

Education and Human Resources in the FY 2004 Budget

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INTRODUCTION

President Bush's educational initiatives have sparked renewed debate about the role of the federal government in education, the need for nationwide priorities and standards, and the function of local and parental control of schools. Bush's attempts to balance his own philosophical ideas of inclusiveness and devolution of decision-making have often led to contradictory policy options—for example, new federal testing and assessment standards to ensure a quality education for all Americans and the consolidation of federal programs into block grants that allow states to set their own priorities. Congress has seemed willing to pass federal standards legislation. Funding consolidations, however, have been more difficult for the President to achieve. In the balance are the futures of those who depend on the opportunities available to them to ensure that they obtain the kind of education they will need to participate fully in the nation's workforce. In the fields of science, technology, engineering and mathematics (STEM), the federal government's education policy sets national priorities that will have a huge potential impact on the U.S. economy and on the shape of the workforce of the nation as a whole in the coming century.

Discretionary spending in the federal budget proposed for FY 2004 is limited by the current focus on anti-terrorism and wartime expenditures and the growing budget deficit. President Bush's concentration on education, however, endorsed in the "No Child Left Behind" Act of 2001, continues to be a priority. The Department of Education (ED) budget would receive the largest increase in discretionary funds of any domestic agency under the Administration's proposal, with Title I programs for disadvantaged schools and programs for the Individuals with Disabilities Education Act (IDEA) both slated to receive \$1 billion more, and the Pell Grant student aid program getting \$1.9 billion in new funds. The National Science Foundation (NSF) continues the upward

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trend in funding for science, technology, engineering and mathematics (STEM) education and research, including considerable increases in graduate student stipends. In other cabinet departments, there are very few significant changes in funding for STEM education initiatives.

K-12 EDUCATION AND THE “NO CHILD LEFT BEHIND” ACT OF 2001

President Bush’s FY 2004 budget proposal for the **Department of Education (ED)** reflects his priorities to consolidate programs and to implement the No Child Left Behind Act of 2001 (NCLB). NCLB celebrated its first full year of implementation with every state meeting the deadline to produce implementation plans. NCLB requires states to test all students in grades 3 through 8, assess school progress, and compel failing schools to submit improvement plans. In addition, parents of students in schools dubbed “failing” are to be given the choice to move their children into other public or charter schools in their area.

Congress finally passed the FY 2003 budget for ED after the President had already submitted his proposal for FY 2004. Final FY 2003 discretionary appropriations for ED reached \$53.1 billion, 5.6 percent more than the President’s budget request. Most of the increase was due to Congress’s reluctance to cut line items that the Bush administration wants eliminated or consolidated into block grants. All of the items that the FY 2003 ED budget request had removed were funded in the FY 2003 appropriations bill, some with funding increases. In addition, Congress appropriated about 3 percent more money than the President had requested for Title I grants to local education agencies (LEAs) and \$100 million more for the Math and Science Partnership (MSP) program. The Fund for the Improvement of Education (FIE) avoided a major budget cut, although 2003 appropriations were 17 percent less than FY 2002. Funding for programs serving Native Hawaiians and Alaskan Natives also survived major budget cuts.

Congress refused to fund, or reduced funding for, some of the President’s school choice projects, including no funding for the Choice Incentive Fund, designed to provide parents of children in failing schools money to transfer their children into other public, charter, or private schools. The Credit Enhancement for Charter School Facilities program to increase charter school options available to parents, also fared poorly in FY 2003 appropriations, receiving only 25 percent of the \$100 million requested.

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Congress did leave in funding for Voluntary Public School Choice, which allows parents to choose any public school for their children.

