

***COLLEGE DREAMS DEFERRED AND DENIED:
THE BUSH RECORD ON HIGHER EDUCATION***



A Report Prepared by the Democratic Staff of
The House Appropriations Committee
May 13, 2004
Available at: www.house.gov/appropriations_democrats

Americans deeply value education and have always believed that education is the path to a brighter and more prosperous future for the next generation. And today, in an increasingly technological society, Americans are even more convinced that a college education is essential for a good-paying job.

As a candidate for president, Governor George W. Bush said: *“College is every parent’s dream for their children. It’s the path to achievement. We should make this path open to all.”* Yet President Bush’s policies have turned the path to better opportunities into a toll road on which fewer American families can afford to travel.

President Bush’s shortsighted fiscal priorities are shortchanging America’s hard-working families and putting their dreams of college for their children out of reach. For low- and moderate-income families, the job of sending a child to college – which has never been easy – is now a daunting challenge. For families with earnings in the bottom fifth of all incomes, the annual cost of an education at a 4-year public university equaled 71% of their income in 2003¹ - a share of income 11% higher than when President Bush entered office. Under President Bush’s policies, only the wealthiest have seen their incomes keep pace with dramatically rising college costs. Yet while most American families work more hours, incur more debt, and devote a larger share of their incomes to pay for college, President Bush wants to provide lavish tax cuts to the most well off.

One Boston parent put it this way:

“Three of our children have already graduated from college; we have one in college now, and one more in high school. It seems to be getting tougher with each one. It is becoming more expensive to go, more competitive to get in, and the scholarships are becoming less available.” (Public Attitudes on Higher Education: A Trend Analysis, 1993 to 2003, Public Agenda, February 2004)

This campaign year, President Bush has rolled out another series of education promises – even as he continues to break those he made four years ago. A review of the Bush record on higher education shows that it is a record of college dreams deferred and denied for thousands of Americans.

DASHING COLLEGE DREAMS FOR AMERICAN FAMILIES

BUSH FALLS FAR SHORT ON MAXIMUM PELL GRANT

Pell Grants form the foundation of federal efforts to ensure that all Americans who want a college education can obtain one. Despite their critical role, President Bush has proposed no increase at all for the maximum Pell scholarship (except for a small number of students who take certain courses) in the last three years. For fiscal year 2005, he proposes to freeze the regular maximum Pell Grant at \$4,050.

¹ The College Board, *Trends in College Pricing 2003*, Figure 8.

The last major boost in the maximum Pell Grant came in fiscal year 2002 when Congress rejected the President's budget and, in a bipartisan agreement, provided a \$250 increase to \$4,000. The previous fiscal year, Congressional Democrats secured a \$450 increase in the maximum Pell Grant – the largest Pell increase in history.

BUSH POLICIES HAVE DEALT A ONE-TWO PUNCH TO PELL PURCHASING POWER

Pell Grants provide financial aid for families who are least able to afford college and offer a passport to the middle class for over 5 million students each year. Yet, the purchasing power of Pell Grants continues to erode as the Bush Administration fails to request meaningful increases in student awards. At the same time, the Bush recession and tax cuts for the wealthy have shrunk state revenues for public colleges in particular, driving tuition charges even higher as colleges seek to close budget gaps. As a result, the share of the annual cost of college covered by the maximum Pell Grant has dropped from 72% in 1976 to 34% under the President Bush's fiscal year 2005 budget. It will have dropped by 19% under the stewardship of this Administration assuming moderate growth in tuition charges next year.

6.6 MILLION STUDENTS LOSE A PELL INCREASE TO TAX BREAKS FOR THE WEALTHY

For an additional \$21 billion – slightly less than the fiscal year 2005 cost of President Bush's tax cuts for millionaires - we could increase the maximum Pell Grant from \$4,050 to \$8,700, helping 6.6 million low- and moderate- income students access college and restoring the Pell Grant's purchasing power to its 1976 level (See Table 1).

BUSH BROKE HIS PROMISE TO BOOST PELL GRANTS TO \$5,100 FOR FRESHMEN

Governor Bush said that, as President, he would “fully fund the Pell Grant for first-year students by increasing the maximum award grant amount from \$3,300 to \$5,100. This additional money will encourage 800,000 students every year to enter and complete college.” (*Governor George W. Bush, August 30, 2000*) Four years later, the President has abandoned his campaign promise. President Bush's fiscal year 2005 budget includes only a pilot program of strings-attached grants to assist a meager 36,000 high school students who agree to take certain courses.²

BUSH BUDGET ELIMINATES PELL GRANTS FOR 95,000 STUDENTS

Pell Grants would be eliminated for 95,000 students and thousands more would get smaller awards due to a Bush fiscal year 2005 proposal to cut the credit working families receive for the payment of state and local taxes in the calculation of their federal student aid. The President proposed the same Pell cut last year, which Congress rejected, that would have eliminated Pell Grants for 84,000 students. Under the Bush fiscal year 2005 plan to “save” \$300 million in total Pell Grant assistance, some students and their families may pay as much as \$1,000 more each year for college.

² President Bush proposes legislation to provide “enhanced” grants of up to \$1,000 for high school students who take a certain high school curriculum. His fiscal year 2005 budget includes \$33 million for these “enhanced” grants. He also proposes legislation for grants of up to \$5,000 for 20,000 college students who study math or science. No funds are included in his fiscal year 2005 budget for this proposal that would begin in fiscal year 2006.

BUSH PLANS \$165 MILLION CUT FROM CAMPUS- AND STATE-BASED AID

President Bush plans to cut \$165 million from campus- and state-based student financial aid – College Work Study, Supplemental Educational Opportunity Grants, Perkins Loans and Leveraging Educational Assistance Partnerships (LEAP) – reducing or eliminating grants and/or loans for 78,000 college students. These cuts include slashing Perkins Loans by \$99 million – a 60% cut - and eliminating \$66 million for LEAP.

BUSH ATTEMPTED TO RAISE STUDENT LOAN INTEREST RATES

In April 2002, the Administration proposed to eliminate the fixed interest rate for students who consolidate their loans, which would have saddled thousands of students and working families with even more debt. The Administration's plan would have required a student with a \$20,000 loan to pay about \$5,000 more in interest over the loan's term. The Bush proposal provoked such an outcry that it was withdrawn weeks later.

CUTTING CAMPUS CHILD CARE FOR COLLEGE PARENTS

Child care centers on college campuses help low-income students with children attend college and complete their college studies. More than 31,500 low-income children learn and play in federally-funded campus-based child care centers while their parents attend classes. Since the start of the Bush Administration, however, annual federal support for college campus-based child care has declined by 35% from \$25 million to \$16 million in the President's fiscal year 2005 budget.

GEAR UP GOING DOWNWARD IN STUDENTS SERVED

GEAR UP will serve 567,000 *fewer* students next year – a 38% cut – under President Bush's fiscal year 2005 budget. GEAR UP targets entire grades of middle school students and provides tutoring, mentoring, college preparation and college scholarships to help reduce drop outs and increase the numbers of low-income and minority students who attend college. President Bush's fiscal year 2005 budget freezes GEAR UP funding at \$298 million, ignoring evidence from his own Department of Education that GEAR UP is working. The Department of Education reports that GEAR UP students “whose parents never attended college were more likely to take algebra, and impacts were found for above-grade science and English course-taking as well. Although these findings reflect short-term effects, other more recent studies suggest that GEAR UP's approach will result in positive impacts on high school graduation and college enrollment rates as well.”

FREEZING FEDERAL FUNDING FOR TRIO

TRIO is the primary national effort to help low-income and first generation students make it to college and earn a degree. Since the first TRIO program, Upward Bound, was launched as part of the 1964 War on Poverty, TRIO has had remarkable success in expanding access, persistence and college completion, helping millions of disadvantaged students. Nonetheless, President Bush proposes to freeze fiscal year 2005 federal support for TRIO at \$833 million. In fact, he has not proposed any increase for TRIO in the last three years.

BUSH LONG-TERM BUDGET INCLUDES \$1.3 BILLION IN HIGHER EDUCATION CUTS

President Bush's generous tax subsidies for wealthy families have drained the federal treasury of the resources our nation desperately needs to equalize higher education opportunities. The stark lack of higher education resources can be seen in the President's 5-year budget plan. In real terms, the Administration's 5-year budget calls for an 8% per student cut in higher education funding by fiscal year 2009 (\$1.3 billion below current levels, after adjusting for inflation and college enrollment growth). These cuts come at a critical time when more students than ever will be graduating from high school and a greater share of these students will be depending on government assistance to attend college.

LOSING GROUND GLOBALLY ... AND FALLING FARTHER BACK?

America no longer leads the world in college participation. According to a 2003 Organisation for Economic Co-operation and Development report:

“... the United States fell from 1st to 13th among developed nations in college participation leading to a bachelor's degree in the last decade. Stagnant levels of postsecondary participation and attainment keep the U.S. in a holding pattern while other nations soar ahead.”

President Bush's higher education cuts will put us even further behind our global economic competitors, damage our nation's economic future, and undermine the American value of opportunity for all through education.

Attached to this report are a series of charts depicting the importance of higher education, where the nation stands on college access and opportunity, and the impact of President Bush's higher education budget.

**TABLE 1: 6.6 MILLION LOW- AND MODERATE-INCOME STUDENTS WOULD BENEFIT
IF THE PURCHASING POWER OF PELL GRANTS WAS RESTORED**

State or Area	Aid Available*		Recipients		Average Award	
	\$4,050 Max Award	\$8,700 Max Award	\$4,050 Max Award	\$8,700 Max Award	\$4,050 Max Award	\$8,700 Max Award
Alabama	\$271,366,446	\$731,470,384	107,188	135,985	\$2,532	\$5,379
Alaska	\$11,159,130	\$30,079,523	4,900	6,216	\$2,278	\$4,839
Arizona	\$289,099,124	\$779,268,956	130,566	165,645	\$2,214	\$4,704
Arkansas	\$149,877,879	\$403,996,997	59,219	75,129	\$2,531	\$5,377
California	\$1,472,841,863	\$3,562,700,339	597,939	706,075	\$2,463	\$5,046
Colorado	\$157,362,079	\$424,170,718	69,329	87,956	\$2,270	\$4,823
Connecticut	\$75,237,114	\$202,802,230	34,718	44,045	\$2,167	\$4,604
Delaware	\$21,448,804	\$57,815,418	9,925	12,591	\$2,161	\$4,592
District of Columbia	\$38,403,029	\$103,515,665	16,107	20,435	\$2,384	\$5,066
Florida	\$746,417,184	\$1,895,736,222	313,780	379,326	\$2,379	\$4,998
Georgia	\$342,821,436	\$902,476,502	164,101	199,757	\$2,089	\$4,518
Hawaii	\$35,577,068	\$95,898,267	14,414	18,287	\$2,468	\$5,244
Idaho	\$75,153,612	\$202,577,151	30,139	38,237	\$2,494	\$5,298
Illinois	\$492,724,827	\$1,343,522,806	214,260	271,652	\$2,300	\$4,946
Indiana	\$233,565,657	\$629,578,059	106,040	134,530	\$2,203	\$4,680
Iowa	\$142,540,042	\$384,217,800	62,979	79,899	\$2,263	\$4,809
Kansas	\$119,648,299	\$322,512,928	52,581	66,708	\$2,275	\$4,835
Kentucky	\$199,664,468	\$538,197,139	82,147	104,217	\$2,431	\$5,164
Louisiana	\$263,730,360	\$710,887,252	100,373	127,340	\$2,627	\$5,583
Maine	\$45,948,457	\$123,854,426	19,586	24,848	\$2,346	\$4,984
Maryland	\$165,342,371	\$445,681,658	74,034	93,924	\$2,233	\$4,745
Massachusetts	\$191,957,159	\$517,422,027	83,384	105,786	\$2,302	\$4,891
Michigan	\$367,667,852	\$1,017,797,657	167,716	214,537	\$2,192	\$4,744
Minnesota	\$176,681,025	\$476,245,087	79,380	100,706	\$2,226	\$4,729
Mississippi	\$212,249,547	\$572,120,317	78,777	99,941	\$2,694	\$5,725
Missouri	\$233,937,704	\$630,580,916	102,943	130,600	\$2,273	\$4,828
Montana	\$50,836,259	\$137,029,536	20,294	25,746	\$2,505	\$5,322
Nebraska	\$71,458,727	\$192,617,559	32,903	41,743	\$2,172	\$4,614
Nevada	\$45,494,797	\$122,631,583	20,073	25,466	\$2,266	\$4,816
New Hampshire	\$31,945,113	\$86,108,302	14,999	19,029	\$2,130	\$4,525
New Jersey	\$259,485,963	\$699,446,447	106,549	135,176	\$2,435	\$5,174
New Mexico	\$104,516,907	\$281,726,141	43,117	54,701	\$2,424	\$5,150
New York	\$1,027,068,216	\$2,679,823,747	398,778	481,777	\$2,576	\$5,562
North Carolina	\$342,397,141	\$877,350,261	140,020	173,064	\$2,445	\$5,070
North Dakota	\$40,405,234	\$108,912,625	16,654	21,128	\$2,426	\$5,155
Ohio	\$441,117,735	\$1,220,574,638	197,561	257,124	\$2,233	\$4,747
Oklahoma	\$191,689,936	\$516,701,726	79,324	100,635	\$2,417	\$5,134
Oregon	\$148,426,631	\$400,085,147	63,020	79,951	\$2,355	\$5,004
Pennsylvania	\$428,756,454	\$1,264,906,589	183,362	254,501	\$2,338	\$4,970
Puerto Rico	\$660,680,752	\$1,436,316,275	220,370	225,870	\$2,998	\$6,359
Rhode Island	\$51,900,636	\$139,898,570	22,620	28,698	\$2,294	\$4,875
South Carolina	\$180,626,225	\$486,879,407	76,967	97,645	\$2,347	\$4,986
South Dakota	\$43,394,297	\$116,969,668	18,270	23,179	\$2,375	\$5,046
Tennessee	\$243,907,367	\$657,454,220	102,767	130,377	\$2,373	\$5,043
Texas	\$983,150,682	\$2,407,341,505	407,033	481,663	\$2,415	\$4,998
Utah	\$140,429,344	\$378,528,398	61,234	77,686	\$2,293	\$4,873
Vermont	\$22,443,721	\$60,497,225	10,042	12,740	\$2,235	\$4,749
Virginia	\$240,411,041	\$648,029,845	103,671	131,524	\$2,319	\$4,927
Washington	\$210,896,090	\$568,472,063	89,991	114,168	\$2,344	\$4,979
West Virginia	\$98,697,737	\$266,040,523	38,842	49,278	\$2,541	\$5,399
Wisconsin	\$160,079,676	\$431,496,022	71,522	90,737	\$2,238	\$4,755
Wyoming	\$21,856,010	\$58,913,046	9,129	11,582	\$2,394	\$5,087
Federal Samoa	\$2,839,108	\$7,652,839	1,103	1,400	\$2,573	\$5,467
Fed. Sts. of Micronesia	\$8,063,374	\$21,734,887	2,622	3,326	\$3,075	\$6,534
Guam	\$7,053,225	\$19,012,024	2,754	3,494	\$2,561	\$5,442
Marshall Islands	\$2,967,100	\$7,997,840	1,169	1,484	\$2,537	\$5,391
Northern Marianas	\$1,859,641	\$5,012,677	686	870	\$2,711	\$5,760
Palau	\$2,402,933	\$6,477,125	903	1,146	\$2,660	\$5,652
Virgin Islands	\$3,099,255	\$8,354,066	1,146	1,454	\$2,704	\$5,745
Total	\$12,802,779,859	\$33,426,118,970	5,336,020	6,602,729	\$2,399	\$5,062

