increase accountability and choice and assist states, local educational agencies, and schools in fully implementing the promise and potential of NCLB. At the same time, we will strongly oppose efforts to weaken accountability in education by watering down the accountability requirements of NCLB and its focus on transparency for parents and communities. We will also oppose efforts to, once again, slash funding for reading programs despite evidence that scientifically-based research has helped develop programs that teach children to read—the foundation upon which other learning and school success can be built.

### *The No Child Left Behind Act*

Republicans continue to support NCLB, the comprehensive overhaul of the federal Elementary and Secondary Education Act (ESEA), which is aimed at addressing the achievement gap that exists between poor and minority students and their more affluent peers. NCLB contains four pillars that are key to improving academic achievement: (1) accountability and assessment; (2) flexibility and local control; (3) funding for what works; and (4) expanded parental choices.

NCLB provides reforms – and resources – to help states put a highly qualified teacher in every public classroom and ensure every child is able to read by the end of third grade. It gives parents annual report cards on school achievement and new choices when schools consistently underperform. It transforms federal bilingual education programs into a single program with a new emphasis on helping students learn English as quickly as possible. It expands local control over federal education funds and provides new flexibility for every local school district in America.

As a result, evidence shows that NCLB reforms are working and producing better results in America's public schools. According to the National Assessment of Educational Progress's (NAEP) latest report, long-term trends showed gains in key areas with achievement reaching all-time highs for 9-year-olds in reading and math and for 13-year-olds in math. African-American and Hispanic students shared in these gains with the achievement gaps between these groups and their white peers reaching all-time lows.

Nonetheless, there have been challenges with the law. The requirements for calculating Adequate Yearly Progress (AYP) in student achievement have not recognized that many schools have taken action resulting in significant improvement. The law's accountability requirements have also identified thousands of struggling schools, but these same requirements have done little to ensure that those schools have the leadership, knowledge, and tools necessary to improve. In addition, school districts have struggled or outright failed in making options such as transferring

to a higher-performing school or supplemental educational services available to all eligible children. These failures have significantly affected progress toward achieving the goals of NCLB.

### *Reauthorization of NCLB*

In preparation for the upcoming reauthorization of NCLB, the House Education and Labor Committee held a number of hearings and site visits over the last 2 years—both in Washington, D.C. and in local communities around the country—to examine what is working and what is not working with the law on both the state and local levels. Republicans hope to build on this work in a bipartisan fashion and continue with our efforts to empower parents so that all students receive a quality education, increase state and local control to encourage innovation in the classroom, and improve our nation's schools so that all students are able to compete in the 21<sup>st</sup> century. These efforts include:

- Strengthening Parental Options. Empowering parents with greater school choice is a key component in the fight to ensure students are receiving a quality education. By expanding parental choice, Republicans are encouraging competition to ensure the highest quality education in all schools – public or private. Last year, Rep. Howard P. “Buck” McKeon (R-CA) introduced the *Empowering Parents through Choice Act* (H.R. 1486), legislation to expand choice for parents whose children are trapped in schools that show no signs of improving. Under the bill, scholarships in the amount of \$4,000 would be awarded to students attending schools in need of restructuring for the purpose of enrolling at public or private schools of their choice. Mr. McKeon also crafted the *Improving Supplemental Education by Ensuring Parental Awareness Act* (H.R. 2203), legislation to shorten the wait for students who attend underachieving public schools to take advantage of free tutoring offered under NCLB.
- Expanding State and Local Flexibility. States and local school districts enjoy a tremendous amount of flexibility under No Child Left Behind. Republicans support giving state and local officials even more flexibility to help them tailor programs to better meet their students' unique needs and priorities. With this in mind, Rep. McKeon introduced the *State and Local Flexibility Improvement Act* (H.R. 2577) to allow states and school districts to transfer 100 percent (up from 50 percent under current law) of their federal funds within certain programs – such as the Safe and Drug Free Schools, teacher quality, or classroom technology programs – between one another or into the Title I program.
- Bolstering Teacher Quality. Led by Rep. Tom Price (R-GA), bipartisan Members of Congress have crafted the *Teacher Incentive Fund Act* (H.R. 1761) to help states and local school districts design performance-based pay systems that reward educators who improve student achievement and close the achievement gap between low-income students and their more advantaged peers. Republicans also support allowing principals at schools in restructuring to transfer their lowest-performing teachers or refuse to accept less qualified teachers in order to improve their students' academic achievement.
- Encouraging the Establishment of More Charter Schools. When a school is identified for restructuring under NCLB, one of several actions that can be taken is conversion to a charter

school. Rep. Charles Boustany (R-LA) has authored the *Charter School Enhancement Act* (H.R. 2904) to make conversion to a high-quality charter school a more attractive option for struggling school districts, along with reforms to the Federal Charter School Grant program that would direct more funds to states that do not place a cap upon the establishment of new charter schools.

