

CAPE OUTLOOK

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Nonprofit Groups Oppose Plan to Cut Postal Subsidy

CAPE member associations and other nonprofit groups relying on the mail for disseminating information may see their postal rates more than double in October if Congress accepts President Reagan's budget proposal to eliminate the "revenue forgone" appropriation to the U.S. Postal Service (USPS) for fiscal year 1986.

The term, "revenue forgone" comes from a policy set by Congress long ago that certain types of preferred mailers are not charged the regular postal rates that most mailers are charged. The Postal Service forgoes collecting this revenue from the preferred mailers. Congress then provides this forgone revenue by means of an annual appropriation to the USPS. Elimination of revenue forgone funding would effectively end nonprofit mail rates. The USPS estimates \$981 million is needed in FY 86 appropriations to keep subsidized rates at current levels.

The proposal would affect 2nd, 3rd, and 4th class postal rates used by schools and colleges, religious and charitable organizations, libraries, and other nonprofit groups and free mail for the blind and visually handicapped, a program in effect since 1904. Most nonprofit groups would be forced to divert operational funds, increase members' dues, cut back on production costs, or find savings in other areas to offset the change in rates.

For the blind and visually handicapped, who under certain circumstances are entitled to free mail, a 4-oz. "talking book" cassette recording would go from no postage to \$.73. A 2-lb. 4th class library rate book package would go from \$.54 to \$.94, a 74% increase. A third class nonprofit fundraising letter would go up 144%; a 2nd class weekly 12-oz. classroom publication, 155%; and a 2nd class weekly 4-oz. rural newspaper mailed within its home county, 173%.

The budget resolution passed by the Senate Budget Committee last month included the Administration's recommendation to eliminate the postal subsidy. But the House Appropriations Committee voted to keep it. The issue will have to be resolved in conference later this year.

The Administration has indicated it will propose legislation maintaining most subsidies through a "cross-subsidy" of rates. The USPS would increase the rates of the full-rate payers so the subsidy could continue for most of the nonprofit mailers. The USPS, mail users and postal competitors have in the past steadfastly opposed this type of cross-subsidy. In fact, critics point out that postal regulations forbid cross-subsidization of postal rates. The issue is drawn and the nonprofit groups will be watching it closely.

CAPE Directors Meet the Secretary

In a wide-ranging commentary on education at a meeting with CAPE's Directors in mid-March, Secretary Bennett said that a proper goal of teaching should be educating a child's soul and that a primary goal of schools must be to graduate "better people." He again repeated his enthusiasm for vouchers and tax credits as means to achieve parental choice in education and to increase access by all families, regardless of means, to the best education they can find.

He said, in response to a question, that he would be taking a hard look at the entire federal role in education and the entire department. He further stated that the Office of Private Education would not be among the first Departmental divisions to be examined because he felt there were other areas of his responsibility where his earlier attention was needed.

He emphasized that a big challenge to all of us and to his leadership is to help continue the momentum of the school reform movement. In this regard the major issue is what to put in a good curriculum. All studies of the condition of education agree that all students need 4 years of English. The central issue is what do we teach in each of those years? We need to pay a lot of attention to content if we are going to really improve education.

The Secretary responded to the questions posed by Directors with intelligence and feeling. The Board subsequently agreed that his views and sentiments corresponded closely to theirs and they were heartened by his obvious relish for the big job he faces.

Conversations in Excellence

Conversations in Excellence - a series of 11 regional leadership conferences sponsored by the Department of Education - are a logical culmination of the Exemplary Private School Recognition Project, the ultimate goal of which is to contribute to national school improvement.

Secretary Bennett has invited principals from each of the schools recognized last year in the Exemplary Private School Recognition Project and the Secondary School Recognition Program to share their experiences and insights with others who are committed to excellence. The conferences, scheduled in April and May, are organized around presentations of school teams. Representatives from the selected schools will share programs, policies, and practices enacted to improve student motivation and to strengthen curriculum, standards, discipline, teaching effectiveness and school-community relations. Each presentation will be followed by opportunities for general discussion by all participants. Profiles of each school represented at the conferences will be available to all conference participants.

The conferences are limited to 300 registrants per site. For information, please contact the Department of Education, Office of the Deputy Undersecretary for Intergovernmental and Interagency Affairs, 400 Maryland Ave., SW, Washington, D.C. 20202.