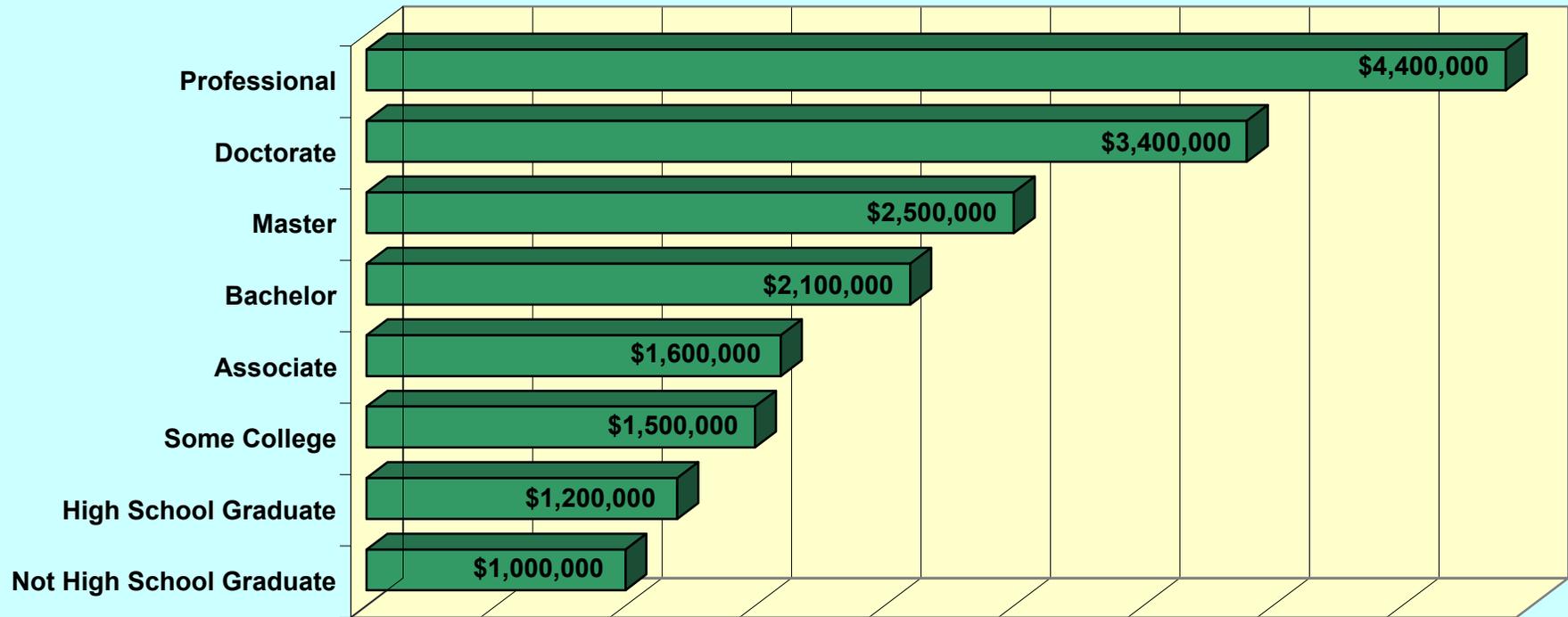
* In addition to the aid available to students displayed above, the Education Department pays postsecondary institutions an administrative cost allowance in the amount of \$5 per Pell Grant recipient.

Notes:

Estimates above assume the use of the revised, but not implemented, State and Other Tax Allowance Tables as published in the Federal Register in May 2003. All estimates based on the President Bush's FY 2005 assumptions as of December 2003. Estimates also reflect savings from the proposed IRS Match Verification.

EDUCATION MATTERS

Over a Lifetime, a College Graduate Will Earn
Over One Million Dollars More Than a High School Graduate

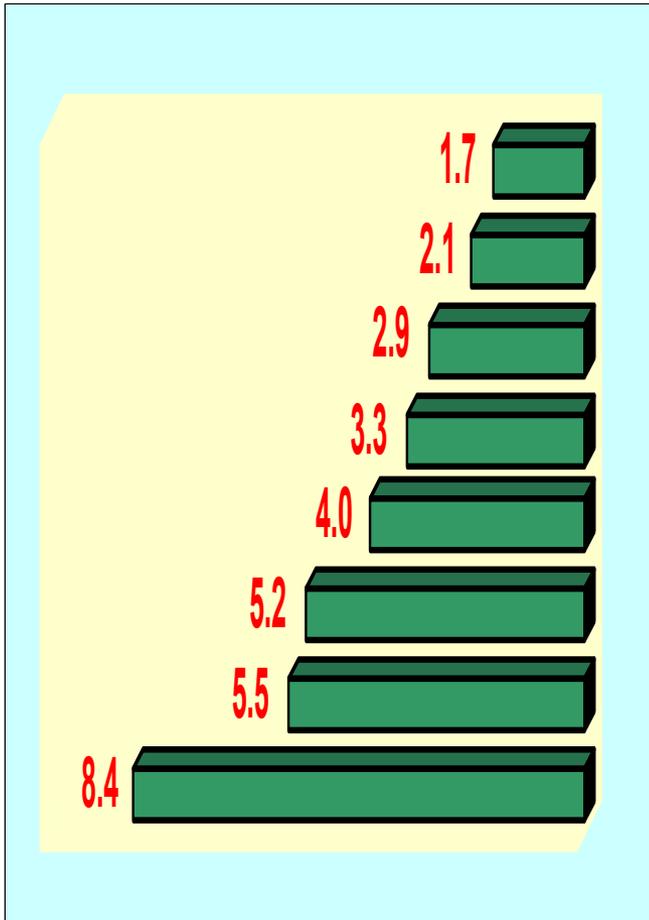


Source: Thomas G. Mortenson, Postsecondary Education OPPORTUNITY.

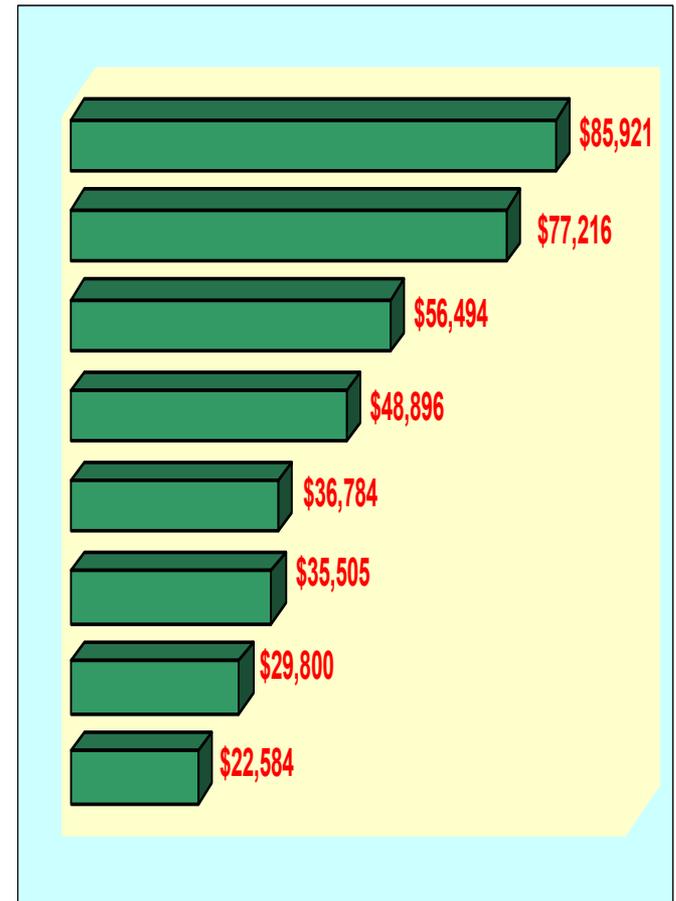
EDUCATION MATTERS

Unemployment Rates Decrease As Educational Attainment Increases

Unemployment Rate in 2003



Median Earnings in 2002

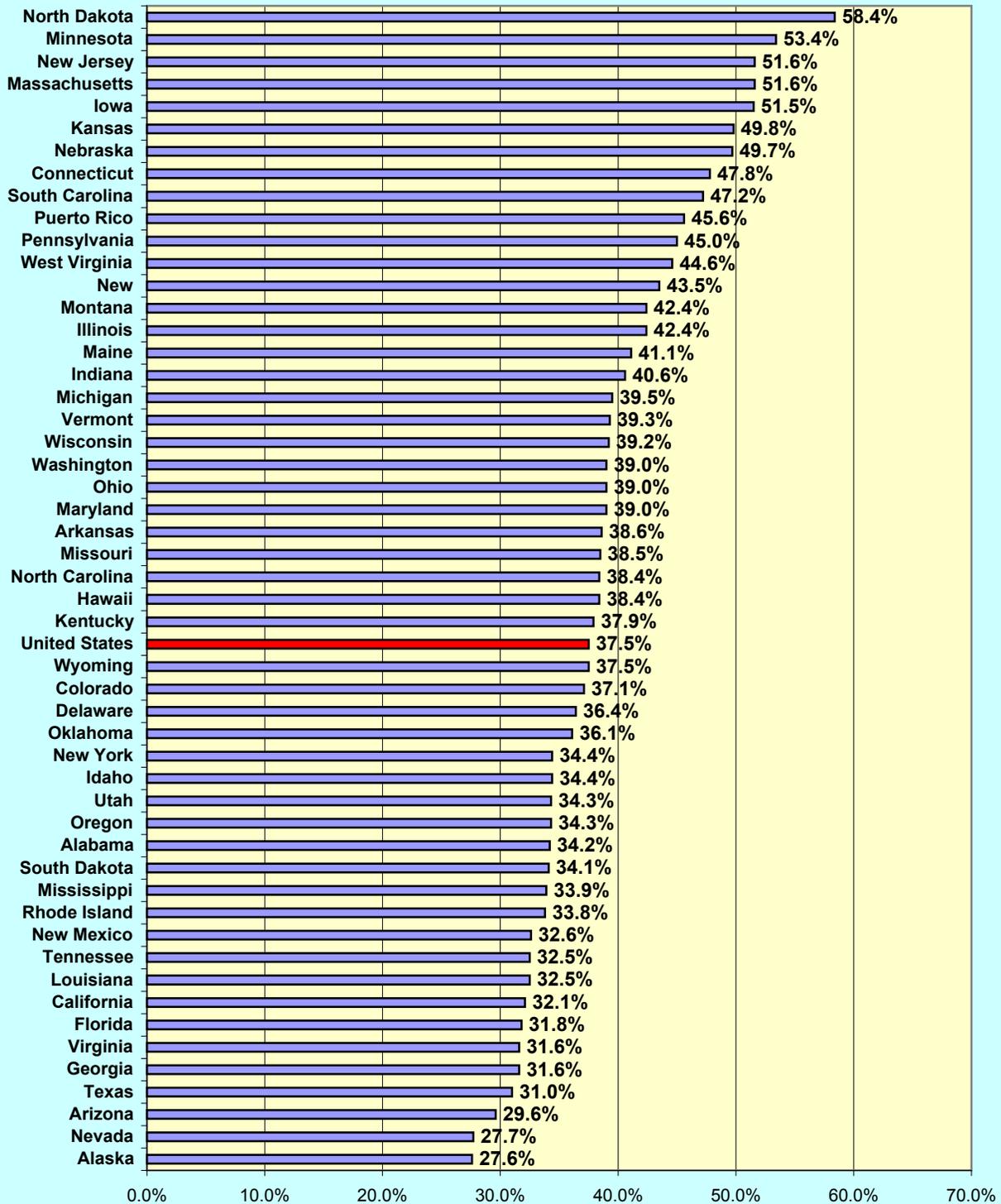


Notes: Earnings for year-round full-time workers 25 years and over; unemployment rate for those 25 years and over. Data from the Bureau of the Census and the Bureau of Labor Statistics.