- Protecting Taxpayer Dollars. When NCLB was first crafted in 2001, a key pillar of the legislation was “funding for what works.” Republicans strongly believe this pillar remains one of the most important of all. While NCLB has provided record levels of K-12 education funding for states and schools, it also expects more out of them than ever before. Rather than throwing money at the problem of low achievement in U.S. schools, which the federal government did for nearly four decades, NCLB insists that taxpayers earn a return on their substantial investment in our nation’s public schools.
- Incorporating Reliable Growth Models. Under NCLB, states are required to meet two key goals: that all students are making AYP toward proficiency in math and reading at grade level, and that the academic achievement gap is closing between low-income students and their more advantaged peers. Under current guidelines, school districts use a “status model” to compare the performance of students in a specific grade against the performance of the students of that same grade during the previous year. Some have raised concerns about the reliability of this model. Republicans believe that a model which compares the achievement of the same students over time, within a well-designed growth model, may serve as a more accurate measure of academic progress.
- Reforming the Management of the Reading First Program. Reps. McKeon and Michael Castle (R-DE) have introduced the *Reading First Improvement Act* (H.R. 1939), legislation to codify key recommendations made by the U.S. Education Department’s Inspector General, who completed an investigation into the management of the Department’s highly-successful Reading First program. Reading First provides grants to states to help schools improve children’s reading achievement. The bill is the first legislative effort to protect against conflicts of interest within Reading First’s program management and, importantly, strengthens program accountability while preserving a program that has taught millions of disadvantaged students how to read. This stands in stark contrast to the actions of the majority in slashing funding for this critical program last year.
- Establishing Reliable and Accurate Graduation Rates. In addition to meeting academic achievement standards, NCLB requires public high schools and school districts to meet specific graduation rate targets. NCLB’s current definition of graduation rates, however, has left the door open to many interpretations from one state to the next. Led by Rep. Mike Castle (R-DE), Republicans have introduced the *Reliable and Accurate Graduation Rate Act* (H.R. 2862) to provide for a reliable and accurate graduation rate that captures the greatest number of student populations. In turn, this will streamline data collection and create an indicator that is comparable from state to state.
- Enhancing American Competitiveness. In order to ensure a strong, competitive workforce that is skilled and prepared to meet the challenges of the 21st century’s global economy, Republicans support initiatives that would encourage states to align their high school

standards with those necessary to succeed in higher education and the workplace. Furthermore, to better prepare students in highly-competitive science, technology, engineering, and math fields, Republicans led by Rep. Cathy McMorris Rodgers (R-WA) have introduced the *Strengthening America's Innovation and Competitiveness Act* (H.R. 3242). This legislation presses for a strong NCLB priority on academic progress in math and increases the recruitment and training of Advanced Placement teachers and a new Adjunct Teacher Corps.

- Providing for “differentiated consequences.” Not every school that does not make adequate yearly progress under NCLB misses the mark by a wide margin. Often, a school may barely miss its target that all students reach proficiently in reading and math because of one or two subgroups of special populations. These schools should not be treated in the same way as chronically-underperforming schools. Rather, Republicans support allowing appropriate and flexible interventions to chronically-struggling schools that need the most assistance, commonly referred to as “differentiated consequences.”

We believe that these important changes will increase accountability and choice, renewing the nation’s commitment to the principle that all students deserve a chance to obtain a quality education. Simply providing additional funding will do little to improve the academic future for our most disadvantaged students unless we build on these two fundamental principles of the law—holding schools accountable for the academic achievement of all of their students and providing parents more choices when schools are not meeting the needs of their children.

### *Education Funding*

States and local school districts are slated to receive \$37.9 billion in federal funds in FY 2008, which includes \$24.4 billion to put in place the strong accountability systems required by NCLB and \$10.9 billion to help provide a free appropriate public education to all children with disabilities. These two programs have accounted for a 38.6 percent increase in federal elementary and secondary education funding since 2001 when NCLB was signed into law.

Congress has also provided states and school districts with more than \$400 million a year to develop and administer the annual assessments required under the law—the largest expenses for many localities. We have also provided \$2.9 billion in Improving Teacher Quality State Grants to help states and school districts strengthen the skills of the teaching force and meet the highly qualified requirement.

