



# FACT SHEET

## EDUCATION AND TRAINING PROPOSALS IN PRESIDENT BUSH'S FY 2006 BUDGET

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### FY 2006 Budget Cuts Education and Training

The President's FY 2006 Budget includes \$56 billion in budget authority for Department of Education discretionary programs – a cut of \$1.3 billion, or 2.3 percent, below CBO's baseline – the level needed to maintain purchasing power at the current level; and \$530 million, or 0.9 percent, below the 2005 enacted level. If adopted, this would be the first cut in education funding since 1996.

Although it is not detailed in the President's budget, backup data provided by OMB shows that education cuts would get larger and deeper in the outyears. Over five years, education funding is cut by \$24.4 billion, or 8 percent, below CBO's baseline. By 2010, education is cut \$7.8 billion, or 13 percent, below the baseline amount.

Bush FY 2006 Budget for Department of Education Discretionary programs							
(Budget Authority, \$ billions)	2005	2006	2007	2008	2009	2010	2006-2010
CBO Baseline	55.6	57.4	58.3	59.4	60.4	61.5	297.0
President's 2006 Budget**	55.6	56.0	54.4	54.3	54.2	53.7	272.6
President below baseline (\$)		-1.3	-3.9	-5.1	-6.3	-7.8	-24.4
President below baseline (%)		-2.3%	-6.7%	-8.5%	-10.4%	-12.7%	-8.2%

May not add due to rounding.

\*\*The President's budget does not include discretionary totals for the Department of Education after 2006. The numbers for the President's budget in 2007-2010 on the table are SBC calculations based on data from OMB computer runs and The Budget for Fiscal Year 2006, Historical Tables, Table 5.2, page 97.

### Education Terminations and Cuts

To pay for increases in a few select programs – such as Title I, IDEA, and a high school initiative, the budget eliminates funding for 48 education programs, totaling \$4.3 billion in 2005, and cuts funding for other programs by \$985 million below CBO's baseline (\$945 million below the 2005 enacted level).

Among the programs proposed for elimination are: all vocational education programs – \$1.3 billion, education technology state grants – \$496 million, Safe and Drug-Free state grants – \$437 million, TRIO Upward Bound and Talent Search programs – \$457 million, GEAR-UP – \$306 million, Even Start literacy grants – \$225 million, comprehensive school reform – \$205 million, smaller learning communities – \$94 million, and teacher quality enhancement grants – \$68 million.

The largest reductions are in adult education programs, which are cut by \$370 million, or 65 percent, below the 2005 enacted level; and innovation state grants, which are cut by \$98 million, or 50 percent.

No Child Left Behind Act (NCLBA). The budget includes \$24.8 billion for elementary and secondary education programs authorized by the *NCLBA*. While this is an increase of \$315 million, or 1.3 percent, above the 2005 enacted level, it is \$12 billion below the level authorized for *NCLBA* in 2006.

Most of the *NCLBA* shortfall is in two programs – Title I and the 21<sup>st</sup> Century Afterschool program. While the budget provides an increase for Title I of \$455 million, or 3.5 percent, above baseline and \$603 million, or 5 percent, above the 2005 enacted level, it is \$9.4 billion below what was authorized for 2006 in the *NCLBA*. At that level, nearly 3 million fewer children would be fully served by the Title I program than called for by *NCLBA*. The budget also proposes to freeze afterschool funding at its 2005 level, which is \$1.26 billion below the authorized amount. As a result, nearly 1.7 million fewer children would receive afterschool assistance.

The increase in Title I also is more than offset by the elimination of several programs that the President claims are duplicative of (or whose activities can be carried out under) Title I, such as comprehensive school reform and education technology state grants.

High School Initiatives. The budget requests nearly \$1.5 billion for a new high school initiative; \$1.24 billion to help at-risk students and hold schools accountable, and \$250 million for new high school assessments. In addition to this initiative, the budget includes a \$299 million increase for four existing high school programs: \$175 million for striving readers; \$90 million for math and science partnerships; \$22 million for advanced placement programs; and \$12 million for State Scholars grants.

