



American Federation
of Teachers, AFL-CIO

AFT Teachers
AFT PSRP
AFT Higher Education
AFT Public Employees
AFT Healthcare

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October 25, 2005

U.S. House of Representatives
Committee on Education and the Workforce
2181 Rayburn House Office Building
Washington, DC 20515

Dear Representative:

On behalf of the more than 1.3 million members of the American Federation of Teachers (AFT), I write to urge you to oppose any further cuts to the student aid program during tomorrow's budget reconciliation markup.

The Budget Committee has already demanded drastic cuts from the Committee on the Education and the Workforce totaling \$12.6 billion. Student loan programs have been disproportionately affected. From the original \$12.6 billion, approximately \$9 billion has been cut from several key student loan programs, while only \$1.6 billion came from increases in pension premiums. This created a shortfall of \$2 billion.

Tomorrow, in addition to making up for this shortfall, the Committee on Education and the Workforce has been asked to make an additional \$5.5 billion in cuts in student aid programs. We are fearful that this will result in a total cut of \$16.5 billion. The AFT opposed these original cuts as they would result in an average increase of \$3,800 in the interest students pay on their loans. Ultimately, these additional cuts will further restrict access and make the dream of attending college less affordable and accessible to millions of low- and middle-income families.

In addition to the budget cuts, the AFT is strongly against efforts to lift the 50 percent rule, which has ensured integrity in federal student financial aid programs. We believe the lifting of this rule without other proper safeguards in place promotes the interest of for-profit institutions in higher education rather than protecting students and taxpayers.

We urge you to oppose any further cuts to the final reconciliation package that may overburden our students and their families.

The AFT is also concerned about your decision to add the Family Education Reimbursement Accounts (FERA) to the underlying reconciliation bill and to pay for this proposal by making additional cuts in student loan programs, which have become the primary casualty of the reconciliation process. To this end, the AFT would like to help work with you outside of the reconciliation on a hurricane relief package to help victims as soon as possible.

The FERA proposal would also make it very difficult for public school districts to receive the assistance they deserve for educating displaced children as it requires parents, not the districts themselves, to make reimbursement claims. Schools are much better equipped to undertake this type of accounting procedure.

In addition, the AFT is concerned that the FERA amendment will divert attention from the needs of children displaced by Hurricanes Katrina and Rita to an ideological battle over vouchers. Instead, the AFT has proposed an alternative that would allow for a more direct and expedient model to deliver aid to students displaced from the Gulf Region. Finally, FERA fails to provide any funds to aid in the restarting and reopening of schools severely affected by the hurricanes.

In previous correspondence, the AFT recommended using ESEA, which provides a ready-made funding mechanism already approved by Congress and ensures necessary civil rights protections, as the best way to provide hurricane relief. It would also be the most efficient way to provide services to these students.

Thank you for considering our comments as you move forward on the budget reconciliation bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Cowan', with a long horizontal flourish extending to the right.

Kristor W. Cowan
Director, Department of Legislation

KWC :emc opeiu#2 afl-cio