Even with this significant increase in federal funding, Committee Democrats have continued to level baseless charges that Congress has not provided the amount of funding that was promised when NCLB was passed in 2001. They base this charge on the belief that proposed and enacted appropriation levels for NCLB are less than what was “authorized” under the law. Committee Republicans reject this accusation and point to the fact that, when Democrats were in control of both the White House and Congress, the total authorization level for the *Improving America's Schools Act of 1994* (IASA) for FY 1995 was \$13 billion. However, IASA activities were appropriated at \$10.3 billion for FY 1995 – a discrepancy of \$2.7 billion. At that time, not a single Democrat accused President Clinton of “underfunding” elementary and secondary education by \$2.7 billion. Finally, our Democrat colleagues had the opportunity to live up to

their own rhetoric and fund NCLB at the authorized levels in the Labor/Health and Human Services/Education Appropriations Bill and the Omnibus Appropriations bill that they authored last year, but they failed to do so.

### *Educational Choice*

Republicans remain strongly committed to giving families more educational choices and support the President's effort to support and fund charter schools including facility financing, magnet schools and the Voluntary Public School Choice program.

We believe that parents should be able to choose to send their children to higher performing public or private schools if their child's school fails to provide a quality education. Therefore, Republicans support the President's new Pell Grants for Kids proposal. This important initiative, modeled after the highly successful Pell Grant program that allows millions of young men and women to choose the college or university that best meets their academic needs, would allow those students from low-income households who attend schools identified for restructuring under Title I of NCLB to attend the private or out-of-district public school of their choice. The proposal also builds on the successful Opportunity Scholarship program that was first implemented in the District of Columbia in 2004, which has helped thousands of low-income students get out of failing schools in the nation's capital and excel academically, and which Republicans remain committed to funding and supporting.

### *Teacher Incentive Fund*

Committee Republicans strongly support the President's request for \$200 million in funding for the Teacher Incentive Fund. This program, which was first funded at \$99 million in fiscal year 2006 and received \$97.3 million in fiscal year 2008, will provide grants to encourage states and school districts to develop and implement innovative ways to provide financial incentives for teachers and principals who raise student achievement and close the achievement gap in our nation's high-need schools. Research has demonstrated improvements in student achievement in schools and districts that have implemented educator performance pay initiatives. Expanding the Teacher Incentive Fund and providing more school districts the opportunity to implement innovative compensation systems that improve student performance would demonstrate our nation's commitment to our teachers and principals and is a key component of Republican education reform efforts. Our nation is demanding a lot from our educators and we should reward them for their hard work.

### *Reading First*

Committee Republicans strongly support the President's request for \$1 billion in funding for Reading First. While the program received slightly more than \$1 billion in fiscal year 2007, it was subject to a 60 percent cut for fiscal year 2008 and was funded at just under \$400 million. In support of this cut, House Democrats pointed to a series of reports from the Department of Education's Inspector General in late 2006 and early 2007 documenting management errors by the Department in the early implementation of the program.

As a result of these reports, Committee Republicans introduced H.R. 1939, the *Reading First Improvement Act*, to address the application peer review and conflicts of interest issues identified

by the Inspector General. Republicans are still awaiting action on that bill. Additionally, the Department has implemented all of the Inspector General's recommendations for improving oversight of the program; actions that the Inspector General has stated are addressing his concerns. Given Democratic statements encouraging the Department to address the Inspector General's findings, we hope that House Democrats will support restored funding for this program in fiscal year 2009.

Restored funding is especially critical for this program because of its impact on student learning. Reading First provides funding to our nation's highest need schools to implement scientifically-based reading instruction programs in grades K-3. Results from the program are clear. Nationally, the percentage of third graders in Reading First schools scoring proficient on state reading assessments has grown nearly eight percent, much faster than overall growth. In addition, reports by the Government Accountability Office, the Inspector General, and the Center on Education Policy have all found widespread support for the program among the states. In one Center on Education Policy report, 97 percent of Reading First school districts said that the program was an important or very important cause for increases in students' reading scores. Committee Republicans feel strongly that Reading First is a critically important component of the nation's education reform efforts and funding for the program should be restored.

### *Special Education*

With enactment of the precursor to the Individuals with Disabilities Education Act (IDEA) in 1975, Congress committed to providing students with disabilities the supports needed for full participation in the education process. With passage of this law, Congress also established a goal of providing funding for part B of IDEA up to 40 percent of the national average per pupil expenditure (APPE). When Republicans took control of Congress in 1995, two decades after IDEA was originally enacted, funding for part B amounted to just over seven percent of the national APPE. Over the 12 years of Republican control, funding for part B increased over 300 percent, and the percentage of the national APPE covered grew to just under 17 percent.

