



FEDERAL SUPPORT FOR EDUCATION

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FISCAL YEARS 1980 to 2002

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Highlights

The federal government provides support for education well beyond programs funded through the Department of Education (ED). Federal support for education, excluding estimated federal tax expenditures,¹ was an estimated \$147.9 billion in fiscal year 2002 (FY 2002), an increase of \$85.1 billion, or 136 percent, since FY 1990. After adjustment for inflation, federal support for education increased 77 percent between FY 1990 and FY 2002 (see table 1, page 5 and table A in appendix).

- For FY 2002, on-budget federal funds for education programs were estimated to be \$109.5 billion—an increase of 112 percent since FY 1990 in current dollars or an increase of 59 percent after being adjusted for inflation. Off-budget support and nonfederal funds generated by federal legislation (predominantly postsecondary education loans) were estimated at \$38.5 billion, a rise of 244 percent in current dollars between FY 1990 and FY 2002 and 158 percent in constant dollars (see table 1, page 5 and table A in appendix).
- In FY 2002, ED outlays totaled \$47.8 billion, reflecting an increase of 55 percent between FY 1990 and FY 2002, after adjusted for inflation. ED's share of total federal on-budget education funds rose from 38 percent in FY 1980 to 45 percent in FY 1990 and then decreased to 44 percent in FY 2002 (see figure 2, page 7 and table 3, page 8).
- Almost 60 percent of federal education support, excluding estimated federal tax expenditures, went to educational institutions in FY 2002. Nineteen percent was used for student support. The remaining 21 percent went to banks and other lending agencies, libraries, museums, and federal institutions (derived from table 7, page 15 and table G in appendix).
- School and college revenues in FY 2002 were 13 percent from the federal government, with the remaining revenues coming from state and local governments, individuals, and private organizations and endowments.

¹ Definitions of federal tax expenditures and other technical terms are in the *Definitions* section of this report on page 27.

Of the estimated \$731.7 billion in direct income by schools and colleges in FY 2002, revenues from federal sources amounted to \$88.6 billion and revenues from other sources amounted to \$643.1 billion (see tables 10 and 11, pages 20–21).

- The estimated federal share of expenditures of educational institutions declined from 14 percent in FY 1980 to 10 percent in FY 1990 and increased to 13 percent in FY 2002. Among elementary and secondary educational institutions, the federal share declined from 12 percent in FY 1980 to 7 percent in FY 1990 and increased to 10 percent in FY 2002. Among institutions of higher education, the federal share declined from 18 percent in FY 1980 to 14 percent in FY 1990 and then rose to 18 percent in FY 2002 (see tables 10 and 11, pages 20–21).
- Between FY 1980 and FY 1990, after being adjusted for inflation, federal on-budget program funds for elementary and secondary education decreased 12 percent; postsecondary education funds declined 21 percent. Other education funds (which include funds for libraries, museums, cultural activities, and miscellaneous research) increased 40 percent; and funds for research at universities and university-administered research and development centers increased 39 percent (see table 2, page 6).
- In the more recent period, between FY 1990 and FY 2002, federal on-budget funds for elementary and secondary education increased 87 percent in constant dollars, postsecondary education funds increased 24 percent, other education funds increased 42 percent, and research funds at colleges and universities increased 54 percent (see table 2, page 6).
- Between FY 1980 and FY 1990, estimated federal tax expenditures, after being adjusted for inflation, decreased 8 percent. Between FY 1990 and FY 2001, expenditures went up 67 percent. Estimated federal tax expenditures share of total federal support in education was 24 percent in FY 2001 (see table 6, page 14 and table A in appendix).

- Federal support was distributed across levels and other educational purposes as follows (see table 1 on page 5, table 2 on page 6, and table A in appendix):

Level	FY 1980	FY 1985	FY 1990	FY 1995	FY 2002 ¹
[In billions of current dollars]					
Total	\$39.3	\$47.8	\$62.8	\$95.8	\$147.9
On-budget	34.5	39.0	51.6	71.6	109.5
Elementary and secondary	16.0	16.9	22.0	33.6	54.6
Postsecondary	11.1	11.2	13.7	17.6	22.6
Libraries, museums, and other	1.5	2.1	3.4	4.7	6.4
Research at educational institutions	5.8	8.8	12.6	15.7	25.9
Off-budget support and nonfederal funds ²	4.9	8.7	11.2	24.2	38.5
[In billions of constant FY 2002 dollars]					
Total	\$81.7	\$74.0	\$83.5	\$110.2	\$147.9
On-budget	71.6	60.4	68.7	82.4	109.5
Elementary and secondary	33.3	26.2	29.2	38.7	54.6
Postsecondary	23.1	17.3	18.2	20.3	22.6
Libraries, museums, and other	3.2	3.3	4.5	5.4	6.4
Research at educational institutions	12.0	13.7	16.8	18.0	25.9
Off-budget support and nonfederal funds ²	10.1	13.5	14.9	27.8	38.5

¹ Estimated.

² Off-budget support and nonfederal funds generated by federal legislation. For more detailed discussion see Off-Budget Support and Nonfederal Funds section on pages 11–13.

NOTE: Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, Office of the Under Secretary, Budget Service, unpublished data, and National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; and unpublished data obtained from various federal agencies. (See table A in appendix.)

- Federal agencies providing the largest amounts of education program funds (see table 3, page 8 and tables B and C in appendix):

Agency	FY 1980	FY 1985	FY 1990	FY 1995	FY 2002*
[In billions of current dollars]					
Dept. of Education	\$13.1	\$16.7	\$23.2	\$31.4	\$47.8
Dept. of Health and Human Services	5.6	5.3	8.0	12.5	22.9
Dept. of Agriculture	4.6	4.8	6.3	9.1	11.9
Dept. of Labor	1.9	1.9	2.5	4.0	6.4
Dept. of Defense	1.6	3.1	3.6	3.9	4.7
Dept. of Energy	1.6	2.2	2.6	2.7	3.6
National Science Foundation	0.8	1.1	1.6	2.1	3.2
Dept. of Veterans Affairs	2.4	1.3	0.8	1.3	2.3
National Aeronautics and Space Administration	0.3	0.5	1.1	1.8	2.1
[In billions of constant FY 2002 dollars]					
Dept. of Education	\$27.3	\$25.9	\$30.9	36.1	\$47.8
Dept. of Health and Human Services	11.7	8.2	10.6	14.3	22.9
Dept. of Agriculture	9.5	7.4	8.3	10.5	11.9
Dept. of Labor	3.9	3.0	3.3	4.6	6.4
Dept. of Defense	3.2	4.8	4.8	4.5	4.7
Dept. of Energy	3.3	3.5	3.4	3.1	3.6
National Science Foundation	1.7	1.8	2.1	2.4	3.2
Dept. of Veterans Affairs	4.9	2.0	1.0	1.5	2.3
National Aeronautics and Space Administration	0.5	0.8	1.5	2.0	2.1

* Estimated.

SOURCE: U.S. Department of Education, Office of the Under Secretary, Budget Service, unpublished data, and National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; and unpublished data obtained from various federal agencies. (See table 3 on page 8 and tables A, B, and C in appendix.)

Contents

	Page
Highlights	iii
Introduction	1
Federal Support for Education	3
Federal Program Support for Education, On-Budget	5
Off-Budget Support and Nonfederal Funds Generated by Federal Legislation	11
Estimated Federal Tax Expenditures to Support Education	13
Recipients of Federal Education Support	14
Federal Support for Education Institutions	19
Sources and Methodology	23
Definitions	27
Appendix	29

Tables

1. Federal support for education, by category: Fiscal years 1980 to 2002	5
2. Federal on-budget program funds for education, by level or other educational purpose: Fiscal years 1980 to 2002	6
3. Largest providers of federal on-budget education program funding, by agency: Fiscal years 1980, 1985, 1990, and 2002	8
4. Largest on-budget education program activities, by level or other educational purpose: Fiscal years 1980, 1985, 1990, and 2002	10
5. Off-budget support and nonfederal funds for education generated by federal legislation: Fiscal years 1980, 1990, and 2002	13
6. Estimated federal tax expenditures for education: Fiscal years 1975 to 2001	14
7. Estimated federal support for education, by type of ultimate recipient: Fiscal years 1980, 1990, and 2002	15
8. Estimated federal support for education, (in current dollars) by level and type of ultimate recipient: Fiscal years 1980, 1990, and 2002	17
9. Estimated federal support for education, (in constant 2002 dollars) by level and type of ultimate recipient: Fiscal years 1980, 1990, and 2002	18
10. Estimated expenditures of education institutions and federal support (in current dollars), by level and type of federal support: Fiscal years 1980, 1990, and 2002	20
11. Estimated expenditures of education institutions and federal support (in constant 2002 dollars), by level and type of federal support: Fiscal years 1980, 1990, and 2002	21

Figures

1. Federal program support for education, by level or other educational purpose, nonfederal funds generated by federal legislation, and off-budget support: Fiscal years 1965 to 2002	4
2. Estimated federal on-budget funds for education, by agency: Fiscal year 2002	7
3. Estimated percentage of federal support for education, by type of ultimate recipient: Fiscal year 2002	16

Appendix: Detailed Tables

A. Federal support and estimated federal tax expenditures for education, by category: Fiscal years 1965 to 2002	31
B. Federal on-budget funds for education (in current dollars), by agency: Fiscal years 1965 to 2002	32
C. Federal on-budget funds for education (in constant 2002 dollars), by agency: Fiscal years 1965 to 2002	33
D. Federal on-budget funds for education, by level or other educational purpose, by agency and program: Fiscal years 1965 to 2002	34
E. Estimated federal support for education, by agency and type of ultimate recipient: Fiscal year 1980	41
F. Estimated federal support for education, by agency and type of ultimate recipient: Fiscal year 1990	42
G. Estimated federal support for education, by agency and type of ultimate recipient: Fiscal year 2002	43

Introduction

This report attempts to provide a comprehensive picture of total federal financial support for education since fiscal year 1980.² The U.S. Department of Education was created in May 1980. Most of the programs in the Department of Education were formerly in the Office of Education in the U.S. Department of Health, Education, and Welfare. In order to account fully for all federal support for education, programs residing in other federal departments and agencies having significant educational components are included, even if they have additional purposes.³ The appendix tables in the back of this report have additional historical data for fiscal years 1965, 1970, and 1975 (see tables A through D, in appendix).

Assembling data on federal funds for education is difficult for a number of reasons. First, federal education programs are found in dozens of federal departments and agencies. Although some consolidation of education programs in one federal agency was achieved with the establishment of the U.S. Department of Education, many large and significant federal education programs remain outside the Department. In order to provide a more complete account of federal support for education, the education support from other federal agencies has been included. Also, adult and vocational education in the U.S. Department of Education and other training programs including those in the U.S. Department of Labor, Job Corps and the U.S. Department of Veterans Affairs, are included in the elementary and secondary education programs in this report.

A second complicating factor is that many federal programs involving education have other primary purposes. For example, education-related programs range from support for cultural activities conducted in this country and abroad, such as programs in the Agency for International Development, to underwriting some major training institutions, such as the Foreign Service Institute and the F.B.I. Academy. Also this report includes research at universities and colleges that may not be directly or indirectly related to education. A variety of concerns—ranging from assisting impoverished children in programs like Head Start to veterans' assistance—are addressed, in part,

through federal education programs (see table D in appendix). For the purpose of this publication, educational programs are broadly defined in order to capture the myriad of educational expenditures of interest to readers of this report.

There are education-related programs in the Medicare program as well. These programs are called “direct medical education” (DME) and “indirect medical education” (IME). Both DME and IME money goes to teaching hospitals. The U.S. Department of Health and Human Services (HHS) can only provide data on the costs of these Medicare programs since fiscal year 1990. Because of differences in accounting procedures, HHS cannot go back any further, but these programs have existed and have been funded since the 1960s. These dollar amounts were in other programs in the U.S. Department of Health and Human Services and cannot be separated out accurately. Table D in the appendix has footnoted the dollar amounts expended in the 1990s, but they are not included in the total in order to maintain comparability between FY 1980 to FY 2002 because this report compares dollar amounts spent between FY 1980 and FY 2002. For more details see the Sources and Methodology section (see pages 23–25).

Third, off-budget support and nonfederal funds generated by federal legislation are sometimes overlooked or misunderstood, because they are not included in regular budget reports, but they contribute a significant share of total support for education (26 percent) (see table 1, page 5 and pages 11–13).

The fourth factor is estimated federal tax expenditures related to education, which in this report include only reductions in tax revenue received by the federal government due to deductions, exemptions, and credits allowable in the tax code. Education programs can be supported either by direct funding or by indirect funding mechanisms such as tax expenditures (see page 13). Unless otherwise noted, these tax expenditures are excluded from tables in this publication (see table A in appendix).

There is also a program called the Universal Service Fund (USF). This program was designed to ensure that all eligible schools and libraries have affordable access to modern telecommunications information services. Up to \$2.25 billion is available each year to provide eligible schools and libraries with discounts, often referred to as the “E-rate” for authorized services.

The USF program was not included in this report, because the money used for this program is private money not public money, even though it is in the President’s

²Some data have been revised from *Federal Support for Education: Fiscal Years 1980 to 2001* and *Digest of Education Statistics, 2001*.

³The Office of Management and Budget publishes a compilation of funding levels for all federal activities using a more restrictive definition of education. Nonfederal funds generated by federal legislation and off-budget support funds were not included. Also federal tax expenditures and the Rehabilitative Services and Disability Research program in the U.S. Department of Education were not included (see *Sources and Methodology*, page 23).

Budget under the Federal Communications Commission (FCC). The not-for-profit Universal Service Administrative Company (USAC) is responsible for administering the fund under the direction of the FCC.

It is also important to note that FY 2002 data are mostly preliminary and will be subject to later revision. These estimates of FY 2002 outlays are provided by various federal agencies and the U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2003*.

To the extent possible, outlays were used in this report rather than appropriations or obligations, with the exception that obligations were used for academic research at institutions of higher education. *Appropriations* are the amount of funds made available in legislation providing funds for federal programs. *Outlays* are the actual amount of dollars spent. *Obligations* are spending commitments by the federal government that will require outlays either immediately or in the future.⁴

This report has put federal education funding into three categories: on-budget support, off-budget support, and nonfederal funds generated by federal programs.

1. *On-budget funding* for federal programs is generally set through congressional appropriations.

2. *Off-budget support* is federal money that has been excluded from the budget by law. Off-budget support in this report is the loan volume in the William D. Ford Federal Direct Student Loan (FDSL) program.

3. *Nonfederal funds generated by federal programs* result from federal loan guarantees and interest subsidies to

support loan capital raised through various private and public sources. The nonfederal funds are not recorded in the federal budget, but contingent federal financial responsibility exists for most of these funds in the form of federal guarantees and subsidies for student loans made by banks and other lending institutions. Nonfederal funds generated by federal legislation are also made available for education purposes when federal programs require matching funds or offer incentives and subsidies. Almost all such nonfederal education funds go to postsecondary education.

This report shows current and constant dollar comparisons, based on the federal funds composite deflator from the U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2003*. The inflation index rose 107.7 percent between FY 1980 and FY 2002. Additional technical information appears in the Sources and Methodology section, pages 23–25.

This report has received extensive reviews by individuals within and outside the Department of Education. The author gratefully acknowledges their time and expert advice. Within the Office of Educational Research and Improvement (OERI), Thomas D. Snyder, William Hussar, Bruce Taylor, Patricia Q. Brown, W. Vance Grant, Frank Johnson, and Jim Fox reviewed the manuscript. Outside reviewers were John Kane, and Judith Anderson from the Office of the Under Secretary, Budget Service; Office for Civil Rights; Office of Vocational and Adult Education; all in the U.S. Department of Education, and Mary McLaughlin and Megan Warnick from the Education Statistics Services Institute.

⁴A more detailed description is in the *Definitions* section, page 27.

Federal Support for Education

Growth of Federal On-Budget Funds, Off-Budget Support, and Nonfederal Funds: 1965 through 2002

Federal support for education is estimated to be \$147.9 billion in fiscal year 2002, an increase of 81 percent since FY 1980, after adjustment for inflation. Federal education support includes federal program funds (on-budget), off-budget support, and nonfederal funds generated by federal legislation, but excludes estimated federal tax expenditures (see table 1 and table A in appendix).

Even after adjusting for inflation, federal on-budget program funding for education rose dramatically between FY 1965 and FY 1975, amounting to an increase of 207 percent for elementary and secondary education; 259 percent for postsecondary education; 141 percent for other education, including libraries, museums, cultural activities, and miscellaneous research; and almost 6 percent for research at educational institutions (see figure 1 and table A in appendix). Off-budget support and nonfederal funds generated by federal legislation grew from \$0.1 billion in FY 1965 to \$4.3 billion in FY 1975 (constant 2002 dollars).

Between FY 1975 and FY 1980, funding for most programs remained relatively stable. However, funding for other education dropped almost 35 percent, research at educational institutions grew almost 15 percent, and off-budget support and nonfederal funds generated by federal legislation for student loans grew rapidly (134 percent) in constant dollars. Because of the expansion of the student loan programs—in part through the Middle Income Student Assistance Act of 1978, which made all students eligible for subsidies regardless of need—off-budget support and nonfederal funds generated by federal legislation rose from \$4.3 billion in FY 1975 to \$10.1 billion in FY 1980 (constant 2002 dollars).