Source: Thomas G. Mortenson, Postsecondary Education OPPORTUNITY.

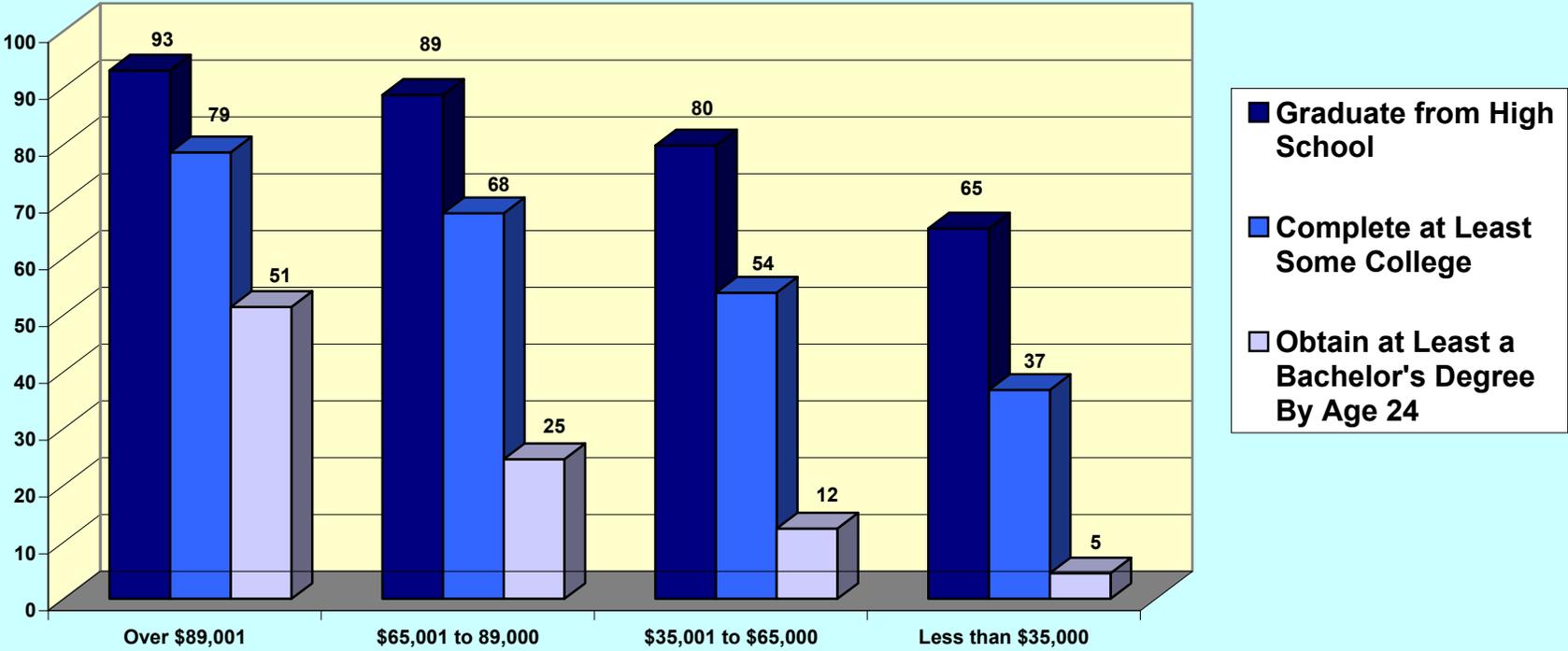
House Appropriations Committee Democratic Staff

Percent Of 19-Year Olds Enrolled in College The Fall After High School Graduation in 2000



Source: Thomas G. Mortenson, Postsecondary Education OPPORTUNITY, 2002.

OF EVERY 100 INDIVIDUALS...

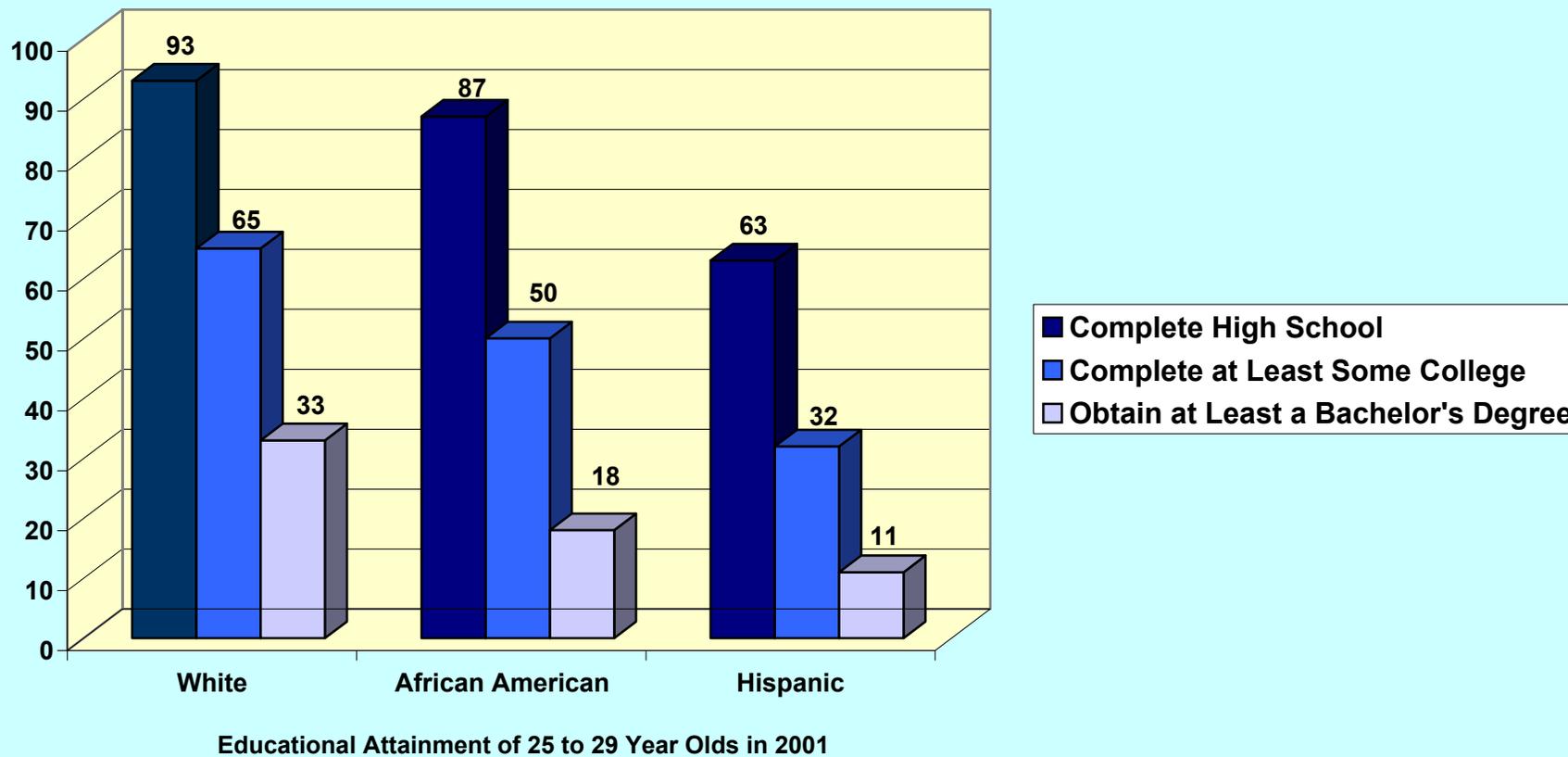


**Baccalaureate Degree Attainment By Age 24
for Dependent 18 to 24 Year Olds in 2001**

Note: Dependent 18 to 24 year olds were 56% of the total 18 to 24 year old population

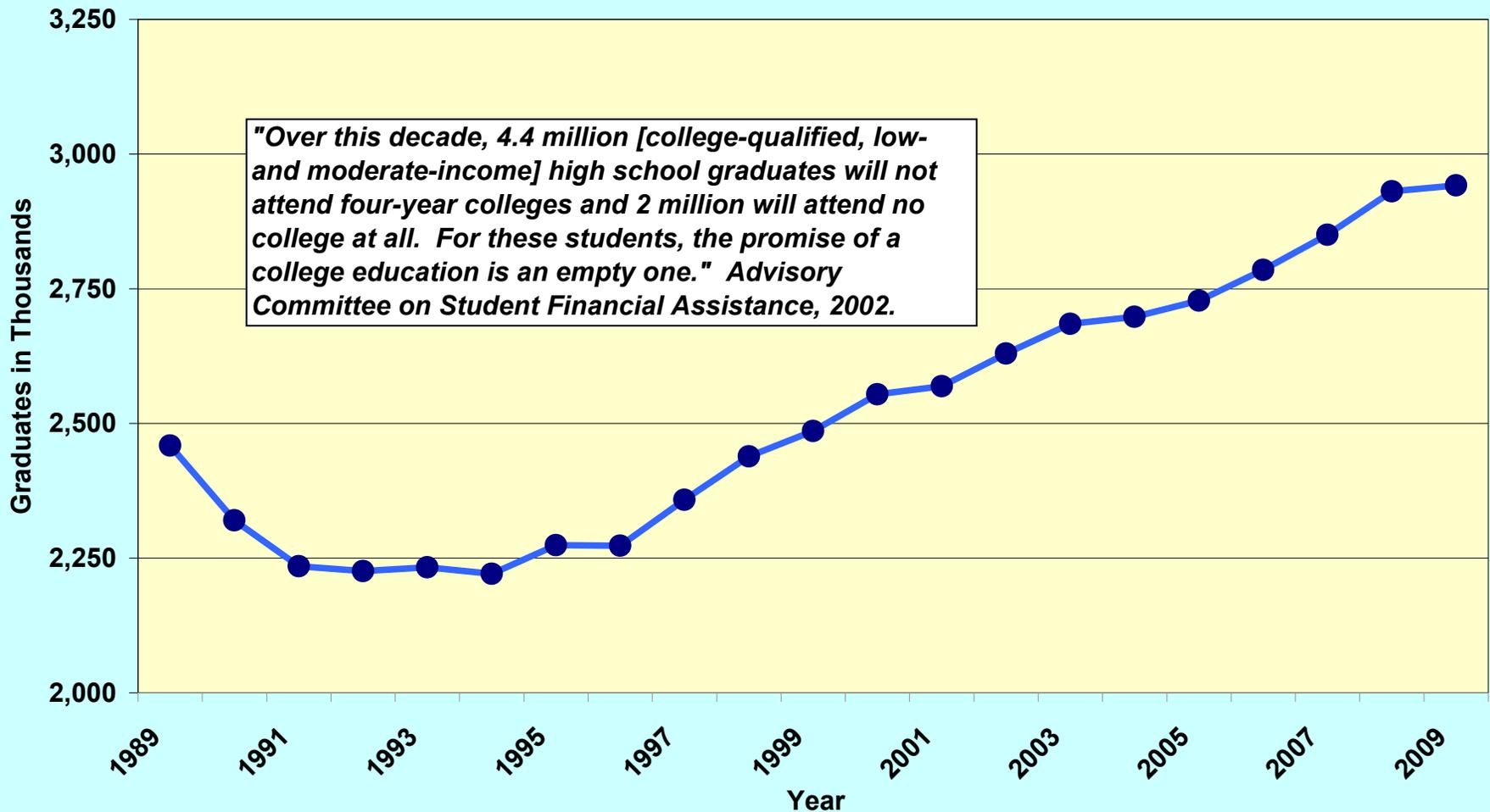
Source: Thomas G. Mortenson, Postsecondary Education OPPORTUNITY, Number 135, 2003.

