



Education Budget Alert

FOR FISCAL YEAR 2000

The Committee for
Education Funding

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Committee for
Education Funding

30th

Anniversary

EDUCATION BUDGET ALERT

FOR FISCAL YEAR 2000

Michael Pons, Editor

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Actions of Congress, the Administration and most states have had a profound impact on education. Schools are becoming focused, setting high standards, and strengthening the role of parents by encouraging them to be active participants in their children's education.

The flexibility provided by legislation and regulation in concentrated Title I communities to plan for the school as a whole, and the flexibility provided by the new IDEA legislation, give administrators a major opportunity to unify their education programs.

Increased financial support for professional development, found in numerous federal programs, is recognition that teachers, in the end, are the ones who make the difference.

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COMMITTEE FOR EDUCATION FUNDING

INTRODUCTION

Introduction

The Committee for Education Funding's annual Education Budget Alert is the most comprehensive source available on federal education programs and the vital role they play in the lives of millions of Americans. The Committee for Education Funding celebrates 30 years of advocacy for children, youth, and adults who benefit from the diverse education programs described here.

Access to education has never been more important. The Committee's member organizations share a commitment to high standards for student outcomes and accountability for the use of public funds. Their work is dedicating to making sure that schools, colleges, universities, libraries—and all the other places where people learn and grow—meet the needs of learners of all ages, their families, and communities.

The *Budget Alert* is a useful database on these vital programs, but there are resources even more valuable: the authors and contacts listed within, who invite you to get in touch with them for more detailed information about the programs described here.

Michael Pons, Editor

Statement of the Committee for Education Funding on the President's FY2000 Budget Request

The President's FY2000 budget request calls for an increase of only 3.7 percent over the FY1999 level. This level falls far short of what is needed to meet the challenges of the 21st Century. While the Committee appreciates the President's call for increased federal investment for school modernization, class size reduction, college mentoring, research and development, educational technology, after school programs, adult education, and teacher quality improvement, the overall request of only \$1.2 billion more in discretionary funding misses a great opportunity to advance education.

The President's budget would terminate the Title VI Innovative Strategies program, cut Impact Aid and support for libraries, and limit new Title I funding primarily to struggling schools. It would freeze support for key programs at levels below inflation, affecting Individuals with Disabilities Education Act state grants, Vocational Education, Supplemental Educational Opportunity Grants, Perkins Loans, Leveraging Educational Assistance Partnerships, and Eisenhower Professional Development. The budget request would increase the Pell Grant maximum by only 4 percent, to \$3,250, while the new authorization sets the maximum grant at \$4,800. These and other successful, existing federal education programs require new multi-billion dollar investments to fulfill their goals—not the cuts, freezes, and incremental increases provided in the FY2000 budget request.

Given a projected budget surplus of \$2.4 trillion over the next 10 years, the nation has a unique opportunity and strong incentives to invest in the future. America's education system faces a host of new challenges as it approaches the next century. These include rising enrollments at all levels, more students with special needs, principal and teacher shortages and professional development needs, access to technology, modernizing schools, and the need to help more low-income Americans gain access to post-secondary education.

Recent polls show that the American public strongly supports spending the surplus on education over any other national need, including Social Security, tax cuts, health care, and the military (CNN/Gallup/USA Today poll, January 19, 1999).

Overview of the President's FY2000 Budget Request

On February 1, 1999 President Clinton delivered to Congress a \$1.8 trillion budget request for Fiscal Year 2000. The budget projects a \$117 billion surplus in FY2000. Over the next 10 years, the cumulative surpluses will surpass \$2.4 trillion, according to the Office of Management and Budget.

The President's proposed budget would provide \$34.7 billion for discretionary spending under the U.S. Department of Education, an increase of \$1.2 billion, or 3.7 percent, compared to FY1999. In addition, the budget request includes a \$607 million or 13 percent boost for Head Start in the U.S. Department of Health and Human Services. It also provides \$100 million under the U.S. Department of Labor for an initiative to prevent youth from dropping out of school, as well as funds for the School-to-Work program jointly administered with the Department of Education.

