

Selections from the Lewis-Burke Status Report to MAA on Federal Research and Education Funding And Related Legislative Issues for Fiscal Year 2005

July 26, 2004

Introduction

Last week both the House and Senate adjourned for their traditional August recess and will not return until early September.

By the time the Congress returns in early September, both political parties will have held their nominating conventions and the upcoming Presidential election will be in full swing. Congress will have just a few short weeks to try and complete action on the twelve remaining appropriations bills and other legislative initiatives before adjourning for the election. Most observers do not believe Congress can finish the budget by the November election. Therefore, Congress will probably have to enact a continuing resolution to keep the government functioning until they can return and finish the FY 2005 appropriations process after the election. This will be easier said than done, in part because the budget constraints Congress is working with are extreme which means funding levels for popular programs will be at levels that make it difficult to get sufficient votes to pass legislation. The outcome of the election and expected changes in the chairmanship of both House and Senate Appropriations Committees in January will also complicate completion of the budget process.

National Science Foundation

On July 22, the House Appropriations Committee marked and reported out its version of an FY 2005 VA, HUD, and Independent Agencies Appropriations bill – which includes funding for the Veterans Affairs Department, HUD, EPA, National Aeronautics and Space Administration (NASA) and the National Science Foundation (NSF). It is important to note that the Subcommittee was working with a very tight allocation which led to some difficult funding choices. The Subcommittee had \$2.1 billion more to work with than last year and elected to provide a \$2.5 billion increase for veterans' medical care. The end result is that nearly every other agency, program and account has to endure a number of significant reductions.

For NSF, the Subcommittee recommends a total budget of \$5.466 billion - which represents a \$278 million reduction from the request and is \$117 million below last year's level.

The NSF research account is cut by nearly \$300 million from the level requested by the White House. No specific funding levels are specified for the various NSF research directorates though the Subcommittee does specify that the recommendation does not include funding for any new Science and Technology Centers in FY 2005.

The Subcommittee restores the K-12 Math Science Partnership (MSP) program to the Education and Human Resources directorate within NSF at \$82.5 million - a level that will allow for the support of on-going projects only. The overall NSF Education and Human Resources Account is funded at \$843 million which is about \$96 million below last year's level. The Subcommittee restores the undergraduate "tech talent" program to the FY 2004 level of \$25 million rejecting the Administration's proposal to cut it by \$10 million. The Subcommittee similarly restores the Advanced Technological Education (ATE) program and the Robert Noyce Scholarship program.

Senate action on this bill has been deferred until at least September.

Department of Education

On July 14, the House Appropriations Committee marked up and approved the FY 2005 Labor-HHS-Education appropriations bill. This annual bill contains funding for the Department of Education, including its higher education programs.

The next step for the Labor-HHS-Education bill is floor consideration by the full House. There is currently no companion bill in the Senate, though one is expected to be introduced shortly after the recess.

Reauthorization of the Higher Education Act

On June 22, Rep. Howard "Buck" McKeon (R-CA), co-sponsor of the College Access and Affordability Act (H.R. 4283) and chair of the House subcommittee with jurisdiction over most federal higher education programs, announced that he would not hold a vote on the bill in his subcommittee (the 21st Century Competitiveness Subcommittee of the House Education and the Workforce Committee) this year. The announcement came in comments to *The Chronicle of Higher Education*, in which he lamented that debate on the bill had become "too partisan." These remarks came after a contentious subcommittee hearing on the portions of H.R. 4283 dealing with accreditation (as reported by LBA).

H.R. 4283 represents the central effort by House Republicans to reauthorize the Higher Education Act (the law which governs the bulk of federal higher education activities). Chairman McKeon's announcement that he will not seek a vote on the bill almost certainly indicates that HEA reauthorization will not take place in the 108th Congress.

HEA reauthorization has been a very contentious issue in this Congress. The controversy was touched off over a year ago, when Chairman McKeon first announced his plan to penalize colleges and universities that raise tuition above a set index by denying them eligibility to campus-based student aid. This idea met with strong opposition from the higher education community, Democrats, and even some Republicans. Though the actual penalties were taken out of this provision before it made it to H.R. 4283, the controversy did not subside. The higher education community and Democrats on the Education and the Workforce Committee criticized numerous other provisions, such as those dealing with variable rates for student consolidation loans, transfer of credit, accreditation, an "academic bill of rights" for students, new reporting requirements, and a "freeze" on the Pell Grant maximum at \$5800. A May 26 letter from the major higher education associations opposing enactment of H.R. 4283 underscored this opposition. Ultimately, this controversy and a shrinking election-year timetable made passage of HEA legislation this year very unrealistic, if not impossible.

Hearings on HEA-related issues have continued, however, in an attempt to find consensus and draft a bill with more bipartisan support next year. Since McKeon's announcement, hearings have been held on graduation rates and the pricing of college textbooks.

An HEA reauthorization bill is reportedly in the works in the Senate. It remains to be seen whether this effort will continue now that the House has abandoned reauthorization for this year.

Technically, the authorization for the programs governed by HEA expires at the end of this year. In practice, however, agencies and programs can continue to exist absent reauthorization indefinitely. The programs in question will simply operate under the previous law until a new law is passed and signed by the president.