These discrepancies between the President's requested budget and the actual appropriations for FY 2003 complicate an analysis of President Bush's FY 2004 budget request. Bush intended to give ED a 5.6 percent funding boost this fiscal year—ED being one of the only domestic departments to receive a significant funding increase. Final FY 2003 appropriations, however, already increase ED's funding to the \$53.1 billion Bush is requesting for FY 2004. With the Administration attempting to control domestic program spending, the proposed funding increase for Title I grants to LEAs of \$1 billion would require Congress to make tough choices in other discretionary budget items for ED in 2004. The President's budget proposal again requests to terminate the same programs as in 2003. Besides the Title I increases, most other programs at the K-12 level remain level funded in the FY 2004 request.

Federal funds for state assessments, now required for all school districts, would increase only 1.6 percent over the FY 2003 appropriation to \$390 million. This allocation does not cover the full cost of developing and implementing state assessment plans, student testing, or the evaluation of improvement plans submitted by failing schools, thus representing a partially funded federal mandate for states and school districts.

Under the President's proposed budget, \$420 million, a 12 percent increase over FY 2003, would go to expanded school choice programs. This includes increased funding for charter schools and \$75 million for the new Choice Demonstration Fund that Congress did not fund last year. In addition, \$385 million would be designated for state grants for innovative programs, which could include school choice components.

For the third year in a row, the Administration is asking for a \$1 billion increase in funding for Special Education Grants to States as part of the Individuals with Disabilities Education Act (IDEA). The \$9.5 billion requested would serve approximately 6.6 million children and young adults with disabilities, ages 3 through 21. Proposed funding would provide approximately \$1,426 per student in addition to supplying \$16 million for program assessment and evaluation. Most other educational programs in special education remain funded at current levels. President Bush's budget includes approximately \$3 billion for Rehabilitation Services and Disability Research to encourage programs to help people

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with disabilities succeed and lead independent lives. Cut from the budget, though, are \$26.8 million in funds for the Assistive Technology Act, which authorized a state grants program for technical assistance activities. Budget documents claim that the program has achieved its primary purpose by providing each state with grants for at least 10 years.

In other departments, the Math and Science Partnership (MSP) program funded through the **National Science Foundation (NSF)** is entering the third year of its five-year initiative to invest \$1 billion in preK-12 math and science education. Designed to link higher education institutions with preK-12 teachers, the program was appropriated approximately \$127 million in FY 2003, 36.5 percent less than the \$200 million the Administration had requested. In FY 2004, the Bush Administration is again proposing to increase MSP's budget within NSF to \$200 million. (Some MSPs are also funded through ED, as elaborated above.)

NSF's request for Elementary, Secondary and Informal Education (ESIE) is \$194.5 million, about 10 percent less than the estimated \$216 million FY 2003 appropriation. The ESIE funding request for FY 2004 remains unchanged for activities to develop instructional and assessment materials for improving preK-12 STEM education. Also incorporated within ESIE are teacher development programs, including the Centers for Learning and Teaching (CLT), which focus on strengthening instructional development in the sciences and ensuring that teachers have adequate access to cutting-edge science knowledge. All teacher development initiatives would be cut 9.6 percent in FY 2004. Finally, ESIE's Informal Science Education program would lose approximately 9 percent of its funding for a total of \$50 million. Informal Science Education initiatives include radio/television programs, web-based projects, traveling museum exhibits, and other materials that encourage lifelong learning and public engagement with science.

The **National Aeronautics and Space Administration's (NASA)** education programs would receive an 18 percent increase in FY 2004 after being drastically cut back in the President's FY 2003 budget. The Agency is set to launch a new Education Initiative with an initial request for \$26 million. The Initiative would support an Educator Astronaut Program, an Explorer Schools Program, and Explorer Institutes, all designed to augment STEM education at the preK-12 level. Unclear is the status of this initiative given the recent Space Shuttle disaster. Overall, education programs at NASA would increase 26.1 percent in FY

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2004 over FY 2003 estimates to \$169.8 million. But this remains 25 percent less than the \$227.3 million authorized in FY 2002.