For FY2001 through FY2004, the President's budget calls for a freeze in education and related programs.

Budget Again Includes School Modernization Initiative

The President's budget again proposes a major new funding source for education.

- **School Modernization Bonds and Qualified Zone Academy Bonds.** The Administration's budget projects \$146 million in forgone revenues in FY2000—\$3.7 billion in foregone revenues over five years—to help pay for a new school construction initiative to build or renovate 6,000 schools. Under the initiative, the Treasury Department would administer tax incentives to lenders that will leverage more than \$24.8 billion in interest free bonds for schools.

Other highlights of President's Education Budget include:

\$185 Million in New Programs

- \$50 million for elementary special education to help meet the needs of children with reading and behavioral problems.
- \$30 million to support a technology teacher leader in middle schools.
- \$10 million to recruit and train 1,000 new Native American teachers.
- \$18 million to place retiring military personnel and other mid-level career professionals as teachers in high poverty schools.
- \$35 million to help disadvantaged students stay in college and earn diplomas.
- \$15 million to educate students and their parents about the importance of higher education and student aid.
- \$17 million for D.C. residents to attend public institutions of higher education in Maryland and Virginia at the in-state tuition fee.
- \$10 million for the creation of 150 to 200 school-community partnerships to encourage greater public participation in the design of new schools

More than \$2.1 Billion in Program Increases

- \$400 million for after-school programs.
- \$373 million for Title I programs to help disadvantaged students meet high skills, including \$200 million to assist state and local education agencies turn around low-performing schools.
- \$307 million to increase the Pell Grants maximum award by \$125 to \$3,250.
- \$200 million for class size reduction.
- \$190 million for Adult Education.
- \$120 million for college-school partnerships to help and encourage low-income youth to attend postsecondary institutions.
- \$116 million for Individuals with Disabilities Education.

- \$55 million for Community-Based Technology Centers.
- \$25 million for school technology.
- \$30 million for charter schools.
- \$35 million for Bilingual Education.
- \$25 million for Migrant Education.
- \$26 million for reading and literacy grants.
- \$40 million for teacher quality improvement.
- \$64 million for Federal Work-Study postsecondary student aid.
- \$30 million for TRIO postsecondary student recruitment and support services.
- \$45 million for research and development.
- \$14.3 million each for Historically Black Colleges and Universities and Hispanic-serving Institutions.
- \$11 million for Indian education.
- \$10 million for distance learning.
- \$10 million for Magnet Schools.
- \$10 million for Graduate Education.

Program Freezes

The budget freezes several major programs at or below inflation levels including Individuals with Disabilities Education Act state grants, Vocational Education, Immigrant Education, Goals 2000, Star Schools, Eisenhower Professional Development state grants, Supplemental Educational Opportunity Grants, Perkins Loans, and Leveraging Educational Assistance Partnerships.

Program Cuts

The budget calls for some \$600 million in program cuts and terminations, including the elimination of \$375 million for the Title VI Innovative Education Strategies program, and \$4.6 million for Urban Community Service. The budget also cuts several key programs, including \$128 million in Impact Aid, \$70 million in phasing out the School-to-Work program, and \$11.5 million in libraries.

Advance Funding

The President's Budget includes more than \$8 billion in advance funding, \$6.15 for Title I and \$1.9 billion for special education. These funds will become available on October 1, 2001. Use of advance funding allows the budget request to stay within the statutory caps on discretionary spending for FY2000 by pushing some spending into the following fiscal year.