OF EVERY 100 INDIVIDUALS...



Source: The Education Trust, Inc. and National Center for Education Statistics, *The Condition of Education 2002*.

THE NUMBER OF HIGH SCHOOL GRADUATES WILL CONTINUE TO CLIMB FOR THE REMAINDER OF THIS DECADE

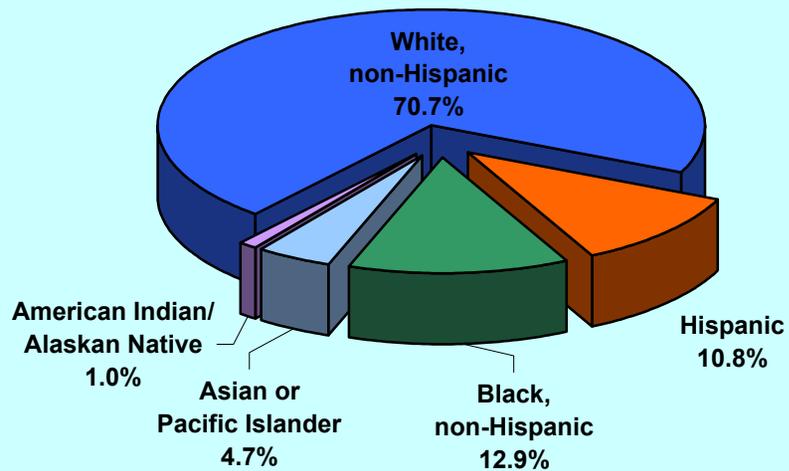


"Over this decade, 4.4 million [college-qualified, low- and moderate-income] high school graduates will not attend four-year colleges and 2 million will attend no college at all. For these students, the promise of a college education is an empty one." Advisory Committee on Student Financial Assistance, 2002.

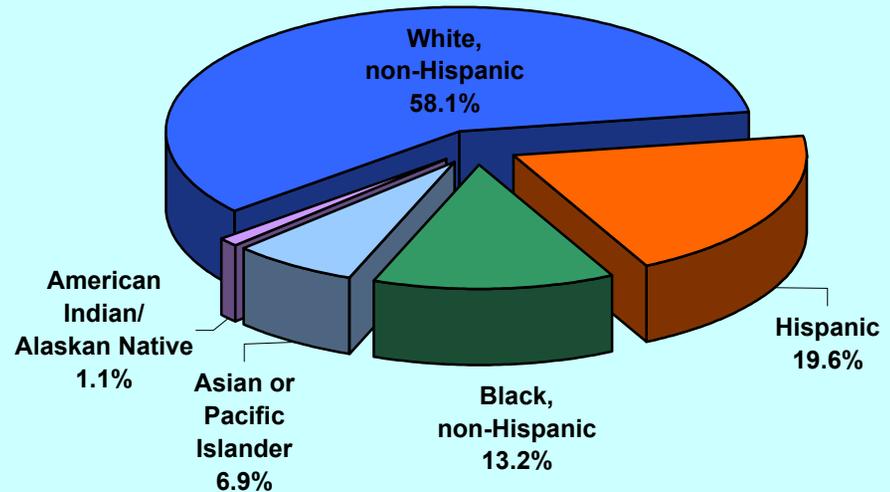
Source: National Center for Education Statistics, *Projections of Education Statistics to 2013*, 2003.

FUTURE COLLEGE FRESHMEN WILL BE MORE DIVERSE STUDENTS THAN IN THE PAST

Distribution of Public High School Graduates by Race/Ethnicity, 1998

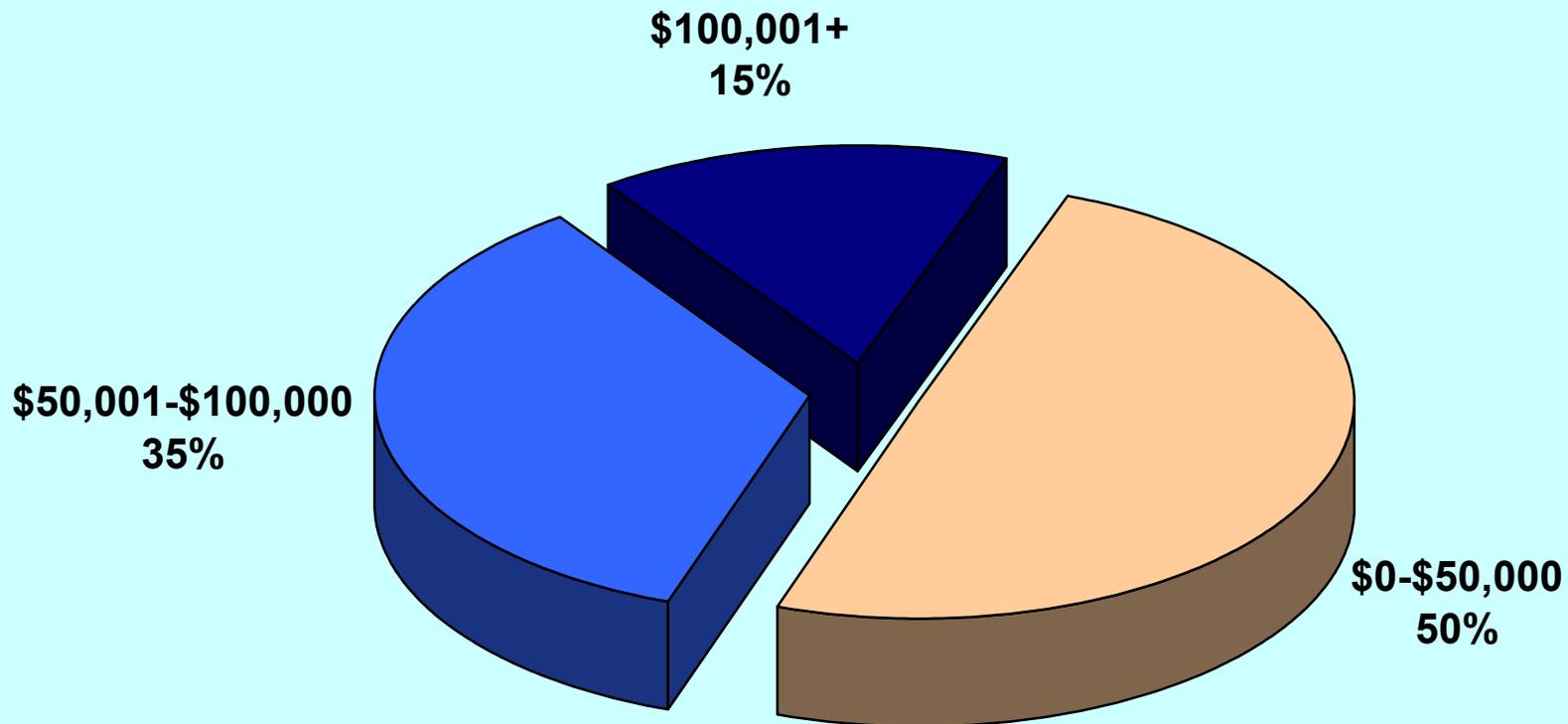


Distribution of Public High School Graduates by Race/Ethnicity, 2013 (projected)



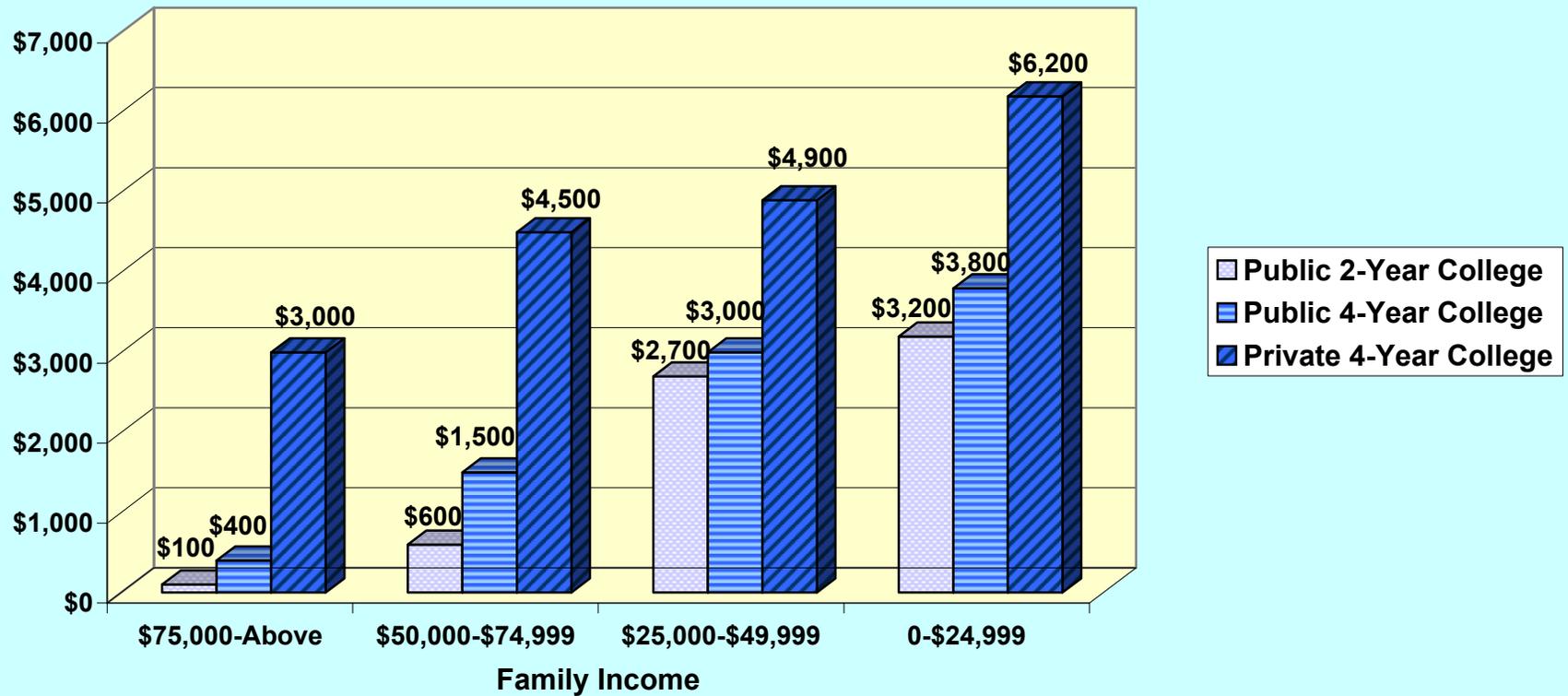
Sources: National Center for Education Statistics, *Digest of Education Statistics*, 2001, and Western Interstate Commission on Higher Education, *Knocking at the College Door: Projections of High School Graduates by State, Income and Race/Ethnicity*, 2003.