Despite this dramatic increase in part B funding while Republicans were in control of Congress, we are still far short of meeting our 40 percent goal. Despite this need, Congress continues to create new and duplicative programs of dubious usefulness, further diluting resources that could be used to augment funding for IDEA and alleviate some of the pressure on local school districts.

For example, the recently passed reauthorization bill for the Higher Education Act created over 20 new programs. Committee Republicans believe that funding for part B of IDEA should continue to be a priority for Congress over new programs competing for funds. At a time of limited resources, Congress should focus on its primary responsibilities first, which include a commitment to providing resources to local communities to ensure students with disabilities receive the education they need and deserve.

### **Postsecondary Education**

Committee Republicans remain committed to improving the affordability and accountability of higher education in this country. The Higher Education Act (HEA) is unique in its focus on providing students with a portable funding source that they may use at the institution of their

choosing, modeling the success that can be achieved through authentic educational choice. The Department of Education estimates that the federal government will make approximately \$95 billion in student aid for higher education available in FY 2009. This figure does not include student aid disbursed by other federal agencies nor does the figure include the billions “spent” by the federal government in the form of tax credits for higher education expenses.

The reauthorization of the HEA provides an important opportunity to reassess the effectiveness of the federal investment in higher education, realign our priorities to ensure that the focus of the Higher Education Act is students, and redefine what it means to hold colleges and universities accountable. Policymakers have an opportunity—and an obligation—to enact and fund meaningful reforms on behalf of American students, families, and taxpayers.

### *Pell Grants*

Earlier this Congress, we passed the *College Cost Reduction & Access Act* (CCRAA). This bill provided enough mandatory funding to increase the maximum Pell Grant award by \$1,090 by 2012. However, Committee Republicans remain concerned about the level of cuts to the student loan programs that were included in the CCRAA and the shift in fiscal policy that would provide mandatory funds to institutions of higher education and other organizations. The federal government has historically reserved mandatory, entitlement funding streams for programs that give a direct benefit to an individual – such as a social security check, Medicare benefit, or a student loan. These benefits are portable and can be used by the individual wherever they live or purchase services. Committee Republicans offered several amendments that would shift some of the funding included in the CCRAA away from institutions of higher education and other organizations in order to increase funds for the Pell Grant program. Unfortunately, these amendments were not accepted. Therefore, Committee Republicans remain concerned that creating new mandatory funding streams to organizations and institutions sets a precedent that could have dangerous fiscal consequences for our country.

The House overwhelmingly passed H.R. 4137, *The College Opportunity and Affordability Act of 2007*, by a vote of 354 to 58 earlier this year. While Committee Republicans supported this bill, we have consistently raised concerns about the number of new programs that were included in the bill. We hope that we can work with our House and Senate colleagues to address this issue during the conference negotiations. Building on the efforts started by the Administration, Committee Republicans continue to support efforts to increase the maximum Pell Grant and urge funding of the Pell Grant before new programs receive funding. Since FY 1996, Pell Grant discretionary funding has increased from \$4.9 billion to \$17 billion proposed in the Administration’s FY 09 budget. Committee Republicans strongly support the continuation of efforts to ensure that America’s lowest-income students are able to pay for their postsecondary education.

### *Reauthorization of the Higher Education Act*

Committee Republicans were encouraged by passage of H.R. 4137, the HEA reauthorization bill that builds upon reforms developed by Republicans and passed out of the House last Congress. We look forward to working with our House and Senate colleagues in conference to develop a



bill that promotes college affordability, accessibility and accountability without creating more bureaucratic red tape that will result in increased costs to colleges, students, and families.

Committee Republicans believe the college cost proposals included in H.R. 4137 are a much-needed step toward ensuring that every student is able to achieve their dream of a college education. The bill lifts the veil on rampant tuition increases and holds colleges and universities accountable for their role in keeping higher education affordable. The bill also gives consumers access to quality information about college costs that can be sorted, searched, and compared. It identifies schools that cost the most, schools that cost the least, and schools with the greatest cost increases over time. For schools with the largest percentage increases, it calls for additional disclosure and concrete steps to identify inefficiencies and correct them. Finally, the bill calls on states to do their part in funding higher education. Committee Republicans have been fighting the college cost crisis on behalf of students and families for more than a decade. We are pleased that these proposals have finally been given bipartisan attention and support.

