

Education and Human Resources in the FY 2007 Budget

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INTRODUCTION

Science and technology was a major focus of the President's FY 2007 budget proposal. During his State of the Union address, the President pledged to double funding for physical sciences, mathematics, and engineering over the next decade to enhance the U.S. in global competition. Through his American Competitiveness Initiative (ACI), he has largely supported that pledge, which includes an 8 percent increase for the National Science Foundation (NSF). However, also significant is a series of cuts to the nation's chief educational agency, the U.S. Department of Education, presenting Congress with the smallest budget for the department since 2003. For FY 2007, the President proposes \$54.4 billion for the Department of Education, down \$2.1 billion or 3.8 percent from FY 2006. In addition, the budgets of a number of other federal agencies that support mathematics and science education have been reduced. By trimming the FY 2007 discretionary budget, the President expects to stay on track to halve the budget deficit by 2009. However, when the Administration presented a similarly constructed budget last year, Congress refused to authorize many of the cuts. Critics believe the same will happen this year.

Overall, the President has proposed the elimination of 141 federally-funded programs, 42 of which are housed in the Department of Education. This is a similar tack to his FY 2006 budget, which Congress largely ignored. Programs selected for elimination were deemed duplicative, unnecessary, or ineffective by the government's new rating program, the Program Assessment Rating Tool (PART). Among those in the President's FY 2007 budget that were deemed "ineffective" include TRIO Upward Bound, the Perkins Vocational and Technical Education program, Safe and Drug Free Schools, and Even Start. In addition, a

number of programs with “adequate” or “moderately effective” PART ratings would also be eliminated, including the TRIO Talent Search Program. These programs were also slated for elimination in last year’s Presidential budget. Most interesting, however, is the elimination of programs that the Administration claims have no demonstrable results. These include Smaller Learning Communities, Educational Technology State Grants, the Leveraging Educational Assistance Program (LEAP), and Tech-Prep State Grants, among others. Thus, even with the PART tool, the Administration has made certain budget decisions regardless of information on the impact of various programs.

Concern over America’s dependence on foreign engineers and scientists coupled with American students’ consistent lag behind their foreign counterparts in mathematics and science led the President to set a goal of doubling federal spending in the physical sciences, mathematics, and engineering over the next 10 years. However, with the exception of NASA and the 3 agencies included in the ACI (National Science Foundation, Department of Energy, National Institute of Standards and Technology), the President’s FY 2007 budget request favors a reduction of support for scientific research and education at every federal agency.

DEPARTMENT OF EDUCATION: K-12 EDUCATION

With the FY 2007 budget, the Administration continues to focus on K-12 education. A major concern has been American students’ performance in mathematics and science. The **National Assessment of Educational Progress (NAEP)** found that students’ reading skills have improved and gaps in achievement between minorities and their white peers are shrinking. However, results from a recent study by the Program for International Student Assessment (PISA) showed that US students lag behind their foreign counterparts in mathematical literacy and problem-solving skills.¹ The Administration has therefore turned its focus to implementing programs that improve young students’ performance in math and science, encourage high school students to pursue rigorous programs of study, and draw college-bound students into science, technology, engineering, and math majors.

¹ Fiscal Year 2007 Budget Summary and Background Information; <http://www.ed.gov/about/overview/budget/budget07/summary/07summary.pdf>

EDUCATION AND HUMAN RESOURCES IN THE FY 2007 BUDGET

The budget proposes \$380 million for the department's contribution to the **American Competitiveness Initiative** (ACI) to provide quality math, science, and foreign language instruction in elementary and middle schools. Under this initiative, the Administration has requested \$250 million to implement the new **Math Now** program. The program would fund partnerships to improve the quality of math instruction in elementary and middle school and better prepare students to take more challenging courses in high school. In FY 2006, President Bush created the **National Mathematics Panel** to determine how Math Now should be implemented. For FY 2007 he asked for \$10 million to carry out the panel's recommendations. He has also allotted \$5 million in new funding to evaluate mathematics and science programs. For high schools, the ACI translates into \$90 million to train and reward 70,000 teachers in high-poverty high schools to teach **Advanced Placement** and **International Baccalaureate** courses. In addition, the Administration requested \$25 million for the new **Adjunct Teacher Corps**, which provides incentives for 30,000 professionals in math and science fields to teach related classes part-time. There has already been significant backlash from teacher unions about certification and other issues related to attracting scientists and business people without teaching experience to the classroom.²

For FY 2007, the President proposes increasing support for No Child Left Behind (NCLB) by 4.6 percent to \$24.4 billion, a 40 percent total increase since the program's inception in 2001. As the nation enters into its sixth year of NCLB, the number of schools failing to meet adequate yearly progress (AYP) standards continues to rise. To ameliorate this situation, the Administration makes a first-time, \$200 million request for **Title I School Improvement Grants**. Through the Title I program, states would receive funds to be distributed at their discretion to local educational agencies (LEA's) and public schools charged with educating a high percentage of children from low-income families. **Title I Grants** to LEA's would be flat-funded at \$12.7 billion. The budget also includes \$9 million for **Title I Evaluation** to assess program and practice effectiveness.