Between FY 1980 and FY 1985, the total of federal on-budget funds, off-budget support, and nonfederal funds generated by federal legislation dropped 9.5 percent, after adjusting for inflation (see table A in appendix). This change reflects the effects of a drop in on-budget program funds for education (16 percent) and an increase of 34 percent in the volume of off-budget support and nonfederal funds generated by federal legislation.

During this same time period, elementary and secondary education funds dropped 21 percent, after adjusting for inflation. Among the elementary and secondary programs that showed the largest decrease in spending

were the school improvement programs in the U.S. Department of Education (see table D in appendix). Postsecondary education funds also declined between FY 1980 and FY 1985 (25 percent). The main reason for this decline after FY 1980 was the termination of two programs: the old GI Bill and the Social Security postsecondary benefits programs. Other education and research at educational institutions, however, showed an increase between FY 1980 and FY 1985 (1 percent and 14 percent, respectively).

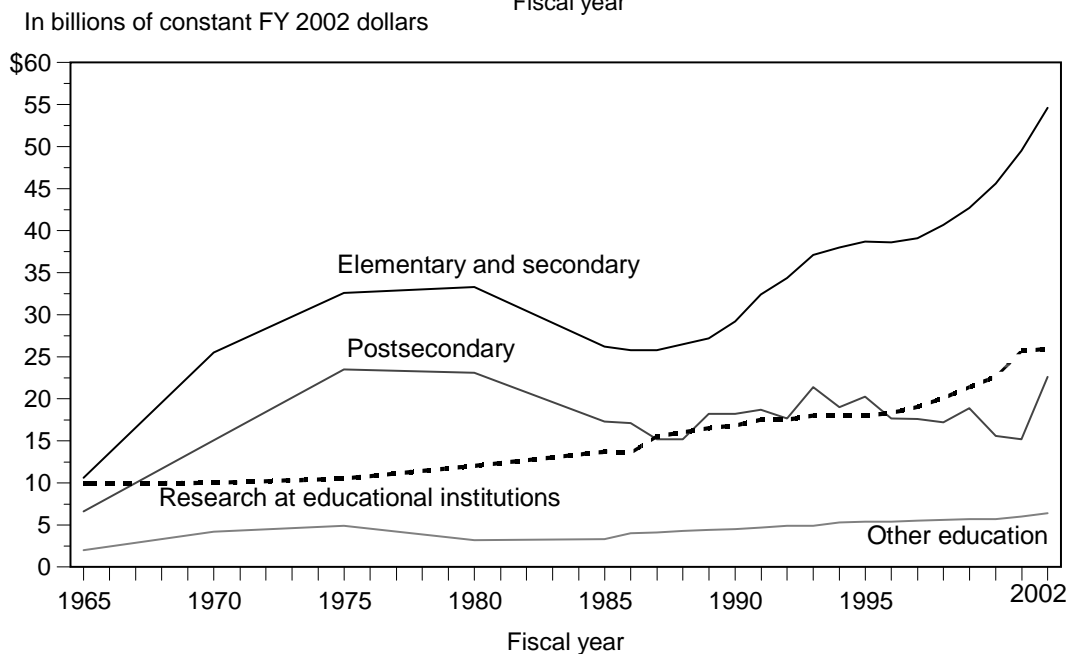
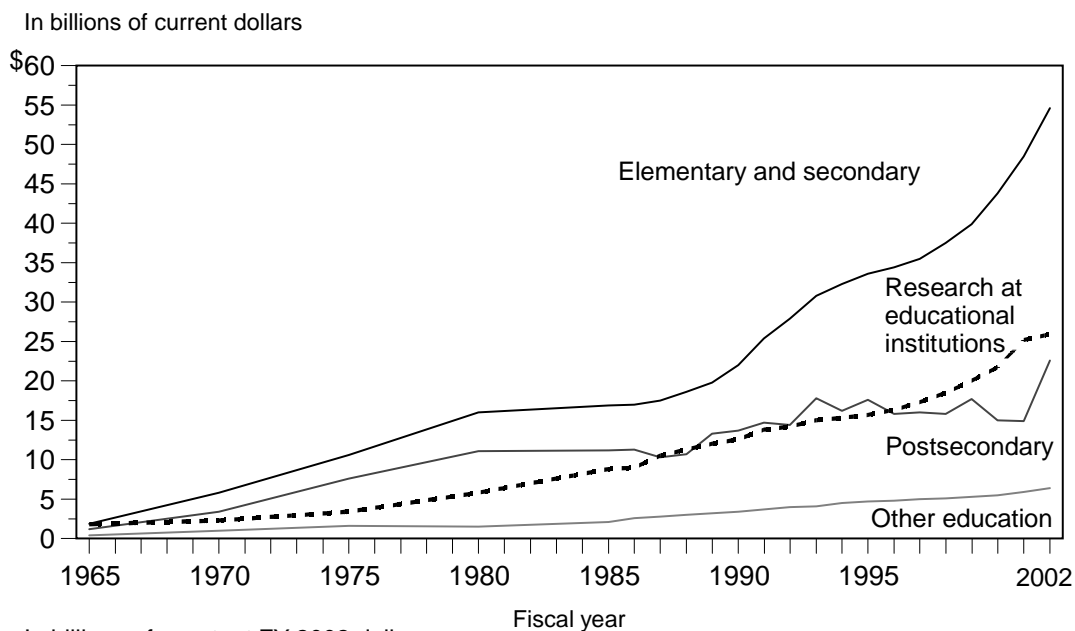
After declining between FY 1980 and FY 1985, the total on-budget funds, off-budget support, and nonfederal funds generated by federal legislation increased 13 percent after adjustment for inflation between FY 1985 and FY 1990. On-budget funds increased 14 percent, showing an increase in all programs. Elementary and secondary education funds increased 12 percent, other education funds increased 38 percent, research at educational institutions increased 22 percent, and postsecondary education funds increased 5 percent, even though they fluctuated during this time period. One reason for the fluctuations is the Federal Family Education Loan Program. Reduction in interest rates, decreasing default rates on student loans, and low special allowance payment to lenders resulted in lower costs. Off-budget support and nonfederal funds increased 10 percent during the same time period.

Between FY 1990 and FY 1995, on-budget funds increased 20 percent, showing an increase in all levels of education and off-budget support and nonfederal funds increased 87 percent. Between FY 1995 and FY 2002, on-budget funds increased 33 percent, also showing an increase in all levels of education and off-budget support and nonfederal funds increased 38 percent, after adjustment for inflation.

Between FY 1990 and FY 2002, on-budget funds increased 59 percent, after adjustment for inflation. Elementary and secondary education increased 87 percent, postsecondary education increased 24 percent, other education increased 42 percent, and research at educational institutions increased 54 percent.

Off-budget support and nonfederal funds generated by federal legislation showed an increase in real dollars between FY 1980 and FY 2002 (281 percent), but there were notable fluctuations throughout the period. These amounts tended to fluctuate because of changes in interest rates and program legislation which affected the number and volume of student loans. Between FY 1990 and FY 2002, these same funds showed an increase of 158 percent.

Figure 1.—Federal on-budget funds for education, by level or other educational purpose: 1965 to 2002



SOURCE: U.S. Department of Education, National Center for Education Statistics; U.S. Office of Management and Budget, *Budget of the U.S. Government*, fiscal years 1967 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1965 to 2002; and unpublished data.

Table 1.—Federal support for education, by category: Fiscal years 1980 to 2002
[Amounts in billions of constant FY 2002 dollars]

Category of support	Fiscal year					Percent change, FY 1980 to FY 2002 *	Percent change, FY 1980 to FY 1990	Percent change, FY 1985 to FY 2002 *	Percent change, FY 1990 to FY 2002 *
	1980	1985	1990	1995	2002 *				
Total	\$81.7	\$74.0	\$83.5	\$110.2	\$147.9	81.0	2.2	100.0	77.1
Federal programs, on-budget	71.6	60.4	68.7	82.4	109.5	52.8	-4.2	81.1	59.4
Off-budget support and nonfederal funds generated by federal legislation	10.1	13.5	14.9	27.8	38.5	281.3	47.5	184.6	158.5

* Estimated.

NOTE: Percentages based on unrounded numbers. Detail may not sum to totals due to rounding. Constant dollars are based on the composite deflator used in the U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2003*. Excludes federal tax expenditures.

SOURCE: U.S. Department of Education, Office of the Under Secretary, Budget Service, unpublished data, and National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; and unpublished data obtained from various federal agencies. (See table A in appendix.)

Federal Program Support for Education, On-Budget

Federal education program funds are estimated to be \$109.5 billion for FY 2002. In adjusted dollars, this amount reflects an increase of 59 percent between FY 1990 and FY 2002 (see table 2 and table A in appendix). Federal program funds generally have increased over the past 17 years, rising by 81 percent in constant dollars between 1985 and 2002, following a decline between 1980 and 1985 (table 1).

Elementary and secondary education programs, at \$54.6 billion or 50 percent in FY 2002, accounted for the largest share of federal program support. Expenditures for elementary and secondary education programs increased 87 percent between FY 1990 and FY 2002 in constant dollars (table 2). Some of the largest programs in elementary and secondary education programs also showed some of the largest increases. The Head Start program in the U.S. Department of Health and Human Services and the special education programs for the handicapped in the U.S. Department of Education showed the largest increases (see table 4 and table D in appendix).

Postsecondary education programs received \$22.6 billion of federal program support, or 21 percent of federal education funds in FY 2002 (see table 4 and table D in appendix). In constant dollars, postsecondary education programs showed an increase between 1990 and 2002 (24 percent) (table 2). This follows a decline of 21 percent during the 1980s. The main reason for this decline was the termination of two programs. The first program, the old GI Bill in the U.S. Department of Veterans Affairs',

was limited to individuals with active military service before 1977. In FY 1980, \$1.6 billion was spent, but in FY 2002 no funds were spent. The second program, the Social Security Postsecondary Benefits Program in the U.S. Department of Health and Human Services, was phased out in August 1985. In FY 1980, \$1.6 billion was spent in Social Security postsecondary benefits. Another reason for the decline is that federal interest subsidies on student loans while borrowers are in school and during the grace period have fluctuated.

Federal support for research conducted at universities and at university-administered research and development centers accounted for \$25.9 billion, or 24 percent of the total share of on-budget funds for FY 2002. Federal support for research showed an increase in constant dollars of 54 percent between FY 1990 and FY 2002. The U.S. Department of Education, the U.S. Department of Health and Human Services, and the National Science Foundation showed the largest increases in research between FY 1990 and FY 2002.

The remaining 6 percent of federal program support in FY 2002, or \$6.4 billion, is for other education programs, which include libraries, museums, cultural activities, and miscellaneous research. Funding for these other education programs increased 42 percent between FY 1990 to FY 2002, after adjusting for inflation. (see figure 1 and table A in appendix). In other education, the largest program, the rehabilitative services and disability research programs in the U.S. Department of Education, increased 167 per-

cent between FY 1980 and FY 1990 and 28 percent between FY 1990 and FY 2002.

Between FY 1995 and FY 2002, federal education program funds increased 33 percent, after adjustment for inflation. Elementary and secondary programs funds in-

creased 41 percent, postsecondary education funds increased 11 percent, other education program funds increased 18 percent, and research at educational institutions increased 43 percent (see table 2 and table A in appendix).

Table 2.—Federal on-budget program funds for education, by level or other educational purpose: Fiscal years 1980 to 2002
[Amounts in billions of constant FY 2002 dollars]

Level of education or educational purpose	Fiscal year					Percent change						
	1980	1985	1990	1995	2002 ¹	FY 1980 to FY 2002 ¹	FY 1980 to FY 1985	FY 1980 to FY 1990	FY 1985 to FY 1990	FY 1990 to FY 1995	FY 1990 to FY 2002 ¹	FY 1995 to FY 2002 ¹
Total	\$71.6	\$60.4	\$68.7	\$82.4	\$109.5	52.8	-15.6	-4.2	13.6	20.0	59.4	32.9
Elementary and secondary ...	33.3	26.2	29.2	38.7	54.6	64.1	-21.4	-12.2	11.7	32.2	86.8	41.3
Postsecondary education	23.1	17.3	18.2	20.3	22.6	-2.2	-25.0	-21.4	4.9	11.6	24.4	11.5
Other ²	3.2	3.3	4.5	5.4	6.4	98.9	1.5	39.9	37.8	20.6	42.2	17.9
Research at educational institutions	12.0	13.7	16.8	18.0	25.9	114.6	13.7	39.1	22.4	7.5	54.2	43.4

¹ Estimated.

² Includes libraries, museums, cultural activities, and miscellaneous research.

NOTE: Percentages based on unrounded numbers. Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; and unpublished data obtained from various federal agencies. (See table A in appendix.)

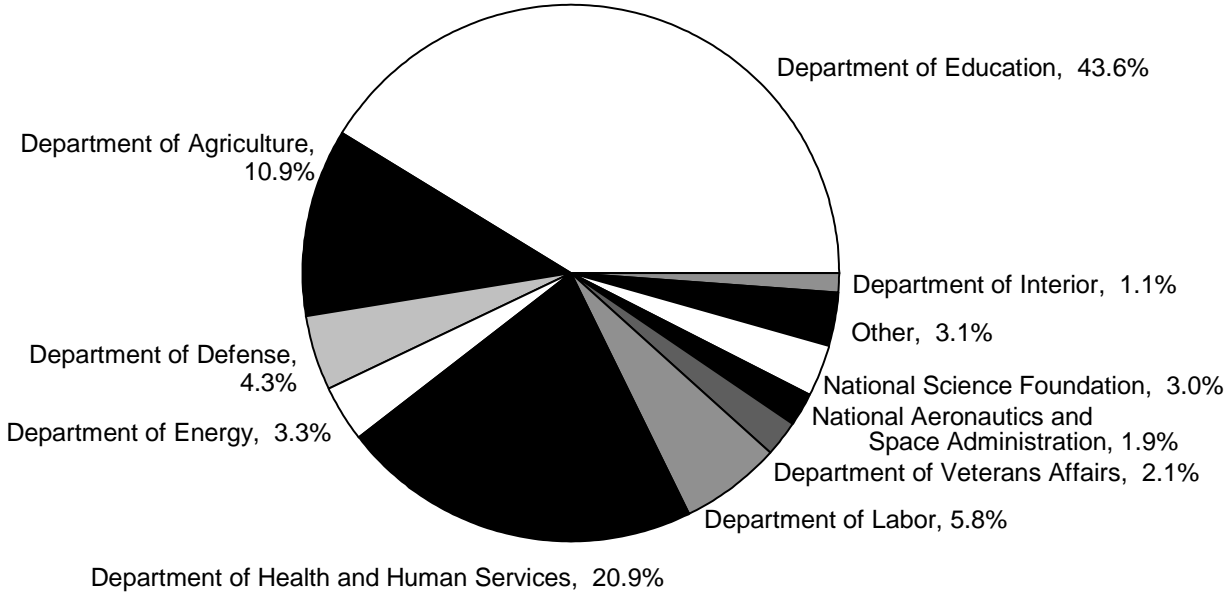
Among federal agencies, the Department of Education (ED) is the largest provider of education funds at all program levels except for research (see table D in appendix). ED's estimated FY 2002 program funds were \$47.8 billion—44 percent of the total federal on-budget funds for education (see table 3 and tables B, C, and D in appendix). In terms of spending for research at universities, the Department of Health and Human Services (HHS) provides the most—\$13.7 billion, or 53 percent of the total spent on research (see table 4 and table D in the appendix).

Total federal program funds for education and related activities decreased 4 percent in constant dollars between FY 1980 and FY 1990 but increased 59 percent between FY 1990 and FY 2002 (table 2). Education spending changes varied greatly among federal departments and agencies (see table 3 and tables B and C in appendix). For example, education spending by the Department of Veterans Affairs declined from \$4.9 billion to \$1.0 billion (79 percent) between FY 1980 and FY 1990, after adjust-

ing for inflation and increased 128 percent between FY 1990 and FY 2002. The reason for the decline between FY 1980 and FY 1990 was the termination of the Department of Veterans Affairs' largest education program, the old GI Bill, limited to individuals with active military service before 1977. However, the new GI Bill, which was enacted in October 1984, established two new peacetime educational programs, which increased 345 percent in constant dollars between FY 1990 and FY 2002. In contrast, National Aeronautics and Space Administration (NASA) education spending increased 42 percent between FY 1990 and FY 2002 (see table 3 and table C in the appendix). NASA education spending has shown a large increase because of more federal spending on research (see table D in appendix).

Of the 10 largest providers of federal education program funding, nine had an increase in federal spending, after adjusting for inflation, between FY 1990 and FY 2002. Only the Department of Defense showed a decrease (1 percent) (table 3).

**Figure 2.--Estimated federal on-budget funds for education, by agency:
Fiscal year 2002**



Total = \$109.5 billion

NOTE: Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, compiled from data appearing in the U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2003*; and National Science Foundation, *Federal Funds for Research and Development, Fiscal Years 2000, 2001, and 2002*.