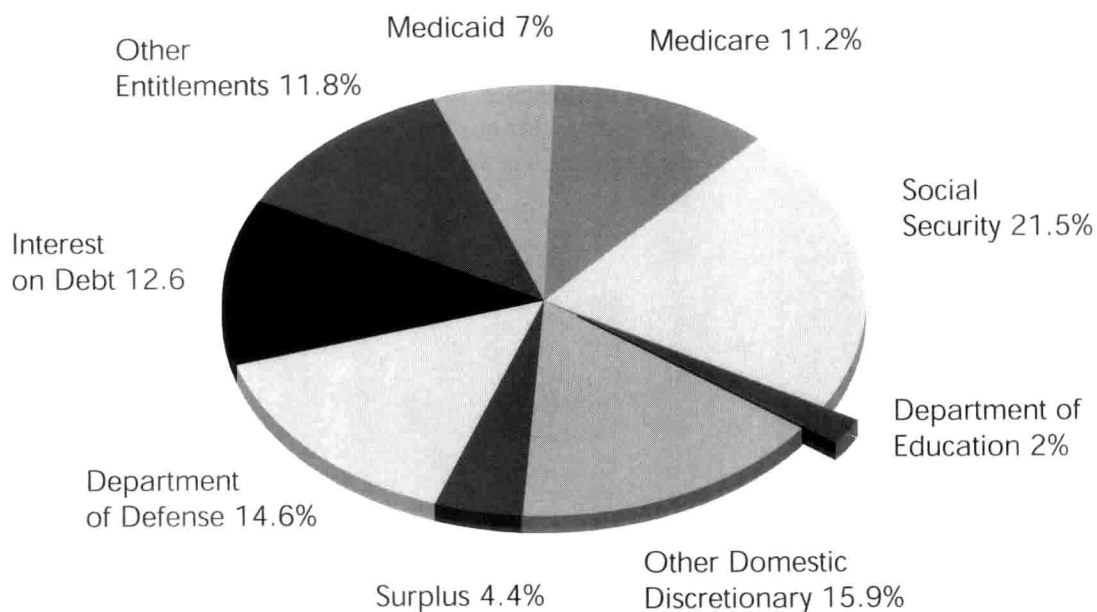
Conclusion

America has a historic opportunity to secure America's future through substantial, sustained education investment—not incremental increases. In each of the last three years, Congress has appropriated more than the President requested. The Committee will again urge Congress to improve on the President's request and pass a budget that adequately responds to the growing needs of America's students, even if that means raising current arbitrary caps on federal spending. The federal government must continue to

promote activities that ensure future economic vitality, personal security, and expanded opportunity for all Americans. Investing in education now is the surest way to meet these goals.

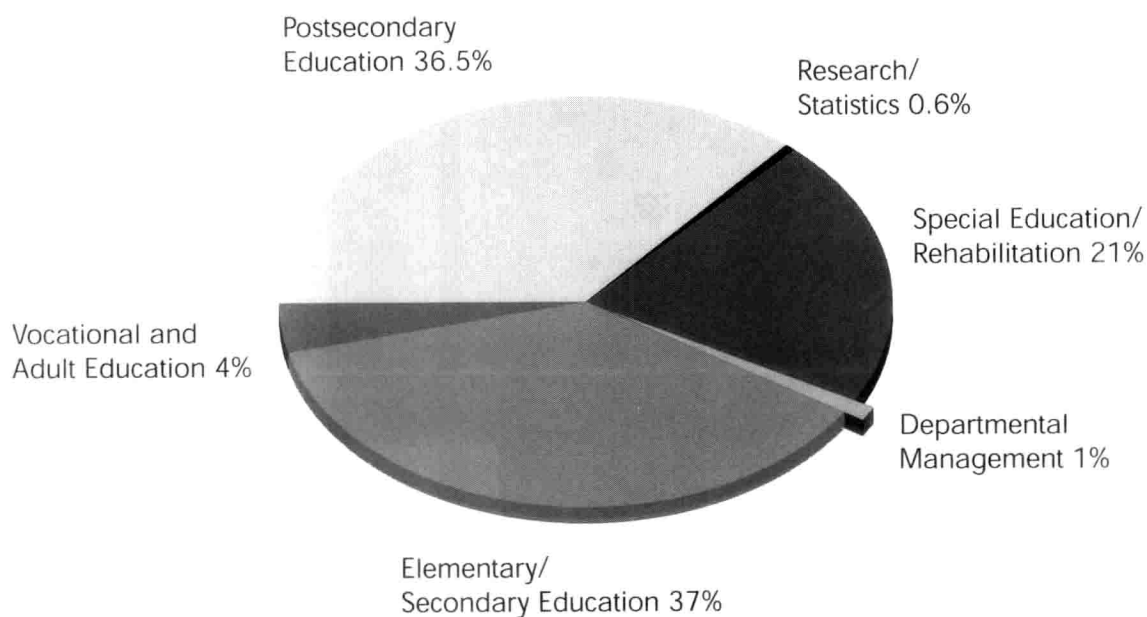
The Committee for Education Funding is the largest education coalition in existence. Our goal is to achieve adequate federal financial support for our nation's educational system. Contact Edward R. Kealy, Executive Director for further information at (202) 383-0083.

