

Education and Human Resources in the FY 2005 Budget

Jolene Kay Jesse, AAAS

INTRODUCTION

In an election year budget, an administration, after three years in office and three budget cycles behind it, places renewed emphases on policies and programs it deems important. The Bush Administration's FY 2005 education budget is no exception. Increased money for Title I programs through the Department of Education (ED) continues to expand President Bush's signature "No Child Left Behind Act" passed in 2001. A new interdepartmental initiative entitled "Jobs for the 21st Century" reallocates resources and funnels some new resources into community colleges and high schools. For the fields of science, technology, engineering and mathematics (STEM), however, the President's current budget proposal provides little by way of a coherent education and training strategy, increasing funds in some areas and cutting them in others. This is problematic as 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 foreseeable future and beyond.

Discretionary spending in the federal budget proposed for FY 2005 is even more limited than in previous years, given wartime expenditures, homeland security, and the growing budget deficit. President Bush's concentration on education, however, continues to be a priority, with ED's budget again receiving the largest proposed increase in discretionary funds of any domestic agency. For the third year in a row, Title I programs for disadvantaged schools and programs for the Individuals with Disabilities Education Act (IDEA) are both slated to receive \$1 billion more. The budget of the National Institutes of Health (NIH) would increase only 2.6 percent, with only small increases in research and training budgets. The National Science Foundation (NSF) continues on an upward trend in funding for research, but with some troubling cutbacks in science, technology, engineering and mathematics

Jolene Kay Jesse

(STEM) education, especially at the undergraduate level. In other cabinet departments, there are very few increases in funding for STEM education initiatives, and some disturbing decreases.

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

For the third year in a row, President Bush is proposing to raise funding in the **Department of Education** (ED) for Title I Grants to Local Educational Agencies by \$1 billion, to \$13.3 billion in FY 2005. This increases Title I funds 52 percent over FY 2001, President Bush’s first year in office. Title I funding is provided to states to supplement education improvement activities, especially in high-poverty areas. Funding covers more than 15 million students in over half of the nation’s public schools through block grants allocated to states. This increase, however, occurs at the same time that there have been increasing state challenges to the No Child Left Behind Act of 2001 (NCLB) which reauthorized the Elementary and Secondary Education Act of 1965.

State challenges to NCLB have arisen in surprising areas. Most notably Utah and Virginia, both governed by Republican-dominated legislatures, have threatened to stop implementing NCLB in their states citing onerous requirements, federal intrusiveness, and lack of full federal funding for the initiative. Last minute negotiations with ED officials averted those states’ defections. However, ED officials have also since relaxed some of the Adequate Yearly Progress (AYP) requirements for students with limited English proficiency and severe disabilities.

NCLB’s component parts include increased accountability, use of proven educational methods, and expanded parental choice. The Act mandates that each state test students from grades 3 through 8. Schools are scored on the basis of how well their students do on the tests and issued passing or failing assessments based on AYP requirements set by the state for various groups of students in the school (*e.g.*, ethnic and racial minorities, students with disabilities, students with limited English language proficiency, etc.). Schools that do not meet AYP goals for all groups are dubbed failing and are required to show improvement in the next two consecutive school years. Those that do not show improvement after two years are subject to various punitive measures, in extreme cases including replacing school staff and restructuring of management authority. In addition, parents in schools labeled as failing for two

EDUCATION AND HUMAN RESOURCES IN THE FY 2005 BUDGET

consecutive years must be allowed to transfer to a non-failing school with transportation provided by the school district.

Other funding increases in ED include a 5.1 percent growth in funding for State Assessment grants to \$410 million. \$400 million of that is allocated to states to select or design their own assessments. The remaining \$10 million would be used for competitive grants to states to improve the quality of state assessment tools. 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 budget, \$504.1 million, almost a 30 percent increase over FY 2004, would be earmarked for expanded School Choice and Flexibility programs. The President is again requesting a large upsurge in budget resources for Charter School facilities for a total of \$100 million (168 percent over FY 2004). Monies for a Choice Incentive Fund would allocate \$50 million to a program to allow parents of students in low-performing schools to transfer their children to higher-performing public, charter or private schools. The Administration has put these two items on the table in the last three appropriations cycles, but Congress has repeatedly rejected them. In addition, the same amount as FY 2004, \$296.6 million, would be designated for State Grants for Innovative Programs, which could include school choice components.

