

**⇒ EDUCATED BUDGETEER: Welcome Back to School Edition ⇐**

**BACK TO SCHOOL WITH THE APPROPRIATORS**

- As students across the country go back to school, the Senate Labor HHS appropriators have gone back to work also. The Labor HHS bill was reported out of full committee on Thursday, September 3. The following is the introduction to what will be a full semester of work -- crammed into 4 weeks.
- The President's request for programs under the jurisdiction of the Labor, Health and Human Services, Education, and Related Agencies Subcommittee is nearly \$2.1 billion higher in budget authority (BA) than the Senate subcommittee's 302(b) allocation. The President was able to request this amount because he assumed passage of tobacco legislation that would have provided \$3.6 billion in funds to the appropriators this year.
- The table below compares the subcommittee's funding levels for major programs to what the program received last year or would have received under the President's request.
- Even without the President's tobacco receipts, the committee increased funds above the 1998 appropriation and above the President's 1999 request for the following programs: Pell Grants, NIH, Special Education and Impact Aid.
- Observant budgeteers will note that, of the \$2.1 billion the President's Budget exceeds the subcommittee's 302(b) allocation, \$851 million is for proposed or never-funded initiatives.

<b>Senate Labor, Health &amp; Human Services Appropriations</b> (BA in \$ billions)					
Selected Accounts	98 Actual	99 Pres. Request	LHHS level	LHHS vs 98	LHHS vs. Pres.
Pell Grants	7.345	7.594	8.869	1.524	1.275
NIH	13.622	14.763	15.582	1.960	0.819
Special Education	4.812	4.846	5.323	0.511	0.477
Impact aid	0.808	0.696	0.810	0.002	0.114
Proposed Literacy Initiative	--	0.260	--	--	-0.260
Training & employment service	5.233	5.323	5.084	-0.149	-0.239
Proposed Education opportunity zones	--	0.200	--	--	-0.200
Medicare user fee proposal	--	0.166	--	--	-0.166
CDC	2.369	2.490	2.363	-0.006	-0.127
Community Learning Centers	0.040	0.200	0.075	0.035	-0.125
Substance abuse & mental health	2.147	2.275	2.151	0.004	-0.124
Education technology	1.275	1.347	1.245	-0.030	-0.102
Ryan White AIDS program	1.150	1.313	1.218	0.068	-0.095
Education for the disadvantaged	7.375	7.767	7.676	0.301	-0.091
Health professions	0.293	0.291	0.210	-0.083	-0.081
College/School partnerships	--	0.140	0.075	0.075	-0.065
Minority teacher recruitment	0.002	0.067	0.002	--	-0.065
Anti-terrorism	0.010	0.070	0.010	--	-0.060
Safe & drug free schools	0.556	0.606	0.556	--	-0.050
Proposed interagency research initiative	--	0.050	--	--	-0.050
Federal TRIO	0.530	0.583	0.540	0.010	-0.043
Vocational & adult education	1.508	1.544	1.507	-0.001	-0.037
Proposed transition to school demnstrtn.	--	0.035	--	--	-0.035

- The American people supported all levels of education to the tune of nearly \$560 billion last year, which amounted to 7.4% of GDP in 1997 (the latest year for which data is available).
- Despite the rhetoric about federal funding of education, the federal government's share of the total education bill represented only 8.8% last year, up slightly from its share a decade earlier at 8.6%.
- Indeed the federal share of all spending on elementary and secondary education was slightly over 6.5% last year, also up slightly from 6.1% a decade ago.

<b>TOTAL EXPENDITURES FOR EDUCATION</b> (dollars in billions)		
Source of funds by Level	1996-1997	
	Dollars	Percent
<b>Elementary &amp; Secondary</b>		
Federal	22.2	6.6
State	139.2	41.3
Local	140.5	41.7
All Other/Private	34.9	10.4
Subtotal, Elementary & Secondary	336.8	100.0
<b>Postsecondary</b>		
Federal	26.6	12.1
State	50.4	22.9
Local	5.6	2.6
All Other/Private	137.1	62.4
Subtotal, Postsecondary	219.7	100.0
<b>All Levels</b>		
Federal	48.8	8.8
State	189.6	34.1
Local	146.1	26.3
All Other/Private	172.0	30.9
Total, All Levels	556.5	100.0

SOURCE: Projected U.S. Department of Education, National Center for Education Statistics, "Common Core of Data" and "Financial Statistics of Institutions of Higher Education," surveys and unpublished data.

**WHERE DOES THE MONEY GO?**

- According to Department of Education statistics, there are three main categories for expenditures at the elementary/secondary level: instruction, support services and capital outlays. In the 1993-94 school year, public schools spent \$6,330 per pupil (in 1996 \$). Of that amount, more than half (\$3,449) was spent on instruction, which includes teacher salaries and benefits, supplies and purchased instructional services.
- Between the 1989-90 and 1993-1994 school years, the percentage of total expenditures per pupil on instruction remained relatively constant while the percentage spent on capital outlays increased and the percentage spent on support services decreased.

**WHERE DOES THE MONEY COME FROM?**