Committee Republicans are encouraged to see that both the House and Senate HEA reauthorization bills include provisions to ensure that students attending proprietary institutions are treated fairly under the law by adjusting the arcane 90/10 rule in such a way that students do not immediately lose student aid eligibility simply because the school violates the rule by a small amount. We also support the provisions that further define what funds can constitute the ten percent.

Finally, both the House and Senate reauthorization bills propose to incorporate provisions that will provide more accountability and transparency into the relationships between institutions of higher education and student loan lenders. Committee Republicans support the goals behind the provisions, but encourage our House and Senate colleagues to work with us during the conference negotiations to ensure that the provisions do not result in unnecessary and duplicative reports and notices to students and families or impose unnecessary burdens that do not effectively inform consumers or prevent potential conflicts of interest.

#### *Effect of Financial Markets on Student Loans*

Committee Republicans, joined by some Democrats on the Financial Services Committee, are deeply concerned about the current insecurity and uncertainty in the capital markets and the effect these market disturbances will have on the student loan programs. During the recent debate concerning legislation to reauthorize the Higher Education Act, amendments were put forth in an effort to call attention to this looming challenge. Specifically, those proposals sought action on the part of the Administration to closely monitor the impact of the credit markets as it relates to student loans and to use existing authority to respond to the situation if students' access to higher education is affected. Unfortunately, the Democrat-controlled Rules Committee showed their lack of concern with access to student loans and voted to exclude our amendments from the debate. Regardless of this clear lack of concern, we continue to believe Congress and the appropriate federal agencies have an obligation to consider the challenges facing the student loan financial markets.

## **Education Conclusion**

Education has historically been a responsibility of states and local communities. Even today, the federal government is responsible for just nine percent of elementary and secondary education funding. Federal education policy should reflect this fundamental financing structure by upholding the authority and autonomy of states and communities and focusing the federal investment on closing the achievement gap between disadvantaged students and their peers, expanding access to postsecondary education, and promoting educational equality through choice.

## ***Workforce Priorities***

During the second session of the 110th Congress, the Committee should continue to develop new strategies and identify innovative ways to meet the needs of our evolving economy. Many of our labor laws were written in a different time for a different workforce. We should continue to re-examine and re-think them in the context of the 21st century work environment.

Specifically, Committee Republicans believe we should aggressively endeavor to create security for families, build flexibility into the workplace, bring fairness to all workers, remove obstacles to private sector innovation, and implement common sense solutions to everyday problems in the workplace. We should work to improve the retirement security of American workers by encouraging workers to save more, make pensions more secure, and cut red tape prohibiting employers from establishing pension plans. We should continue to support making health insurance more accessible and affordable for all working Americans and provide patient protections to ensure that patients receive the care they are entitled to without creating new bureaucracy or litigation. Committee Republicans will pursue policies that improve worker health and safety by encouraging a more realistic mix of proven enforcement strategies and cooperative efforts that encourage compliance rather than confrontation. Finally, we should endeavor to promote the vitality of union democracy through policies that empower union members to more effectively exercise oversight and control over their labor organizations.

## **Protecting Employee Choice and Freedom from Intimidation Under the National Labor Relations Act**

Committee Republicans remain deeply concerned with efforts by Congressional Democrats and organized labor to forsake the sanctity of the secret ballot organizing election under the National Labor Relations Act (NLRA) in favor of recognition schemes susceptible to employee coercion and intimidation and harassment of employers. Congressional hearings have demonstrated the flaws inherent in these schemes, while at the same time highlighting organized labor's increased use of high-profile, high-pressure organizing tactics in the face of dwindling membership and influence. In the first session of this Congress, Committee Republicans were particularly troubled by the haste with which House Democrats took up the misnamed *Employee Free Choice Act*, H.R. 800. Rather than pursuing legislation that strips workers of their right to private-ballot elections when determining union representation, the Committee should instead explore legislative proposals to ensure that the right of employees to choose union representation or not to choose such representation, free from coercion or intimidation, is fully protected. While this

legislation was forced through the House by a Democrat majority, Committee Republicans were pleased to see the legislation fail in the U.S. Senate, and urge House Democrats to rethink their pursuit of this deeply flawed legislation.

### **Workplace Health and Safety**

Committee Republicans continue to recognize that a business has no greater asset than its employees. As such, Republican Committee Members remain committed to pursuing policies that will encourage and allow employers to provide their workers with a safe and healthy work environment – including policies that promote cooperative programs between employers, employees, and the federal government.