A major expansion of financial support is requested for improved reading programs including \$1.1 billion for Reading First State Grants, 10 percent more than in FY 2004, and a 40 percent increase in Early Reading First programs for a total of \$132 million. Most of the resources allocated to the Mathematics and Science Partnerships (MSP) Program would be consolidated in ED's budget this year, instead of significant funding being allocated in both ED and the **National Science Foundation** (NSF). NSF's budget would cut MSP resources from \$139.2 million to \$80 million to continue financing of current projects (see Table II-7). ED's share of MSP funds will increase 80.5 percent to \$269.1 million. In total, MSP funding would increase 21.1 percent.

President Bush launches a major new initiative this year under the banner of "Jobs for the 21st Century." In ED \$356.5 million in new or reallocated funding is sought for programs mostly at the high school

Jolene Kay Jesse

level. Striving Readers, a new program, would allocate \$100 million for efforts to improve the reading skills of secondary school students reading below grade level. The budget for Advanced Placement (AP) courses in high schools would experience a 119 percent boost to \$51.5 million to support more AP classes in low-income schools. \$120 million of the new funds within MSP would be designated for a new program of competitive grants focused on accelerating math learning at the secondary level. A new Adjunct Teacher Corps Initiative would provide \$40 million for projects that reach out to individuals outside the public school system to tap them as a resource for specialized teaching needs in high schools. State Scholars Programs are designed to provide students with a rigorous high school curriculum that would prepare them for college. The State Scholars Program would receive \$12 million to expand these programs from the 14 states that currently have such curricula to all states. Finally \$33 million would be added to the Pell Grant program for a special fund to allocate extra money to college students who have completed a State Scholars Program in high school.

In line with President Bush's strategy to devolve project-specific funding into more flexible block grants to states, the Administration is again requesting to terminate the same programs in ED's budget that it has asked to cut in the last three appropriations cycles. 38 programs are again slated for elimination including the Eisenhower National Clearinghouse for Math and Science Education, the Eisenhower Regional Math and Science Education Consortia, and the Leveraging Educational Assistance Partnership Program. Elimination of all 38 would result in \$1.4 billion of education funding being cut or made available for other priorities. Most of these programs, however, have strong constituent bases that have been effectively mobilized to lobby Congress for continued funding.

For the fourth 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 \$11.1 billion request would serve approximately 6.9 million children and young adults with disabilities, ages 3 through 21, providing roughly \$1,612 per student, or 20 percent of the national average per pupil expenditure. In addition, the administration is proposing a 5 percent increase in State Grants for Infants and Families for a total of \$466.6 million. Most other educational programs in special education remain funded at current levels. President Bush's budget includes approximately \$2.7 billion for Rehabilitation Services and Disability Research to encourage programs

EDUCATION AND HUMAN RESOURCES IN THE FY 2005 BUDGET

to help people with disabilities succeed and lead independent lives. Cut from the budget, though, are \$26 million in funds for Title I of the Assistive Technology Act, which authorized a state grants program to provide assistive technology devices and services, protection and advocacy activities, and technical assistance. \$15 million would fund Title III of the Act, which finances an Alternative Financing Program to increase access to assistive technology.

In other departments and agencies, NSF's request for its Elementary, Secondary and Informal Education (ESIE) subactivity is \$172.8 million, about 18.6 percent less than the \$212.3 million in FY 2004. Funding requested for activities to develop instructional and assessment materials for improving preK-12 STEM education would increase 2.2 percent to \$29.5 million. 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 23.1 percent in FY 2005. Finally, ESIE's Informal Science Education program would fall 19.5 percent to \$50 million. The number of K-12 students and teachers involved in NSF activities within the Education and Human Resources Directorate would drop from 99,500 to 92,500.

The **National Aeronautics and Space Administration (NASA)** supports an Educator Astronaut Program, an Explorer Schools Program, and Explorer Institutes, all designed to augment STEM education at the preK-12 level. A total of \$17.9 million would fund these K-12 programs. Funding for all education programs (K-12 and higher education) would be cut 25 percent in NASA's FY 2005 budget to \$168.5 million.

Precollege activities within the **Department of Energy (DOE)** would receive 12.2 percent more funds than in FY 2004 for a total of \$900,000. Over 80 percent of that funding is directed to the National Science Bowl, which brings together student teams from over 1,800 high schools to compete in 67 regional events and the national contest. The other 20 percent would support a much smaller Middle School Science Bowl.

POST-SECONDARY EDUCATION IN THE BUSH EDUCATION BUDGET

While the Bush Administration seems to have a consistent message and strategy at the K-12 level of accountability, block grant consolidations

Jolene Kay Jesse

and expanded choice, that coherence is missing in its higher education budget. Within **ED**, the budget for Higher Education reflects more freezes and cuts with some isolated increases.