Again, these increases are more than offset by cuts totaling \$2.2 billion from other programs that serve high schools, including the elimination of all vocational education, TRIO Upward Bound and Talent Search, GEAR-UP, and smaller learning communities programs.

Other NCLBA programs. The budget requests \$500 million for a new Teacher Incentive Fund to attract teachers to (and reward those who stay in) high-need schools and \$40 million for a new adjunct teacher corps. However, these increases are partially offset by cuts in several existing teacher programs – resulting in a savings of \$145 million. The budget also freezes funding for the teacher quality state grant program at its 2005 level of \$2.9 billion. Other major programs that receive no increase over 2005 include: rural education; Impact Aid (non-construction); reading first; and English Language Acquisition.

Special Education. The budget provides \$11.1 billion for IDEA Part B grants to states. While this is an increase of \$381 million, or 4 percent, over CBO's baseline and \$508 million, or 5 percent, over the 2005 enacted level, it is \$3.6 billion below the level authorized for 2006 in the bipartisan IDEA Improvement Act enacted last year. Under the President's budget, the federal contribution to IDEA

would remain at 18.6 percent of the national average per pupil expenditure, representing less than half of the 40 percent “full funding” level originally promised.

Higher Education. The budget proposes a variety of changes to the federal student loan programs and uses a portion of the savings to pay for increases in the Pell Grant program, for a net mandatory savings of \$10.7 billion over ten years. Even though the Pell Grant program is discretionary, the budget proposes to use mandatory funding to retire the \$4.3 billion Pell Grant shortfall and pay for raising the maximum Pell Grant award by \$100 in each of the next five years. Together, these changes cost \$15 billion in outlays over ten years. This new mandatory spending is paid for by proposed changes in student loans, affecting both lenders and students, that OMB estimates will result in mandatory savings of \$19.6 billion (\$27.7 billion in savings offset by \$8.1 billion in new spending) and the elimination of the Perkins Loan program and recall of \$6 billion in federal Perkins Loan revolving funds held by participating colleges.

The budget also includes an increase of \$208 million for three new discretionary higher education programs: \$33 million for enhanced Pell grants for state scholars; \$50 million for a Presidential math and science scholars program; and \$125 million for a Community College Access program. Again, these increases are partially paid for by eliminating funding for other programs, including the Leveraging Educational Assistance Partnership (LEAP), Byrd Honors scholarship, and Perkins loan cancellation programs (funded at \$66 million, \$41 million, and \$66 million, respectively). Finally, the budget freezes funding for the Supplemental Educational Opportunity Grants (SEOG) and Work-Study programs at their 2005 enacted level.

Job Training. The budget includes \$6.8 billion for job training and employment services programs – a cut of \$415 million, or 6 percent, below CBO’s baseline and \$316 million, or 4 percent, below the 2005 enacted level. Over five years, the cut would grow to \$4.2 billion, or 11 percent, below CBO’s baseline. In 2010 alone, the cut would be \$1.2 billion, or 16 percent, below CBO’s baseline.

The budget proposes to consolidate four programs (adult, youth, dislocated worker, and employment service grants) into a block grant and cut the funding by \$146 million, or 4 percent, below the 2005 enacted level. The budget also cuts funding for Job Corps by \$29 million below the 2005 enacted level; and eliminates funding for the Migrant and Seasonal Farmworkers and the Responsible Reintegration Youthful Offenders programs, which were funded at \$76 million and \$50 million respectively in 2005. Finally, the budget transfers \$60 million for the Youthbuild program from the Department of Housing and Urban Development to the Department of Labor.

Head Start. The President’s budget includes \$6.9 billion for Head Start, a cut of \$99 million below CBO’s baseline, but an increase of \$45 million above the 2005 enacted level. However, none of the \$45 million increase is used for the basic Head Start program. Instead, it is used to fund a new pilot project that would allow nine states to combine their funding for Head Start, state pre-school, and childcare programs.

NOTE: All years are fiscal years, unless otherwise noted.

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