Table 3.—Largest providers of federal on-budget education program funding, by agency: Fiscal years 1980, 1985, 1990, and 2002
 [Amounts in billions of constant FY 2002 dollars]

Agency	FY 1980		FY 1985		FY 1990		FY 2002*		Percent change, FY 1980 to FY 1990	Percent change, FY 1990 to FY 2002*
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total		
Total	\$71.6	100.0	\$60.4	100.0	\$68.7	100.0	\$109.5	100.0	-4.2	59.4
Dept. of Education (ED)	27.3	38.1	25.9	42.8	30.9	44.9	47.8	43.6	13.1	54.8
Dept. of Health and Human Services (HHS)	11.7	16.3	8.2	13.6	10.6	15.4	22.9	20.9	-9.3	116.0
Dept. of Agriculture (USDA)	9.5	13.2	7.4	12.3	8.3	12.1	11.9	10.9	-12.1	42.9
Dept. of Labor (DOL)	3.9	5.4	3.0	5.0	3.3	4.9	6.4	5.8	-13.7	90.5
Dept. of Defense (DOD)	3.2	4.5	4.8	8.0	4.8	7.0	4.7	4.3	48.0	-1.0
Dept. of Energy (DOE)	3.3	4.7	3.5	5.8	3.4	5.0	3.6	3.3	2.2	6.4
National Science Foundation (NSF)	1.7	2.3	1.8	2.9	2.1	3.1	3.2	3.0	25.9	52.9
Dept. of Veterans Affairs (VA)	4.9	6.8	2.0	3.3	1.0	1.5	2.3	2.1	-79.4	128.4
National Aeronautics and Space Administration (NASA)	0.5	0.7	0.8	1.2	1.5	2.1	2.1	1.9	174.0	42.1
Dept. of the Interior (INT)	0.9	1.3	0.9	1.4	0.8	1.2	1.2	1.1	-8.4	41.4
All other federal agencies	4.8	6.7	2.2	3.7	1.9	2.8	3.4	3.1	-59.3	76.2

* Estimated.

NOTE: Percentages based on unrounded numbers. Detail may not sum to totals due to rounding. See table B in appendix for current dollars and table D in appendix for full description of programs.

SOURCE: U.S. Department of Education, National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; and unpublished data obtained from various federal agencies.

Elementary and Secondary Programs

Forty-nine percent of the \$54.6 billion spent by the federal government in FY 2002 on elementary and secondary education came from the Department of Education (ED) (see table D in appendix). ED is the largest federal provider of elementary and secondary funds. Some of ED's major programs in elementary and secondary education in FY 2002 are: Title I, Education for the Disadvantaged, the second largest single federally funded elementary and secondary education program (17 percent); Special Education; School Improvement programs, which include, for example, 21st Century Community Learning Centers and Educational Technology, which have been transferred from the Education Reform program, the Safe and Drug-Free Schools programs, Class Size Reduction program, Charter School grants, and the Innovative Education program; Vocational and Adult Education; and Impact Aid (see table 4).

The Department of Agriculture, the second largest provider for elementary and secondary education activities (20 percent) in FY 2002, funds the child nutrition programs, the largest of the federally funded elementary and secondary education programs (19 percent). Among other federal agencies with substantial outlays in elementary and secondary education is the Department of Health and Human Services (HHS) (13 percent) in FY 2002, which funds the Head Start program for preschool children who

are disadvantaged and also provides funds to students under 19 who are covered by Social Security Benefit programs. The Department of Labor (12 percent) in FY 2002 provides for classroom training and other programs through the Job Training Partnership Act, including the Job Corps program. It also has the School-to-Work Opportunities program that is administered jointly with the Department of Education. These programs provide basic literacy and vocational skills training for educationally and economically disadvantaged youths. The Department of Defense (DOD) (3 percent) in FY 2002 operates a large number of schools for children whose parents are U.S. military personnel stationed overseas or at certain installations in the United States. The Overseas Dependents Schools program is DOD's largest elementary and secondary program. The Department of the Interior (2 percent) provides funds for education and welfare services for American Indians through programs in the Bureau of Indian Affairs. The Department of Veterans Affairs (1 percent) funds vocational and job training programs for disabled service members and veterans.

Postsecondary Programs, On-Budget

Among federal agencies in FY 2002, the Department of Education is the primary provider of funds for postsecondary education (excluding research), spending \$16.8 billion, or 74 percent of the \$22.6 billion of federal sup-

port for postsecondary education in FY 2002 (see table D in appendix). The largest federal program in postsecondary education in FY 2002 is ED's Student Financial Assistance (SFA) program (53 percent). The Federal Family Education Loan (FFEL) program, formerly the Guaranteed Student Loan (GSL) program, also receives substantial financial support from ED (12 percent). The on-budget funding of the FFEL program primarily includes special allowances to lenders, in-school subsidized interest payments, and payments for loan defaults. The SFA and FFEL funds made available through nonfederal organizations as a result of these programs are included under nonfederal support. Another significant program is the Federal Direct Student Loan (FDSL) program, renamed the William D. Ford Direct Loan Program, that was phased in beginning with the 1994-95 academic year.

The Student Loan Reform Act of 1993 authorized this new program. FDSL provides loans to students primarily through postsecondary institutions, using capital raised by the U.S. Treasury rather than through private lenders, and provides borrowers with greater choice in repayment plans. These capital amounts are considered off-budget, because they come out of a revolving trust fund where monies will be replenished when loans are repaid. However, the subsidy costs associated with them are considered an on-budget outlay (see page 11, *Off-Budget Support and Nonfederal Funds Generated by Federal Legislation*). The FFEL show a negative amount in FY 2001 and the FDSL show a negative amount in FY 2002, because the value of future repayments of interest and collections on default costs and in-school interest subsidies exceeded default costs and in-school interest costs. Under Credit Reform, the subsidy amounts needed for active loan cohorts are re-estimated annually in both FFEL and FDSL to account for changes in actual data compared to projections. In 2000, the FDSL re-estimate primarily reflects higher interest rate projections leading to larger repayment estimates, while the FFEL re-estimate reflects higher interest rate costs. The 2002 re-estimate reflects actual trends in default recoveries that exceed earlier estimates, which means the future repayments of interest and collections on defaults will exceed default costs and in-school interest subsidies. Another large program in the U.S. Department of Education is the Higher Education program (8 percent) in FY 2002, which includes scholarships and fellowships, and aid to institutions.

The second largest provider of postsecondary education funds in FY 2002 was the Department of Veterans Affairs' (8 percent), funds programs under the new GI Bill (Montgomery Bill) for veterans and members of the Selected Reserve Armed Forces. The Department of Health and Human Services, the third largest provider (7 per-

cent), supports college education through its National Institutes of Health training grants and Health Training programs. The Department of Defense, the fourth largest provider of funds for postsecondary education (6 percent), provides funds for tuition assistance for military personnel, operation of service academies, the Senior Reserve Officer Training Corps, and professional development for officers.

Other Education Programs

Other education programs include funds for special institutions, libraries, professional development at specific institutes, a variety of cultural activities conducted in this country and abroad, and some miscellaneous research. In FY 2002, over half (56 percent) of these funds came from the Department of Education followed by the Department of Agriculture (7 percent). The Corporation for National and Community Service (7 percent), which was established through the National Service Trust Act of 1993. This Act provides education grants of up to \$4,725 per year, for two years, to people age 17 years or older who perform community service before, during, or after postsecondary education starting in FY 1994. The Agency for International Development is next (7 percent) (see table D in appendix). The Library of Congress, the Department of Health and Human Services, the Institute of Museum and Library Services, and the National Archives and Records Administration also made substantial outlays for other education-related programs. The largest other education program in FY 2002 was the Rehabilitative Services and Disability Research program (47 percent) funded through the Department of Education (see table 4).

Research

The Department of Health and Human Services (HHS) funds large amounts of research at universities and university-sponsored research and development centers in FY 2002. HHS expended \$13.7 billion, or 53 percent of the \$25.9 billion of federal support going to research in FY 2002. This exceeded the research funding of any other federal department (see table D in appendix).

The Department of Energy (\$3.6 billion, 14 percent) and the National Science Foundation (\$2.8 billion, 11 percent) also provide large amounts of funding for research at universities and related institutions. The National Aeronautics and Space Administration (\$2.1 billion, 8 percent) and the Department of Defense (\$1.9 billion, 7 percent) are the only other agencies with estimated expenditures for university research exceeding \$1 billion in FY 2002. The Department of Education provided \$0.8 billion in FY

2002, and accounted for 3 percent of the total spent on research (see table 4).

Table 4.—Largest on-budget education program activities, by level or other educational purpose: Fiscal years 1980, 1985, 1990, and 2002

[Amounts in billions of constant FY 2002 dollars]

Level of education or other educational purpose, by program and agency	Outlays				Percent change, FY 1980 to FY 1990	Percent change, FY 1990 to FY 2002 ¹
	FY 1980	FY 1985	FY 1990	FY 2002 ¹		
Elementary and secondary						
Total	\$33.3	\$26.2	\$29.2	\$54.6	-12.2	86.8
Child nutrition programs (USDA)	7.0	5.7	6.6	10.3	-5.6	56.0
Education for the disadvantaged (ED)	6.7	6.5	6.0	9.4	-10.2	57.2
Special education (ED)	1.7	1.6	2.2	6.9	26.0	222.0
Head Start (HHS)	1.5	1.7	1.9	6.5	26.1	239.5
Training programs (DOL)	2.9	2.1	2.3	4.9	-18.0	109.4
School improvement programs (ED)	1.6	0.8	1.6	4.7	-3.5	197.2
Vocational and adult education (ED)	1.8	1.0	1.7	2.0	-2.8	14.8
Education Reform (ED)	†	†	†	1.8	†	†
Job Corps (DOL)	1.0	0.9	1.0	1.4	0.8	45.5
Impact aid (ED)	1.4	1.0	1.1	1.2	-24.3	6.1
Overseas dependents schools (DOD)	0.7	1.0	1.2	0.9	63.5	-22.6
Other elementary/secondary programs	7.0	3.9	3.7	4.6	-47.3	23.9
Postsecondary education						
Total (on-budget)	\$23.1	\$17.3	\$18.2	\$22.6	-21.4	24.4
Student financial assistance (ED)	7.6	6.4	7.9	12.0	2.9	52.3
Federal Family Education Loans (ED) ²	2.9	5.5	5.8	2.7	98.9	-54.4
Other postsecondary programs	12.5	5.4	4.5	7.9	-64.3	77.8
Other ³						
Total	\$3.2	\$3.3	\$4.5	\$6.4	39.9	42.2
Rehabilitative services and disability research (ED)	0.9	1.2	2.4	3.0	167.1	27.8
Other education programs	2.3	2.0	2.1	3.4	-8.5	58.3
Research						
Total	\$12.0	\$13.7	\$16.8	\$25.9	39.1	54.2
Research (HHS)	4.3	5.0	6.5	13.7	50.4	110.7
Research (DOE)	3.1	3.4	3.4	3.6	9.8	8.1
Research (NSF)	1.5	1.7	1.9	2.8	22.9	48.5
Research (NASA)	0.5	0.8	1.4	2.1	174.1	42.1
Research (DOD)	1.3	1.9	2.5	1.9	86.0	-24.2
Research (ED)	0.2	(⁴)	0.1	0.8	-27.2	587.8
Other research programs	1.1	0.9	0.9	0.9	-13.7	-2.7

† Not applicable.

¹ Estimated.

² Negative amounts occur when program receipts exceed outlays.

³ Other education programs include libraries, museums, cultural activities, and miscellaneous research.

⁴ Less than 50 million dollars.

NOTE: Percentages based on unrounded numbers. Detail may not sum to totals due to rounding. See table D in appendix for current dollars. See table 3 for the names of federal agencies abbreviated above.

SOURCE: U.S. Department of Education, National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; and unpublished data obtained from various federal agencies.

Off-Budget Support and Nonfederal Funds Generated by Federal Legislation

Federal support for education extends beyond those amounts included in the U.S. Budget. To measure the impact of the federal role in supporting education, one must also take into account nonfederal funds generated by federal legislation that are made available for education purposes when federal programs require matching funds or offer incentives and subsidies. Even though nonfederal funds are excluded from the federal budget, a contingent federal financial responsibility exists for most of this support in the form of federal guarantees and subsidies for student loans made by banks and public and private lending authorities. This responsibility may result in additional federal spending which has to be financed by taxes, borrowing, or other means. Almost all education-related, nonfederal funding generated by federal legislation occurs in the area of loans for postsecondary students.

Federal Family Education Loans

Nonfederal funds generated by federal legislation (as defined in this report) have both nonfederal and on-budget funding components. The Federal Family Education Loan (FFEL) program subsidizes and guarantees low-interest loans to students and parents. The on-budget components include the interest paid to the lender while the borrower is in school, and if required, a special allowance paid to lenders. The federal government pays interest subsidies to some 3,500 participating private lenders and guarantees loans against default through reinsurance payments to 36 active state and private nonprofit guaranty agencies that serve as insurance intermediaries between the government and FFEL lenders for loan defaults. If the borrower defaults on the loan, there is another on-budget component. This is the amount of the loan for which the lender must be reimbursed. The nonfederal funds component is the capital provided by private lenders for student loans. This program was reduced beginning in the 1994–95 school year and supplemented by the Federal Direct Student Loan (FDSL) program, which was renamed the William D. Ford Direct Loan Program. In addition to the creation of Direct Loans, the Student Loan Reform Act (SLRA) of 1993 mandates major changes in the FFEL program, including new fees for lenders and holders of some FFEL loans and new risk-sharing structures, under which states, loan holders, and guaranty agencies are responsible for some loan default costs. The SLRA also lowers FFEL borrower interest rates and origination fees.

William D. Ford Federal Direct Student Loans

The William D. Ford Federal Direct Student Loan (FDSL) program was established by the Student Loan Reform Act (SLRA) of 1993. The FDSL program is a streamlined student loan system that began making loans on July 1, 1994, and operates along with the FFEL system. The FDSL program had approximately 7 percent of the total new loan volume (combined FFEL program and FDSL program loans) in 1994–95, and now accounts for about 30 percent of student loan volumes. In 1998–99, approximately 1,260 schools were actively participating in the Direct Loan program. Under the FDSL program, loan capital is provided directly by the federal government, using Treasury borrowing, rather than through federal subsidization of private lenders and state-level guaranty agencies. The government's ability to borrow funds at relatively low interest rates and its ability to contract for low cost loan servicing may make the Direct Loan program less expensive than the subsidies paid to lenders and guaranty agencies in the FFEL program. The on-budget support includes administrative costs, interest subsidies to borrowers, and the accounting for loan defaults. For purposes of this report, the off-budget support is the capital provided by the federal government for student loans.

Income Contingent Loans

The Income Contingent Loan (ICL) program, created by the Higher Education Amendments of 1986, was a demonstration project that had a 10-institution limit on participation. These 10 institutions were required to match federal capital contributions at the rate of one institutional dollar for every nine federal dollars. On July 1, 1992, the ICL program was repealed by the Higher Education Amendments of 1992 and the remaining funds were transferred to the three campus-based programs, the Perkins Loan, College Work-Study, and Supplemental Educational Opportunity Grant programs. One feature of the former ICL repayment program became a standard feature in student loans in the 1993 Student Loan Reform Act, which is that the repayment program allows a student to take a low-paying, community-oriented job without the fear of defaulting. Both the Perkins Loans and the ICL have revolving loan funds, for making new loans and for collecting loans that the institutions are responsible for administering. The federal capital contributions to the Perkins Loan and ICL programs are the on-budget funds, and

the institutions' capital contributions are the nonfederal funds.

State Student Incentive Grants

The State Student Incentive Grant (SSIG) program provided incentives to states to develop state-level, need-based postsecondary student grant and community service work-study programs. Federal funds were matched by state contributions on a dollar-for-dollar basis, although some states choose to overmatch. When the program was first authorized in 1972, 28 states had undergraduate grant programs. Later all states participated and state expenditures have continued to expand, even as federal funding has dropped or remained level. In 1997, states overmatched their Federal SSIG allocations by about 20 to 1. The State Student Incentive Grant program is now the Leveraging Educational Assistance Partnership program.

Leveraging Educational Assistance Partnerships (LEAP)

The LEAP program provides dollar-for-dollar matching funds to support State need-based postsecondary student grant assistance. LEAP was enacted October 7, 1998 under Public Law 105-244. This program was previously authorized as the State Student Incentive Grant (SSIG) program. Federal LEAP funds are awarded to states so that states establish and maintain need-based grant programs and establish community service programs to help financially needy students pay for college. There are also work-study programs under this program. Appropriations in excess of \$30 million are reserved for a separate program, Special LEAP (SLEAP), which requires two-to-one state-matching (rather than the dollar-for-dollar requirement of the regular program) and supports a variety of allowable activities such as scholarships and early intervention programs.

