



Budget Review FY 2003

University of California • Office of Federal Governmental Relations

Partners: The University of California & The Department of Education

Department of Education programs provide funding to increase access to college through financial assistance and outreach programs, as well as to improve postsecondary and K-12 schools. While only 7 or 8 percent of education spending comes from the federal level – the rest from states – this funding is critical for access and improvement. UC’s top priorities include student aid funding, outreach, and graduate education programs.

Federal programs provide nearly 60 percent of all financial aid funding UC students receive. Federal financial aid to UC students comes predominantly in the form of loans, work-study, and grants. The vast majority of this support is in the form of federally subsidized loans which help our students make up the difference between what their families can afford and the actual cost of school attendance. Despite the fact that tuition and fees at UC have not increased in the past seven years – in fact they’ve been lowered – students and families are increasingly relying on financial aid to help pay for their cost of education. During the 2000-01 academic year, about half of UC students received some form of federal financial aid.

The University of California continues to expand our outreach to greater numbers of students who have been underserved and is helping to strengthen K-12 schools and communities. To maintain a diverse student body, and to help with the preparation of teachers and administrators as well as provide teacher professional development, UC will look to Education Department programs for support. By 2002-2003, UC expects to more than double the number of credential students (prospective teachers and administrators) to help meet the teacher shortage in California.

Education Department graduate programs provide support for our brightest students in the arts, humanities, and social sciences as well as those focusing their study in areas of national need (mathematics and sciences). Many of the students who receive grants and fellowships from graduate education programs will become the nation’s future Nobel Laureates, scientists, engineers, scholars, and professors.

FY 2003 Budget Request (\$ in millions)	FY 2002	FY 2003 Request	% Change FY02 to 2003
Pell Grant maximum award (in hundreds)	4,000	4,000	0.00%
SEOG	725	725	0.00%
Federal Work-Study	1,011	1,011	0.00%
Perkins Loans	100	100	0.00%
LEAP	67	0	-100.00%
Javits Fellowships	10	10	0.00%
GAANN	31	31	0.00%
International Studies	97	101	4.12%
GEAR-UP	285	285	0.00%
Math & Science Partnerships	12.5	12.5	0.00%
FIPSE	180,922	39,138	-78.37%
Teacher Quality Enhancement Grants	90	90	0.00%
Teacher Training in Technology	62.5	0	-100.00%

FY 2003 Budget Highlights

Pell Grants: The Pell Grant maximum would be flat funded at \$4,000. The Pell Grant program helps ensure financial access to postsecondary education by providing grant aid to low-income undergraduate students. *For academic year 2000-01, nearly one-third of all UC undergraduates (39,209) students received a Pell Grant.*

SEOG: Supplemental Educational Opportunity Grants would be flat funded at \$725 million. These funds are allocated to institutions through a statutory formula with a 25 percent institutional match, and then awarded at the discretion of the institutional aid administrator to students with “exceptional need.” *For the 2000-01 academic year, 5,741 needy UC students benefited from a SEOG award.*

Federal Work-Study: Federal College Work-Study would be flat funded at \$1.011 billion. Federal Work-Study provides grants to participating institutions to pay up to 75-100 percent of the wages of needy students working part-time to help pay for college. Institutions must use at least 7 percent of their Work-Study allocations to support students working in community service jobs, such as tutoring children in mathematics, reading, and serving in family literacy programs. UC would not like to see the 7 percent requirement increased as some proposals have suggested. Mandated community service increases would reduce the usefulness of the work-study program as a source of financial aid to support access for needy students seeking college educations because the program would emphasize ways to fund service activities rather than focus primarily on ways to support students. Full-time students need jobs with flexible schedules and proximate locations that work well with their class schedules and opportunities that are relevant to their future vocational interests. *For the 2000-01 academic year, 11,567 UC students participated in the Federal Work-Study program.*

Perkins Loans: Federal capital contributions to the Perkins Loan program would be flat funded at \$100 million. Perkins Loans are awarded by colleges and universities to needy undergraduate, graduate, and professional students. *For the 2000-01 academic year, 18,849 UC students received a Perkins Loan.*