A second new initiative is **America's Opportunity Scholarships for Kids**, funded at \$100 million, which would provide vouchers for parents

² "Bush Proposes Math and Science Initiatives", *Education Week*, 2/8/06, Michelle R. Davis

with children enrolled in schools slated for restructuring under NCLB. Parents are entitled to up to \$4,000 in tuition aid to send their children to private schools, or \$3,000 a year for supplemental services such as tutoring. The purpose of this program is to improve academic performance by giving parents increased access to alternative options. A second voucher program, **Voluntary Public School Choice**, is flat-funded in the FY 2007 proposal at \$26 million. This program differs from the opportunity scholarship initiative in that it supports choice only through the public school system. A related program, The **Charter Schools Grants** program, received the same funding as in FY 2006 (\$215 million). Schools funded by the Charter Schools program are often run by individuals or organizations not linked to the local school district.

The Administration would flat-fund its three-year old **Comprehensive Centers program** (\$456 million), which provides technical assistance in reading and math to schools. The **State Assessment Grants program**, which aids states in implementing student testing required by NCLB, would also be flat-funded at \$407 million. The Mathematics and Science Partnerships program would receive the same funding as FY 2006 at \$182 million (but see NSF, below), as would **Improving Teacher Quality State Grants** with a request of \$2.9 billion.

The Administration would increase funding to the **Grants to States** program under the **Individuals with Disabilities Education Act (IDEA)**. Up \$100 million from the FY 2006 appropriation of \$10.5 billion, the Administration projects that an additional 69,000 children will be served through IDEA programs. **Preschool Grants** and **Grants for Infants and Families** would both be flat-funded at \$381 million and \$436 million, respectively. The President proposes stable funding for most Special Education National Activities programs.

The Administration would flat-fund all programs under **Title III of the Elementary and Secondary Education Act (ESEA)** with a total of \$669 million. Title III is dedicated to aiding limited English proficient (LEP) students improve their language skills and succeed in school. **Title I State Agency Programs**, flat-funded at \$436 million, address the special needs of the children of migrant agricultural workers, as well as those housed in State-operated institutions. **Even Start** (\$99 million), aimed at improving educational opportunities to families in low-income areas through family-literacy programs, would be cut based on findings that participants did not make significant gains over non-participants.

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The Administration requests \$1.5 billion for a new **High School Reform** initiative, which supplies states with formula grants to improve the quality of instruction at the secondary level. The initiative specifically targets low-achieving, at-risk students by intervening early and enhancing skills for success in post-secondary education or the workplace. The Administration also would increase its support for **Striving Readers** by \$70 million to \$100 million. The program would improve the quality of literacy instruction and bring students reading to grade level. To encourage students to pursue math- and science-related programs of study, the Administration has proposed \$8 million for a new grant program, **State Scholars Capacity Building**, which rewards high school students for completing a rigorous four-year program of study. The High School Reform initiative would also require that students be tested in math and reading during two more of their high school years.

Perhaps one of the most striking budget proposals is the elimination of all **Vocational and Technical Education State Grants** (\$1.3 billion). The grants were given an ineffective rating by PART “because the program has produced ‘little or no evidence of improved outcomes for students despite decades of Federal Investment.’” Furthermore, the National Assessment of Vocational Education in 2004 found that high school vocational courses did not significantly improve academic achievement or a student’s propensity to continue education past the secondary level. States may use new block grants under the High School Reform initiative to fund career and technical education programs, or redirect the money elsewhere. The elimination would impact community colleges, which receive about 40 percent of the program’s budget to help “prepare students from low-income families for the workplace.”³

Other programs slated for cuts after being rated ineffective or unnecessary include the **Safe and Drug-Free Schools and Communities State Grants program**, funded last year at \$346.5 million, and Education Technology State Grants (\$272 million).