Campus-Based Programs

Perkins Loans

The Perkins Loan program, one of the three campus-based program, (formerly the National Direct/Defense Loans), initially authorized under the National Defense Education Act of 1958, currently has approximately 2,000 participating institutions that administer the Perkins Loan revolving funds. The Perkins Loan program provides long-term, low interest loans to undergraduate and graduate students with demonstrated financial need at 2,000 institutions. These revolving funds, with total assets of about \$7.2 billion, represent nearly 40 years of federal capital contributions (these are the on-budget funds), insti-

tutional matching funds (the institutions' contributions are the nonfederal funds), repayments on previous loans, and reimbursements for cancellations. Under current law, institutions provide one dollar for every three federal dollars. There are also Perkins Loan cancellation payments which are related to cancellation of loan obligations of borrowers. Institutional funds are reimbursed by the federal government for debts cancelled as a result of a borrower engaging in certain public service occupations, such as teaching in Head Start programs, full-time law enforcement, nursing, special education teachers, or military service in areas of hostility. Cancellations have increased significantly, in recent years due to the expansion of eligibility by the Higher Education Amendments of 1992 and 1998. These cancellation payments are on-budget funds. Perkins Loan borrowers pay no interest during in-school, grace, and deferment periods, and are currently charged 5 percent interest during the principal repayment period. With the enactment of the Higher Education Amendments of 1998, undergraduate students can now borrow up to \$4,000 per year and graduate and professional students can borrow up to \$6,000 each year. The maximum amount a student can borrow for combined undergraduate and graduate or professional study is \$40,000.

Work-Study Program

Under the Work-Study program, also known as the College Work-Study or Federal Work-Study, the Department of Education makes grants to participating institutions to help pay salaries of undergraduate and graduate students working part time. Prior to 1993, the institutional-matching share was 30 percent. Since 1993, the institutional-matching share has been 25 percent. Institutions are required to use at least 7 percent of their work-study allocation to pay students employed in community service jobs. The Department of Education has waived the 25 percent institutional matching requirement for students who tutor kindergarten and elementary school students in reading, effective with the 1997-98 academic year. In addition, the Department waives the 25 percent employer-matching requirement for students who work as reading or math tutors, and such activities must include at least one reading tutor or family literacy project. As part of the America Counts Challenge, which is aimed at helping all students master mathematics, including the foundations of algebra and geometry by the end of the 8th grade, the Department has extended this matching requirement waiver to mathematics tutors starting with the 1999-2000 award year. Since July 1999, almost 400 institutions have established programs.

Supplemental Educational Opportunity Grant (SEOG)

The Supplemental Educational Opportunity Grant (SEOG) program is “campus-based” like the Work-Study program in that they both are administered primarily by the participating institutions using yearly allocations of federal funds. The SEOG program provides grant assistance to undergraduate students who demonstrate need under a statutory need-analysis system. Beginning in 1993, the federal share of such grants may not exceed 75 percent of the total grant and an institutional match of 25 percent is required. The SEOG program provides grant assistance of up to \$4,000 per academic year to undergraduate students with demonstrated financial need.

Summary

In FY 2002 some \$38.5 billion in off-budget support and nonfederal funds are generated by federal legislation. These funds do not appear as budget authority or outlays in the U.S. Budget, but provides assistance to postsecondary students and institutions of higher education in FY 2002. These funds constituted 26 percent of the total fed-

eral support for education. The off-budget support and nonfederal funds combined with on-budget postsecondary education programs and research, amounted to \$86.9 billion in FY 2002, or about 59 percent of the total federal support for education (see table 5 and table A in appendix).

Under the FFEL program, new student loans totaling \$26.5 billion were made in FY 2002. The FDSL loans accounted for \$11.4 billion in FY 2002 and the Perkins Loan program accounted for an additional \$0.03 billion in matching funds for low-cost loans. In FY 2002, it is estimated that the LEAP and the Special Leap program (formerly the SSIG program) aided students with \$0.1 billion in state-appropriated expenditures. The nonfederal share of the SEOG program amounted to \$0.2 billion, and under the Work-Study program, employer contributions to student earnings amounted to \$0.2 billion. While the Department of Education has reduced student loan default rates to 6.8⁵ percent over the past several years, the loan volume has more than doubled between, FY 1990 and FY 2002, resulting in higher total default costs.

Table 5.—Off-budget support and nonfederal funds for education generated by federal legislation: Fiscal years 1980, 1990, and 2002
[Amounts in millions of constant FY 2002 dollars]

Federal programs	Off-budget support and nonfederal funds			Percent change, FY 1980 to FY 1990	Percent change, FY 1990 to FY 2002 ¹
	FY 1980	FY 1990	FY 2002 ¹		
Total	\$10,086.3	\$14,879.6	\$38,461.0	47.5	158.5
Total off-budget support					
Federal Direct Student Loans	†	†	11,404.0	†	†
Total nonfederal funds					
Federal Family Education Loans	9,550.5	14,399.2	26,531.0	50.8	84.3
Perkins Loans	66.0	20.0	25.0	-69.7	25.2
Income Contingent Loans ²	†	0.7	†	†	†
Leveraging Educational Assistance Partnerships ³	159.5	78.7	104.0	-50.7	32.1
Supplemental Educational Opportunity Grants	†	64.9	193.0	†	197.4
Work-study aid	310.3	316.2	204.0	1.9	-35.5

† Not applicable.
¹ Estimated.
² Closed in 1992.
³ Formerly the State Student Incentive Grants.

NOTE: Percentages based on unrounded numbers. Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, Office of the Under Secretary, Budget Service, unpublished data. (See table A in appendix.)

Estimated Federal Tax Expenditures to Support Education

Federal support for education also comes indirectly through the U.S. tax code, which are referred to as tax expenditures. The reason for referring to these subsidies

as “tax expenditures” is that the benefits provided by the federal government through tax preferences are equivalent to benefits that could be provided in the form of direct

⁵U.S. Department of Education, Office of the Under Secretary, Budget Service.

federal outlays for education. Consequently, federal tax subsidies should be taken into account when providing a comprehensive assessment of federal financial support for education.

A proportion of these tax expenditures can be considered education expenditures. For example, some deductions allowed for state and local taxes—major sources of local education funding—on federal income tax returns reduce federal revenues and are known as federal tax expenditures. At the same time, tax expenditures reduce the burden of school support on individual taxpayers, mainly taxpayers who itemize their deductions. Some of these federal education tax expenditures are deductions of charitable contributions to educational institutions; exclusions of scholarships, fellowships, and GI Bill benefits from taxable income; personal exemption status on parents' federal income taxes for dependent students over 19 years of age; and exemption from federal taxes on interest income from state and local school bonds and student loan bonds (see *Guide to Sources*).

Because tax expenditures represent tax revenues that might have been paid in the absence of certain credits or deductions, they cannot be directly measured, only estimated.

Federal tax expenditures on education were estimated at \$42.3 billion in FY 2001, reflecting an increase, after

adjusting for inflation, of 53 percent since 1980 (see table 6). Although there were fluctuations from year to year during this period, there was a significant drop in FY 1988 (see table A in appendix). The Tax Reform Act of 1986 may have curtailed tax subsidies in several ways. First, it eliminated or restricted certain deductions and exemptions. Second, increases in the standard deduction turned many former itemizers into nonitemizers, reducing the subsidy value of such items as the deductibility of local school property taxes. And third, marginal tax rates were reduced, shifting taxpayers into lower brackets and lowering the value of all remaining deductions, exclusions, and exemptions.

Federal tax expenditures for elementary and secondary education accounted for two-thirds of all education tax expenditures up to FY 1998 (see source on table 6), but this proportion is expected to drop over one-half by FY 2002, as a result of 1997 tax law changes. The Taxpayer Relief Act of 1997 established some new sources of tax expenditures. Some of these new expenditures (which are all postsecondary expenditures) are the Hope Tax Credit, deductibility of interest on student loans, education savings accounts and increased flexibility of IRA savings for education purposes, and Lifetime Learning Tax Credit.

**Table 6.—Estimated federal tax expenditures for education:
Fiscal years 1975 to 2001**

[Amounts in billions of **current** and **constant** FY 2002 dollars]

Estimated federal tax expenditures	FY 1975	FY 1980	FY 1985	FY 1990	FY 1995	FY 2001	Percent change, FY 1980 to FY 1990	Percent change, FY 1990 to FY 2001
In current dollars	\$8.6	\$13.3	\$19.1	\$19.0	\$24.6	\$41.5	42.9	117.8
In constant dollars	26.5	27.7	29.6	25.3	28.3	42.3	-8.5	67.1

NOTE: Percentages based on unrounded numbers.

SOURCE: U.S. Department of Education, National Center for Education Statistics, "Estimates of Federal Tax Expenditures for Education, Selected Fiscal Years, FY 1975 to FY 1990," by Stephen M. Barro, prepared for the National Center for Education Statistics, and "Federal Tax Expenditures, FY 1975 to FY 2001," by Richard Phelps, prepared for the National Center for Education Statistics. (See table A in appendix.)

Recipients of Federal Education Support

Not all federal education support goes directly to schools, colleges, universities or other traditional education institutions. Some goes directly to students (for school costs, out-of-pocket expenses, and off-campus housing), some to banks and other lenders (to pay interest subsidies and default costs on guaranteed loans), some for direct federal services (such as military academies or

overseas dependents schools), and some for other institutions such as libraries or museums.

Recipients of federal education support are grouped in the following categories in this report: local education agencies (LEAs), state education agencies (SEAs), postsecondary students, postsecondary institutions (PSIs), and the federal government (Fed), which itself is a recipient

of federal education funds when it spends directly for education and related activities. (See figure 3, table 7, and tables E, F, and G in appendix). Also tabulated are multiple recipients, a category used to capture federal funds available to more than one type of eligible recipient, and other recipients, a category that includes Indian tribes, private nonprofit agencies, and banks.

The initial recipient of federal education funds is frequently not the ultimate recipient of the funds. For example, SEAs apply for and receive federal aid that they pass on to their LEAs, while much federal student assistance is channeled through postsecondary institutions to students who then spend it on tuition and books and room and board at the same postsecondary institutions (PSIs).

**Table 7.—Estimated federal support for education, by type of ultimate recipient:
Fiscal years 1980, 1990, and 2002**
[Amounts in billions of constant FY 2002 dollars]

Ultimate recipient	FY 1980		FY 1990		FY 2002		Percent change, FY 1980 to FY 2002	Percent change, FY 1980 to FY 1990	Percent change, FY 1990 to FY 2002
	Amount	Percent	Amount	Percent	Amount	Percent			
Total	\$81.7	100.0	\$83.5	100.0	\$147.9	100.0	81.0	2.2	77.1
Local education agencies	22.7	27.8	18.5	22.1	32.3	21.8	42.1	-18.7	74.6
State education agencies	2.9	3.5	4.3	5.2	7.9	5.4	175.9	51.0	82.7
Postsecondary students*	19.0	23.2	14.0	16.8	28.4	19.2	49.5	-26.1	102.2
Postsecondary institutions	23.3	28.6	27.2	32.5	48.4	32.7	107.2	16.3	78.1
Federal government	2.9	3.5	3.2	3.9	4.2	2.9	46.8	12.4	30.7
Multiple types	5.2	6.4	7.4	8.8	15.7	10.6	201.1	40.8	113.8
Other	5.7	7.0	9.0	10.7	11.1	7.5	92.8	56.2	23.5

* This includes estimated off-campus spending by students. See Sources and Methodology section for estimation procedures.

NOTE: Excludes estimated federal tax expenditures. Percentages based on unrounded numbers. Detail may not sum to totals due to rounding.

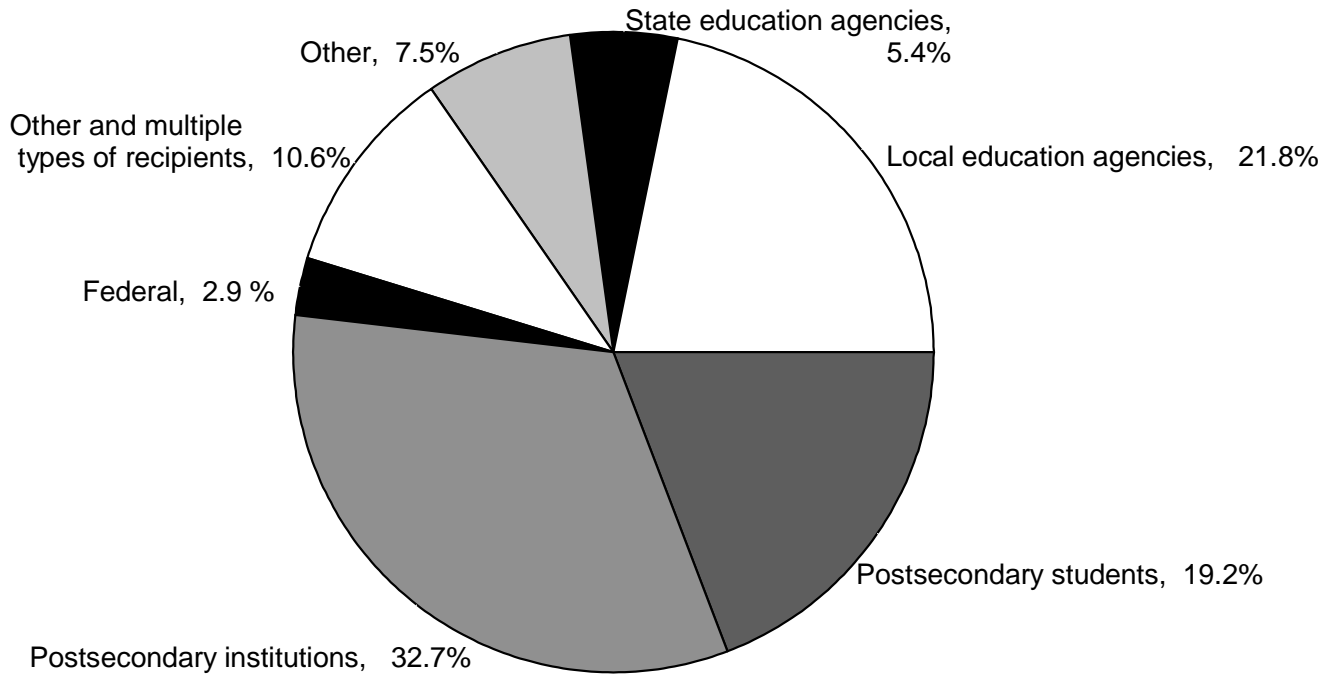
SOURCE: U.S. Department of Education, Office of the Under Secretary, unpublished data, and National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; and unpublished data obtained from various federal agencies. (See tables E, F, and G in appendix.)

Federal support for education (excluding federal tax expenditures) amounted to \$147.9 billion in FY 2002. The PSIs received the largest share, followed by LEAs, postsecondary students, multiple recipients, other, SEAs, and the federal government (see table 7). Federal education funds increased 81 percent between FY 1980 and FY 2002, after adjustment for inflation, but there were significant differences among the recipient categories. Funds received by LEAs increased 42 percent, after adjustment for inflation. There was sizeable growth from FY 1980 to FY 2002 in funds received by multiple recipients, SEAs, and postsecondary institutions. The growth in funds to multiple recipients and SEAs was in large measure due to increases in funding for rehabilitative services and disability research (ED) and the Head Start program (HHS). In postsecondary institutions, the large increase is mainly due to research in institutions and student financial assistance. Funds for the other category rose by 93 percent between FY 1980 and FY 2002. Much of this funding went

to financial institutions to support the Federal Family Education Loan program and the William D. Ford Federal Direct Student Loan program (see tables 8 and 9, and tables E, F, and G in appendix).

In FY 2002, LEAs received most of the elementary and secondary education funds and 22 percent of all federal education support (see tables 8 and 9 and figure 3). Postsecondary students received the largest portion of direct support at the postsecondary education level and SEAs received the highest proportion at the other education level. PSIs received virtually all of the research funds. PSIs were also the largest recipient of total federal support (33 percent). Most of the off-budget support and nonfederal funds generated by federal legislation went to postsecondary students and postsecondary institutions.

Figure 3.--Estimated percentage of federal support for education, by type of ultimate recipient: Fiscal year 2002



Total = \$147.9 billion

NOTE: Excludes estimated federal tax expenditures.

SOURCE: U.S. Department of Education, Office of the Under Secretary, Budget Service, unpublished tabulations, and National Center for Education Statistics, compiled from data appearing in the U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2003*; National Science Foundation, *Research and Development, Fiscal Years 2000, 2001, and 2002*; and unpublished tabulations from various agencies.

In FY 2002, the U.S. Department of Education was the largest provider of federal funds for LEA and SEA recipients (see table G in appendix). The largest provider for postsecondary students was off-budget support and non-federal funds generated by programs administered by the U.S. Department of Education. The largest provider for postsecondary institutions was the U.S. Department of

Health and Human Services. For the federal category, it was the Department of Defense; for the multiple category of recipients, it was the Department of Health and Human Services and the Department of Labor; and for the other category of recipients, the largest provider was the off-budget support and nonfederal funds, and next the U.S. Department of Education.