#### *Mine Safety and Health Administration*

MSHA continues to implement the *MINER Act*, comprehensive mine safety legislation that was enacted into law during the 109<sup>th</sup> Congress. The bipartisan legislation focused on the need to upgrade mining technology, empower the Mine Safety and Health Administration through strengthened enforcement, and ensure an industry-wide comprehensive review of safety and health. In addition, the *MINER Act* required the Administration to complete a number of regulatory actions on a very aggressive timeframe. Committee Republicans support President Bush's budget request for an increase in MSHA funding to reflect the priorities of the *MINER Act* and its implementation, including efforts to update existing technology, train new inspectors and improve industry practices. Likewise, Committee Republicans oppose Democrat efforts to re-write the *MINER Act*. Such efforts not only ignore the fact that the *MINER Act* is still being implemented, and are therefore premature; they also include policy proposals that could have the perverse effect of actually undermining miner safety.

#### *Occupational Safety and Health Administration*

The Committee should continue to work with the Bush Administration to improve the performance of the Occupational Safety and Health Administration (OSHA) by promoting health and safety in the workplace through increased compliance assistance for employers, in addition to targeted enforcement initiatives. According to the Department of Labor, occupational injuries and illnesses have declined by 19 percent since 2001. The Committee has long supported the Labor Department's cooperative approach toward reducing worker injuries and illnesses, which has been coupled with vigorous enforcement. To this end, Committee Republicans support the Administration's FY 2009 budget proposal, which would increase resources by more than \$11 million to support enforcement programs, and more than \$5 million to provide compliance assistance to employers and employees, particularly small businesses.

### **Access to Affordable, Quality Health Care**

Committee Republicans and President Bush remain dedicated to the goal of making health insurance more affordable for our nation's 46 million uninsured individuals. Committee Republicans remain deeply concerned with the rising costs of health care premiums for the more than 104 million workers – by far the largest segment of Americans who are covered by a health insurance plan – who receive their health insurance through their employer. Such coverage is regulated through the Employee Retirement Income Security Act (ERISA), which provides

minimum standards for health plans and preempts individual state legislative mandates. For more than 30 years, the current ERISA structure has permitted employers, on a voluntary and nationwide basis, to design high quality, affordable health care plans that are uniquely tailored to the needs of their workers and families across the country. The vast majority of employees enjoy their health care benefits and employers want to continue to play a role in providing such benefits; however, any erosion or elimination of ERISA would lead employers to drop coverage, which would result in more uninsured individuals and increasing burdens on the country's health care system. The Committee should continue to support the current ERISA structure, and expand the ability of employers to provide coverage through the creation of Association Health Plans, which will permit business to pool resources and provide more individuals with access to quality low-cost health care.

### *Health Care Costs*

Health care cost, and the corresponding cost of providing health care insurance, has increased dramatically over the past few years. For example, over the past five years, growth in the cost of providing employment-based health benefits was double the rate of overall inflation, and average monthly premiums increased more than 80 percent between 2000 and 2006. While the cost growth trends have moderated somewhat recently, the increase in cost and premiums is increasingly burdensome on employers and employees. These rising costs have forced both employers and employees to shoulder a greater financial burden. Committee Republicans will continue to evaluate changes in health care policy with rising costs in mind.

In 2005, the House passed, with the support of 36 Democrats, the *Small Business Health Fairness Act*. The measure authorizes the creation of Association Health Plans (AHPs), which allow small businesses to band together through associations and purchase quality health care at a lower cost. The bipartisan bill increases small businesses' bargaining power with health care providers, gives them freedom from costly state-mandated benefit packages, and lowers their overhead costs by as much as 30 percent. These are benefits that large corporations and unions already enjoy because of their larger economies of scale. In short, the bill would significantly reduce the number of uninsured Americans and their families by enabling *bona fide* trade associations the ability to offer health plan coverage to their members and their employees. AHP legislation has been introduced in the 110<sup>th</sup> Congress, and the Committee should continue to work with the President to enact legislation authorizing AHPs.

Also, the Committee should carefully consider the impact of efforts to enact federal coverage mandates on employer-sponsored health care coverage, and reject those that undermine the ERISA system or result in unjustifiable cost increases. In general, a mandate serves as a directive to an employer health plan to include coverage for certain health care services and increases the cost of insurance coverage. Mandates undermine the ability of health plans to provide innovative, flexible, high-quality, cost-effective coverage. A proliferation of federal coverage mandates would make it increasingly difficult to develop workable solutions to reduce health care cost growth and increase the number of individuals with health care coverage. Further, although individual states can be innovators in providing new health care coverage to their citizens, such coverage should not be provided at the expense of ERISA-based health plans, and should not undercut the ERISA structure that permits the national delivery of affordable,

high-quality health care coverage to millions of Americans. The Committee should instead consider legislative proposals, like AHPs, that build upon and strengthen the ERISA structure.