The Pell Grant program, the largest federal program serving low- and middle-income undergraduate students with grants in aid, has suffered repeated deficits in recent years. Tied to family/individual income, the maximum Pell Grant award was increased in the FY 2003 appropriations bill from \$4,000 to \$4,050. The Administration has proposed to increase the Pell Grant budget in FY 2005 by \$856 million for a total of \$12.9 billion. The actual number of Pell Grant awards, however, would decrease from 5,344 to 5,336, as much of the increase in Pell Grant funds would go toward paying off the recurrent deficits in the program. Part of the problem is that the Administration's estimates of potential applicants are continually unrealistic. Pell Grant applications experienced an unprecedented growth rate of 17.5 percent between academic year (AY) 2001-02 and AY 2002-03 and another 7 percent in AY 2003-04, mostly due to the addition of a large number of older, independent students entering higher education institutions. The Administration had, however, projected only a 2 percent increase for AY 2003-04. Projections for the next two academic years (AY 2004-05 and AY 2005-06) have been re-estimated upward somewhat to 5 percent and 4 percent respectively. But the probability of future deficits in the program is very high, and even ED agrees that these shortfalls seriously threaten the stability of the Pell Grant program. The Administration faults Congress for the shortfall, and has proposed changes in the way that Pell Grant funds are appropriated in order to prevent future deficits.

For the third 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 percent. New monies would be made available, though, through the Federal Family Education Loans and Direct Loans programs which would receive a 25 percent funding boost. Critics of the President's student aid plan point out that, with state funding for higher education experiencing cutbacks, accompanied by tuition rate hikes, university and college students at all levels are finding it increasingly difficult to pay for their education without incurring unmanageable debt.

As it did for the last three fiscal years, the Bush Administration is again proposing to increase funding for a loan forgiveness program for math

EDUCATION AND HUMAN RESOURCES IN THE FY 2005 BUDGET

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 plan would allow new science and mathematics teachers to have up to \$17,500 in federally guaranteed student loans forgiven if they agree to work for 5 years in low income school districts. The Bush Administration also proposes to raise the borrowing limit for first-year students from \$2,625 to \$3,000. In addition, the budget plan includes \$3 billion over a ten year period for "further student benefits" to be negotiated with Congress through the reauthorization of the Higher Education Act scheduled for this year.

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. For the second year in a row, proposed funding for both programs remains flat.

Under ED's FY 2005 budget proposal, funding for Historically Black Colleges and Universities (HBCUs) would increase nearly 8 percent to \$240.5 million, while funding for Historically Black Graduate Institutions would rise 10 percent to \$58.5 million (not including the \$238.8 million allocated to Howard University). On the other hand, resources for Hispanic-Serving Institutions (HSIs) would only grow 2 percent over FY 2004 to \$95.9 million. Tribally Controlled Colleges and Universities would experience a slight funding boost of \$500,000 to \$23.8 million, and funding would remain the same for Tribally Controlled Postsecondary Vocational and Technical Institutions at \$7.2 million. Finally, Alaska Native and Native Hawaiian-serving Institutions are slated for a major decrease in resources of 44 percent (to \$6.1 million). The Minority Science and Engineering Improvement program would be funded at the same level as FY 2004 (\$8.9 million).

For the third year in a row, the President's budget is proposing to drastically cut resources for the Fund for the Improvement of Post-secondary Education (FIPSE) by nearly 80 percent. The Administration is also continuing its as-yet unsuccessful efforts to persuade Congress to eliminate a number of special scholarships and fellowships, including the Thurgood Marshall Legal Educational Opportunity Program and the B.J. Stupak Olympic Scholarships.

Jolene Kay Jesse

In other departments and agencies, funding for science, technology, engineering, and mathematics (STEM) activities in higher education and research seems to be focusing more attention at the graduate level, leaving undergraduate resources for STEM education either flat funded or with significant cuts. Overall budgetary resources for “People” within NSF’s budget would be cut 6.1 percent or \$69 million to \$1.1 billion. Within that budget, resources for the Directorate for Education and Human Resources (EHR) would be cut 18 percent (see Table II-7). EHR funding for undergraduate education programs at NSF—designed to boost participation, especially of underrepresented groups, in STEM through targeted programs and enhanced research experiences—would get a slight 2.2 percent boost. The Louis Stokes Alliances for Minority Participation (LSAMP) Program would receive the same \$34.3 million as this year. The HBCU Undergraduate Program would experience a \$3.8 million decrease in funds to \$20 million, while resources for the Tribal Colleges and Universities Program would remain flat (\$9.9 million). Due to constraints in NSF’s portfolio, NSF’s budget request proposes to slash funding for the STEM Talent Expansion Program (STEP) 39.6 percent (to \$15 million). The Federal Cyber Service would get a budget boost of \$100,000 to \$16.9 million, while the Advanced Technological Education Program, which supports technical education at two-year colleges and secondary schools, would be cut 16 percent to \$38.2 million. The new Workforce for the 21st Century priority area within NSF would receive \$15.4 million within EHR’s undergraduate education budget.