Table 8.—Estimated federal support for education (in current dollars), by level and type of ultimate recipient: Fiscal years 1980, 1990, and 2002

[Amounts in billions of current dollars]

Year and level	Ultimate recipient							
	Total	LEA	SEA	Students	PSIs	Fed	Multiple	Other
1980 total	\$39.3	\$10.9	\$1.4	\$9.1	\$11.2	\$1.4	\$2.5	\$2.8
Elementary and secondary	16.0	10.9	0.9	1.6	(*)	0.7	1.9	(*)
Postsecondary	11.1	†	0.1	5.4	3.8	0.2	0.3	1.3
Other	1.5	(*)	0.3	(*)	(*)	0.5	0.3	0.4
Research	5.8	†	†	†	5.8	†	†	†
Off-budget support and nonfederal funds	4.9	†	0.1	2.1	1.6	†	†	1.0
1990 total	62.8	13.9	3.3	10.5	20.4	2.4	5.5	6.7
Elementary and secondary	22.0	13.9	1.2	0.7	0.1	1.4	4.5	0.1
Postsecondary	13.7	†	0.3	4.9	4.0	0.2	0.6	3.7
Other	3.4	(*)	1.5	(*)	†	0.8	0.4	0.6
Research	12.6	†	†	†	12.6	†	†	†
Off-budget support and nonfederal funds	11.2	†	0.2	4.9	3.7	†	†	2.4
2002 total	147.9	32.3	7.9	28.4	48.4	4.2	15.7	11.1
Elementary and secondary	54.6	32.2	4.1	1.8	0.5	2.2	13.5	0.3
Postsecondary	22.6	†	0.2	10.7	8.8	0.3	1.0	1.6
Other	6.4	(*)	2.5	†	†	1.7	1.2	1.0
Research	25.9	†	†	†	25.9	†	†	†
Off-budget support and nonfederal funds	38.5	†	1.2	15.9	13.2	†	†	8.2

† Not applicable.
* \$50 million or less.

NOTE: Excludes estimated federal tax expenditures. Percentages based on unrounded numbers. Detail may not sum to totals due to rounding. Local education agencies are (LEA), state education agencies are (SEA), postsecondary students are (students), postsecondary institutions are (PSIs), federal government means (Fed), multiple types are for (multiple), and Indian tribes, private nonprofit agencies, and banks are included under (other).

SOURCE: U.S. Department of Education, Office of the Under Secretary, unpublished data, and National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; and unpublished data obtained from various federal agencies. (See tables E, F, and G in appendix.)

Table 9.—Estimated federal support for education (in constant 2002 dollars), by level and type of ultimate recipient: Fiscal years 1980, 1990, and 2002

[Amounts in billions of constant 2002 dollars]

Year and level	Ultimate recipient							
	Total	LEA	SEA	Students	PSIs	Fed	Multiple	Other
1980 total	\$81.7	\$22.7	\$2.9	\$19.0	\$23.3	\$2.9	\$5.2	\$5.7
Elementary and secondary	33.3	22.7	1.8	3.3	(*)	1.5	4.0	0.1
Postsecondary	23.1	†	0.2	11.2	7.9	0.4	0.6	2.8
Other	3.2	(*)	0.7	(*)	(*)	1.0	0.6	0.8
Research	12.0	†	†	†	12.0	†	†	†
Off-budget support and nonfederal funds	10.1	†	0.2	4.4	3.4	†	†	2.1
1990 total	83.5	18.5	4.3	14.0	27.2	3.2	7.4	9.0
Elementary and secondary	29.2	18.5	1.7	1.0	0.1	1.9	6.0	0.1
Postsecondary	18.2	†	0.4	6.6	5.3	0.3	0.8	4.9
Other	4.5	(*)	2.0	(*)	†	1.1	0.5	0.9
Research	16.8	†	†	†	16.8	†	†	†
Off-budget support and nonfederal funds	14.9	†	0.3	6.5	5.0	†	†	3.2
2002 total	147.9	32.3	7.9	28.4	48.4	4.2	15.7	11.1
Elementary and secondary	54.6	32.2	4.1	1.8	0.5	2.2	13.5	0.3
Postsecondary	22.6	†	0.2	10.7	8.8	0.3	1.0	1.6
Other	6.4	(*)	2.5	†	†	1.7	1.2	1.0
Research	25.9	†	†	†	25.9	†	†	†
Off-budget support and nonfederal funds	38.5	†	1.2	15.9	13.2	†	†	8.2

† Not applicable.
* \$50 million or less.

NOTE: Excludes estimated federal tax expenditures. Percentages based on unrounded numbers. Detail may not sum to totals due to rounding. Local education agencies are (LEA), state education agencies are (SEA), postsecondary students are (students), postsecondary institutions are (PSIs), federal government means (Fed), multiple types are for (multiple), and Indian tribes, private nonprofit agencies, and banks are included under (other).

SOURCE: U.S. Department of Education, Office of the Under Secretary, unpublished data, and National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; and unpublished data obtained from various federal agencies. (See tables E, F, and G in appendix.)

Federal Support for Education Institutions

Total expenditures by public and private elementary and secondary schools and postsecondary institutions from all sources (federal, state, and local governments, and private sources) rose from \$344.0 billion in FY 1980 to an estimated \$507.5 billion in FY 1990 an increase of 48 percent after being adjusted for inflation. Between FY 1990 and FY 2002⁶ there was a 44 percent increase (see table 11). Federal education support going to these institutions, including off-budget support, nonfederal funds generated by federal legislation, and on-budget funds including support for research, increased from \$48.9 billion in FY 1980 to \$50.0 billion in FY 1990 to \$88.6 billion,⁷ in FY 2002.

Federal education support going to public and private elementary and secondary institutions, local education agencies (LEAs), and state education agencies (SEAs) increased 76 percent (in constant dollars) between FY 1990 and FY 2002, and total federal support to postsecondary institutions (PSIs) increased 78 percent (in constant dollars) during the same time. Due to the more rapid rise in expenditures of educational institutions during the 1980s, the proportion of funding from federal sources declined from 14 percent in FY 1980 to 10 percent in FY 1990. Between FY 1990 and FY 2002, however, the share of federal support increased.

The Department of Education (ED) was the largest source of federal support for SEAs and LEAs. SEAs received 65 percent of their federal education support from

ED, while LEAs received 64 percent in FY 2002. Most of the remaining federal support for LEAs came from the Department of Agriculture (32 percent) (see table G in appendix).

Estimated institutional expenditures for postsecondary institutions increased 78 percent between FY 1990 and FY 2002, after adjusting for inflation. During this period, federal on-budget support for PSIs increased 578 percent and off-budget support and nonfederal funds for PSIs increased 165 percent (see table 11).

Off-budget support and nonfederal funds generated by federal legislation accounted for 27 percent of support to PSIs. On-budget funds from the Department of Health and Human Services accounted for 30 percent and the Department of Education accounted for 18 percent of federal on-budget program support to PSIs for the FY 2002 total (see table G in appendix). Other significant sources of federal support to PSIs were the Department of Energy (7 percent), the National Science Foundation (6 percent), the Department of Defense (5 percent), and the National Aeronautics and Space Administration (4 percent). Of all types of recipients, postsecondary institutions received their federal funds from the largest number of different departments and agencies, minimizing their dependence on any one.

It is important to note that tables 10 and 11 undercount federal support because these tables include only the federal support passed through LEAs, SEAs, and postsecondary institutions (see tables E, F, and G in appendix). These tables do not include the funds in the federal category that represent institutional expenditures, such as those of Bureau of Indian Affairs schools or the Department of Defense service schools.

⁶U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics, 2002*, forthcoming.

⁷These federal amounts differ from those reported in other NCES reports from the Common Core of Data and Financial Statistics of Institutions of Higher Education surveys. For further discussion, see Sources and Methodology section, pages 23–25.

Table 10.—Estimated expenditures of education institutions and federal support (in current dollars), by level and type of federal support: Fiscal years 1980, 1990, and 2002
 [Amounts in billions of current dollars]

Level of institution and type of federal support	FY 1980		FY 1990		FY 2002		Percent change, FY 1980 to FY 1990	Percent change, FY 1990 to FY 2002
	Amount	Percent of 1980 expenditure	Amount	Percent of 1990 expenditure	Amount	Percent of 2002 expenditure		
All levels								
Total expenditures	\$165.6	100.0	\$381.5	100.0	\$731.7	100.0	130.4	91.8
Federal support ¹	23.6	14.2	37.6	9.9	88.6	13.1	59.5	135.7
On-budget	21.9	13.2	33.6	8.8	74.2	10.9	53.8	120.6
Dept. of Education	8.7	5.2	14.1	3.7	34.7	5.1	62.8	145.1
Federally generated ²	1.7	1.0	4.0	1.0	14.4	2.1	132.3	264.0
Elementary/secondary institutions								
Total expenditures	\$103.2	100.0	\$231.0	100.0	\$442.6	100.0	123.9	91.6
Federal support ³	12.3	11.9	17.2	7.4	40.2	9.9	39.2	134.3
On-budget	12.2	11.9	16.9	7.3	39.0	9.6	38.6	130.2
Dept. of Education	6.4	6.2	10.5	4.5	25.9	6.4	63.5	147.2
Federally generated ²	0.1	0.1	0.2	0.1	1.2	0.3	130.9	459.8
Postsecondary institutions								
Total expenditures	\$62.5	100.0	\$150.6	100.0	\$289.1	100.0	141.0	92.0
Federal support	11.2	18.0	20.4	13.6	48.4	17.8	81.7	136.9
On-budget	9.6	15.4	16.7	11.1	35.1	12.9	73.2	110.8
Dept. of Education	2.3	3.6	3.6	2.4	8.7	3.2	61.0	139.3
Federally generated ²	1.6	2.6	3.7	2.5	13.2	4.9	132.4	252.9

¹ Includes all local education agencies (LEAs), state education agencies (SEAs), and postsecondary institutions funds in table 8.

² Includes off-budget support and nonfederal funds generated by federal legislation.

³ Includes all LEA and SEA revenues in table 8.

NOTE: Excludes estimated federal tax expenditures. This table includes only the federal support where local educational agencies, state education agencies, and postsecondary institutions are the ultimate recipients in both public and private elementary and secondary schools and public and private postsecondary institutions. Federal contributions to education through tax expenditures are not included in this table. Such payments would add substantial amounts and several percentage points to the federal share. Data for institutional expenditures are for the academic year ending in the fiscal year indicated. Data for institutional expenditures and federal funds are adjusted by the federal funds composite deflator. Some data have been revised from previously published data. Percentages based on unrounded numbers. Detail may not sum to totals due to rounding. (See Sources and Methodology, pages 23–25.)

SOURCE: U.S. Department of Education, National Center for Education Statistics, derived from Common Core of Data and Financial Statistics of Institutions of Higher Education surveys; and compilations from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; unpublished data obtained from various federal agencies; and U.S. Department of Education, Office of the Under Secretary, unpublished data. (See tables E, F, and G in current dollars in appendix.)

Table 11.—Estimated expenditures of education institutions and federal support (in constant 2002 dollars), by level and type of federal support: Fiscal years 1980, 1990, and 2002

[Amounts in billions of constant 2002 dollars]

Level of institution and type of federal support	FY 1980		FY 1990		FY 2002		Percent change, FY 1980 to FY 1990	Percent change, FY 1990 to FY 2002
	Amount	Percent of 1980 expenditure	Amount	Percent of 1990 expenditure	Amount	Percent of 2002 expenditure		
All levels								
Total expenditures	\$344.0	100.0	\$507.5	100.0	\$731.7	100.0	47.5	44.2
Federal support ¹	48.9	14.2	50.0	9.9	88.6	13.1	2.1	77.2
On-budget	45.4	13.2	44.7	8.8	74.2	10.9	-1.5	65.8
Dept. of Education	18.0	5.2	18.8	3.7	34.7	5.1	4.3	84.3
Federally generated ²	3.5	1.0	5.3	1.0	14.4	2.1	48.8	173.7
Elementary/secondary institutions								
Total expenditures	\$214.3	100.0	\$307.2	100.0	\$442.6	100.0	43.4	44.1
Federal support ³	25.6	11.9	22.8	7.4	40.2	9.9	-10.8	76.2
On-budget	25.4	11.9	22.5	7.3	39.0	9.6	-11.3	73.1
Dept. of Education	13.3	6.2	14.0	4.5	25.9	6.4	4.7	85.8
Federally generated ²	0.2	0.1	0.3	0.1	1.2	0.3	47.8	320.9
Postsecondary institutions								
Total expenditures	\$129.7	100.0	\$200.2	100.0	\$289.1	100.0	54.3	44.4
Federal support	23.3	18.0	27.2	13.6	48.4	17.8	16.3	78.1
On-budget	20.0	15.4	22.2	11.1	35.1	12.9	10.9	58.5
Dept. of Education	4.7	3.6	4.9	2.4	8.7	3.2	3.1	79.9
Federally generated ²	3.4	2.6	5.0	2.5	13.2	4.9	48.8	165.3

¹ Includes all local education agencies (LEAs), state education agencies (SEAs), and postsecondary institutions funds in table 8.

² Includes off-budget support and nonfederal funds generated by federal legislation.

³ Includes all LEA and SEA revenues in table 9.

NOTE: Excludes estimated federal tax expenditures. This table includes only the federal support where local educational agencies, state education agencies, and postsecondary institutions are the ultimate recipients in both public and private elementary and secondary schools and public and private postsecondary institutions. Federal contributions to education through tax expenditures are not included in this table. Such payments would add substantial amounts and several percentage points to the federal share. Data for institutional expenditures are for the academic year ending in the fiscal year indicated. Data for institutional expenditures and federal funds are adjusted by the federal funds composite deflator. Some data have been revised from previously published data. Percentages based on unrounded numbers. Detail may not sum to totals due to rounding. (See Sources and Methodology, pages 23–25.)

SOURCE: U.S. Department of Education, National Center for Education Statistics, derived from Common Core of Data and Financial Statistics of Institutions of Higher Education surveys; and compilations from data appearing in U.S. Office of Management and Budget, *Budget of the United States Government*, fiscal years 1982 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1980 to 2002; unpublished data obtained from various federal agencies; and U.S. Department of Education, Office of the Under Secretary, unpublished data. (See tables E, F, and G in current dollars in appendix.)

Sources and Methodology

Data on expenditures for U.S. Department of Education programs came from the U.S. Office of Management and Budget (OMB), *Budget of the United States Government, Appendix*, FY 1967 to FY 2003 editions, and from the Department of Education, Budget Service. Budget offices of other federal agencies provided information for all other federal program support except for research funds, which are obligations reported by the National Science Foundation in *Federal Funds for Research and Development*, fiscal years 1965 to 2002. All FY 2002 data, including the Department of Education's, were preliminary. The preliminary figures are from the federal agencies contacted and the *Budget of the United States Government, Fiscal Year 2003*.

Except for money spent on research, outlays were used to report program funds to the extent possible. (ED totals do not reflect deductions for offsetting receipts.) Some federal program funds not commonly recognized as education assistance are also included in the totals reported. For example, portions of federal funds paid to some states and counties as shared revenues resulting from the sale of timber and minerals from public lands have been estimated as funds used for education purposes by the U.S. Department of Agriculture and the U.S. Department of the Interior. Parts of the funds received by states (in 1980) and localities under the General Revenue Sharing Program are also included. The share of these funds allocated to education was assumed equal to the share of general fund expenditures for elementary and secondary education by states and localities in the same year as reported by the U.S. Bureau of the Census in its annual publication, *Governmental Finances*. Portions of federal funds received by the District of Columbia are also included. The share of federal funds for the District of Columbia assigned to education was assumed equal to the share of the city's general fund expenditures for each level of education.

All state intergovernmental expenditures for education were assumed earmarked for elementary/secondary education. Contributions of parent governments of dependent school systems to their public schools amounted to approximately 9 percent of local government revenues and local government revenue sharing in each year. Therefore, 9 percent of local government revenue sharing funds were assumed allocated each fiscal year to elementary and secondary education. Parent government contributions to public school systems were obtained from the U.S. Bureau of the Census, *Finances of Public School Systems*. The amount of state revenue sharing funds allocated for

postsecondary education in 1980 was assumed to be 13 percent, the proportion of direct state expenditures for institutions of higher education reported in *Governmental Finances* for that year.

There are education-related programs in the Medicare program as well. These programs are called "direct medical education" (DME) and "indirect medical education" (IME). The Medicare program funds medical training costs of DME expenses in hospitals. These costs include the salaries of teachers, residents, supervisors, and administrators and education-related expenses such as classrooms. The DME costs are based on Medicare's share of costs associated with running residency training programs. Medicare has also recognized IME expenses, which are estimated payments for the higher patient care costs that teaching hospitals experience. Both DME and IME money goes to teaching hospitals. Unfortunately, the U.S. Department of Health and Human Services can only provide data on the costs of these Medicare programs since FY 1990. Because of accounting procedures, they cannot go back any further, but we do know that since the 1960s these programs did exist and were funded. Table D in the appendix has footnoted the dollar amounts expended in the 1990s, but they are not included in the total because this report compares dollar amounts spent between FY 1980 and FY 2002.

The federal government began financing the medical education establishment in the 1960s. Its support is primarily through Medicare, but there are other programs in the Department of Defense, in the professional development education programs; the Department of Health and Human Services, health professionals training programs, National Health Service Corps scholarships program, National Institutes of Health training grants and health teaching facilities program; and the Department of Veterans Affairs, initiatives in allying regional hospitals with medical schools. Eventually, the Department of Veterans Affairs helped create new state medical schools and expanded its support of medical education faculty and residents.

For the job training programs conducted by the Department of Labor, only estimated sums spent on classroom training have been reported as educational program support.

