

BUSH'S FY09 BUDGET REQUEST FOR EDUCATION

Feb. 4, 2008 – Senate Labor, HHS Appropriations Subcommittee Majority Staff

Total spending: The President's FY09 budget would freeze overall Education Department discretionary funding at \$59.2 billion.

Proposed increases for Reading First, Title I, special education, and math instruction, a warmed-over \$300 million voucher initiative, and a small boost in the maximum Pell Grant award would be offset by the elimination of 48 programs – including career and technical education State grants, Federal supplemental educational opportunity grants, education technology, and Reading Is Fundamental – and large cuts to afterschool centers and safe and drug-free schools State grants.

NCLB funding: Even as the administration pushes for the reauthorization of the No Child Left Behind Act, the Bush budget underfunds the current law by \$14.7 billion, for a cumulative shortfall of \$85.6 billion since its enactment. (This is a conservative estimate. Since the NCLB does not include authorization levels for FY09, we use the FY07 authorization level, without any inflationary increases.) Under the President's budget, NCLB funding would rise by just \$125 million, for a total of \$24.7 billion.

Title I Grants to LEAs: The Bush budget increases funding for Title I grants to LEAs by \$406 million, for a total of \$14.3 billion. The increase is intended to help school districts boost Title I funding in high schools, which tend to receive a disproportionately smaller share of Title I funding than elementary and middle schools do. The plan would require new authorizing language.

Despite the proposed increase, the President's budget still leaves behind 3 million students who could be fully served by Title I if the program were funded at the level promised by NCLB. (As noted above, this analysis uses the FY07 authorization level for Title I.) The Title I shortfall from the FY07 authorized level (\$25 billion) would be \$10.7 billion, and the cumulative shortfall since enactment of NCLB would rise to \$65.4 billion. (*A table with state-by-state data is attached in a separate document.*)

The Bush budget also level-funds the Title I School Improvement Grants program at \$491 million.

Afterschool Programs: The Bush budget would slash funding for 21st Century Community Learning Centers by nearly \$300 million and restructure it as a vaguely defined afterschool and summer school "scholarship program." Anywhere from 635,000 to 1.1 million students would lose services, according to Department estimates.

Under the proposal, the Department "would continue to allocate funding by formula to States, which would award competitive grants to public or private nonprofit organizations to administer scholarships for students from low-income families who attend schools that

have been identified for school improvement, corrective action, or restructuring under Title I, or who attend schools with a graduation rate of less than 60 percent.”

Funding would drop from the FY08 level of \$1.081 billion to \$800 million – \$1.7 billion below the \$2.5 billion authorized level for FY07.

Eliminated Programs: The Bush budget eliminates 48 programs, for a total of nearly \$3.3 billion. Almost all the terminations were also proposed (and rejected by Congress) last year. New additions include career and technical education State grants (\$1.2 billion), Reading Is Fundamental (\$24.6 million) and the Special Olympics Education Program (\$11.8 million). *(The complete list of programs slated for termination is attached in a separate document.)*

Special Education: The Bush budget continues to retreat on its commitment to students with disabilities, proposing that, for the fourth year in a row, the federal government provide a smaller share of States’ total costs for special education.

Funding for IDEA Part B State Grants would increase by \$337 million, for a total of \$11.3 billion. This would provide 17 percent of the national average per-pupil expenditure toward meeting the excess costs of educating students with disabilities – less than half of the 40 percent “full funding” level that Congress committed to paying when the IDEA was first adopted 33 years ago. This proposal would be the lowest level of support since FY02.

The Bush budget also falls further below the authorized levels in the IDEA Improvement Act of 2004. The proposed level of \$11.3 billion falls \$10.2 billion short of the FY09 authorized level of \$21.5 billion; the cumulative shortfall since the President signed the Act is \$30.5 billion.

Vocational Rehabilitation: The FY09 budget proposes level funding of \$2.874 billion for Vocational Rehabilitation (VR) State Grants, denying the \$100.6 million increase provided by the Rehabilitation Act for this mandatory funding stream. The Bush administration proposes to save these funds, even though almost 30,000 disabled individuals were on waiting lists of State VR agencies at the end of fiscal year 2007.

Vouchers: The Bush budget rehashes its previously unsuccessful voucher proposals with a \$300 million plan called “Pell Grants for Kids.” New name, same chance of being enacted into law.