DEPARTMENT OF EDUCATION: HIGHER EDUCATION

One of the most important changes to the budget has been the way in which the federal government administers financial aid. Overall the

³ “Budget Roundup”, *The Chronicle of Higher Education*, 2/17/06, Karin Fischer.

budget for federally funded financial aid available to students would increase to \$82 billion, an increase of 6 percent. However, for the fifth year in a row, the maximum Pell Grant award would remain fixed at \$4,050 and the President has asked Congress to eliminate the Perkins Loan Program. Total funding for the Pell Grant Program would increase 1.9 percent to \$12.9 billion. While the number of grants available has increased, critics complain that the President did not use the program's \$273 million surplus for 2006 to increase the maximum award.⁴

The new **Academic Competitiveness Grants and National SMART Grants program** increases funding to Pell Grant-eligible students. Freshmen have the opportunity to get additional grants of up to \$750, while sophomores may receive up to \$1,300. Both freshmen and sophomore recipients must have completed a rigorous program of study in high school and be enrolled in college full-time. Juniors and seniors who maintain a 3.0 average may get up to \$4,000 in additional grant money if they are majoring in STEM fields or critical foreign languages. A total of \$60 million has been set aside under the High School Reform Initiative to fund these new grants. Critics fear that these new grants signify a shift from the federal government's traditional commitment to need-based aid over merit-based aid. Furthermore, requiring that students be enrolled full-time effectively disqualifies many students from low-income families.

In an attempt to streamline federal student financial aid, the Administration has proposed merging mandatory funds provided under the **Higher Education Act (HEA)** with discretionary funds. The Administration has requested a total of \$734 million for Federal student aid programs, a 2.1 percent increase over FY 2006. Through the **Higher Education Reconciliation Act (HERA)**, the Administration has increased loan limits for students for the first time since the mid 1970s and eliminated origination fees on most student loans in the **Federal Family Education Loans (FFEL) and Direct Loans** programs.⁵ However, total funding for new loan subsidies would decline 38 percent to \$6.1 billion and 93 percent to \$41 million, respectively.

⁴ "Not Much Help for Needy Students in Proposed Budget for 2007", *The Chronicle of Higher Education*, 2/17/06, Stephen Burd.

⁵ Fiscal Year 2007 Budget Summary and Background Information; <http://www.ed.gov/about/overview/budget/budget07/summary/07summary.pdf>

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The President proposed the elimination of the **Perkins Loan program** (\$664 million) for the second year in a row, citing the program's PART rating as ineffective and duplicative. The President would also eliminate the **Byrd Honors Scholarships program** (\$41 million) for high-achieving high school students because it duplicates existing Federal financial aid programs.

Leveraging Educational Assistance Partnerships (LEAP), a program developed to support the establishment of state-funded grant programs for low-income postsecondary students, is yet again slated for elimination. The Administration has contended for years that LEAP has accomplished its purpose and is no longer needed. Two other important student aid programs, the **Supplemental Educational Opportunity Grant** program (\$770.9 million) and the **Work-Study program** (\$980.4 million), would be flat-funded.

Strengthening Institutions, a program to support minority science and engineering at Historically Black Colleges and Universities (HBCU), would be flat-funded in FY 2007, as would funds for developing Hispanic Serving Institutions (HSI) (\$94.9 million). Funding for the improvement of **Academic Facilities** would fall 12.5 percent to \$0.7 million

The President proposed \$35 million for the Education Department's share of the multi-agency **National Language Security Initiative**. The initiative seeks to increase the number of Americans who have mastered or have advanced skills in critical need languages and increase the number of critical need language teachers and resources. A new \$24 million program, **Advancing America through Foreign Language Partnerships**, provides grants to post-secondary institutions for partnerships with schools to teach languages on the primary and secondary level.

Once again, the President has asked for the excision of a number of programs housed under **TRIO**, including **Upward Bound** and **Talent Search**. The Administration's **High School Reform initiative** is designed to provide the services formerly administered by Upward Bound and Talent Search. Most of TRIO's \$380 million budget would go to the Student Services Support Program and Educational Opportunity Centers (see Table II-18).

The **Fund for the Improvement of Postsecondary Education (FIPSE)** would remain at \$22 million after having its budget drastically cut in FY 2006 (see Table II-18). FIPSE provides grants to projects that serve as models for the reform and improvement of postsecondary education.

Both the **Javits Fellowship** and the **Graduate Assistance in Areas of National Need (GAANN)** would be flat-funded at \$9.7 million and \$30 million, respectively. These monies are set aside to aid high-achieving graduate students in financial need.

Child Care Access Means Parents in School (CCAMPS), a grant program to provide low-income parents in school with child care located on campus, would receive the same funding as 2006 with \$15.8 million. **Adult Education and Literacy Programs** would be flat-funded at \$579 million.

Overall, the President has increased funding to support educational research by allocating \$554 million for the **Institute of Education Sciences (IES)**; see Table II-18). The IES conducts research and collects data on student achievement. The new funds will be used to begin a longitudinal study of high school students, initiate additional assessments of high school students in math and reading through NAEP, and improve the quality of state-conducted longitudinal research.