The National Center for Education Statistics (NCES) tries to report most federal funds in support of education or of educational institutions. This report is an extension of a data series first constructed by OMB in 1967 and transferred in the early 1980s to NCES. In the past, OMB

prepared annual reports on federal education program support. These were published in *Special Analyses, Budget of the United States Government*. The information presented in this report is not, however, a continuation of the OMB series. A number of differences in the two series should be noted. OMB required all federal agencies to report outlays for education-related programs using a standardized form, thereby assuring agency compliance and consistency in reporting. The scope of education programs reported here differs from the scope of programs reported from the OMB series. Nonfederal funds generated by federal legislation such as the annual volume of guaranteed student loans were not included in OMB's reports. Also the Rehabilitative Services and Disability Research in the U.S. Department of Education was also excluded from the OMB report. Finally, while some mention was made of an annual estimate of federal tax expenditures, OMB did not include this estimate in its annual analysis of federal education support. Estimated federal tax expenditures for education are the difference between current federal tax receipts and what these receipts would be without existing education deductions to income allowed by federal tax provisions. NCES commissioned a study to calculate the proportions of these tax expenditures that are strictly related to education. These reports prepared under contract are "Federal Tax Expenditures, FY 1975 to FY 1990", by Stephen M. Barro, and "Federal Tax Expenditures, FY 1985 to FY 2001", by Richard Phelps, for NCES. The education proportion of the deductibility of state and local taxes is calculated using estimates of revenues and expenditures by function (e.g., education, transportation, public safety) for states and five types of local governments (counties, municipalities, townships, school districts, and special districts). Revenues from "charges" (e.g., fees, sales) and transfers among levels of government are included in the calculations.

All the tax expenditure estimates included in this report borrow from the annual *Budget of the United States Government*, published by the Office of Management and Budget in the Executive Office of the President. Their tax expenditure estimates are explained and listed in a 30-page chapter of the "Analytical Perspective" volume of the *Budget*.

The Office of Tax Analysis in the U.S. Treasury Department performs the actual calculations listed in the *Budget* for three federal taxes: the individual income tax, the corporation income tax, and the unified transfer tax. Tax expenditures are estimated by two different methods in the *Budget*—as "revenue losses" and "outlay equivalents." Revenue losses are the estimated magnitude of tax revenues the government would gain in the absence of tax credits and deductions, under static assumptions of tax-

payer behavior. "Outlay equivalents" represent the magnitude of expenditure that would be required to provide the taxpayer the same after-tax income as is received given the credits and deductions. The difference may seem subtle and, in the case of some tax expenditures, the estimates are identical made either way. More often, however, outlay equivalent estimates are larger, sometimes much larger. For more information on the distinction between these two forms of estimates, the reader is referred to the "Tax Expenditures" chapter in the *Budget*. Tax expenditure estimates used here represent only revenue losses and not outlay equivalents.

The method for estimating recipients' data is based on Victor Miller and Jay Noell's *Estimating Federal Funds for Education: A New Approach Applied to Fiscal Year 1980* and Esther Tron's "Federal Support for Education, Fiscal Years 1980 to 1984" (U.S. Department of Education) and OMB's *Catalog of Federal Domestic Assistance*. The recipients' data are estimated based on obligations. These estimates tend to undercount the amount received by postsecondary institutions, students, and LEAs because some federal programs have more than one recipient receiving funds. Some recipients may not even realize that the funds they received are federal in origin if they are received indirectly, through a third party. Many do not know the name of the federal department making the payment, especially when one federal agency makes a payment for another agency or when funds flow through intervening state institutions. In some cases the recipients were put into a multiple recipients category, because there was no way to disaggregate the amount each recipient received. Thus, distributing federal aid by ultimate recipient must still be indirectly estimated.

Federal support for educational institutions differs in this report from those reported in other NCES reports from the Common Core of Data (CCD) and Financial Statistics of Institutions of Higher Education surveys. An example would be in FY 1990 where the CCD survey reports \$12.7 billion in federal revenue for elementary and secondary institutions, whereas this report has \$17.2 billion (in current dollars). Part of this is that CCD only reports public elementary and secondary schools, where some federal money goes to the school district to provide services to private elementary and secondary students also. An example of money that goes to private school students is Title I, Education for the Disadvantaged program. CCD also does not include the Head Start program or any federal money that goes to state education agencies. The Financial Statistics of Institutions of Higher Education survey reported \$17.3 billion for FY 1990, whereas this report has \$20.4 billion. There are many reasons for the differences. The institutional surveys count

federal revenues received during the fiscal year of the educational institution (often July 1 to June 30), which do not generally correspond exactly to those received during the federal fiscal year (October 1 to September 30). State education agencies are also not included in the CCD and the Financial Statistics of Institutions of Higher Education surveys; however, they are included in this report. Some federal programs are forward funded, for example, federal funds are appropriated in one fiscal year for spending by educational institutions in following years. In some cases, institutions do not identify federal money passed through state governments as “federal” receipts. At the elementary and secondary education level, state government-operated institutions such as those for individuals with disabilities are not included in the CCD survey prior to

1989. Some types of federal student financial aid programs, such as FFEL and FDSL, are specifically excluded from the Financial Statistics of Institutions of Higher Education survey. Off-budget support and nonfederal support are also excluded. Data on federal support appearing in this report are more comprehensive in scope than totals from institutionally-based surveys. For these reasons and a variety of other factors, federal support data in this report will differ from figures in NCES survey reports.

This report shows current and constant dollar comparisons. The federal funds composite deflator from the U.S. Office of Management and Budget (*Budget of the United States Government, Historical Tables, Fiscal Year 2003*) was used to compute constant dollars. The composite deflator numbers are:

Fiscal year	Composite deflator
1965	0.2054
1970	0.2569
1975	0.3655
1980	0.5409
1981	0.5965
1982	0.6386
1983	0.6682
1984	0.7013
1985	0.7254
1986	0.7433
1987	0.7637
1988	0.7879
1989	0.8171
1990	0.8447
1991	0.8820
1992	0.9119
1993	0.9349
1994	0.9543
1995	0.9770
1996	1.0000
1997	1.0207
1998	1.0336
1999	1.0501
2000	1.0778
2001	1.1010
2002	1.1235

Definitions

Appropriations—budget authority provided through the congressional budget process that permits federal agencies to incur obligations and to make payments.

Constant dollars—sometimes called real dollars, dollar amounts that have been adjusted by means of price indexes to eliminate inflationary factors and allow direct comparison across years.

Current dollars—dollar amounts that have not been adjusted for inflation.

Federal funds—on-budget funds.

Federal funds composite deflator—price index used by the U.S. Office of Management and Budget to adjust federal budget data to compensate for the effects of inflation.

Federal support—on-budget funds, off-budget support, and nonfederal funds generated by federal legislation. Excludes federal tax expenditures.

Federal tax expenditures—revenues foregone by the federal government through allowable income tax deductions. They are reductions of tax revenue attributable to provisions of the federal income tax laws that allow a special exclusion, exemption, or deduction from gross income or provide a special credit, preferential rate of tax, or a deferral of tax liability affecting individual or corporate income tax liabilities.

Fiscal year (FY)—the yearly accounting period for the federal government, which begins on October 1 and ends on the following September 30. The fiscal year is designated by the calendar year in which it ends; for example, fiscal year 1988 begins on October 1, 1987, and ends on September 30, 1988. [NOTE: Prior to fiscal year 1976, the fiscal year began on July 1 and ended on the following June 30.]

Forward funding—funds that are appropriated in one fiscal year for spending in following years.

Loan volume—the capital provided by the federal government on FDSL loans and the capital provided by private lenders on FFEL loans. These are off-budget and nonfederal funds.

Nonfederal funds generated by federal legislation—funds generated by federal legislation that are not included in the federal budget because they are classified

as being private enterprises, even though funding is generated by federal legislation that provides loan guarantees and interest subsidies to support loan capital raised through private sources and institutions of higher education. Although nonfederal funds are excluded from the federal budget, a contingent federal financial responsibility exists for most of these funds in the form of federal guarantees and subsidies for student loans made by banks and public lending institutions. Nonfederal funds are also funds that are made available for education purposes when federal programs require matching funds or offer incentives and subsidies.

Obligations—binding agreements that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

Off-budget support—certain federal support that has been excluded from the budget by law. The funding is not, therefore, included in the totals for the budget. The expenditures add to the federal debt, not the deficit.

On-budget funds—funds that are provided through programs funded by Congressional appropriations. Nonfederal funds generated by federal legislation and off-budget support are not included in the on-budget funds.

Other education—includes libraries, museums, cultural activities, and miscellaneous research.

Outlays—a measure of government spending. They are payments to liquidate obligations (other than the repayment of debt), net of refunds and offsetting collections. Outlays are generally recorded on a cash basis, but also include many cash-equivalent transactions, the subsidy cost of direct loans and loan guarantees, and interest accrued on public issues of the public debt.

Revenues—money collected by the government as duties, taxes, or as premiums from social insurance programs. Revenues are all funds received from external sources, net of refunds, and correcting transactions. Non-cash transactions such as receipt of services, commodities, or other receipts “in kind” are excluded as are funds received from the issuance of debt, liquidation of investments, and nonroutine sale of property.

Appendix Tables

Table A.—Federal support and estimated federal tax expenditures for education, by category: Fiscal years 1965 to 2002

[In millions of dollars]

Fiscal year	Total on-budget support ¹				Off-budget support				Off-budget support and nonfederal funds generated by federal legislation					Estimated federal tax expenditures for education ¹⁰	
	Total	Elementary and secondary	Post-secondary	Other education ²	Research at educational institutions	Total	Off-budget support		Nonfederal funds						
							Federal Direct Student Loans ³	Federal Family Education Loans ⁴	Peikins Loans ⁵	Income Contingent Loans ⁶	Leveraging Educational Assistance Grants ⁷	Supplemental Educational Opportunity Grants ⁸	Work-Study and		
2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1965	\$5,354.7	\$1,942.6	\$1,197.5	\$374.7	\$1,816.3	\$23.7									
1970	12,526.5	5,830.4	3,447.7	1,608.5	2,283.6	832.6									
1975	23,288.1	10,617.2	7,644.0	1,608.5	4,403.4	1,403.4									
1980	39,349.5	16,027.7	11,115.9	1,548.7	5,801.2	4,596.0									
1985	47,753.4	19,027.9	11,744.4	2,107.6	8,444.6	8,725.5									
1986	48,375.3	39,027.9	17,049.9	2,620.0	9,009.4	8,394.4									
1987	50,724.6	41,194.7	17,535.7	2,820.4	10,538.6	9,272.0									
1988	54,454.4	43,454.4	18,564.9	2,981.6	11,250.5	10,623.8									
1989	59,537.4	48,269.6	19,809.5	3,180.3	12,009.8	11,267.2									
1990	62,811.5	51,624.3	21,984.4	3,383.0	12,606.0	11,187.2									
1991	70,375.6	57,599.5	25,418.0	3,698.6	13,775.4	12,772.0									
1992	74,481.1	60,483.1	27,926.9	3,992.0	14,176.9	13,998.0									
1993	84,741.5	67,740.6	30,834.3	4,107.2	14,955.1	17,000.8									
1994	92,781.5	68,254.2	32,304.4	4,483.7	15,289.1	24,527.3									
1995	95,810.8	71,639.5	33,623.8	4,719.7	16,332.3	25,056.6									
1996	96,833.0	71,327.4	34,391.5	4,828.0	16,332.3	25,056.6									
1997	103,259.8	73,731.8	35,478.9	5,021.2	17,272.4	29,902.0									
1998	107,810.5	76,909.2	37,486.2	5,148.5	18,475.0	30,901.3									
1999	113,417.2	82,863.6	39,937.9	5,318.0	19,956.5	33,533.3									
2000	119,541.6	85,944.2	43,790.8	5,484.6	21,660.1	33,597.4									
2001	130,327.6	94,505.6	48,530.1	5,880.0	25,202.0	35,822.0									
2002 ¹¹	147,929.6	109,468.6	54,624.1	6,399.8	25,857.9	38,461.0									

¹ Not applicable.
² On-budget support includes federal funds for education programs tied to appropriations.
³ Other education includes libraries, museums, cultural activities, and miscellaneous research.
⁴ The Federal Direct Student Loan (FDSL) program, renamed the William D. Ford Direct Loan program, provides students with the same benefits they are currently eligible to receive under the Federal Family Education Loan (FFEL) program but provides loans to students through federal capital rather than through private lenders. This program is an off-budget support program.
⁵ Formerly the Guaranteed Student Loan program. New student loans guaranteed by the federal government and disbursed to borrowers.
⁶ Student loans created from institutional matching funds (since 1993 1/3 of federal capital contributions). Excludes repayments of outstanding loans.
⁷ Student loans created from institutional matching funds (1/9 of the federal contribution). This was a demonstration project that involved only 10 institutions and had unsubsidized interest rates. Program repealed in FY 1992.
⁸ Formerly the State Student Incentive Grant program. Provides dollar-for-dollar required state matching contributions. Starting in fiscal year 2000, under \$30.0 million was also dollar-for-dollar required state matching contributions, and over \$30.0 million, the state matching is two-to-one.
⁹ Institutions award grants to undergraduate students, and the federal share of such grants may not exceed 75 percent of the total grant.
¹⁰ Employer contributions to student earnings is generally 1/3 of federal allocation.
¹¹ Losses of tax revenue attributable to provisions of the federal income tax laws that allow a special exclusion, exemption, or deduction from gross income or provide a special credit, preferential rate of tax, or a deferral of tax liability affecting individual or corporate income tax liabilities.
¹² Estimated.
¹³ Data adjusted by the federal funds composite deflator prepared by the U.S. Office of Management and Budget.
 NOTE: To the extent possible, federal education funds data represent outlays rather than obligations. Some data have been revised from previously published figures. Detail may not sum to totals due to rounding.
 SOURCE: U.S. Department of Education, National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the U.S. Government, Appendix, fiscal years 1967 to 2003*; National Science Foundation, *Federal Funds for Research and Development, fiscal years 1965 to 2002*; and unpublished data obtained from various federal agencies. (This table was prepared March 2002.)

Table B.—Federal on-budget funds for education (in current dollars), by agency: Fiscal years 1965 to 2002
[In thousands of dollars]

Agency	1965	1970	1975	1980	1985	1990	1995	2000	2001	2002
1	2	3	4	5	6	7	8	9	10	11
Total	\$5,331,016	\$12,526,499	\$23,288,120	\$34,493,502	\$39,027,876	\$51,624,342	\$71,639,520	\$85,944,203	\$94,505,551	\$109,468,575
Department of Education	1,000,567	4,625,224	7,350,355	13,137,785	16,701,065	23,198,575	31,403,000	34,106,697	36,562,025	47,769,284
Department of Agriculture	768,927	960,910	2,219,352	4,562,467	4,782,274	6,260,843	9,092,089	11,080,031	11,310,363	11,896,064
Department of Commerce	9,347	13,990	38,967	135,561	55,114	53,835	88,929	114,575	129,923	113,360
Department of Defense	587,412	821,388	1,009,229	1,560,301	3,119,213	3,605,509	3,879,002	4,525,080	5,281,168	4,749,222
Department of Energy	442,434	551,527	764,676	1,605,558	2,247,822	2,561,950	2,692,314	3,577,004	3,746,156	3,625,124
Department of Health and Human Services ..	1,027,537	1,796,854	3,675,225	5,613,930	5,322,356	7,956,011	12,469,563	17,670,867	20,728,825	22,858,490
Department of Housing and Urban Development	221,256	114,709	52,768	5,314	438	118	1,613	1,400	1,600	1,300
Department of the Interior	170,088	190,975	300,191	440,547	549,479	630,537	702,796	959,802	1,103,988	1,185,653
Department of Justice	10,252	15,728	61,542	60,721	66,802	99,775	172,350	278,927	447,520	450,098
Department of Labor	230,041	424,494	1,103,935	1,862,738	1,948,685	2,511,380	3,967,914	4,696,100	5,202,400	6,364,200
Department of State	64,200	59,742	89,433	25,188	23,820	51,225	54,671	388,349	390,068	387,579
Department of Transportation	†	27,534	52,290	54,712	82,035	76,186	135,816	117,054	151,382	144,379
Department of the Treasury	8,240	18	1,118,840	1,247,463	290,276	41,715	49,496	83,000	88,000	139,000
Department of Veterans Affairs	97,237	1,032,918	4,402,212	2,351,233	1,289,849	757,476	1,324,382	1,577,374	1,802,342	2,301,273
Other agencies and programs										
ACTION	†	†	7,081	2,833	1,761	8,472	†	†	†	†
Agency for International Development	63,329	88,034	78,896	176,770	198,807	249,786	290,580	332,500	483,500	462,500
Appalachian Regional Commission	†	37,838	45,786	19,032	4,745	93	10,623	7,243	9,560	8,900
Barry Goldwater Scholarship and Excellence in Education Foundation	†	†	†	†	†	1,033	3,000	3,000	3,000	3,000
Corporation for National and Community Service	†	†	†	†	†	†	214,600	386,000	452,000	431,000
Environmental Protection Agency	†	19,446	33,875	41,083	60,521	87,481	125,721	98,900	125,500	115,900
Estimated education share of federal aid to the District of Columbia	11,350	33,019	55,487	81,847	107,340	104,940	78,796	127,127	147,093	184,964
Federal Emergency Management Agency	†	290	290	1,946	1,828	215	170,400	14,894	23,778	20,380
General Services Administration	4,013	14,775	22,532	34,800	†	†	†	†	†	†
Harry S Truman Scholarship fund	†	†	†	-1,895	1,332	2,883	3,000	3,000	2,000	3,000
Institute of American Indian and Alaskan Native Culture and Arts Development ...	†	†	†	†	†	4,305	13,000	2,000	4,000	4,000
Institute of Museum and Library Services	†	†	†	†	†	†	†	166,000	172,000	231,000
James Madison Memorial Fellowship Foundation	†	†	†	†	†	191	2,000	7,000	3,000	2,000
Japanese-United States Friendship Commission	†	†	†	2,294	2,236	2,299	2,000	3,000	3,000	3,000
Library of Congress	15,111	29,478	63,766	151,871	169,310	189,827	241,000	299,000	315,000	359,000
National Aeronautics and Space Administration	208,788	258,366	197,901	255,511	487,624	1,093,303	1,757,900	2,077,830	2,202,032	2,066,869
National Archives and Records Administration	†	†	†	†	52,118	77,397	105,172	121,879	148,175	180,866
National Commission on Libraries and Information Science	†	†	449	2,090	723	3,281	1,000	2,000	1,000	2,000
National Endowment for the Arts	†	340	4,754	5,220	5,536	5,577	9,421	10,048	10,442	10,854
National Endowment for the Humanities	†	8,459	63,955	142,586	125,671	141,048	151,727	100,014	105,709	103,000
National Science Foundation	181,216	295,628	535,294	808,392	1,147,115	1,588,891	2,086,195	2,955,244	3,297,579	3,230,812
Nuclear Regulatory Commission	†	†	7,093	32,590	30,261	42,328	22,188	12,200	7,300	10,100
Office of Economic Opportunity	189,871	1,092,410	16,619	†	†	†	†	†	†	†
Smithsonian Institution	2,233	2,461	5,509	5,153	7,886	5,779	9,961	†	†	†
United States Arms Control Agency	†	100	†	661	395	25	†	25,764	28,723	29,759
United States Information Agency	7,512	8,423	9,405	66,210	143,007	201,547	294,800	†	†	†
United States Institute of Peace	†	†	†	†	†	7,621	12,000	13,000	15,000	15,000
Other agencies	10,055	1,421	5,949	990	432	885	500	300	400	5,645

† Not applicable.