### **Fair Labor Standards Act**

Committee Republicans support efforts to continue monitoring the effectiveness of the Bush Administration's historic initiative to update the regulatory scheme under the 1938 Fair Labor Standards Act (FLSA) to ensure that the regulations reflect the intent of Congress and the realities of today's 21<sup>st</sup> century workforce. Numerous hearings held by the Committee over the past several years have demonstrated the need for updating the FLSA's regulatory scheme. Updating the 40-year old regulations has provided a catalyst for compliance and helped to ensure that the regulations are relevant for today's workforce. In addition, the changes will help workers know whether they are entitled to overtime, better assist employers in determining how to pay their employees, and assist the Department of Labor in its enforcement of these important workplace protections. Committee Republicans strongly support the Department of Labor's efforts to utilize a combination of strong and effective targeted enforcement, technical assistance, and education to promote and encourage compliance under the FLSA.

In addition, Committee Republicans believe the Committee should continue to look at ways to eliminate impediments within the FLSA, which prevent employers and employees from working out mutually beneficial and innovative arrangements regarding compensation and flexibility in work schedules. In particular, flexible compensatory time arrangements would help many employees in their attempts to achieve a better balance between work and family obligations.

### **Monitoring and Assessing the Family and Medical Leave Act**

This year marks the 15<sup>th</sup> anniversary of enactment of the Family and Medical Leave Act (FMLA). With more than a decade of experience with the law, the Committee should review the requirements of the FMLA, examining areas where the Act has worked as intended, and where it may have failed to do so. Committee Republicans want to commend the Department of Labor for undertaking an important first step in putting forth proposed revisions of the FMLA regulations that will address and clarify certain issues that have arisen under the Act, its regulations, and its interpretation by various courts. The Committee should review any proposed regulatory changes to ensure that they reflect the intent of Congress and, more importantly, the realities of the 21<sup>st</sup> century workplace. Finally, the Committee should continue to work with the Department of Labor in its oversight and enforcement of the FMLA.

### **Reforming the Federal Employees' Compensation Act**

The President's FY 2009 budget includes a proposal for a number of legislative reforms of the Federal Employees' Compensation Act (FECA). The goals of the reforms are to improve overall FECA program management, simplify certain administrative aspects and strengthen the integrity of the program. The reforms incorporate the best practices of many state workers' compensation programs, improve return to work procedures, streamline claims processing, and update benefit levels. Committee Republicans share the Administration's interest in updating and improving the workers' compensation program for federal employees and believe the Committee should work toward achieving balanced reform of the program.

## **Strengthening the Integrity of the Black Lung Benefits Program**

Committee Republicans would note that the President's FY 2009 budget includes a legislative proposal that is necessary to restructure the debt under the Black Lung Disability Trust Fund ("Trust Fund") to ensure the continued financial integrity of the Black Lung Benefits Program. Currently, benefit payments are funded by either an excise tax on all coal mined and sold in the U.S. or with loans from the Treasury if the excise tax is insufficient to cover benefit payments. Under this arrangement, the interest charges on the loans from the U.S. Treasury to the Trust Fund currently exceed total excise tax revenues. The proposal provides for repayment of the Trust Fund debt, which currently exceeds \$10 billion dollars, by restructuring the accumulated debt at lower interest rates. In addition, the proposal extends the current excise tax rates that fund the Trust Fund until the year following retirement of the Trust Fund's debt. Committee Republicans strongly support this proposal because it would decrease taxes in the long run, thereby minimizing costs to the taxpayers.

## **Retirement Security for Workers and Their Families**

The Committee on Education and Labor should remain dedicated to the goal of enhancing retirement security, with continuing attention to both employer-sponsored defined benefit and defined contribution pension plans. Building upon the enactment of the landmark *Pension Protection Act of 2006*, the Committee should continue to work to ensure pension security for all Americans by expanding coverage for a greater number of workers, creating flexibility in the voluntary private pension system, and encouraging adequate funding in order to meet workers' retirement needs. The Committee should be particularly wary of new proposals to amend the *Pension Protection Act*; instead, allowing the Act's full implementation before seeking to make wholesale changes.

