



HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200

March 15, 2006

Education Funding Slashed In the President's 2007 Budget: Budget in Brief #2

Despite the Administration's stated intent to strengthen American competitiveness by improving students' knowledge of math and science, the President's 2007 budget cuts Department of Education (ED) discretionary funding by \$2.2 billion below the comparable 2006 level, which itself was below the 2005 enacted level¹. The President's budget provides \$54.3 billion for ED, a cut of \$3.0 billion below the amount needed to maintain purchasing power at current levels.

Eliminates 42 Programs Worth \$4.1 Billion — Within ED's \$54.3 billion budget, the budget freezes or reduces funding for most programs and produces gross "savings" of \$4.1 billion by outright eliminating 42 appropriated programs that Congress funded less than three months ago – for savings of \$3.5 billion – and recalling all prior federal contributions to the revolving funds from which colleges currently make Perkins loans, for additional 2007 savings of \$664 million. These eliminated programs cover elementary, secondary, and higher education programs, and include all vocational education and technology programs, the \$347 million Safe and Drug-Free School state grant program, and the \$311 million TRIO Upward Bound program. The complete list of eliminated programs is provided on the next page.

Cuts Funding for High School Achievement — Funding aimed at improving high school achievement receives \$596 million of ED's net cut. The budget includes a new \$1.5 billion high school reform program, but more than offsets this new funding by eliminating \$2.1 billion for existing high school programs – including the elimination of all vocational education programs, as mentioned above.

Math and Science Initiative Is Offset by Cuts in Technology — Likewise, the \$380 million for math and science education that is part of the budget's American Competitiveness Initiative is funded primarily by eliminating all of ED's funding for educational technology. The math and science initiative encompasses \$125 million for each of two programs to improve the teaching of math in elementary and middle schools, \$15 million to guide and evaluate the new math

¹The Congressional Budget Office re-estimated the President's ED budget at \$54.3 billion, which is a cut of \$2.2 billion below the comparable 2006 level. In contrast, the Administration estimated that ED's budget was \$78 million higher at \$54.4 billion – a cut of \$2.1 billion. The difference is in the estimate of Pell Grant funding.

programs, a \$90 million increase to train teachers for Advanced Placement courses, and \$25 million to hire outside professionals to teach math and science. The ED budget cuts overall funding for teacher quality improvement programs below the 2006 enacted level.

142 Education Programs Eliminated in the President's 2007 Budget

(Dollars in Millions, 2006 Enacted Level)

<i>Program</i>	<i>2006 \$</i>	<i>Program</i>	<i>2006 \$</i>
High School:		Higher Education:	
Gaining Early Awareness (GEAR-UP)	303.4	Perkins Loans, recall revolving funds*	664.0
Smaller Learning Communities	93.5	Perkins Loans Cancellations	65.5
School Dropout Prevention	4.9	Leveraging Ed. Assist. Partnerships	65.0
TRIO Talent Search	145.3	Byrd Honors Scholarships	40.6
TRIO Upward Bound	311.0	Demos for Students with Disabilities	6.9
		Thurgood Marshall Legal Education	2.9
		Underground Railroad Program	2.0
		B.J. Stupak Olympic Scholarships	1.0
Vocational Education – every program:		Safe and Drug-Free Schools:	
Vocational Education State Grants	1,182.4	State Grants	346.5
Tech-Prep Education State Grants	104.8	Alcohol Abuse Reduction	32.4
Voc. Education National Programs	9.2		
Improving Teacher Quality:		Rehabilitation Services:	
Teacher Quality Enhancement	59.9	Supported Employment Grants	29.7
National Writing Project	21.5	Projects With Industry	19.5
School Leadership	14.7	Recreational Programs	2.5
Ready To Teach	10.9	Migrant & Seasonal Farmworkers	2.3
Ed. Technology – every program:		Civics:	
Educational Technology State Grants	272.3	Civics Education	29.1
Star Schools	14.9	Academies for Amer. History & Civics	2.0
Even Start	99.0	Elementary/Secondary Counseling	34.7
Parental Info. and Resource Centers	39.6	Grants for Incarcerated Youth	22.8
Arts in Education	35.3	Javits Gifted and Talented Education	9.6
Comprehensive School Reform	7.9	Exchanges with Historic Partners	8.9
Mental Health Integration in Schools	4.9	Women's Educational Equity	2.9
Close Up Fellowships	1.5	Excellence in Economic Education	1.5
Foundations for Learning	1.0		
Total Programs Eliminated = \$4.1 billion			
*This recall shows \$664 million in discretionary savings in 2007.			

Funding Cut for Existing Programs Under the No Child Left Behind Act (NCLB) Act — The NCLB Act authorizes \$39.4 billion for elementary and secondary education programs for 2007, including \$25.0 billion for Title I grants to states. Yet the President’s budget cuts overall funding for existing NCLB programs, freezes Title I at \$12.7 billion, adds its new high school and math programs, and still provides only \$24.0 billion for NCLB programs – \$15.4 billion below the authorized level.

Special Education — The budget provides \$10.7 billion for special education grants to states, which is an increase of \$95 million (0.9 percent) over the 2006 enacted level but still leaves the funding \$6.3 billion below the amount authorized for 2007. In fact, the funding is not even sufficient to

maintain the federal government’s current 17.7 percent share of the average per pupil expenditure for special education; for 2007, the federal share drops to 17.0 percent, well below half the 40 percent “full funding” federal contribution ceiling allowed by law.

No Increases for Higher Education — The budget cuts the amount of aid it provides to help students pay for college. It freezes the maximum Pell Grant award at \$4,050, where it has been held since 2003 while the average tuition and fees at a four-year public college have risen \$1,393. It eliminates eight higher education programs that currently receive \$848 million.

Perkins Loans — The President’s budget eliminates the \$65 million Perkins loan program that allows colleges to cancel Perkins loans for certain students who pursue public service careers following graduation. It also recalls all prior federal capital contributions to the revolving funds from which colleges currently make new Perkins loans, for 2007 discretionary savings of \$664 million. Congress rejected both these proposals last year.

Other Student Loans — The budget contains no new proposals for the mandatory student loan programs – the Federal Family Education Loan program and the Direct Loan program – in the wake of the changes made by the recently passed Republican reconciliation spending cut bill. That bill cut about \$12 billion from planned student loan spending over five years (2006-2010), including the elimination of all mandatory spending to administer higher education programs. As a consequence of that cut, ED’s 2007 budget includes \$600 million in new discretionary funding for that purpose, which simply switches the cost from mandatory to discretionary spending and precludes the use of these scarce appropriations for any new aid to students.

Education Freezes

The President’s budget freezes many programs at the 2006 enacted level, including:

- **Impact Aid**
- **Title I state grants**
- **Pell Grant maximum**
- **Teacher quality grants**
- **Rural education**
- **Work-Study**
- **Supplemental educational opportunity grants**
- **21st century community after-school programs**