Bennett's 3 C's + 3 R's = A

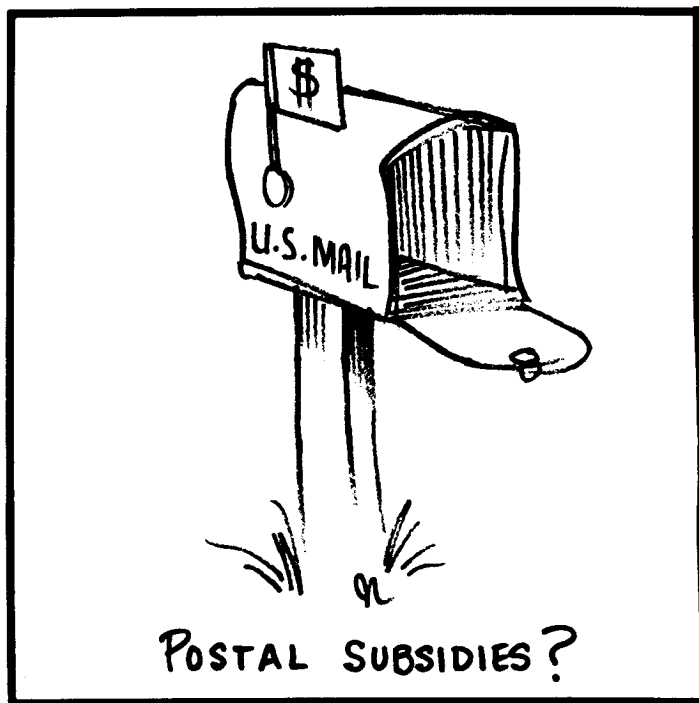
At the National Press Club in Washington, D.C. on March 27 Secretary William Bennett, in his first major address outlining his agenda for the Education Department, defended tuition tax credits and compensatory education vouchers. "We must offer parents of school age children instruments of choice within public education and between public and nonpublic education. It is ironic that the American system of higher education, with generous taxpayer support, provides such choice in the selection of colleges, while in elementary and secondary education, which is compulsory for all, there is choice for so few. All parents,

not only the affluent, must be able to exercise greater choice in what, where, and how their children learn."

According to Bennett, the Administration's "tuition tax credit bill would give some small relief from the burden of having to pay the full costs of both public and nonpublic education in order to send a child to private school. While still paying local taxes to support public schools, families of modest income who choose private schools would be able to recover up to \$300 of a child's tuition."

In support of the President's proposal to turn the Chapter 1 program for disadvantaged youth into a voucher program whereby parents could use the funds to send their children to a school of their choice, Bennett said that increased parental choice would be "one of the best catalysts for improving public schools."

Shaping his address around the "three C's" - choice, character, and content - to supplement the traditional "three R's" - Bennett said character should be built by example, not indoctrination and in the curriculum greater emphasis should be placed on the proper choice of content.



COUNCIL FOR AMERICAN PRIVATE EDUCATION/1625 Eye Street, N.W., Washington, D.C. 20006

(202) 659-0016

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Robert L. Smith, *Executive Director*; Kellen Flannery, *Editor*; Jay Roudebush, *Art Editor*

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British Private Schools Go Banking

From time to time OUTLOOK reports the news from our private school cousins in Great Britain. It may not surprise our readers to learn that a major story concerns the recent introduction of a "school fees loan" plan, which takes the worry out of paying school fees... launched by the Independent School Information Service (the national equivalent of CAPE) and the National Westminster Bank. "It is designed to "meet the requirements of parents who need help immediately and over the next five years to pay fees. ... Repayment of the fund is deferred to a mutually agreed date." A favorable rate of interest is negotiated for members of the ISIS association, "it is payable on amounts borrowed and not on the total fund agreed and a school fees low-cost endowment assurance policy protects the entire fund."

Not surprisingly a similar arrangement, The Education Fund, was put in place in 1983 for Independent School parents in this country. It guarantees PLEASE loans (Parent Loans for Elementary and Secondary Education) which commercial banks make to parents at lower than prevailing commercial interest rates. As described in a recent article in the NAIS Bulletin, "a participating school receives the entire year's tuition payment at the start of the year. The interest earned by schools on unexpended funds more than offsets the fee the school pays, 2 per cent of the original loan annually."

CAPE has recently asked the Education Fund to consider broadening the scope of its coverage to include other private school parents.

Clearly the costs of private education are of singular concern with the entire private school family. It is noteworthy, in that regard, that our British cousins are now, with us, utilizing the commercial bank as one critical instrument of parental assistance.

Legislative Update

Congress returns from its Easter recess on April 15. The budget continues to be the priority issue on the Hill, although somewhat overshadowed in the last few weeks by votes on MX missile funding, emergency famine relief for Africa and foreign aid bills.

Senate Republican leaders and the White House agreed April 4 on a budget package for FY 86, making a key step toward final approval of a budget for the year that begins Oct. 1. The Senate is expected to begin floor action on the budget the week of April 22.