HALF OF ALL PUBLIC HIGH SCHOOL GRADUATES IN 2007 WILL BE FROM FAMILIES EARNING \$50,000 OR LESS



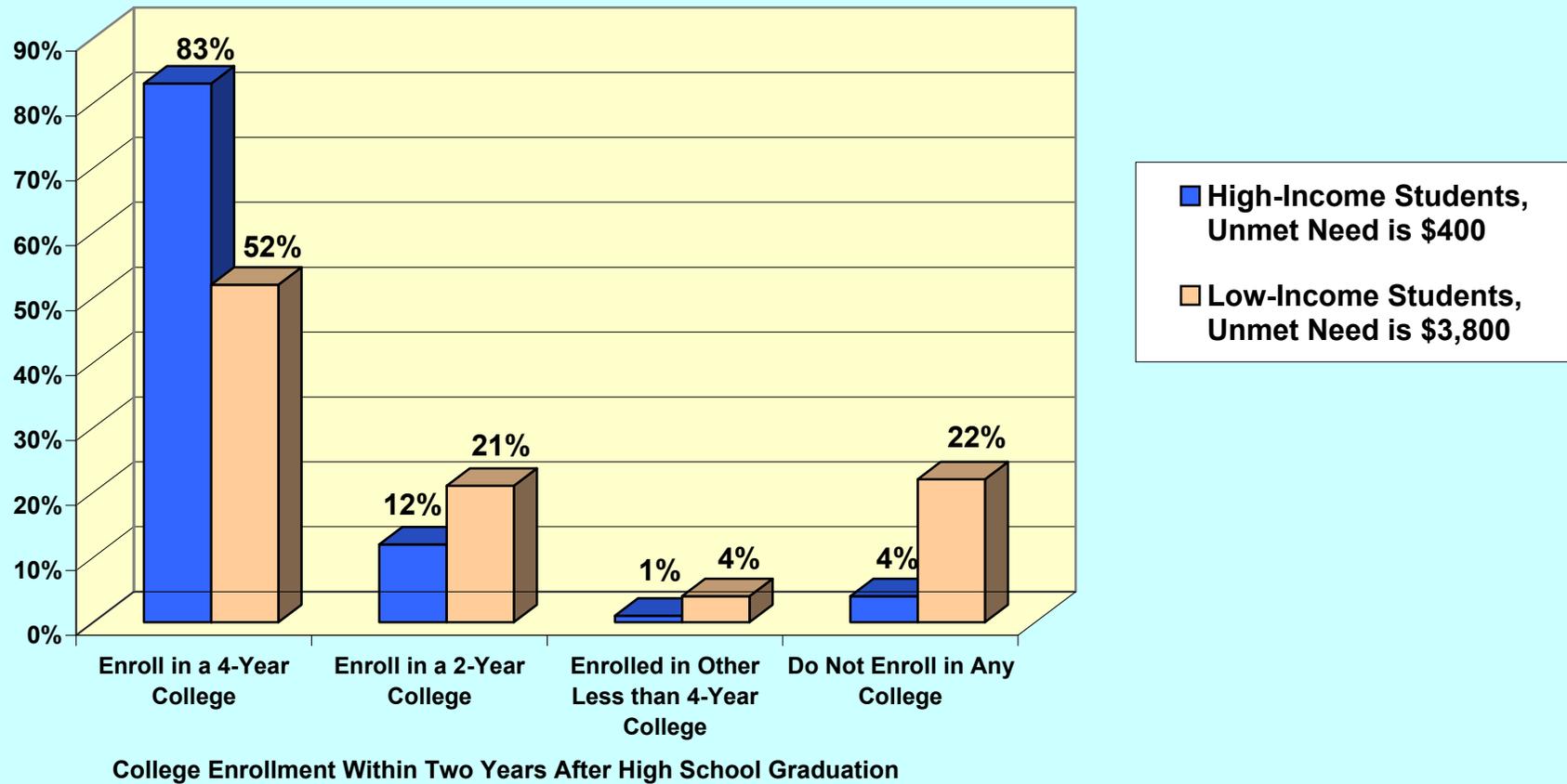
Source: Western Interstate Commission for Higher Education, *Knocking at the College Door: Projections of High School Graduates by State, Income and Race/Ethnicity*, 2003.

LOW-INCOME STUDENTS HAVE EXCESSIVE UNMET FINANCIAL NEED NOT COVERED BY STUDENT AID



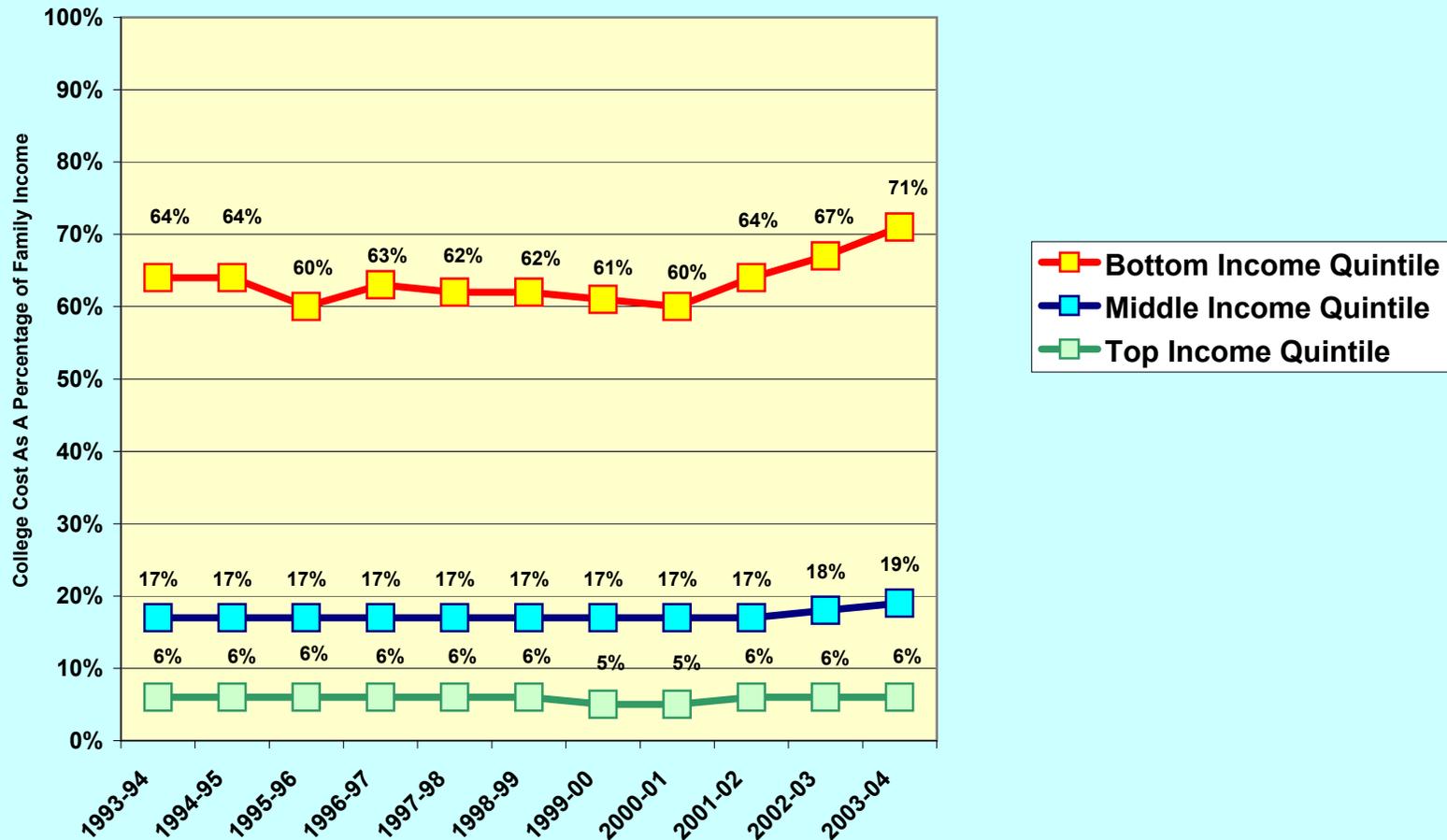
Source: Advisory Committee on Student Financial Assistance, *Empty Promises: The Myth of College Access in America*, June 2002.

EXCESSIVE UNMET FINANCIAL NEED IS A BARRIER TO COLLEGE EVEN FOR COLLEGE-QUALIFIED LOW-INCOME STUDENTS



Source: Advisory Committee on Student Financial Assistance, *Empty Promises: The Myth of College Access in America*, June 2002.

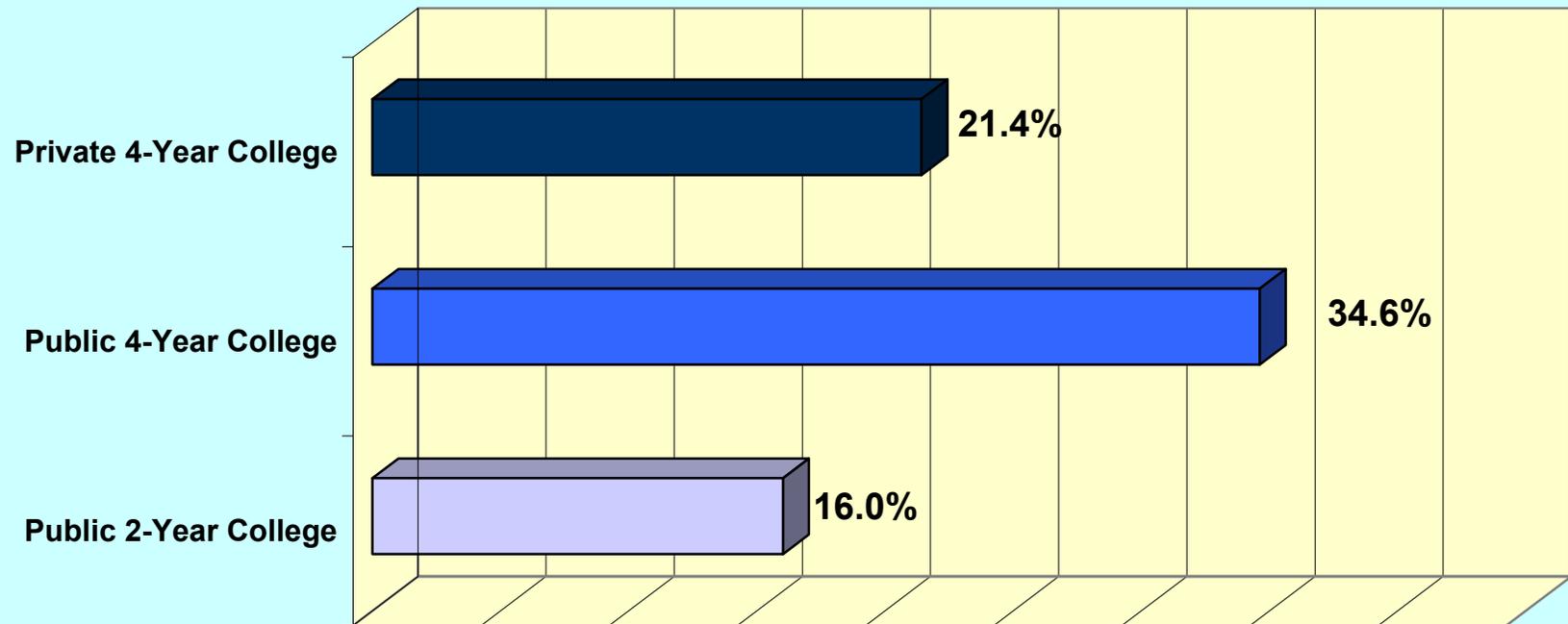
ONLY HIGH-INCOME FAMILIES HAVE SEEN THEIR INCOMES KEEP PACE WITH COLLEGE COSTS IN RECENT YEARS



Note: College cost is average total charge at 4-year public colleges.

Source: The College Board, *Trends in College Pricing*, 2003, Table 8.

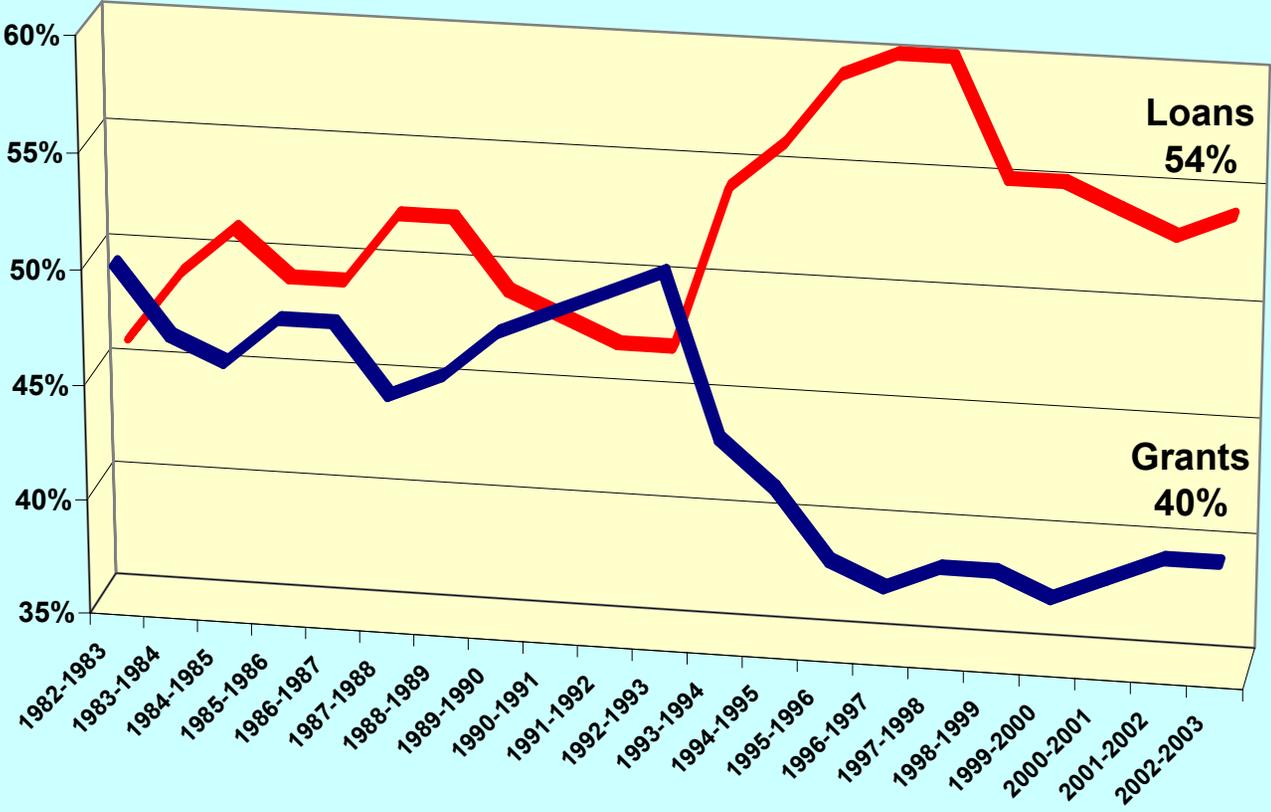
TUITION AND FEES HAVE INCREASED SIGNIFICANTLY SINCE 2000, PARTICULARLY AT PUBLIC 4-YEAR COLLEGES AND UNIVERSITIES HIT BY STATE BUDGET CUTS



Cumulative Increase in Tuition and Fees from 2000-2001 to 2003-2004

Source: The College Board, *Trends in College Pricing*, 2003.

