Final FY 2004 Spending Bill Passes at Last

On January 22, the Senate passed the final omnibus appropriations bill, ending the drawn out FY 2004 process. The $328 billion bill incorporates the seven spending bills Congress could not pass on time last year, including the Labor-HHS-Education bill that funds student aid. The government has been running at FY 2003 funding levels under a continuing resolution, which expires January 31.

The FY 2004 bill provides small increases for Supplemental Educational Opportunity Grants, TRIO, and GEAR UP, but did not increase the Pell Grant maximum, keeping it at $4,050 for the second year in a row. The final bill also applies a .59 percent across-the-board cut on all programs. This effectively cuts programs that were level funded, like Federal Work-Study, Perkins Loans, LEAP, and graduate education. The bill also provides less for the Pell Grant program funding than the president’s request. (See the table in WIR #24, 12/2/03, for funding levels.)

When Congress convened for the second session of the 108th Congress, it was unclear whether the omnibus bill would pass the Senate. Democrats were prepared to filibuster the bill to hold out for a better deal.

On January 20, the first attempt to end debate failed 48 to 45. (Senate rules require 60 votes for the cutoff.) Senators were concerned that the bill contained too little funding for education and other programs, too much funding for local projects, and too many other issues unrelated to spending, such as a requirement for country-of-origin labeling on meat and other foods.

By January 22, it became clear that the bill would not be reopened, and further hold-ups would only result in a year-long continuing resolution. On January 22, the vote to end debate passed 61 to 32; the vote on final passage was 65 to 28.

The president is expected to sign the omnibus appropriations bill just in time for his FY 2005 budget submission on February 2.

For more information, please contact Stephanie Giesecke at (202) 785-8866, or stephanie@naicu.edu.
State of the Union Address Calls for Enhanced Pell Grants, Expanded Job Training

President George W. Bush unveiled two higher education initiatives in his January 20 State of the Union address, proposing: (1) extra Pell Grant assistance to needy students who complete a challenging curriculum in high school, and (2) community-based job training grants for partnerships between community colleges and local high-growth businesses.

The Pell Grant proposal would provide up to $1,000 more a year for low-income students who complete a rigorous high school curriculum as participants in the State Scholars Program, and enroll full time in college. The additional funds would be available for the first two years of college. Bush is asking for $33 million for the initiative, which would benefit an estimated 36,000 students next year.

He also requested $12 million to make the State Scholars Program available nationwide. Currently, the program is operating in 13 states: Arkansas, Connecticut, Indiana, Kentucky, Maryland, Mississippi, New Jersey, New Mexico, Oklahoma, Rhode Island, Tennessee, Texas, and Washington. The program is operated by the Texas-based Center for State Scholars.

In partnership with business organizations, the center encourages high school students to take challenging courses beyond the minimum requirements for graduation. The “Scholars Course of Study” recommended by the center includes: three years of math (algebra 1, algebra 2, and geometry); three years of science (biology, chemistry, physics); four years of English; three-and-a-half years of social studies (including economics); and two years of a foreign language.

The president’s call for more Pell Grant funding is certainly welcome, although some details could prove problematic. Issues that need to be explored as details become available include: (1) the extent to which the required curriculum is available to all students; (2) the number of years of college for which the additional Pell Grant support is made available; and (3) the extent to which curriculum is the qualifying factor, rather than factors such as grades or class rankings.

The job training proposal, for which Bush is requesting $250 million in FY 2005, is modeled after the pilot High-Growth Job Training Initiative launched by the president in 2001. The purpose of the program is to train workers in high-demand areas such as health care and technology at community colleges, in partnership with employers. Additional information about the program has not been made available, so it is not yet possible to determine whether the program will be limited to community colleges or whether other institutions offering two-year associate’s degrees will be included as well.

For more information, contact Susan Hattan at NAICU, (202) 785-8866, or susan@naicu.edu.