NSF funding for Graduate Education would increase 11.5 percent to \$173.9 million. Most of the increase would finance more Graduate Research Fellows, Graduate Teaching Fellows in K-12, and Integrative Graduate Education and Research Traineeships. In all, 500 more research fellowships would be awarded for a total of 5500. Graduate fellowship stipends would remain at \$30,000 per year. The Alliances for Graduate Education and the Professoriate, a program designed to increase the number of underrepresented minorities receiving Ph.D.s and entering the professoriate, would receive the same amount of resources as it did in FY 2004, \$14.9 million. The ADVANCE program, an activity aimed at changing the climate in selected higher education institutions to foster greater participation by women in academia, would receive \$1.1 million more in FY 2005, for a total of \$20.3 million.

NSF resources for the Experimental Program to Stimulate Competitive Research (EPSCoR) within EHR would be cut 11 percent from the FY

EDUCATION AND HUMAN RESOURCES IN THE FY 2005 BUDGET

2004 appropriation. Part of the decrease would be made up by a \$30 million addition from the Research and Related Activities budget, but the overall budget request for NSF's EPSCoR is still \$10.4 million less than FY 2004. The EPSCoR program is designed to assist colleges and universities, located in states that have traditionally received less research and development support, build the skills and infrastructure necessary to better compete for research grants.

The Office of Science at **DOE** houses educational outreach activities within the Workforce Development for Teachers and Scientists program. This program encompasses two primary activities at the postsecondary level—an undergraduate internship program and graduate and faculty fellowships. The President's budget recommends an increase for the Science Undergraduate Laboratory Internship program of 1.3 percent, for a total of \$2.7 million. However, the budget would reduce resources by 7.4 percent for the ten-week summer Community College Institute of Science and Technology and nearly 14 percent for the Pre-service Teachers program. Graduate and Faculty Fellowships, however, would receive a 63.7 percent boost under the proposed budget with over 50 percent increases for the Laboratory Science Teacher Professional Development and the Faculty and Student Teams programs. Both programs provide mentor-intensive professional development opportunities in the national laboratories. The Albert Einstein Distinguished Educator Fellowship would also see an increase of 16.7 percent to support bringing outstanding STEM K-12 teachers into temporary service in Congress, DOE and other federal offices. Finally, a new Faculty Sabbatical Fellowship would receive \$500,000 to fund research opportunities for faculty at HBCUs in the national laboratories.

The **National Institutes of Health (NIH)** is in line to receive a 2.6 percent budget increase this year. NIH is launching a new initiative entitled the "NIH Roadmap for Medical Research." Activities under this initiative would cut across NIH's major departments and institutes to foster multidisciplinary research teams, develop new technologies, and support efforts to build new infrastructures for the research enterprise. In FY 2005 \$237 million would be focused on pursuing the Roadmap. Elsewhere, in the National Center for Research Resources (NCRR), funding for Research Centers in Minority Institutions would increase 3 percent to \$55.2 million. The Science Education Partnership Awards (SEPA), which bring together researchers, educators, community groups and other organizations to disseminate programs to increase public

Jolene Kay Jesse

engagement in health sciences research, would receive a slight 1 percent addition in funds to \$16.3 million. The FY 2005 budget for the National Institute of General Medical Sciences (NIGMS) includes some small increases for research training and support, including less than 1 percent for Minority Biomedical Research Support for a total of \$103 million. NIGMS supports 45 percent of predoctoral trainees and 28 percent of all trainees who receive assistance from NIH. NIGMS' total training budget would rise 1.3 percent to \$188.8 million.

The U.S. **Department of Agriculture's** Cooperative State Research, Education and Extension Service (CSREES), could face an overall budget cut of 9.2 percent compared with FY 2004, although most of the decrease comes from the elimination of earmarked grants. The National Research Initiative (NRI) competitive grants program would receive an increase of \$16 million, 9.8 percent more than FY 2004. Most of the new funds would be awarded for projects investigating agricultural genomics, human nutrition and obesity. Among the NRI'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 get a \$3 million boost for a total of \$33 million to support additional Graduate Fellowship Grants to attract minority students, especially at the Master's degree level. The 1890 Research and Extension Program, which funds agricultural education programs in qualifying HBCUs, would be flat funded under the FY 2005 budget at \$68 million. The Native American Endowment Fund and Interest program would gain \$4 million more, for a total of \$15 million. The Food and Agriculture Defense Initiative could also receive a 275 percent boost in resources including \$30 million to build up the existing network of public agricultural institutions working on agricultural security issues, and \$5 million for Higher Education Capacity Building and Professional Development.