POST-SECONDARY EDUCATION IN THE BUSH EDUCATION BUDGET

Bush Administration priorities in **ED** for post-secondary education are threefold. Increased funding for student aid programs tops the list, with the Pell Grant program getting a boost to cover shortfalls, but funds for all other student aid programs remaining the same. Second, the Administration is proposing to continue programs that help prepare traditionally underrepresented students for post-secondary educational opportunities and provide additional funds for institutional development programs at colleges that serve low-income and minority students. Finally, the administration is promoting new opportunities for students to gain international expertise and training, especially in areas where there is a perceived national need.

The Pell Grant program is the largest federal program serving low- and middle-income undergraduate students with grants in aid. The program has suffered from repeated deficits in recent years, as projections of the number of qualified applicants have been severely underestimated. Tied to family/individual income, the maximum Pell Grant award was tentatively increased in the FY 2003 appropriation bill from \$4,000 to \$4,050. The FY 2004 budget proposal, however, maintains the \$4,000 award maximum. Much of the \$1.9 billion increase in Pell Grant funds under the Administration's FY 2004 proposal would go toward paying off deficits in the program—in other words, paying for Pell Grants already awarded in previous years. Thus, few new resources will be available for the expected record number of new students who will be entering post-secondary education institutions in the coming years. Pell Grant applications experienced an unprecedented 10.2 percent growth rate in the 2002-03 school year. However, Administration projections for the next two academic years estimate only a 2 percent and 1.5 percent growth in Pell Grant applications respectively, despite ED's own data from the National Center for Education Statistics that predict record high enrollments in post-secondary educational institutions in this decade.

For the second year in a row, most other student financial aid programs, including Work-Study, would not receive any new resources under the current budget proposal. Perkins Loan money available to students would decrease 10.1 percent. The Administration is again requesting that

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funding be terminated for the Leveraging Educational Assistance Partnerships program, which encourages states to set up student need-based aid programs. The Administration claims that the program has already accomplished its goals and so further funding is unnecessary.

The Bush Administration is again proposing to increase funding for a loan forgiveness program for math and science teachers. Currently, teachers who work in low-income schools can have up to \$5,000 of federally guaranteed student loans forgiven. The President's budget proposes that new science and mathematics teachers would be forgiven up to \$17,500 in federally guaranteed student loans if they teach for five consecutive years in high-need schools. In addition, tax benefits for post-secondary students and their families through the HOPE tax credit and the Lifetime Learning tax credit continue to allow credits of \$1,500 and \$2,000 respectively for college tuition and fees expenses.

The Federal TRIO Programs and the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) aim to assist low-income students, regardless of race or ethnicity, to transition successfully into post-secondary education. Congress appropriated both programs 3 percent more in FY 2003 than the Bush Administration had asked for—\$827.1 million and \$293.1 million respectively. In FY 2004, the Administration's request was unchanged from the FY 2003 request.

Congress appropriated 4 percent more funding for the Title III Higher Education Act programs for Minority Serving Institutions in FY 2003 than the Bush Administration request, higher than the 3 percent increase over last year's request the Administration has proposed for FY 2004. Under the proposal, funding for Historically Black Colleges and Universities (HBCUs) would increase 4.7 percent to \$224.1 million. Funding for Historically Black Graduate Institutions was increased almost 9 percent by Congress in FY 2003 to \$53.4 million (not including \$237.5 million for Howard University), which is \$100,000 more than the request for FY 2004. Funding for developing Hispanic-Serving Institutions (HSIs) would grow only 1.2 percent over FY 2003 to \$93.6 million. In FY 2004, the President has asked for a 5 percent increase (\$19 million) for Tribal institutions over his FY 2003 budget request. Finally, Alaska Native and Native Hawaiian-Serving Institutions are slated for decreases. The Minority Science and Engineering Improvement program would be funded at the FY 2003 level (\$8.5 million).