The compromise makes a number of program changes in education programs. While the major elementary and secondary education programs would be frozen at FY'85 levels without allowing for inflation, 2 significant changes are proposed for the student loan program. First, the eligibility requirement for student loans would include a cap of \$8,000 as the assumed annual cost of a college education when deciding the amount of federal money available to a student. Second, interest free guaranteed student loans would no longer be available to families with incomes of \$60,000 a year or higher.

While both the President and the Senate Budget Committee recommended cutting all cash subsidies in the school lunch program (\$.24) for students from moderate-and upper income families, the compromise plan would eliminate only the \$.12 cash subsidy for those students, maintaining the \$.12 worth of commodities schools receive for each child.

The House Budget Committee continues to wait for a Senate decision before starting a mark-up.

Recent Action...

Civil Rights Restoration Act, HR 700

Following 8 joint committee hearings both in Washington and around the country, HR 700 is expected to be marked up in the House Education Committee on April 16, with the bill scheduled to go to the floor in May. The civil rights measure would make it clear that an entire institution is prohibited from discriminating on the basis of race, national origin, sex, handicap, or age if its programs or activities receive federal assistance. CAPE member organization, the U.S. Catholic Conference, has submitted testimony supported by other CAPE organizations to improve certain sections of the bill.

Child Nutrition Amendments, HR 7,

which passed in the House last year and died in the Senate, was reintroduced in the 99th Congress by Rep. A. Hawkins, Chairman of the House Ed and Labor Committee. It would restore aid to child nutrition programs eliminated under the 1981 budget reconciliation law. It also would increase the authorization levels for school lunch, child care food and special milk programs and extend the programs through fiscal 1989.

In hearings on HR 7 before the House Elementary Education Subcommittee, the Administration opposed the legislation. The Administration proposes to cut approximately \$700 million for FY '86 in the programs as well as to abolish the current \$.24 federal subsidy available to all students from families who earn more than 185% of the poverty level, or \$19,000 a year for a family of four.

School administrators predict that many middle-income students will drop out of the program. The program will be costly to operate with too few students and administrators say it will result in many schools dropping their lunch programs.

La. Catholic Conference Testimony Cuts Wide Swath

At recent Congressional field hearings conducted by the House Committee on Education and Labor to examine the federal budget's effects on federal education programs and to receive input on future directions in legislation, John Rice, Associate Superintendent of the Catholic Diocese in Louisiana, presented well-received oral testimony on behalf of the Louisiana Catholic Conference. Here's some of what he said:

"Turning to Chapter 1, I would ask you to please remember that when testimony was before you to revamp the whole structure of ESEA, virtually every constituency suggested to you leave Title I alone. This is why we ended up with Chapter 1 standing in and of itself unblemished or untouched with the consolidation that took place in Chapter 2 — and if you will recall the efforts to incorporate both Chapter 1 and the Education of the Handicapped Act."

"I encourage you to maintain it in that same form. ... it certainly is not reaching all of the eligible students. We have lost numbers of participants."

"I would certainly suggest to you also that you give little credence to the notion of ever vouchering Chapter 1. It is working, let's not meddle with it."

"Chapter 2, from the perspective of the nonpublic schools, is perhaps the best. It always consistently has been — as was its predecessors, Title II and Title IV B.... I would suggest to you that you will have heard testimony to the effect that with Chapter 2 vast amounts of money have gone to the nonpublic schools that were not getting them before. Please examine that legislation a little more carefully."

"I think that if you do, you will find because of the way Chapter 2 functions, that small school districts are receiving more funds than they did before, and as a result, some of the schools, the nonpublic schools, are sharing from that dimension. It has not been what some would have you believe to be a nonpublic wind-fall."

Mr. Rice covered several other areas in his remarks, including the school lunch program, legislation to promote teaching in math/science and of the handicapped, a re-examination of the advisory committee role under Chapter 1, and appropriations for the removal of asbestos in schools grant program.

In his remarks about the school lunch program Mr. Rice commented on the tuition cap for eligibility in the school nutrition programs which is an area of great concern to CAPE member schools. The discriminatory provision, which excludes private schools which charge \$1500 or more in tuition from participating in the program, since it was adopted in 1981, has forced out of the program hundreds of schools across the country. Many more are expected to follow once their tuitions reach the \$1500 threshold. Rice said: "All of the benefits that have gone to children in the nonpublic schools have been based on the child benefit theory. This one is one exception. ... I suggest to you that the tuition of the school has nothing to do with it. We have some schools with tuitions that are higher than \$1500, but there are children attending those schools who pay no tuition or who pay a token amount of \$50."

He also told the committee about a study that he is conducting which will examine the cooperation that exists between the State, the LEAs and the private schools in Louisiana and what unique things have been done in Louisiana to develop good working relationships between the public and nonpublic schools.

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COUNCIL FOR AMERICAN PRIVATE EDUCATION

1625 Eye Street, N.W.
Washington, D.C. 20006

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