A Glimpse of Columbia History . . .

Legislative Update

Budgets Still on Table for Congress and State Legislature

By Ellen S. Smith

For the 20th year in a row, the New York Legislature and the governor have not agreed to the annual budget in time for the new fiscal year, which began on April 1. Several issues have yet to be resolved. Efforts to reduce student aid have been met by strong opposition from students and families.

On the other hand, Gov. George Pataki’s proposal for a Capital Fund for higher education institutions has been gathering support. The plan, which would be funded for up to $350 million, would enable public and private colleges and universities to apply for grants that each institution would obtain these additional funds.

The plan, which would be funded from a range of sources, is expected to leverage more than $1 billion from a range of sources, and create approximately 16,000 jobs, spurring economic activity in all regions of the state. Gov. Pataki’s Capital Fund program has gained strong support from state and local unions and trade associations, including the Council of New York State, the General Building Contractors of New York State, Unions and Business United in Construction and the Empire State Regional Council of Carpenters. Prognosticators expect a budget by the end of June.

At the federal level, House and Senate negotiators on a non-binding budget resolution for fiscal year 2005 decided to delay their discussion until they return from recess on April 19. They failed to reach agreement on the “pay-as-you-go” rules found in the Senate plan. The political stakes are high, as the pay-as-you-go provisions, which require that all additional mandatory spending and tax reductions be offset by other revenues, would limit the ability of the House Republican leadership to pursue its tax-cutting agenda.

Discretionary spending provisions (student aid and science funding, for instance) appear to be largely settled. There are, however, several differences between the House and Senate on issues of importance to research universities. The Senate budget resolution proposes $29.9 billion for the National Institutes of Health (NIH), a 7.2 percent increase over fiscal year 2004. The House version does not recommend specific funding for NIH. The Senate budget resolution also assumes increased funding for programs in Budget Function 250, which funds the National Science Foundation, NASA, and the Department of Energy’s Office of Science, rather than the freeze assumed in the House measure. Finally, the Senate plan includes $8.7 billion in reserve funds for student aid programs, which would provide $5 billion over five years for improving student loan terms and conditions, and $3.7 billion to pay off the project- ed Pell Grant program shortfall. The House measure does not contain these additional funds.

The Salvation & Deliverance Church Gospel Choir performed recently at Teachers College, sponsored by the School of International and Public Affairs’ Alliance for Community Enhancement.