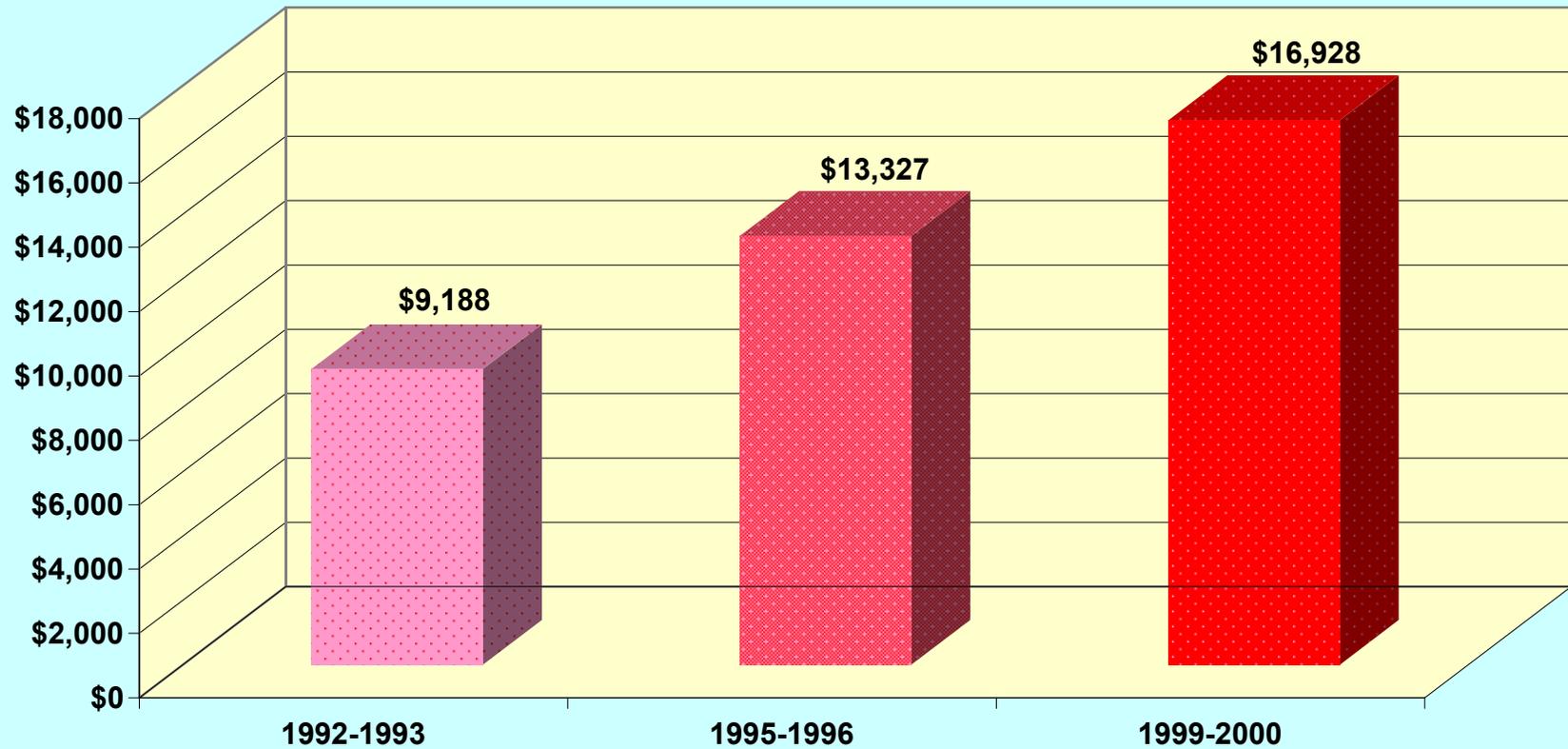
LOANS ARE NOW THE PREDOMINANT SOURCE OF STUDENT FINANCIAL AID



Percent Share of Total Aid At 4-Year Public Colleges

Source: The College Board, *Trends in Student Aid*, 2003.

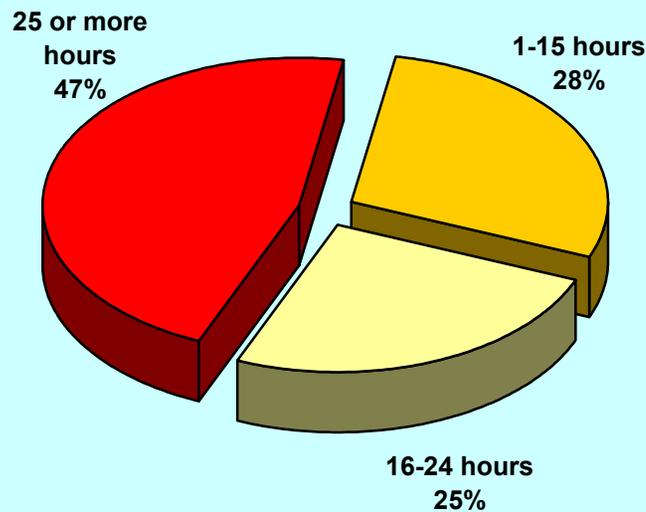
AVERAGE CUMULATIVE FEDERAL STUDENT LOAN DEBT HAS NEARLY DOUBLED FOR FULL-TIME STUDENTS AT FOUR-YEAR INSTITUTIONS



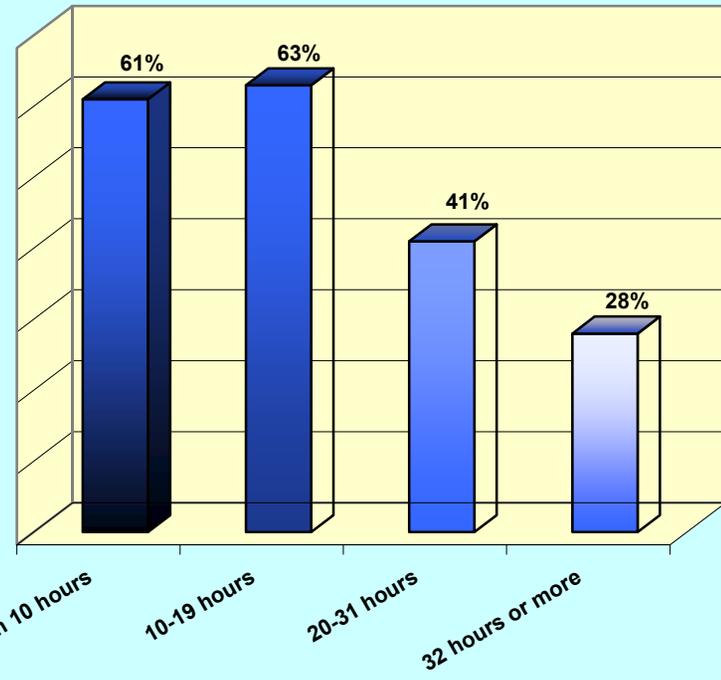
Source: The State PIRGs' Higher Education Project, *The Burden of Borrowing: A Report on the Rising Rates of Student Loan Debt*, March 2002.

WORKING MORE THAN 20 HOURS PER WEEK REDUCES THE LIKELIHOOD OF OBTAINING A DEGREE, BUT NEARLY HALF OF ALL EMPLOYED STUDENTS WORK MORE THAN 25 HOURS PER WEEK

