FY03 EDUCATION APPROPRIATIONS SUMMARY

- **State of the Union Address.** Congress reconvened January 23 for the President’s State of the Union Address in which he stated three goals for the country: winning the war, reviving the economy and protecting the homeland. The President also linked economic recovery to jobs and education.

- **President Bush’s Budget.** On February 4, the President released his FY2003 Budget Request providing a $1.4 billion, 2.8% increase for education. Programs earmarked for major increases include Title I, Reading First, Special Education, 21st Century Community Learning Centers, and Pell grants. Programs receiving major cuts were Rural Education, Fund for the Improvement of Education and LEAP (Leveraging Educational Assistance Partnerships). Title II, High Quality Teachers, and most other programs were level funded in the President’s proposal.

- **House FY03 Budget Resolution (H. Con. Res.353).** After a 13 hour mark up on March 13, the House Budget Committee approved the House FY2003 Budget Resolution by a party line vote of 23-18. The Budget Resolution closely tracks the President’s Budget request for education.

- **Senate FY2003 Budget Resolution (S. Con. Res. 100).** The Senate Budget Committee completed their FY03 Budget resolution March 23, which included $5.4 billion more for education funding than the President’s proposed FY03 budget and fully funds IDEA over six years of mandatory increases.

- **Senate FY2003 Labor/HHS/Education Appropriations Bill.** July 18, the Senate FY2003 Labor/HHS/Education Appropriations Committee met to approve the FY2003 Labor/HHS/Education appropriations bill which contained a $2.8 billion increase for FY03 education funding over the President’s level. The total increase for FY03 education funding in the Senate was $4.2 billion over FY02 levels.

- **Congressional Budget Office.** The Congressional Budget Office (CBO) released its Mid-Year Review on August 27. CBO estimates a deficit for FY 2002 of $157 billion. The CBO Economic Outlook for FY02-11 released in February forecasted a $21 billion unified budget deficit for FY02 and a $14 billion deficit for FY03.

CONTINUING RESOLUTIONS UNDER CONSIDERATION AS CONGRESS EXTENDS DEADLINE FOR PASSAGE OF SPENDING BILLS

Congress has not yet outlined a path for completing work on the 13 appropriations bills. Education is once again at the center of the debate, with members of the House Majority (Republican) party split over funding levels. Most members of the party are backing the President and his call for a 2.8 percent increase for education. However, approximately 30 Republican moderates have made it known that they will not support the modest increase. They are hoping for a more substantial 10 percent increase.

If an agreement cannot be reached, the process may be postponed until after the November elections and possibly as far into the future as next January. In order to extend the October 1st deadline, Congress will have to pass a series of continuing resolutions (CRs) that maintain current spending rates and prevents a government shutdown. The types of
continuing resolutions that are being discussed would provide level funding for education and most other programs. Congress has taken the first step in that direction by adopting a four-day CR that extends their deadline until October 4th. There will likely be a series of short term CRs extending the process further into October and giving members of Congress more time to work. At that point, members of Congress will have to decide whether they want to stay here in Washington to complete their work or go home in time to campaign for re-election.

**October 3, 2002.** The House passed another stopgap spending bill today as House Speaker J. Dennis Hastert, Ill., and Senate Majority Leader Tom Daschle, S.D., engaged in more end-of-session "shadow boxing" over when -- and how long to adjourn the 107th Congress. The temporary spending bill (H J Res 112), which would continue government operations through Oct. 11, was passed on a vote of 404-7. Hastert, R-Ill., said he would keep the House in session until the Senate either completed action on a bill to create a Department of Homeland Security, or gave up trying. That would mean meeting one day a week to pass a string of additional seven-day continuing resolutions, or CRs. "If we have to keep this government running on CRs, we will. For right now, we will keep the CRs going," Hastert told reporters.

**October 2, 2002.** Republican House members say GOP leaders are considering bringing up week-to-week continuing resolutions (CR) that would be passed under unanimous consent agreements by a handful of leaders from both parties. Under that scenario, most House members could leave Washington but be recalled in a hurry if the Senate completes work on the homeland security bill and action on a conference report is required. Speaker J. Dennis Hastert, R-Ill, said a number of CR possibilities are under consideration, and he declined to discuss the week-to-week option. However, Hastert acknowledged that the House wants to be ready to address homeland security. The House Rules Committee is expected later today to draft the ground rules for tomorrow's scheduled floor debate of a CR that would keep the government operating through October 11.

**October 1, 2002.** Reps. Obey (D-WI) and Visclosky (D-IN) introduced resolutions urging that the "No Child Left Behind Act" should be fully funded and the Labor HHS appropriations bill should be passed. Reportedly, Senate Majority Leader Tom Daschle (D-SD) has stated the Senate will not pass a CR that goes beyond December.

**September 23, 2002.** Two top House Democrats criticized talk of a long-term continuing resolution to fund most of the government into next year. Rep. David R. Obey, Wis., ranking Democrat on the Appropriations Committee, and Minority Whip Nancy Pelosi, Calif., said that maintaining the current level of funding for federal programs was not a solution. "Last year's level is not enough to begin with," Pelosi said. "We should be doing much more. There's plenty of time to get the people's work done. They just don't want to do it before the election." Obey said, "To be talking about a long-term continuing resolution before these bills are passed is spectacularly irresponsible." Speaker J. Dennis Hastert, Ill., has tried without success to reconcile competing demands of the GOP's conservative and moderate factions on the Labor-HHS-Education bill (HR 5320), leaving all remaining fiscal 2003 spending bills backed up behind that one.

**FIRST BILL TO AMEND NCLB INTRODUCED**

Senator Russ Feingold (D-WI) introduced a bill, entitled the "Student Testing Flexibility Act of 2002." The bill would amend the No Child Left Behind Act to allow SEAs to apply to the U.S. Secretary of Education for a three year waiver to forgo the new testing requirements.
To be eligible, SEAs would have to demonstrate significant progress towards closing the achievement gap and exceed adequate yearly progress for two or more years. In ineligible states, LEAs could apply for one directly from the Secretary if they meet the same student achievement criteria. The waiver may be renewed every three years if the recipient continues to meet these criteria.

SEAs and LEAs that have been granted a waiver would not have to meet the new requirements for testing in reading and math in grades three through eight. Recipients would continue to receive their portion of the federal state assessment grant. The funds could be used to develop and implement annual assessments as required by No Child Left Behind, or to carry out activities to assist low performing schools.

**Senate HELP Committee Passes OERI Bill**

**October 2, 2002.** The Senate Health, Education, Labor and Pensions Committee favorably reported S. 2969, a bill to reauthorize the Office of Educational Research and Improvement and other federal education research programs. The Committee passed S.2969 along with several other bills unanimously by voice vote in a closed door session.

Entitled the “Education Sciences Reform Act of 2002”, the final Committee bill included several significant changes from the earlier draft bill that the Committee had released the previous week. Notably, the bill would place the regional laboratories within the National Center for Knowledge Utilization in Education under the authority of the Academy Director. The earlier version would have separated these activities from the research and data analysis activities by placing the laboratories under the direction of the Secretary of Education. In addition, the final bill would require the Chief State School Officer to be invited to sit on the governing boards of the regional laboratories, and the advisory boards of the comprehensive centers that serve their region.

The final Committee bill would also create a new competitive grant program for SEAs to develop longitudinal data systems for compliance with NCLB and other purposes. The Secretary would award grants to SEAs to develop systems which could track student progress based on a unique student identifier. This program is included in the provisions under Title II, “Regional Educational Technical Assistance”, which also include provisions for the comprehensive centers. The Secretary of Education would have authority over both programs.