In addition, the Committee should continue to monitor and support the efforts of the Department of Labor to protect workers' pensions and health benefits. In his FY 2009 budget request, President Bush proposed an \$8.5 million increase for the Employee Benefits Security Administration (EBSA) to provide additional enforcement resources to safeguard workers' retirement savings and other benefits, and to provide expanded compliance assistance to educate employers, unions, and pension plan administrators on their legal responsibilities. Committee Republicans support these proposals and the budgetary increases for these initiatives.

## **Improving the Economy through Job Training**

In order to spur the lagging economy and to end the Democrats' 'War on American Jobs,' Republicans believe that the Committee should develop new strategies and identify innovative ways to meet the needs of our evolving economy. We will continue to work to improve job training opportunities for Americans striving to get back to work by streamlining unnecessary bureaucracy, fostering economic development, expanding employment and advancement opportunities for workers, and promoting the creation of high-skill and high-wage opportunities so that we can compete in the global economy.

## *The Workforce Investment Act*

Committee Republicans believe that reauthorizing and reforming our nation's job training system so that it can respond quickly and effectively to the changing needs of job seekers and increase the skill level of the nation's adults and youth is central to Congress' effort to improve the economy. We are committed to a dynamic, results-oriented workforce development system that can effectively serve job seekers and workers in need of retraining.

In October 2007, Reps. McKeon and Ric Keller (R-FL) introduced the *Workforce Investment Improvement Act* (H.R. 3747) to strengthen and improve programs and services under the Workforce Investment Act (WIA) administered through the nation's one-stop training center system. The bill will eliminate duplication, improve accountability, enhance the role of employers, and increase state and local flexibility to better serve our nation's workers. Together, these reforms will ensure the nation's workforce development system can respond quickly and effectively to the changing needs of job seekers and those in need of training. The bill aims to:

- Increase efficiency and focus on results. This would be accomplished by eliminating duplication and waste, ensuring the one-stop delivery system is demand-driven, and strengthening employment services to help job-seekers get back to work.
- Eliminate barriers to effective programs and services. To break down barriers, the bill focuses on increasing opportunities for training, removing artificial barriers to service, and allowing faith-based providers to fully participate in the one-stop training system.
- Foster regional economic development. Taking the next step toward an integrated, seamless, and responsive job training system, the bill creates Workforce Innovation in Regional Economic Development (WIRED) plans.
- Strengthen programs for targeted populations. The nation's job training programs under WIA offer targeted services designed to meet the unique needs of populations facing specific challenges. H.R. 3747 takes steps to improve adult education, enhance vocational rehabilitation, and focus on youth with the greatest need while maintaining program flexibility.

The bill was introduced after Democrats refused to take needed action on job training reform. Despite repeated Republican calls for reform that will help job seekers get the tools and resources needed to get back to work and to help workers train for better jobs, Democrats have neglected to renew the nation's job training programs administered under WIA.

The refusal to act has left key job training programs vulnerable to funding concerns and rescissions through the appropriations process. For example, while the Omnibus Appropriations bill increased total WIA funding from \$3.277 billion in FY 2007 to \$3.608 billion in FY 2008, the final appropriations package included a \$250 million rescission of unspent but obligated funds from FY 2005 and FY 2006. Under the bill, which was crafted by Democrats, local workforce boards all across the country are required to return funds that have been set aside to pay for retraining for laid off workers; for administrative expenses to run One-Stop Career Centers that provide workers with resume help, childcare, and transportation assistance; and for


countless other support services that help low-income and out-of-work Americans in need of a new job. Each year that WIA is not reauthorized, the program becomes more vulnerable to raids on its funding, which weakens the overall effectiveness of those proven job training programs.

### **Workforce Conclusion**

Republicans believe the Committee should continue to work toward providing a safe and secure workplace for all Americans by improving retirement security, expanding access to quality health care, increasing opportunities for greater flexibility in the workplace, enhancing the accountability of unions to their members, ensuring existing laws reflect the realities of the 21<sup>st</sup> century workplace, and supporting an agenda of common sense reform rather than new federal programs and regulations.

### *Conclusion*

The Committee on Education and Labor oversees education and workforce programs that affect all Americans, from early learning through secondary education and from job training through retirement. In a changing economy increasingly driven by technology, competition, and knowledge, Committee Republicans are working to build on vital reforms they set in motion during the past decade – pressing for constant improvement in education; modernization of outdated federal rules that stifle freedom and innovation; and secure access to health care, retirement security, and training for American workers.

  
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