Distribution of Full-Time Employed Students by Hours Worked per Week

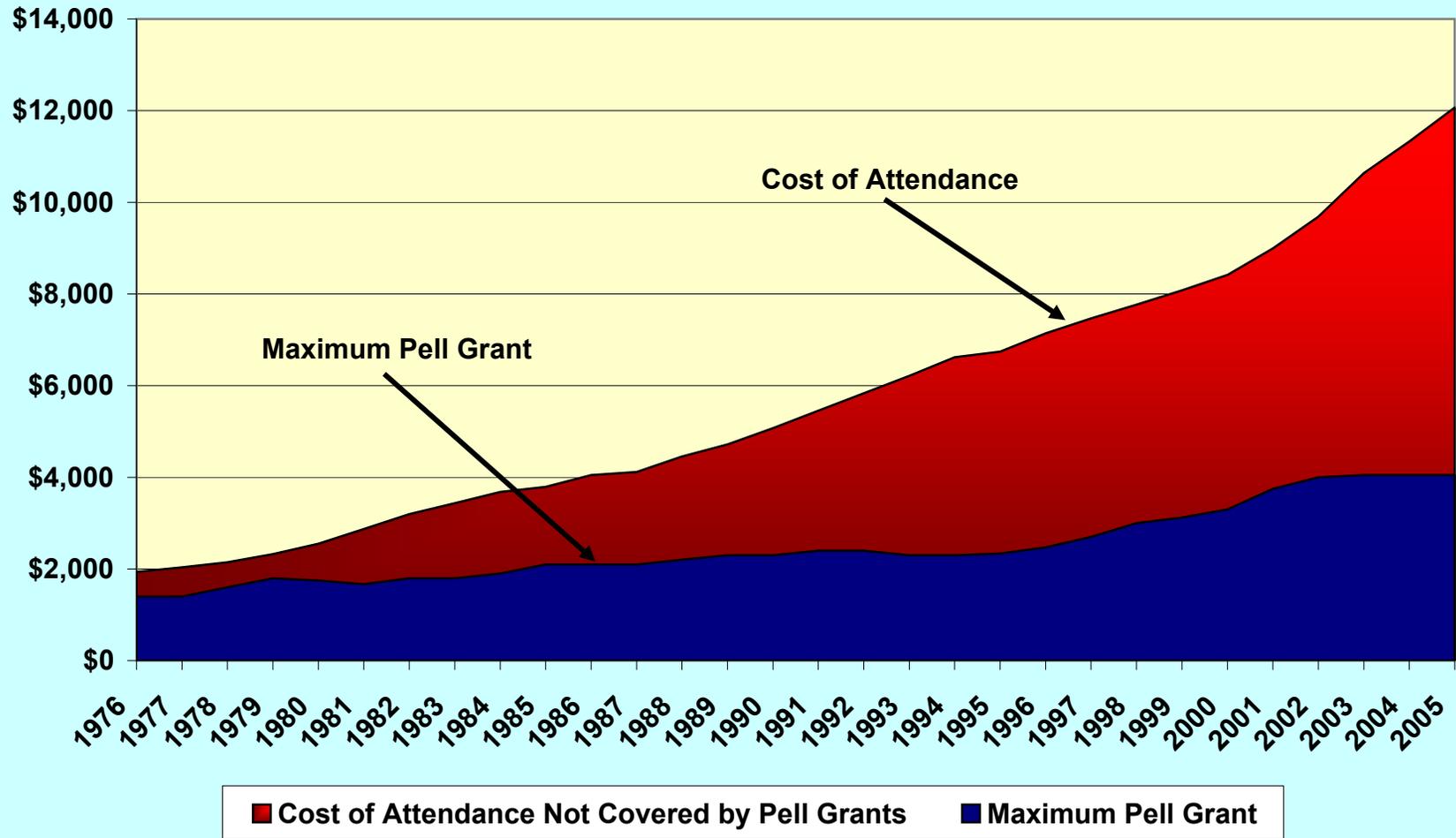


Bachelor's Degree Completion by Number of Hours Worked per Week



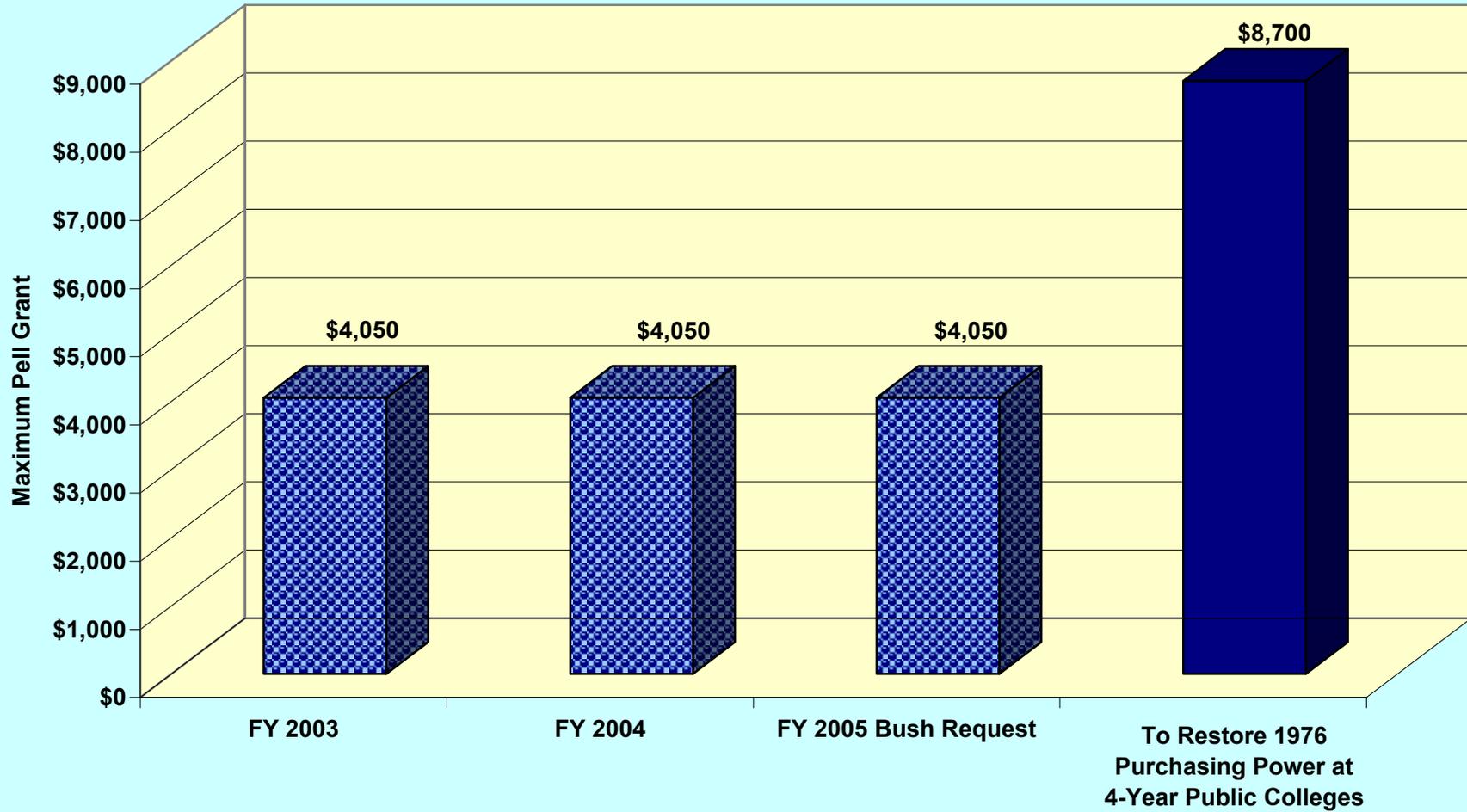
Sources: GAO, *College Completion: Additional Efforts Could Help Education With Its Completion Goals*, May 2003 and The State PIRGs' Higher Education Project, *At What Cost? The Price That Working Students Pay for a College Education*, April 2002.

THE GAP BETWEEN PELL GRANTS AND THE COST OF COLLEGE IS WIDENING

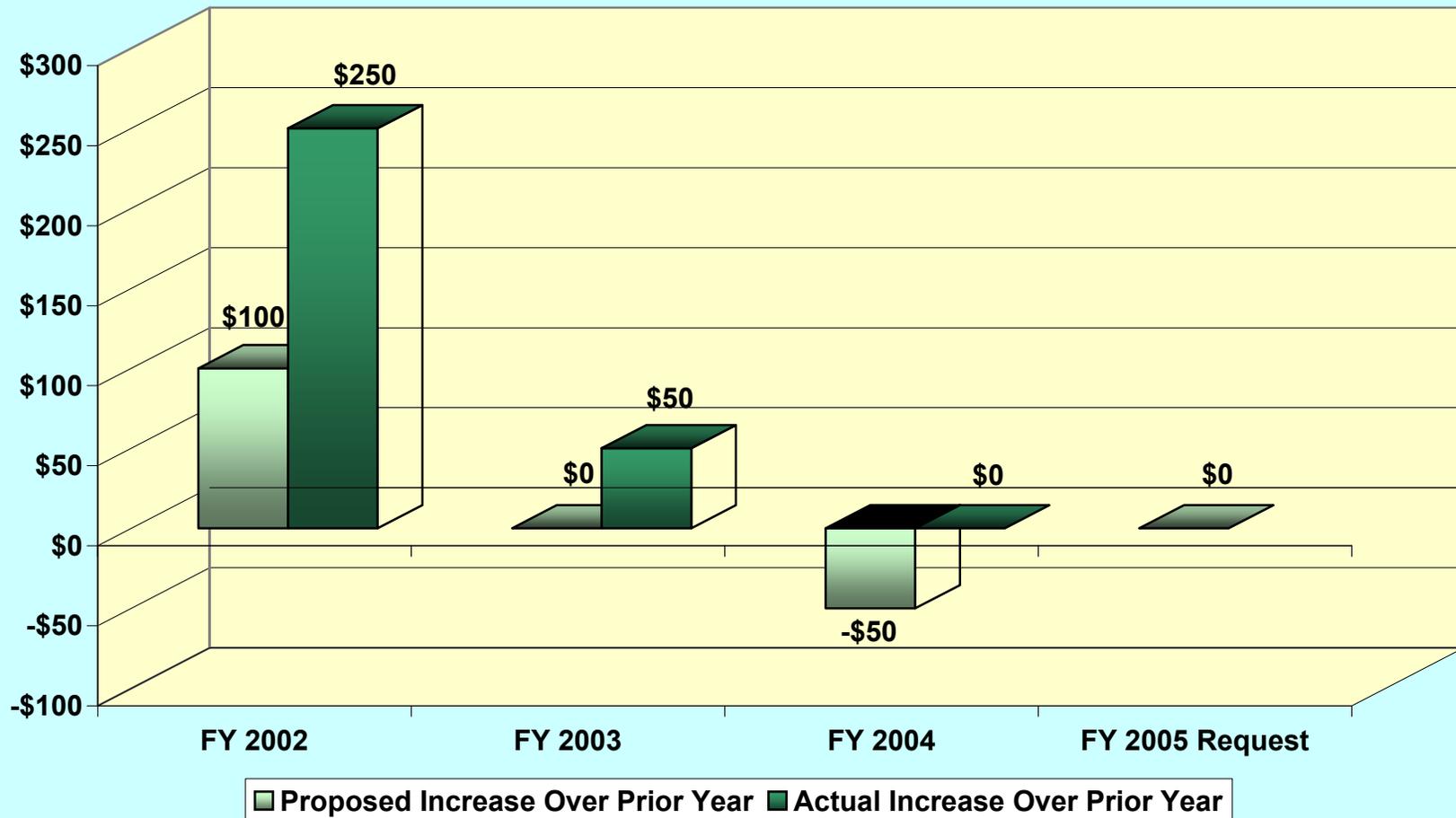


Note: Cost of attendance at 4-year public institutions from The College Board, *Trends in College Pricing*, 2003.

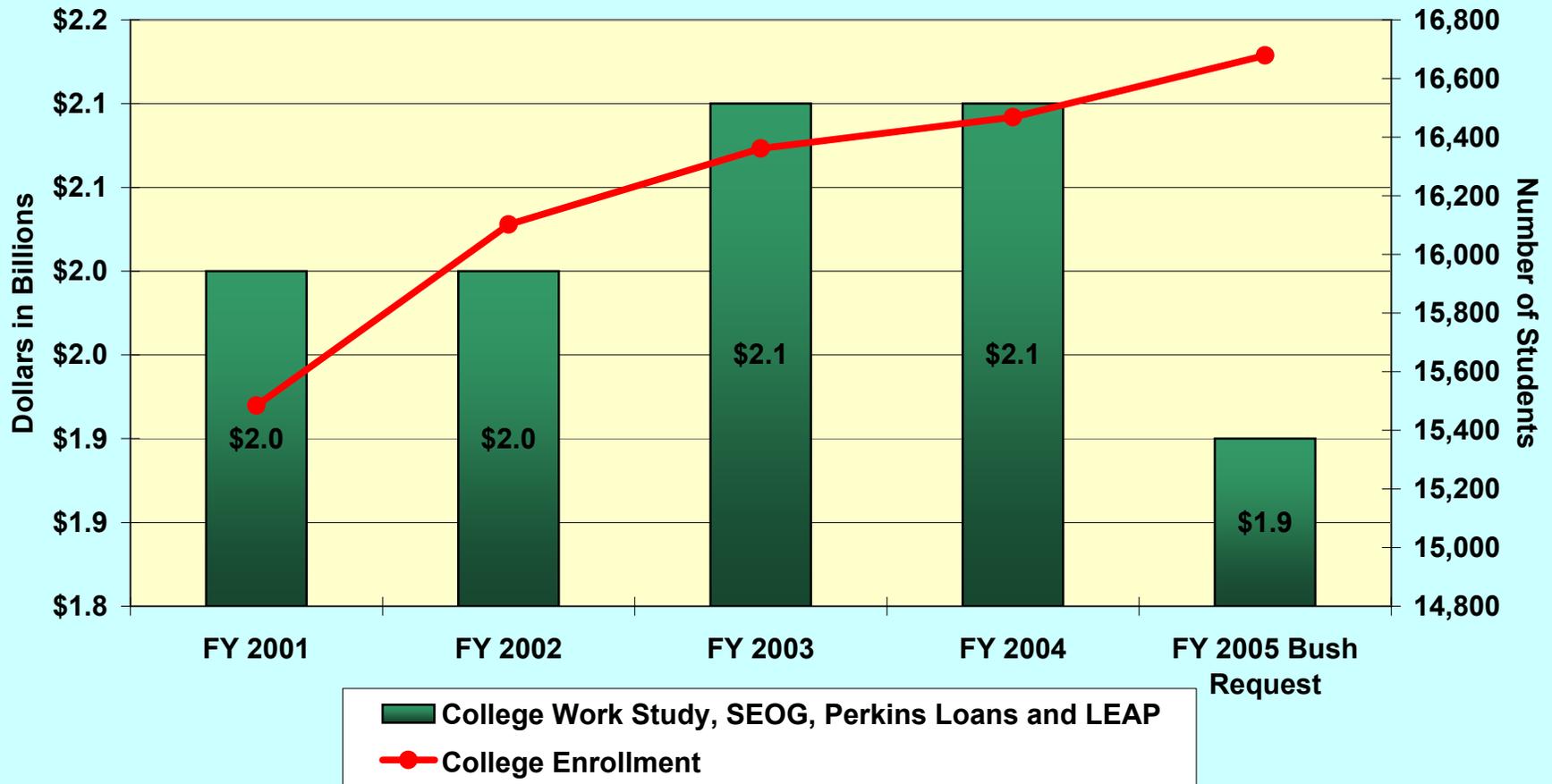
RESTORING THE LOST PURCHASING POWER OF PELL GRANTS