NOTE: Data for fiscal year 2002 are estimated. To the extent possible, amounts reported represent outlays, rather than obligations. Some data have been revised from previously published data. Negative amounts occur when program receipts exceed outlays. Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the U.S. Government, Appendix*, fiscal years 1967 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1965 to 2002; and unpublished data obtained from various federal agencies. (This table was prepared April 2002.)

Table C.—Federal on-budget funds for education, (in constant 2002 dollars) by agency: Fiscal years 1965 to 2002
 [In thousands of dollars]

Agency	1965	1970	1975	1980	1985	1990	1995	2000	2001	2002
1	2	3	4	5	6	7	8	9	10	11
Total	\$29,159,671	\$54,782,101	\$71,584,686	\$71,646,237	\$60,446,400	\$68,663,370	\$82,381,781	\$89,588,339	\$96,436,863	\$109,468,575
Department of Education	5,472,916	20,227,478	22,594,046	27,288,411	25,866,621	30,855,450	36,111,843	35,552,861	37,309,205	47,769,284
Department of Agriculture	4,205,888	4,202,345	6,822,003	9,476,672	7,406,789	8,327,284	10,455,437	11,549,837	11,541,501	11,896,064
Department of Commerce	51,126	61,182	119,780	281,573	85,361	71,604	102,264	119,433	132,578	113,360
Department of Defense	3,213,035	3,592,174	3,102,240	3,240,891	4,831,039	4,795,536	4,460,654	4,716,949	5,389,094	4,749,222
Department of Energy	2,420,032	2,411,991	2,350,516	3,334,894	3,481,428	3,407,542	3,096,023	3,728,673	3,822,712	3,625,124
Department of Health and Human Services	5,620,437	7,858,176	11,297,169	11,660,659	8,243,268	10,581,956	14,339,360	18,420,133	21,152,439	22,858,490
Department of Housing and Urban										
Development	1,210,229	501,657	(162,202)	11,038	678	157	1,855	1,459	1,633	1,300
Department of the Interior	930,350	835,190	922,749	915,057	851,033	838,651	808,179	1,000,499	1,126,549	1,185,653
Department of Justice	56,077	68,783	189,172	126,123	103,463	132,707	198,194	290,754	456,666	450,098
Department of Labor	1,258,282	1,856,438	3,393,354	3,869,081	3,018,125	3,340,281	4,562,898	4,895,220	5,308,716	6,364,200
Department of State	351,162	261,270	274,906	52,318	36,892	68,132	62,869	404,815	398,039	387,579
Department of Transportation	†	120,414	160,733	113,642	127,056	101,332	156,181	122,017	154,476	144,379
Department of the Treasury	45,071	79	3,439,170	2,591,098	449,580	55,483	56,918	86,519	89,798	139,000
Department of Veterans Affairs	531,868	4,517,257	13,531,834	4,883,731	1,997,719	1,007,487	1,522,972	1,644,257	1,839,175	2,301,273
Other agencies and programs										
ACTION	†	†	21,766	5,884	2,727	11,268	†	†	†	†
Agency for International Development	346,398	384,999	242,516	367,168	307,912	332,230	334,152	346,598	493,381	462,500
Appalachian Regional Commission	†	165,477	140,740	39,531	7,349	124	12,216	7,550	9,756	8,900
Barry Goldwater Scholarship and										
Excellence in Education Foundation	†	†	†	†	†	1,374	3,450	3,127	3,061	3,000
Corporation for National and Community										
Service	†	†	†	†	†	†	246,779	402,367	461,237	431,000
Environmental Protection Agency	†	85,043	104,127	85,333	93,735	116,355	144,573	103,093	128,065	115,900
Estimated education share of federal aid to										
the District of Columbia	62,082	144,402	170,560	170,004	166,248	139,576	90,611	132,517	150,099	184,964
Federal Emergency Management Agency ...	†	1,268	891	4,042	2,831	286	195,951	15,526	24,264	20,380
General Services Administration	21,950	64,615	69,260	72,283	†	†	†	†	†	†
Harry S Truman Scholarship fund	†	†	†	-3,936	2,063	3,835	3,450	3,127	2,041	3,000
Institute of American Indian and Alaskan										
Native Culture and Arts Development	†	†	†	†	†	5,726	14,949	2,085	4,082	4,000
Institute of Museum and Library Services ...	†	†	†	†	†	†	†	173,039	175,515	231,000
James Madison Memorial Fellowship										
Foundation	†	†	†	†	†	254	2,300	7,297	3,061	2,000
Japanese-United States Friendship										
Commission	†	†	†	4,765	3,463	3,058	2,300	3,127	3,061	3,000
Library of Congress	82,654	128,916	196,008	315,450	262,227	252,481	277,138	311,678	321,437	359,000
National Aeronautics and Space										
Administration	1,142,032	1,129,911	608,322	530,720	755,232	1,454,156	2,021,495	2,165,932	2,247,033	2,066,869
National Archives and Records										
Administration	†	†	†	†	80,720	102,942	120,942	127,047	151,203	180,866
National Commission on Libraries and										
Information Science	†	†	1,380	4,341	1,120	4,364	1,150	2,085	1,020	2,000
National Endowment for the Arts	†	1,487	14,613	10,842	8,574	7,418	10,834	10,474	10,655	10,854
National Endowment for the Humanities	†	36,994	196,589	296,164	194,639	187,602	174,478	104,255	107,869	103,000
National Science Foundation	991,218	1,292,869	1,645,425	1,679,106	1,776,652	2,113,317	2,399,017	3,080,550	3,364,968	3,230,812
Nuclear Regulatory Commission	†	†	21,803	67,692	46,868	56,299	25,515	12,717	7,449	10,100
Office of Economic Opportunity	1,038,559	4,777,433	51,085	†	†	†	†	†	†	†
Smithsonian Institution	12,214	10,763	16,934	10,703	12,214	7,686	11,455	†	†	†
United States Arms Control Agency	†	437	†	1,373	612	33	†	26,856	29,310	29,759
United States Information Agency	41,089	36,836	28,910	137,524	221,489	268,069	339,005	†	†	†
United States Institute of Peace	†	†	†	†	†	10,136	13,799	13,551	15,307	15,000
Other agencies	54,999	6,214	18,286	2,056	669	1,177	575	313	408	5,645

† Not applicable.

NOTE: Data for fiscal year 2002 are estimated. To the extent possible, amounts reported represent outlays, rather than obligations. Some data have been revised from previously published data. Negative amounts occur when program receipts exceed outlays. Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, Budget of the U.S. Government, Appendix, fiscal years 1967 to 2003; National Science Foundation, Federal Funds for Research and Development, fiscal years 1965 to 2002; and unpublished data obtained from various federal agencies. (This table was prepared April 2002.)

**Table D.—Federal on-budget funds for education, by level or other educational purpose, by agency and program:
Fiscal years 1965 to 2002**

[In thousands of current dollars]

Level or educational purpose, by agency and program	1965	1970	1975	1980	1985	1990 ¹	1995 ²	2000 ³	2001 ⁴	2002 ⁵
1	2	3	4	5	6	7	8	9	10	11
Total, all programs	\$5,331,016	\$12,526,499	\$23,288,120	\$34,493,502	\$39,027,876	\$51,624,342	\$71,639,520	\$85,944,203	\$94,505,551	\$109,468,575
Elementary/secondary education programs	\$1,942,577	\$5,830,442	\$10,617,195	\$16,027,686	\$16,901,334	\$21,984,361	\$33,623,809	\$43,790,783	\$48,530,061	\$54,624,141
Department of Education ⁶	567,343	2,719,204	4,132,742	6,629,095	7,296,702	9,681,313	14,029,000	20,039,563	22,862,445	26,535,766
Grants for the disadvantaged ⁶	†	1,339,014	1,874,353	3,204,664	4,206,754	4,494,111	6,808,000	8,529,111	8,647,199	9,398,248
Impact aid program ⁷	349,671	656,372	618,711	690,170	647,402	816,366	808,000	877,101	1,040,425	1,151,594
School improvement programs	72,298	288,304	700,470	788,918	526,401	1,189,158	1,397,000	2,549,971	2,925,237	4,700,483
Indian education	†	†	40,036	93,365	82,328	69,451	71,000	65,285	77,791	113,046
Bilingual education	†	21,250	92,693	169,540	157,539	188,919	225,000	362,662	362,662	460,110
Special education	13,849	79,090	151,244	821,777	1,017,964	1,616,623	3,177,000	4,948,977	5,809,009	6,924,614
Vocational and adult education	131,525	335,174	655,235	860,661	658,314	1,306,685	1,482,000	1,462,977	2,262,234	1,994,961
Education Reform - Goals 2000 ⁸	†	†	†	†	†	†	61,000	1,243,479	1,737,888	1,792,710
Department of Agriculture	623,014	760,477	1,884,345	4,064,497	4,134,906	5,528,950	8,201,294	10,051,278	10,140,527	10,894,031
Child nutrition programs ⁹	178,580	299,131	1,452,267	3,377,056	3,664,561	4,977,075	7,644,789	9,554,028	9,561,027	10,324,031
Agricultural Marketing Service— commodities ¹⁰	340,073	341,597	248,839	388,000	336,502	350,441	400,000	400,000	400,000	400,000
Special milk program ⁹	86,609	83,800	122,858	159,293	15,993	18,707	(⁹)	(⁹)	(⁹)	(⁹)
Estimated education share of Forest Service permanent appropriations	17,752	35,949	60,381	140,148	117,850	182,727	156,505	97,250	179,500	170,000
Department of Commerce	†	†	†	54,816	†	†	†	†	†	†
Local public works program—school facilities ¹¹	†	†	†	54,816	†	†	†	†	†	†
Department of Defense	73,000	143,100	264,500	370,846	831,625	1,097,876	1,295,547	1,485,611	1,475,014	1,484,932
Junior ROTC	†	12,100	12,500	32,000	55,600	39,300	155,600	210,432	217,053	234,767
Overseas dependents schools	73,000	131,000	252,000	338,846	613,437	864,958	855,772	904,829	906,044	889,919
Domestic schools ⁷	†	†	†	†	162,588	193,618	284,175	370,350	351,917	360,246
Department of Energy ¹²	100	200	300	77,633	23,031	15,563	12,646	†	†	†
Energy conservation for school buildings ¹³	†	†	†	77,240	22,731	15,213	10,746	†	†	†
Pre-engineering program	100	200	300	393	300	350	1,900	†	†	†
Department of Health and Human Services ¹⁴ Head Start ¹⁵	79,999	167,333	683,885	1,077,000	1,531,059	2,396,793	5,116,559	6,011,036	6,958,027	7,315,921
Payments to states for AFDC work programs ¹⁶	†	†	†	†	†	459,221	953,000	15,000	4,000	4,000
Social Security student benefits ¹⁷	79,999	167,333	279,985	342,000	456,000	489,814	629,559	729,036	754,215	774,281
Department of the Interior	130,096	140,705	220,392	318,170	389,810	445,267	493,124	725,423	890,497	941,448
Mineral Leasing Act and other funds: Payments to states—estimated education share	11,075	12,294	27,389	62,636	127,369	123,811	18,750	24,610	34,680	66,013
Payments to counties—estimated education share	10,731	16,359	29,494	48,953	59,016	102,522	37,490	53,500	57,060	61,000
Indian Education: Bureau of Indian Affairs schools	92,603	95,850	141,056	178,112	177,265	192,841	411,524	466,905	488,418	503,819
Johnson-O'Malley assistance ¹⁸	15,534	16,080	22,251	28,081	25,675	25,556	24,359	17,387	16,998	17,113
Education construction	†	†	†	†	†	†	†	161,021	292,341	292,503
Education expenses for children of employees, Yellowstone National Park	153	122	202	388	485	538	1,000	2,000	1,000	1,000
Department of Justice	6,402	8,237	9,822	23,890	36,117	65,997	128,850	224,800	380,600	406,400
Vocational training expenses for prisoners in federal prisons	1,466	2,720	3,039	4,966	8,292	2,066	3,000	1,000	2,000	2,000
Inmate programs ¹⁹	4,936	5,517	6,783	18,924	27,825	63,931	125,850	223,800	378,600	404,400
Department of Labor	230,041	420,927	1,097,811	1,849,800	1,945,268	2,505,487	3,957,800	4,683,200	5,189,000	6,351,000
Job Corps ²⁰	†	†	175,000	469,800	604,748	739,376	1,029,000	1,256,000	1,369,000	1,431,000
Training programs—estimated funds for education programs ²¹	230,041	420,927	922,811	1,380,000	1,340,520	1,766,111	2,928,800	3,427,200	3,820,000	4,920,000
Department of Transportation ²²	†	45	50	60	60	46	62	188	215	210
Tuition assistance for educational accreditation— Coast Guard personnel ²³	†	45	50	60	60	46	62	188	215	210
Department of the Treasury	32	†	847,139	935,903	273,728	†	†	†	†	†
Estimated education share of general revenue sharing: ²⁴ State ²⁵	†	†	475,224	525,019	†	†	†	†	†	†
Local	†	†	371,915	410,884	273,728	†	†	†	†	†
Tuition assistance for educational ac- creditation— Coast Guard personnel ²³	32	†	†	†	†	†	†	†	†	†
Department of Veterans Affairs ²⁶	41,250	338,910	1,371,500	545,786	344,758	155,351	311,768	445,052	487,422	510,406
Noncollegiate and job training programs ²⁷	14,550	281,640	1,249,410	439,993	224,035	12,848	†	†	†	†
Vocational rehabilitation for disabled veterans ²⁸	17,400	41,700	73,100	87,980	107,480	136,780	298,132	438,635	479,817	501,806
Dependents' education ²⁹	9,300	15,570	48,990	17,813	13,243	5,723	5,961	6,417	7,605	8,600
Service members occupational conversion and training act of 1992 ³⁰	†	†	†	†	†	†	7,675	†	†	†
Other agencies Appalachian Regional Commission ³¹	†	33,161	41,667	9,157	4,632	93	2,173	2,588	5,922	5,200

**Table D.—Federal on-budget funds for education, by level or other educational purpose, by agency and program:
Fiscal years 1965 to 2002—Continued**
[In thousands of current dollars]

