

FY2004 Funding Talking Points

The House Budget Committee passed a FY2004 budget resolution, and floor is set to debate the resolution this week. While the Senate Budget Committee had hoped to mark up a budget resolution last week, negotiations have stalled, as Members debate over what tax cuts should be included in any economic stimulus package. Critics of the President's tax proposals argue that it would result in large deficits over the next ten years and decrease funds available for vital discretionary programs, such as education and defense.

Background

- The House bill (H.R. 246) contains \$50.31 billion for education – an increase of \$374 million or .7% above FY2002.
- The Senate bill contains \$56.58 billion for education - an increase of \$6.65 billion or 13.3% above FY2002.
- The original Senate omnibus appropriations bill introduced by Sen. Stevens (R-AK) contained only \$22.33 billion for elementary and secondary education programs. Overall the original Senate bill would have increased education funds by a meager \$900 million or approximately 1.02%.
- Senator Judd Gregg (R-NH) offered an amendment during the floor debate that provided an additional \$5 billion for education, with 100% of the funds going directly to LEAs through Title VI, Innovative Programs. **States would not get any of the funding increase.**
- Additionally, the Gregg-Dodd Amendment provided a \$1.5 billion increase for IDEA.
- There is a strong likelihood that conferees will decrease or eliminate these additional education increases because they were paid for by making an across the board cut of all other programs. There will be a number of Senators trying to restore those cuts and do away with most of the education increase.

Talking Points

- **Maintain the Senate-passed \$6.65 increase for education in Conference and set aside a portion for state-level activities.** Distribute these increases among all elementary and secondary education programs, particularly key targeted programs such as IDEA and Title I
- STATE BUDGET CUTS—All but one state are now reporting deficits. Last year states faced deficits totaling \$50 billion, and forecasts for next year predict aggregate deficits may rise to \$60 to \$85 billion nationally. States have been forced states to cut billions of dollars from education programs.
- NCLB MANDATES-- NCLB contains not only promises of higher student achievement and closing the achievement gap, it also adds many new requirements for states and districts, including mandatory testing in grades 3-8 reading and math, and teacher qualifications. Those mandates are expensive.
- DATA SYSTEMS—The new data systems required by NCLB will cost states millions that are not paid for with NCLB funds. When compounded with state budget cuts, the financial crisis for schools will be further exacerbated.
- STATES PAY FOR IDEA-- IDEA has been around for 26 years, and it is still less than halfway to full funding. It is currently funded at 17% of full funding, forcing states and local schools to make up the difference.

- **TITLE I UNDERFUNDED--** Title I, the country's flagship education intervention for disadvantaged children, serves less than one-third of eligible kids.