PRESIDENT BUSH HAS PROPOSED **NO** INCREASE FOR THE MAXIMUM PELL GRANT IN THE LAST THREE YEARS

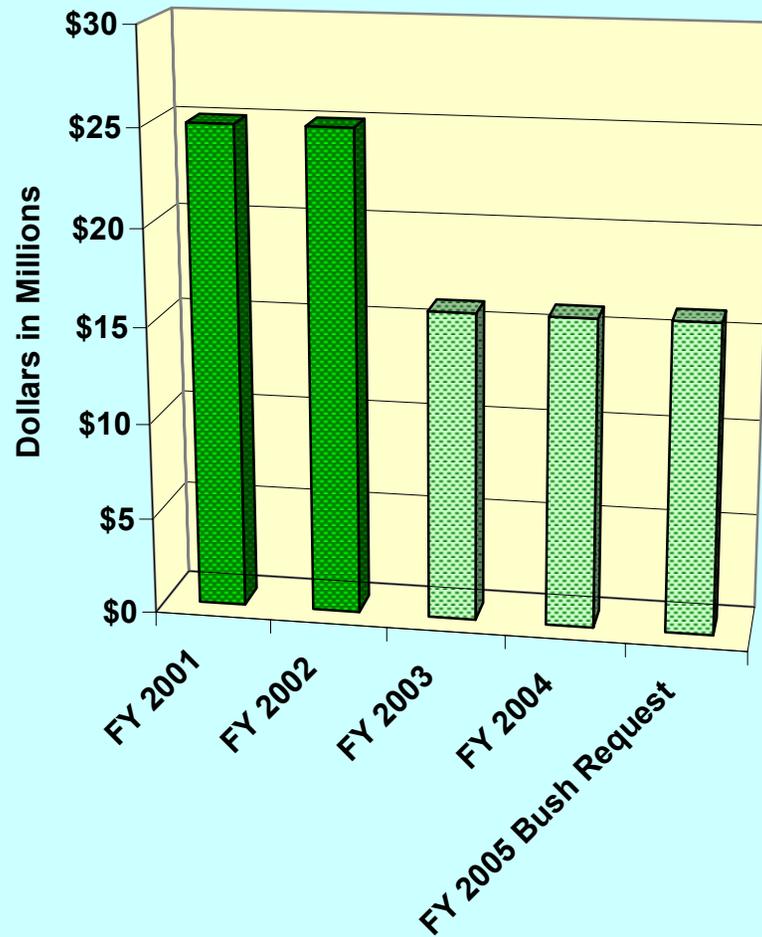


CAMPUS-BASED STUDENT ASSISTANCE FAILS TO KEEP PACE WITH COLLEGE ENROLLMENT UNDER THE BUSH FY 2005 BUDGET



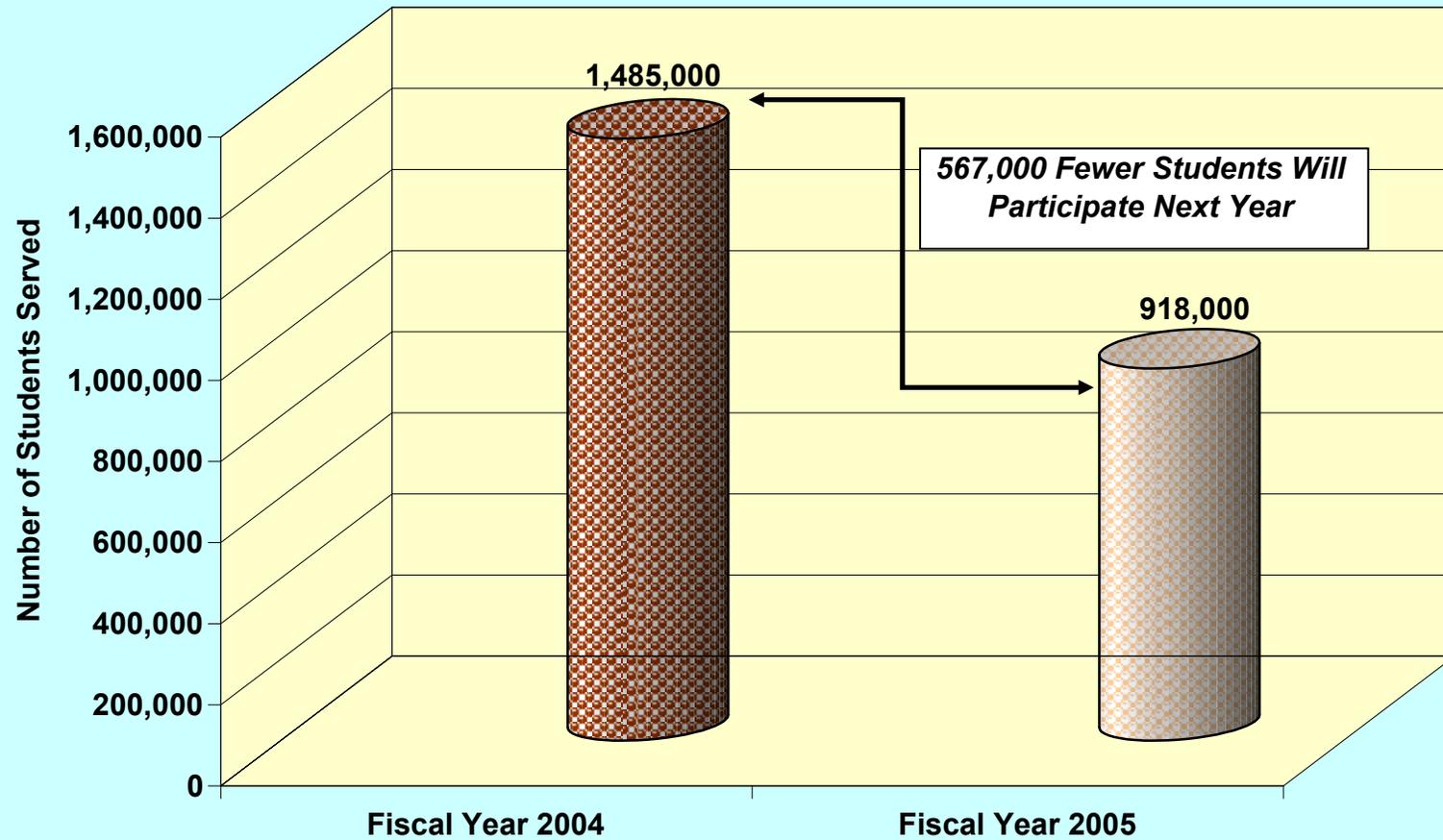
Source: College enrollment data from National Center for Education Statistics, *Projections of Education Statistics to 2013*, Table 10.

CAMPUS-BASED CHILD CARE HELPS PARENTS IN COLLEGE, BUT FEDERAL FUNDING HAS DROPPED 35% SINCE 2001

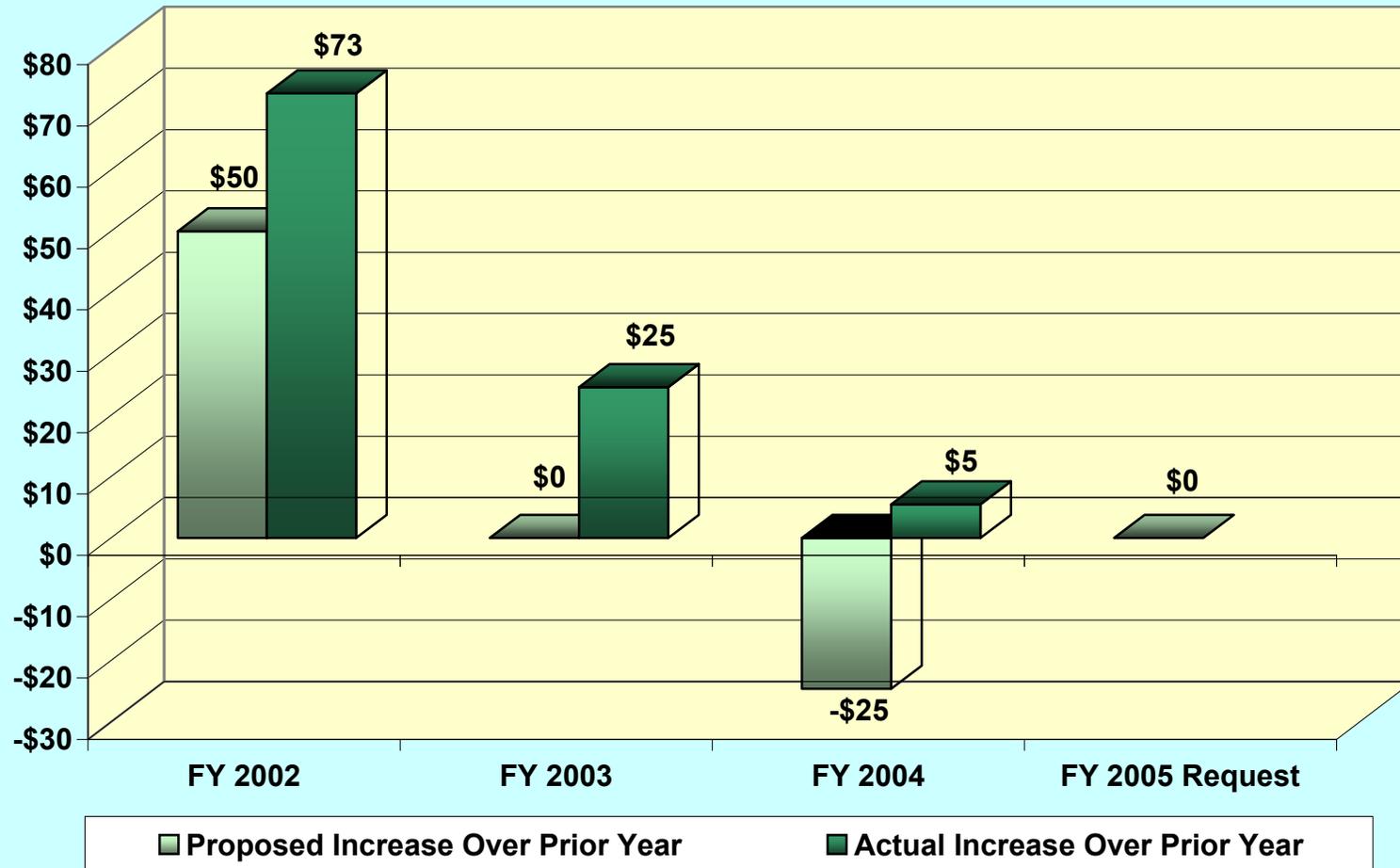


*Adults age 25 or older
account for 47% of total
college enrollments*

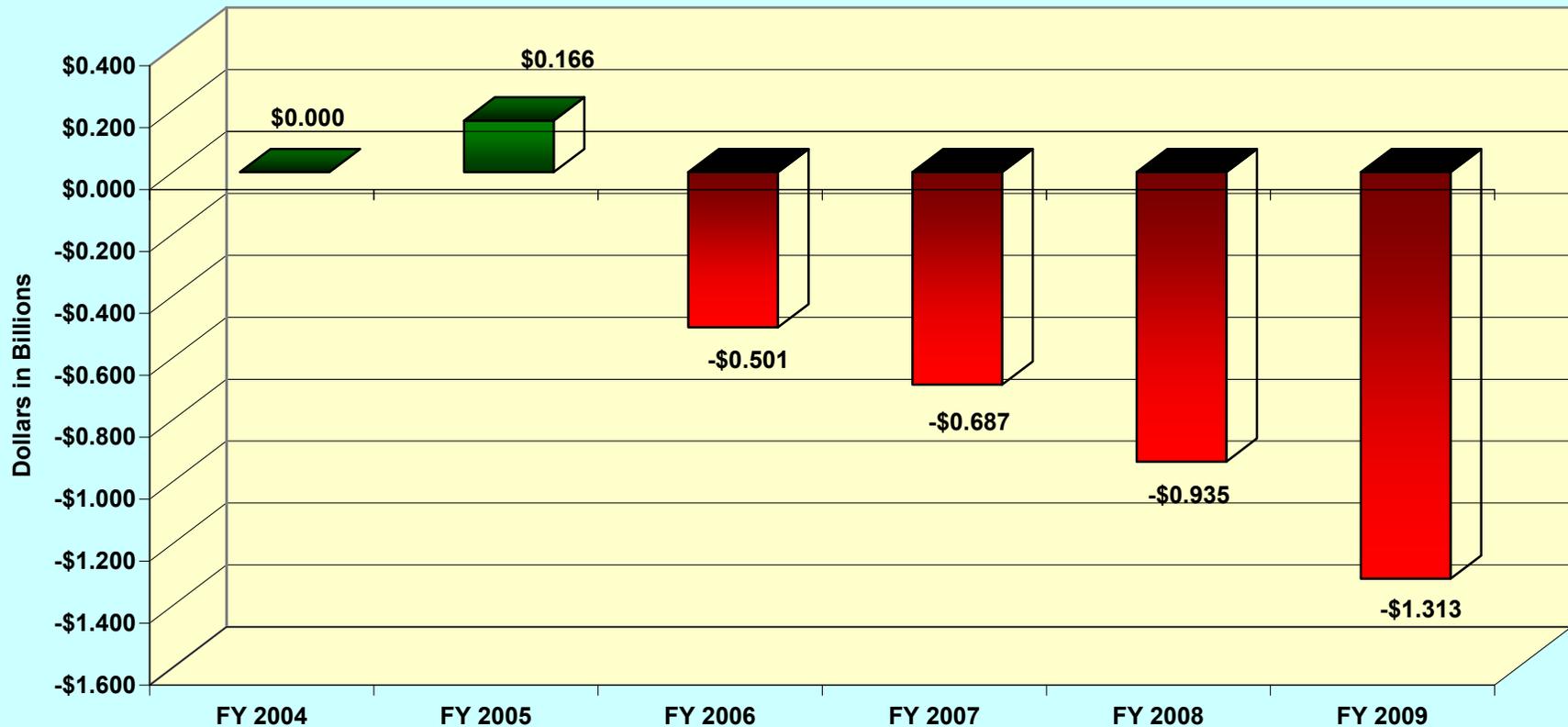
UNDER THE PRESIDENT'S FY 2005 BUDGET, GEAR UP PARTICIPATION WILL BE CUT BY 38 PERCENT



PRESIDENT BUSH HAS PROPOSED **NO** BUDGET INCREASE FOR TRIO IN THE LAST THREE YEARS



UNDER THE BUSH LONG-TERM BUDGET, HIGHER EDUCATION FUNDING WILL FALL \$1.3 BILLION BELOW CURRENT LEVELS ADJUSTED FOR INFLATION AND GROWTH IN COLLEGE ENROLLMENT



Source: Data for "Student Financial Assistance" and "Higher Education" accounts in the Department of Education from Office of Management and Budget, *Agency/Category/Account Detail Report, President's Policy and Baseline*, January 2004. College enrollment data from National Center for Education Statistics, *Projections of Education Statistics to 2013*, 2003.

CHOOSING HOW TO SPEND \$21 BILLION