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Rather than the 3.6 percent boost in funds proposed by the Bush Administration for FY 2003, Congress appropriated nearly 10 percent more for the International Education and Foreign Language Studies program, reflecting renewed government interest in international education and training given the current global situation. Additionally, for the second year in a row, Congress refused to cut funding for the Fund for the Improvement of Post-secondary Education (FIPSE), despite Administration efforts to drastically cut the budget by 78 percent. Congress did appropriate less to FIPSE than in FY 2002, and the FY 2004 budget request again reduces its budget from \$171.6 million to \$39.1 million. The Administration is also continuing its as-yet unsuccessful efforts to eliminate a number of special Scholarships and Fellowships, including the Thurgood Marshall Legal Educational Opportunity Program and the B.J. Stupak Olympic Scholarships.

In other departments and agencies, funding for STEM activities in higher education and research is largely positive. After a cut last year, NSF's budget request includes some new funding for undergraduate programs, including increases for the STEM Talent Expansion Program (STEP) (\$5 million to \$7 million), the Louis Stokes Alliances for Minority Participation (LSAMP) Program (up 23 percent to \$32.7 million), the HBCU Undergraduate Program (up 42 percent to \$20 million), and the Federal Cyber Service (up 45 percent to \$16.2 million). All these programs are designed to boost participation, especially of underrepresented groups, in STEM undergraduate education through targeted programs and enhanced research experiences. One of NSF's priorities is to increase the number of students entering graduate school in STEM fields. Proposed new resources at the graduate level include more money for graduate student stipends, allowing for a raise from \$25,000 to \$30,000 per year and an increase in the number of graduate students supported. Nearly 5,000 graduate students in three NSF programs would receive the increased support.

In other areas, NSF's FY 2004 budget launches a new initiative entitled Workforce for the 21st Century. This new priority is designed to interest students at the secondary and post-secondary levels in STEM disciplines by focusing on workforce issues and innovative research experiences, and building partnerships with non-traditional NSF partners, such as non-academic employers. Funding for this initiative would begin at \$8.5 million. NSF's request for the Experimental Program to Stimulate Competitive Research (EPSCoR), a program designed to assist colleges

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and universities in states that have traditionally received less R&D support, is even with the FY 2003 request, although Congress gave the program almost 19 percent more in the FY 2003 appropriations bill.

The Office of Science at the **Department of Energy (DOE)** houses most of DOE's educational outreach activities. Support for education involves the integration of education resources into established research programs, including preK-12 education outreach, graduate fellowships and postdoctoral support. The President's budget recommends an overall increase in the Office of Science's budget of 1.4 percent. This year, most education activities are subsumed under the new Workforce Development for Teachers and Scientists program which would receive \$6.5 million, an 18.5 percent increase over the FY 2003 budget request.

After the completion of a five-year push to double the budget of the **National Institutes of Health (NIH)**, the agency is in line to receive only a 2.7 percent budget increase this year. However, NIH will continue to provide considerable support for research and training in all health-related disciplines, including assistance for pre- and post-doctoral candidates. In the National Center for Research Resources (NCRR), funding for Research Centers in Minority Institutions would increase 5.2 percent to \$55.3 million. This increase would support an expansion of the Extended Institutional Mentored Clinical Research Scholars Program (CRS) which provides services to young investigators and potential investigators at minority institutions. The Science Education Partnership Awards (SEPA), which bring together researchers, educators, community groups and other organizations to disseminate programs to increase public engagement in health sciences research, would be level-funded under the NIH's proposed FY 2004 budget.

The U.S. **Department of Agriculture's** Cooperative State Research, Education and Extension Service (CSREES) could face an over all budget cut of 14 percent compared with FY 2003 (see Table II-13) but education-related funding could increase. The National Research Initiative program (NRI) would receive \$200 million, \$34 million more than FY 2003. The NRI provides funds for competitive peer-reviewed research grants that focus on issues of food safety, global change, and genetic resources. Among the program's goals are increased graduate-level training opportunities in interdisciplinary research areas and the diversification of graduate student participation in agricultural research. Higher education programs would receive a \$1 million boost for a total

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of \$30 million to support more Graduate Fellowship Grants, especially those with a biosecurity focus. The Native American Endowment Fund program would receive \$2 million more, for a total of \$11 million.