Other Key Proposed Increases: \$607 million more for Reading First (for a total of \$1 billion), \$95 million for a new Math Now program, authorized under the America COMPETES Act, \$64.5 million more for Striving Readers (for a total of \$100 million), \$26.5 million more for Advanced Placement and International Baccalaureate programs (\$70 million), \$102.7 million more for the Teacher Incentive Fund (\$200 million), and \$51.7 million more for Statewide Data Systems (\$100 million).

Other Key Proposed Reductions: \$100 million less for teacher quality State grants (for a total of \$2.8 billion), \$194.8 million less for safe and drug-free schools State grants (for a total of \$100 million), and \$67.9 million less for Teaching American History (for a total of \$50 million).

Pell Grants: The budget includes an increase for Pell Grants of \$2.6 billion that primarily reflects updated cost estimates. The discretionary share of the maximum Pell Grant would rise to \$4,310, an increase of \$69. Including mandatory funding, the total maximum Pell Grant award would rise to \$4,800 for the 2009-10 school year.

Higher Education: Funding is reduced by \$120 million for Aid for Institutional Development programs. That decision was based on the availability of \$130 million in mandatory funding provided for the same activities in FY09 under the College Cost Reduction and Access Act.

Career and Technical Education: The FY09 budget proposes to eliminate the entire Federal contribution to career and technical education even though Congress reauthorized and strengthened these programs in 2006 and the President signed the reauthorization bill into law. The Administration argues that a \$400 million increase for Title I would somehow offset the loss of \$1.3 billion in federal funding for career and technical education.

As a result of this proposed cut, States would see their funding eliminated. (*See attached chart.*) Nationally, approximately 17 million students are served through career and technical education programs.

PROGRAMS OF RELATED INTEREST TO EDUCATION

AmeriCorps: Despite the economic slowdown, the President's budget proposes deep reductions in AmeriCorps and senior service programs.

The budget includes a 59 percent cut to the five national centers (CA, CO, MD, IA, MS) that continue to dedicate their service to rebuilding the Gulf Region. The National Civilian Community Corps would be funded at \$9.8 million, down from \$23.8 million in FY08. Increases to State and National funds would be sufficient only to maintain the current member level.

The Foster Grandparent program, which pays stipends to low-income seniors to work with disabled children, faces a \$41 million cut, from \$109 million to \$68 million. Some 9,400 seniors would be cut out of the program, resulting in 106,000 fewer children served. The President's budget would also eliminate the school portion of the Learn and Serve program (a cut of \$5 million, or 14 percent).

Job Training: Overall, 7.7 million people are out of work and looking for a job, and another 6 million are either marginally attached to the labor force or are working part time for economic reasons. Nevertheless, the President's budget cuts Training and

Employment Services account programs by almost 14 percent, or \$484 million, from the \$3.5 billion provided in FY08.

The budget also proposes to cut employment and job training programs for some of our most vulnerable Americans, including disadvantaged youth. The Bush budget proposes \$1.565 billion for Job Corps, a cut of \$34 million, which will close the doors on thousands of disadvantaged youth hoping to develop the skills they need to succeed.

Head Start: The budget proposes an increase of \$149 million, for a total of \$7.03 billion. Since 2002, Head Start has been cut by 11 percent in real terms. The budget request will provide a 2 percent cost-of-living adjustment to current grantees while maintaining FY08 enrollment levels. Approximately 895,000 children receive comprehensive child-development services through Head Start, including 61,000 children in Early Head Start.

Public Broadcasting: The Bush budget proposes the largest cut to public broadcasting in its 40-year history. The program level for CPB in the FY09 budget would be \$143 million – a cut of \$257 million, or 64 percent. The \$257 million cut includes a \$200 million rescission of the \$400 million that was previously appropriated for FY09 in the FY07 bill. Stations across the country have been planning their production schedule for the last two years based on the promise of those funds, and the Bush budget would cut that promise in half.

The additional \$57 million cut results from a proposed carve-out from the remaining \$200 million in FY09 advance funding – \$26.75 million for a new radio interconnection system and \$30.6 million for digital programming. Public broadcasting would face a devil's bargain – comply with FCC digital requirements but cut its operating budget by 64 percent (if they accept the \$57 million carve-out), or reject the carve-out, cut its operating budget by 50 percent and risk having stations go dark when the analog system is turned off.