OTHER AGENCIES THAT SUPPORT SCIENCE EDUCATION

National Science Foundation (NSF): After two years of flat-funding, NSF is set to receive \$6 billion in FY 2007, an 8 percent increase (see Table II-7). The President has set a goal of doubling funding for the NSF over the next decade. The education component of NSF would increase 2.5 percent to \$816 million. The budget also includes more funding for graduate education, a 5 percent requested increase to \$161 million. Undergraduate education programs would take a hit, however, with a budget of only \$197 million, down 7 percent. Funding for curriculum and laboratory instruction would decrease as well, as would monies set aside for the NSF's Math and Science Partnership programs. This program teams colleges and schools to improve the quality of instruction. Funding for the partnership program would fall 27 percent to \$46 million, which is enough to continue existing programs but not create new ones. The Administration's proposal continues the trend of moving some NSF education funding to the Department of Education.

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National Aeronautics and Space Administration (NASA): The President's FY 2007 request would provide \$153 million for NASA's cross-agency education programs, a reduction of 5.6 percent (see Table II-12). NASA's overall budget would increase 1 percent to \$16.8 billion, and support for NASA's general science and aeronautics portfolios, which provide educational activities, would also increase less than inflation or shrink. A PART assessment of NASA's Office of Education determined that no data existed on the efficacy of NASA-sponsored education programs. The Office of Education would also be required to evaluate its programs and publish the results.

Other Agencies: Many federal agencies that conduct scientific research also provide associated science education programs which are not separately reported in their budget requests. The increased funding provided by the President's FY 2007 request for research at the three agencies included in the ACI (NSF, DOE, and NIST) could enable these agencies to expand their education programs. In particular, funding for the DOE's Office of Science, which administers education activities through the national laboratories, would increase 14.1 percent to \$4.1 billion. However, the FY 2007 request would reduce overall federal research at all other agencies, affecting science education programs at agencies such as the Department of Agriculture and the National Institutes of Health. Some worry, for example, that a lower budget will discourage new researchers from entering biomedicine and lead to a "diminished research base and erosion of the NIH's portfolio."⁶

CONCLUSION

The President's FY 2007 budget has received mixed reviews from Congress and other stakeholders. At the heart of the budget is his American Competitiveness Initiative, buttressed by the National Academies report "Rising Above the Gathering Storm."⁷ The Initiative has support in Congress and promises increased funding for mathematics and science-based research and some funding for K-12 STEM education, though the relationship between increased R&D funding, which impacts higher education, and improved K-12 preparation for science-based careers remains to be demonstrated.

⁶ "Keeping His Word on Science", *Inside Higher Ed*, 2/7/06, David Epstein

⁷ "Rising Above the Gathering Storm: Energizing and Employing America for a Brighter Economic Future", 2006, National Academy of Sciences, National Academy of Engineering, and Institute of Medicine.

Members of Congress have expressed concern that the President is “robbing Peter to pay Paul.” This happened last year in vocational education, and now may be increasing in math and science areas. Previous years’ presidential budget requests shifted Math and Science Partnership (MSP) funds from NSF to the Department of Education, resulting in the awarding of MSP grants by formula, instead of competitively. Last year Congress resisted this change and restored some of the NSF funding, refusing to accept cuts in programs that it believes are successful, regardless of findings from PART analysis. Members of Congress have also defended funding for the TRIO and GEAR UP programs, Safe and Drug-Free School Grants and Even Start.

Members of Congress are likely to balk at many of the President’s proposals to cut or eliminate programs. Republican members are now distancing themselves from the President in the run-up to the mid-term elections. Reducing popular programs will not aid them. But Congress must confront the bigger issues of spending restraint and containing the rapidly increasing budget deficit. Over four-fifths of every dollar the federal government spends goes to interest on the federal debt, national security, and entitlement programs, leaving only 16 cents for domestic discretionary programs. With the escalating cost of the Iraq War, hurricane relief, Medicare spending and other commitments, most agree there has to be a scaling back of the discretionary budget. To his credit, the President at least attempted to spread the pain of budget reduction.

The cost of No Child Left Behind to states and localities also continues to grow. Although the budget has an increase of 4.6 percent for NCLB, the addition of science assessments in 2007 will place further financial constraints on states and districts, and this budget does little to help.

In addition, in the past six months Members of Congress have introduced no fewer than eleven bills focused on mathematics and science education. Congressional concern about America’s ability to compete in a global economy has produced a number of competing and complementary bills, each of which would require significant resources. In the end, the congressional appropriations process budget should yield moderately good news for mathematics and science. But it is more than likely that the final version of the budget will bear little resemblance to the President’s version.