Finally, **NASA** has requested \$92 million for minority university research and education, up \$10 million. Under its new Education Initiative, **NASA** is proposing \$9 million to fund a new Scholarship for Service program that will provide students the opportunity to work at **NASA** in exchange for tuition assistance. Student support programs in higher education would increase only slightly to \$11.8 million.

VOCATIONAL TRAINING AND ADULT EDUCATION

The Administration is proposing a major overhaul of **ED's** vocational and adult education programs, the implications of which are as yet unclear for community and vocational colleges. Under the FY 2004 proposal, funding for vocational and adult education would be cut by 17 percent from FY 2003 appropriations. Most of the cuts occur in the Vocational Education Program group which includes funding for Vocational Education and Tech-Prep Education State Grants Programs, and Occupational and Employment Information Programs. In FY 2004 all grants programs are subsumed under the new Secondary and Technical Education (STE) State Grants Program and overall funding is cut from \$1.3 billion to \$1 billion. This new grants program is geared toward funding projects that align community and technical colleges with secondary education institutions through competitive grants administered by each state. Under this new program, vocational education would be required to further Title I goals of student achievement and accountability for results, as well as improve student outcomes and training. States will also have the option to transfer funds from the STE Program to LEAs to implement Title I programs.

ED's Adult Education Programs would also be consolidated under a new State Grants Program entitled Adult Basic and Literacy Education State Grants. The focus of this new program would be on basic reading, math, and English language skills acquisition. Funding remains unchanged from the FY 2003 budget request of \$591.1 million.

ED's Community Technology Center (CTC) program and the Technology Opportunities Program in the **Department of Commerce** both survived the FY 2003 appropriations process with level funding.

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CTC received \$32 million, while the TOP program received \$15.4 million. Both programs provide grant funding for community technology centers that provide adult education and training in information technology and free internet use for underserved populations in inner-city and rural areas. Neither program is included in the FY 2004 request.

EDUCATION AND STEM WORKFORCE RESEARCH AND STATISTICS

Vitally important for assessing the current state of and future trends in STEM workforce and education needs is the provision of quality statistics, research and assessment tools. In FY 2003, **ED's** Institute of Education Sciences received 20 percent less than the request for research (\$139.1 million) and approximately 6 percent less (\$89.4 million) for statistics. Appropriations for assessment mirrored the President's budget request. The Administration's current budget proposal would increase funds for research 33 percent over FY 2003 appropriations to \$185 million. Funding for statistics and assessment would remain unchanged from the FY 2003 request. After a nearly 9 percent increase in FY 2003, funding requests for Science Resources Statistics (SRS) under **NSF's** budget proposal would include \$1 million more to assist in the collection of statistics on the education and employment of scientists and engineers. This would be a 3.9 percent increase in SRS resources, boosting available funds to \$26.7 million. In the **Department of Labor's** Bureau of Labor Statistics, funds for collecting and analyzing labor force statistics would rise to \$224.7 million, an increase of 0.8 percent.

CONCLUSION

The Bush Administration is now in its third budget cycle, and the battle lines over education are becoming distinct. While Congress seems supportive of Bush's initiative to reform education through standards-based testing, they are less enthusiastic about eliminating specific programs or advancing school choice. This has made for some interesting stand-offs in the budget proposal and appropriations process. The Administration's commitment to STEM education and teacher training is reflected in new and continuing initiatives in several departments, including ED, NSF and NASA. Funding for programs that promote the participation of underrepresented groups also continues with some substantial increases. Harder to assess, however, are the Administration's policies and priorities in adult education and technical training which could have a significant impact on the future STEM workforce.