Finally, **NASA** has requested \$90.8 million for minority university research and education, 1.6 percent more than was appropriated in FY 2004. Education programs, in general, will be cut back drastically in NASA's FY 2005 budget request from \$137.1 million to \$77 million, a 44 percent decrease. This will mean reductions in the Space Grant Program designed to promote NASA-related research activities in U.S. universities, NASA's EPSCoR program, and the Undergraduate and Graduate Student Researchers Programs. NASA once again would like to

EDUCATION AND HUMAN RESOURCES IN THE FY 2005 BUDGET

launch a new initiative to link scholarships with future NASA service through the Science and Technology Scholarship Program.

VOCATIONAL TRAINING AND ADULT EDUCATION

The Administration is once more proposing to undertake a major overhaul of ED's vocational and adult education programs. Under the FY 2005 proposal, funding for vocational education and adult education would be cut by 24 percent from FY 2004 to approximately \$1 billion. Most of the funding will be redirected into "Secondary and Technical Education" block grants to states, eliminating the Vocational Education and Tech-Prep Education State Grants Programs. The new Secondary and Technical Education Grants Program will focus on the high school level, rather than on community and technical colleges (most programs for technical and community colleges would be redirected to the Department of Labor as outlined below). The program would promote joint ventures and collaborations between high schools and postsecondary education and training partners. The States Scholars Program discussed above in conjunction with the President's new Jobs for the 21st Century Initiative, would also fall under this program budget.

ED's Adult Education programs would not receive any new funds in FY 2005, remaining at \$590.2 million. The Adult Basic and Literacy Education State Grants program focuses on basic reading, math, and English language skills acquisition. The National Institute for Literacy and National Leadership Activities also get funding under this program.

The Community Technology Center program in ED and the Technology Opportunities program in the **Department of Commerce** both survived the FY 2004 appropriations process, but both are again scheduled for elimination in FY 2005, as they have been for the last two years. These 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.

This year, President Bush is launching a new Community Colleges Initiative under the **Department of Labor** in conjunction with his "Jobs for the 21st Century" programs. This initiative would provide \$250 million for an employer-focused State grants program designed to promote training in the skills that employers need most. Very little detail, however, is available on how this program would work.

Jolene Kay Jesse

EDUCATION AND STEM WORKFORCE RESEARCH AND STATISTICS

Vitally important for assessing the current state and future trends in STEM workforce and education needs is the provision of quality statistics, research and assessment tools. The Administration is again asking for an increase for Research, Development and Dissemination sponsored by the Institute of Education Sciences (IES) within **ED**, requesting 12 percent more to \$185 million. Funding for Statistics, Assessment, and Research and Innovation in Special Education would remain unchanged from FY 2004 appropriations. Funding for Science Resources Statistics (SRS) under **NSF's** budget proposal would also continue at the current level of \$26.2 million. In the **Department of Labor's** Bureau of Labor Statistics, funds for collecting and analyzing labor force statistics would rise from \$235.1 million to \$242.5 million, or by 3.2 percent. (For more on these statistical agencies, see Chapter 22.)

CONCLUSION

The Bush Administration's current commitment to STEM education and teacher training is reflected in new and continuing program initiatives in several departments, especially in ED. Funding for institutions that serve underrepresented groups (including HBCUs and Tribal Colleges) also continues with some increases. Harder to assess, however, are the Administration's new policies, programs and priorities in technical training and community college programs which have yet to be defined.

As the Bush Administration moves into this campaign year, it is clear that education will be one of its major election platforms. Should the Administration win a second term, however, future funding increases for education of the same magnitude as President Bush's first term budget proposals have put forward are unlikely. The Washington Post reports¹ that according to an unpublished budget printout, freezes and cuts in Title I education spending and job training programs would have to take place in order to reduce the deficit by half, as President Bush has indicated he would try to do by 2009. This would force Congress to make some very unpopular decisions and could foment even more revolts among states trying to implement federal regulations under NCLB, including the addition of science in mandatory state tests by 2006.

¹ "Budget Envisions Long Term Cuts," Washington Post, February 6, 2004, page A21.