FY 1999 Federal Budget



Source: NEA, based on CBO and Department of Education data (totals do not add due to rounding)

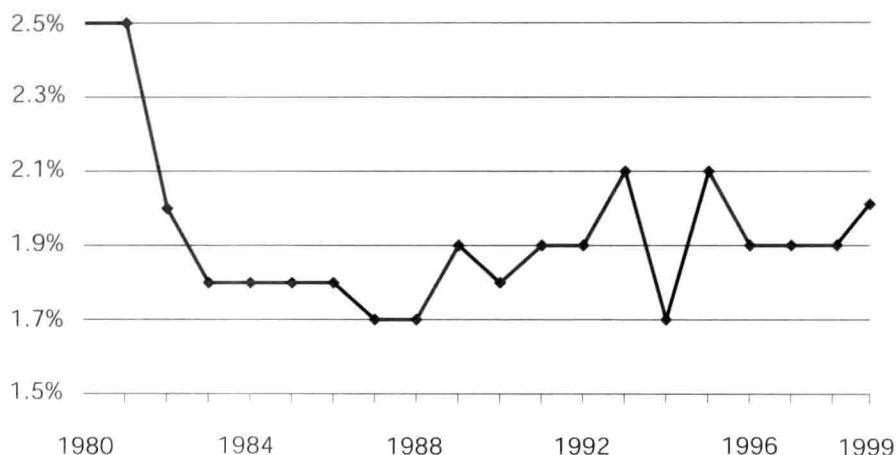
FY 1999 Department of Education Budget



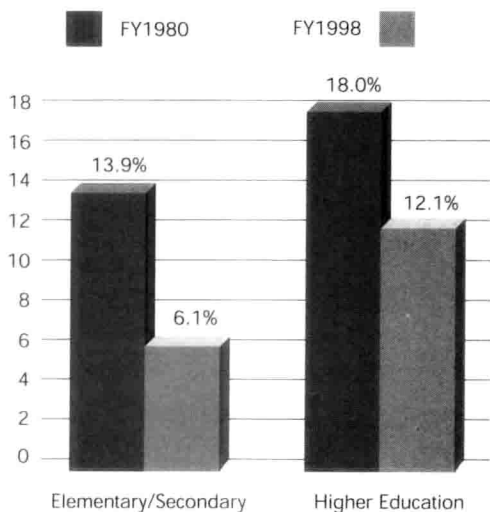
Source: NEA, based on Department of Education data

Education's Share of Federal Budget Has Declined

Education Department's share of total federal outlays



Source: OMB, Historical Tables, FY 2000 Budget



The Federal Share of Education Funding Has Declined

Source: National Center for Education Statistics

Purchasing Power of Pell Grants Has Declined

Source: The College Board

