



Policy Brief.....Education Funding
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The President's Budget Gives States and Schools Flexibility to Spend Money on Local, not Washington, Priorities

Quick Facts:

- √ The President's budget provides \$50.3 billion for education, a \$1.4 billion increase over fiscal year 2002. If this amount is appropriated, education spending will have increased 50 percent since 1999.
- √ The budget reduces funding in low-priority programs by \$1 billion to fund increases in vital education programs like Title I, Education for the Disadvantaged, the Individuals with Disabilities Education Act (IDEA), Reading First, and Pell Grants for higher education.
- √ All of the elementary and secondary education programs where funding is being eliminated, many of which duplicate other federal programs, can be funded by local school districts through the flexible Title V block grant in the Elementary and Secondary Education Act (ESEA).
- √ The majority of education spending takes place at the state and local level. Federal education expenditures total only 9.6 percent of all education funding (7.9 percent in elementary and secondary education, 12.1 percent in higher education).

Detailed Discussion:

Education Discretionary Funding

FISCAL YEAR	AMOUNT SPENT
1999	\$ 33.5 billion
2000	\$ 35.6 billion
2001	\$42.2 billion
2002	\$48.9 billion
2003	\$50.3 billion*

*Amount requested in FY03 budget

Setting Priorities

The Administration's budget eliminates a variety of small, narrow-use programs (many of which received less than \$35 million in funding in FY 2002) to increase funding for programs that serve millions of students. Programs like Title I and IDEA are used by every school district in the country and assist those children that most need additional aid – the disadvantaged and disabled. Meeting the President's funding goal for Pell Grants will help 4.5 million students attend colleges and universities, half a million more students than just two years ago, and help meet the funding shortfall in the program that required \$1 billion in supplemental spending in FY 2002.

Duplicative Programs

With more than 760 education programs spread throughout the federal government, duplication is sure to occur. Many of the programs proposed by the Administration for elimination in the FY 2003 budget are duplicative of other education programs. For example, the Preparing Tomorrow's Teachers to Use Technology program, funded \$62.5 million in FY 2002, duplicates activities that can be funded through both the Technology State Grants and Teacher Quality State Grants programs. The Grants to Reduce Alcohol Abuse program, funded \$25 million in FY 2002, funds activities that are supported in the Safe and Drug Free Schools program.

Local vs. Washington Priorities

Some of the programs the Administration proposed to eliminate are narrowly focused, inhibiting the ability of school officials to use funds to directly address local needs. Programs like Physical Education for Progress and Arts for Education have one specific use, taking away any flexibility in how funds may be spent. Eliminating these narrow-use programs and increasing funding for block grant programs gives local school districts maximum flexibility in setting priorities.

For example, the Smaller Learning Communities program, funded \$142 million in FY 2002, is an allowable use of the Title V Innovative Strategies block grant in ESEA. All other narrowly defined elementary and secondary education programs proposed for elimination are also allowable uses of funds under Title V.

Local vs. Washington Spending

Even though under the President's budget, federal education spending will have increased 50 percent since 1999, it is still only a small portion of the total amount spent educating our children. For example, in the 2001-2002 school year, the federal government contributed 7.9 percent of the total cost of elementary and secondary education, while state sources funded 44.8 percent and local sources 37.9 percent. With such a small share of total funding, Washington must direct resources to the greatest areas of need and those programs that serve the goal of leaving no child behind.