Leveraging Educational Assistance Partnerships (LEAP): No funding was provided in the FY03 President’s Budget for LEAP, which was funded at \$67 million last year. Federal LEAP funds are awarded to states to encourage the retention and expansion of existing state grant programs (known as Cal Grants in California), and to establish community service programs to help financially needy students pay for college. *For the 2000-01 academic year, 36,489 UC students received Cal Grants.*

Graduate Education: Graduate education programs would receive the same amount of funding as last year. The Graduate Assistance in Areas of National Need (GAANN) program would be funded at \$31 million and the Javits Program would receive \$10 million. GAANN provides traineeships in the mathematics and physical sciences. Javits supports portable fellowships to some of the best and brightest students in the arts, humanities and social sciences, one of the only such federal programs of its kind. These graduate fellowship recipients are training to be the next generation of college and university faculty, scientists, scholars, and leaders in government and industry. *UC is among the top universities enrolling Javits Fellows.*

International Studies: International Studies would receive a \$4 million increase from \$97 million for Domestic and Overseas programs to \$101 million. Funding under Title VI (HEA) provides grants to UC campuses to run programs for language and area studies and supports the maintenance of our national capacity to learn and understand foreign languages and cultures.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP): GEAR-UP, an outreach partnership initiative to encourage academic achievement and subsequent college enrollment among middle school

students in low-income communities, would be flat funded at \$285 million. *UC is the steward for the state grant (\$25 million over 5 years). UC is in the 3rd year of funding.*

Math and Science Partnerships: The President's Budget continues funding at the 2002 level in the amount of \$12.5 million for a grant program authorized under ESEA to improve academic achievement in mathematics and science by promoting strong teaching skills for elementary and secondary school teachers. The program encourages partnerships with research universities and funding is also provided by the National Science Foundation for this program. *UC operates the Community Teaching Fellowships in Mathematics and Science Program on all 9 of our undergraduate campuses and encourages undergraduate mathematics and science majors to pursue K-12 teaching careers.*

FIPSE: The President's Budget recommends \$39.1 million for the Fund for the Improvement of Postsecondary Education, a decrease of last year's level of \$130.9 million. FIPSE supports exemplary, locally developed projects that are models for innovative reform and improvement in postsecondary education.

Teacher Quality Enhancement Grants: The President's Budget recommends \$90 million, the same as last year's level, for grants designed to help recruit and produce qualified teachers. *UC plans to more than double the number of credential students by 2002-03.*

Teacher Training in Technology: The President's Budget provide no funding for competitive grants to consortia of states, colleges of education, school districts, and others to help ensure that all new teachers can teach effectively with technology. Last year, the program received \$62.5 million.

UC FY 2003 Budget Priorities

- Support the highest possible funding level for the maximum Pell Grant award and the highest possible increase in the Pell Grant program. UC's increasing number of low-income year-round students will need an additional Pell Grant within a 12-month period (currently students have received Pell Grants during only the traditional 9-month school year). UC recommends that Secretary of Education exercise his discretion and request funds for this purpose for a pilot group of low-income year round students at UC. While overall federal costs should not rise, the annual Pell Grant program costs will be very slightly greater in the short run, as these students accelerate their baccalaureate programs.
- Support a clearly defined and well-funded budget for graduate education programs, with an emphasis on maintaining the goals of the Javits Program and the diversity of future college teachers. While not a large amount of money, these programs play a critical role in providing the nation with scientists, teachers, and scholars who bring us new knowledge and interpret and preserve our cultural and intellectual heritage.
- Support the continued funding for the campus-based programs: Supplemental Education Opportunity Grants, Federal Work-Study, and Perkins Loans. Do not increase the 7% requirement for community service in the Federal Work-Study program.
- Support funding for the Leveraging Educational Assistance Partnership (LEAP) program which provides the important seed money for the State of California's need-based grant program known as Cal Grant.
- Support funding for programs such as GEAR-UP and teacher quality programs which closely parallel many of the activities UC has underway.