Level or educational purpose, by agency and program	1965	1970	1975	1980	1985	1990 ¹	1995 ²	2000 ³	2001 ⁴	2002 ⁵
1	2	3	4	5	6	7	8	9	10	11
National Endowment for the Arts ³²	†	†	3,686	4,989	4,399	4,641	7,117	6,002	5,839	5,800
Arts in education	†	†	3,686	4,989	4,399	4,641	7,117	6,002	5,839	5,800
National Endowment for the Humanities ³³	†	20	149	330	321	404	997	812	1,063	1,000
Office of Economic Opportunity ³⁴	182,793	1,072,375	16,619	†	†	†	†	†	†	†
Head Start ³⁵	96,400	325,700	†	†	†	†	†	†	†	†
Other elementary and secondary programs ³⁶	20,000	42,809	16,612	†	†	†	†	†	†	†
Job Corps ³⁷	34,000	144,000	†	†	†	†	†	†	†	†
Youth Corps and other training programs ³⁸	31,000	553,368	7	†	†	†	†	†	†	†
Volunteers in Service to America (VISTA) ³⁹	1,393	6,498	†	†	†	†	†	†	†	†
Other programs										
Estimated education share of federal aid to the District of Columbia	8,507	25,748	42,588	65,714	84,918	86,579	66,871	115,230	133,490	172,027
Postsecondary education programs	\$1,197,511	\$3,447,697	\$7,644,037	\$11,115,882	\$11,174,379	\$13,650,915	\$17,618,137	\$15,008,715	\$14,893,501	\$22,586,730
Department of Education ⁶	237,955	1,187,962	2,089,184	5,682,242	8,202,499	11,175,978	14,234,000	10,727,315	9,840,748	16,808,854
Student financial assistance ⁴⁰	†	†	†	3,682,789	4,162,695	5,920,328	7,047,000	9,060,317	10,160,986	11,992,512
Federal Direct Student Loan Program ^{41,42}	†	†	†	†	†	†	840,000	-2,862,240	255,162	-26,071
Federal Family Education Loan Program ^{42,43}	†	2,323	111,087	1,407,977	3,534,795	4,372,446	5,190,000	2,707,473	-2,404,824	2,651,617
Higher education	218,264	1,029,131	1,838,066	399,787	404,511	659,492	871,000	1,530,779	1,462,478	1,865,964
Facilities—loans and insurance ⁴²	3,588	114,199	16,292	-19,031	5,307	19,219	-6,000	-2,174	-957	-1,214
College housing loans ^{42,44}	†	†	†	14,082	-164,061	-57,167	-46,000	-41,886	-30,654	-39,644
Educational activities overseas	129	774	1,881	3,561	1,838	82	†	†	†	†
Historically Black Colleges and Universities										
Capital Financing, Program Account ⁴⁵	†	†	†	†	†	†	†	150	195	204
Gallaudet College and Howard University	15,974	38,559	111,971	176,829	229,938	230,327	292,000	291,060	340,103	317,948
National Technical Institute for the Deaf ⁴⁶	†	2,976	9,887	16,248	27,476	31,251	46,000	43,836	58,259	47,538
Department of Agriculture	†	†	6,450	10,453	17,741	31,273	33,373	30,676	37,660	40,660
Agriculture Extension Service, Second Morrill Act payments to agricultural and mechanical colleges and Tuskegee Institute ⁴⁷	†	†	6,450	10,453	17,741	31,273	33,373	30,676	37,660	40,660
Department of Commerce	5,081	8,277	14,973	29,971	2,163	3,312	3,487	3,800	3,954	4,160
Sea Grant Program ⁴⁸	†	†	1,886	3,123	2,163	3,312	3,487	3,800	3,954	4,160
Merchant Marine Academy ⁴⁹	3,570	6,160	10,152	14,809	†	†	†	†	†	†
State marine schools ⁴⁹	1,511	2,117	2,935	12,039	†	†	†	†	†	†
Department of Defense ⁵⁰	77,500	322,100	379,800	545,000	1,041,700	635,769	729,500	1,147,759	1,299,169	1,376,312
Tuition assistance for military personnel	†	57,500	86,800	(⁵¹) 77,100	95,300	127,000	263,303	346,458	342,500	342,500
Service academies ⁵²	77,500	78,700	86,200	106,100	196,400	120,613	163,300	212,678	241,187	241,564
Senior ROTC	†	108,100	116,500	(⁵¹) 354,000	193,056	219,400	363,461	387,091	439,330	439,330
Professional development education ⁵³ ..	†	77,800	90,300	(⁵¹) 414,200	226,800	219,800	308,317	324,433	352,918	352,918
Department of Energy ¹²	3,000	3,000	3,000	57,701	19,475	25,502	28,027	†	†	†
University laboratory cooperative program	3,000	3,000	3,000	2,800	6,500	9,402	8,552	†	†	†
Teacher development projects ⁵⁴	†	†	†	1,400	†	†	†	†	†	†
Graduate traineeship programs ⁵⁵	†	†	†	†	†	†	†	†	†	†
Energy conservation for buildings—higher education ¹³	†	†	†	53,501	12,705	7,459	7,381	†	†	†
Minority honors vocational training ⁵⁶	†	†	†	†	150	†	†	†	†	†
Honors research program ⁵⁶	†	†	†	†	120	6,472	2,221	†	†	†
Students and teachers ⁵⁷	†	†	†	†	†	2,169	9,873	†	†	†
Department of Health and Human Services ¹⁴	469,223	981,483	1,686,650	2,412,058	516,088	578,542	796,035	954,190	1,360,554	1,524,033
Health professions training programs ⁵⁸	139,795	353,029	599,350	460,736	212,200	230,600	298,302	340,361	681,062	771,775
Indian health manpower ⁵⁹	†	†	†	7,187	5,577	9,508	27,000	16,000	29,000	31,000
National Health Service Corps scholarships	†	†	1,206	70,667	2,268	4,759	78,206	33,300	43,000	49,000
National Institutes of Health training grants ⁶⁰	†	†	154,875	176,388	217,927	241,356	380,502	550,220	589,704	654,490
National Institute of Occupational Safety and Health training grants	4,327	8,088	7,182	12,899	8,760	10,461	11,660	14,198	17,699	17,700
Alcohol, drug abuse, and mental health training programs ⁶¹	85,101	118,366	83,727	122,103	43,617	81,353	†	†	†	†
Health teaching facilities	†	†	353	3,078	739	505	365	110	89	68
Social Security postsecondary students' benefits ⁶²	240,000	502,000	839,957	1,559,000	25,000	†	†	†	†	†
Department of Housing and Urban Development ⁴²	220,744	114,199	-55,418	†	†	†	†	†	†	†
College housing loans ^{42,44}	220,744	114,199	-55,418	†	†	†	†	†	†	†
Department of the Interior	30,153	31,749	50,844	80,202	125,247	135,480	159,054	187,179	149,391	199,005

**Table D.—Federal on-budget funds for education, by level or other educational purpose, by agency and program:
Fiscal years 1965 to 2002—Continued**
[In thousands of current dollars]

Level or educational purpose, by agency and program	1965	1970	1975	1980	1985	1990 ¹	1995 ²	2000 ³	2001 ⁴	2002 ⁵
1	2	3	4	5	6	7	8	9	10	11
Shared revenues, Mineral Leasing Act and other receipts—estimated education share	6,260	6,949	15,480	35,403	71,991	69,980	82,810	98,740	58,580	104,470
Indian programs:										
Continuing education ⁶³	8,993	9,380	13,311	16,909	24,338	34,911	43,907	57,576	63,044	66,640
Higher education scholarships	14,900	15,420	22,053	27,890	28,918	30,589	32,337	30,863	27,767	27,895
Department of State	53,420	30,850	50,347	†	†	2,167	3,000	319,000	316,800	291,000
Educational exchange ⁶⁴	53,420	30,850	50,347	†	†	†	†	319,000	316,800	291,000
Mutual educational and cultural exchange activities	47,025	30,454	50,300	†	†	†	†	303,000	300,800	274,000
International educational exchange activities	6,395	396	47	†	†	†	†	16,000	16,000	17,000
Russian, Eurasian, and East European Research and Training ⁶⁵	†	†	†	†	†	2,167	3,000	†	†	†
Department of Transportation ²²	†	11,197	11,885	12,530	55,569	46,025	59,257	60,300	80,500	82,200
Merchant Marine Academy ⁴⁹	†	†	†	†	19,898	20,926	30,850	34,000	49,000	49,000
State marine schools ⁶⁶	†	†	†	†	19,777	8,269	8,980	7,000	7,000	7,000
Coast Guard Academy ²³	†	9,342	9,780	10,000	11,857	12,074	13,500	15,500	15,200	15,900
Postgraduate training for Coast Guard officers ⁶⁷	†	1,655	1,855	2,230	3,499	4,173	5,513	2,500	6,900	7,400
Tuition assistance to Coast Guard military personnel ²³	†	200	250	300	538	582	414	1,300	2,400	2,900
Department of the Treasury	8,208	†	268,605	296,750	†	†	†	†	†	†
General revenue sharing—estimated state share to higher education ^{24,25}	†	†	268,605	296,750	†	†	†	†	†	†
Coast Guard Academy ²³	6,815	†	†	†	†	†	†	†	†	†
Postgraduate training for Coast Guard officers ⁶⁷	1,293	†	†	†	†	†	†	†	†	†
Tuition assistance to Coast Guard military personnel ²³	100	†	†	†	†	†	†	†	†	†
Department of Veterans Affairs ²⁶	55,650	693,490	3,029,600	1,803,847	944,091	599,825	1,010,114	1,132,322	1,314,920	1,790,867
Vietnam-era veterans ⁶⁸	33,950	638,260	2,840,600	1,579,974	694,217	46,998	†	†	†	†
College student support	†	†	†	1,560,081	679,953	39,458	†	†	†	†
Work-study	†	†	†	19,893	14,264	7,540	†	†	†	†
Service persons college support ⁶⁹	†	18,900	74,690	46,617	35,630	8,911	†	†	†	†
Post-Vietnam veterans ⁷⁰	†	†	†	922	82,554	161,475	33,596	3,958	4,000	3,360
All-volunteer-force educational assistance ⁷¹	†	†	†	†	196	269,947	868,394	984,068	1,129,264	1,596,071
Veterans ⁷²	†	†	†	†	†	183,765	760,390	876,434	993,271	1,460,321
Reservists ⁷³	†	†	†	†	196	86,182	108,004	107,634	135,993	135,750
Veteran dependents' education ⁷⁴	21,700	36,330	114,310	176,334	131,494	100,494	95,124	131,296	167,939	177,436
Payments to state education agencies ⁷⁵	†	†	†	†	†	12,000	13,000	13,000	13,717	14,000
Other agencies										
Appalachian Regional Commission ³¹	†	4,105	2,545	1,751	†	†	2,741	2,286	2,025	2,100
National Endowment for the Humanities ³³	†	3,349	25,320	56,451	49,098	50,938	56,481	28,395	30,581	30,000
National Science Foundation	27,170	42,000	60,283	64,583	60,069	161,884	211,800	389,000	432,000	413,000
Science and engineering education programs	27,170	37,000	60,283	64,583	60,069	161,884	211,800	389,000	432,000	413,000
Sea Grant Program ⁴⁸	†	5,000	†	†	†	†	†	†	†	†
United States Information Agency ⁷⁶	7,512	8,423	9,405	51,095	124,041	181,172	260,800	†	†	†
Educational and cultural affairs ⁸⁴	†	†	†	49,546	21,079	35,862	13,600	†	†	†
Educational and cultural exchange programs ⁷⁷	†	†	†	†	101,529	145,307	247,200	†	†	†
Educational exchange activities, international	†	†	†	1,549	1,433	3	†	†	†	†
Information center and library activities ⁷⁸	7,512	8,423	9,405	†	†	†	†	†	†	†
Other programs										
Barry Goldwater Scholarship and Excellence in Education Foundation ⁷⁹	†	†	†	†	†	1,033	3,000	3,000	3,000	3,000
Estimated education share of federal aid to the District of Columbia	1,895	5,513	10,564	13,143	15,266	14,637	9,468	11,493	13,199	12,539
Harry S Truman Scholarship fund ^{42,80}	†	†	†	-1,895	1,332	2,883	3,000	3,000	2,000	3,000
Institute of American Indian and Alaskan Native Culture and Arts Development ⁸¹	†	†	†	†	†	4,305	13,000	2,000	4,000	4,000
James Madison Memorial Fellowship Foundation ⁸²	†	†	†	†	†	191	2,000	7,000	3,000	2,000
Other education programs	\$374,652	\$964,719	\$1,608,478	\$1,548,730	\$2,107,588	\$3,383,031	\$4,719,655	\$5,484,571	\$5,880,007	\$6,399,777
Department of Education ⁶	182,021	630,235	1,045,659	747,706	1,173,055	2,251,801	2,861,000	3,223,355	3,293,355	3,606,110
Administration	17,732	47,456	108,372	187,317	284,900	328,293	404,000	458,054	551,681	561,363
Libraries ⁸³	26,111	108,284	225,810	129,127	85,650	137,264	117,000	†	†	†
Rehabilitative services and disability research	137,313	473,091	709,483	426,886	798,298	1,780,360	2,333,000	2,755,468	2,730,254	3,026,109
American Printing House for the Blind ...	865	1,404	1,994	4,349	4,230	5,736	7,000	9,368	10,531	18,538

**Table D.—Federal on-budget funds for education, by level or other educational purpose, by agency and program:
Fiscal years 1965 to 2002—Continued**
[In thousands of current dollars]

Level or educational purpose, by agency and program	1965	1970	1975	1980	1985	1990 ¹	1995 ²	2000 ³	2001 ⁴	2002 ⁵
1	2	3	4	5	6	7	8	9	10	11
Trust funds and contributions ⁴²	†	†	†	27	23	148	†	465	889	100
Department of Agriculture	87,551	135,637	220,395	271,112	336,375	352,511	422,878	444,477	454,576	460,473
Extension Service	85,924	131,734	215,523	263,584	325,986	337,907	405,371	424,174	432,476	439,473
National Agricultural Library	1,627	3,903	4,872	7,528	10,389	14,604	17,507	20,303	22,100	21,000
Department of Commerce	251	1,226	2,317	2,479	†	†	†	†	†	†
Maritime Administration:										
Training for private sector employees ⁴⁹	251	1,226	2,317	2,479	†	†	†	†	†	†
Department of Health and Human Services ¹⁴	3,953	24,273	31,653	37,819	47,195	77,962	138,000	214,000	243,000	282,000
National Library of Medicine	3,953	24,273	31,653	37,819	47,195	77,962	138,000	214,000	243,000	282,000
Department of Housing and Urban Development	512	†	†	†	†	†	†	†	†	†
Urban mass transportation—managerial training grants ⁵⁴	512	†	†	†	†	†	†	†	†	†
Department of Justice	3,850	5,546	42,818	27,642	25,517	26,920	36,296	34,727	29,120	26,398
FBI National Academy	1,850	2,066	5,100	7,234	4,189	6,028	12,831	22,479	22,198	17,892
FBI Field Police Academy	1,450	2,500	5,254	7,715	10,220	10,548	11,140	11,962	6,644	8,313
Narcotics and dangerous drug training ..	550	980	1,152	2,416	83	850	325	286	278	193
National Institute of Corrections ⁵⁵	†	†	31,312	10,277	11,025	9,494	12,000	†	†	†
Department of State	10,780	20,672	28,113	25,000	23,791	47,539	51,648	69,349	73,268	96,579
Foreign Service Institute	6,395	15,857	20,750	25,000	23,791	47,539	51,648	69,349	73,268	96,579
Center for Cultural and Technical Interchange ⁶⁴	4,385	4,815	7,363	†	†	†	†	†	†	†
Department of Transportation ²²	†	3,964	11,877	10,212	3,785	1,507	650	700	495	591
Highways training and education grants ⁵⁶	†	2,418	3,250	3,412	1,500	†	†	†	†	†
Maritime Administration:										
Training for private sector employees ⁴⁹	†	†	†	†	1,135	1,507	650	700	495	591
Urban mass transportation—managerial training grants ⁵⁴	†	1,546	2,627	500	1,150	†	†	†	†	†
Federal Aviation Administration ⁵⁷										
Air traffic controllers second career program ⁵⁸	†	†	6,000	6,300	†	†	†	†	†	†
Department of the Treasury	†	18	3,096	14,584	16,160	41,488	48,000	83,000	88,000	139,000
Federal Law Enforcement Training Center ⁵⁹	†	18	3,096	14,584	16,160	41,488	48,000	83,000	88,000	139,000
Other agencies										
ACTION ⁶⁰	†	†	7,045	2,833	1,761	8,472	†	†	†	†
Estimated education funds ⁹¹	†	†	7,045	2,833	1,761	8,472	†	†	†	†
Agency for International Development ...	63,329	88,034	78,896	99,707	141,847	170,371	260,408	299,000	452,000	431,000
Education and human resources ...	53,968	61,570	58,349	80,518	115,104	142,801	248,408	299,000	452,000	431,000
American schools and hospitals abroad	9,361	26,464	20,547	19,189	26,743	27,570	12,000	†	†	†
Appalachian Regional Commission ³⁰ ...	†	572	1,574	8,124	113	†	5,709	2,369	1,613	1,600
Corporation for National and Community Service ⁹⁰	†	†	†	†	†	†	214,600	386,000	452,000	431,000
Estimated education funds ⁹¹	†	†	†	†	†	†	214,600	386,000	452,000	431,000
Federal Emergency Management Agency ⁶²	†	290	290	281	405	215	170,400	14,894	23,778	20,380
Estimated architect/engineer student development program ⁹³	†	40	40	31	155	200	†	†	†	†
Estimated other training programs ⁹⁴	†	250	250	250	250	15	†	†	450	380
Estimated disaster relief ⁹⁵	†	†	†	†	†	†	170,400	14,894	23,328	20,000
General Services Administration:										
Libraries and other archival activities ⁹⁶	4,013	14,775	22,532	34,800	†	†	†	†	†	†
Institute of Museum and Library Services ⁹³	†	†	†	†	†	†	†	166,000	172,000	231,000
Japanese-United States Friendship Commission ⁹⁷	†	†	†	2,294	2,236	2,299	2,000	3,000	3,000	3,000
Library of Congress	15,111	29,478	63,766	151,871	169,310	189,827	241,000	299,000	315,000	359,000
Salaries and expenses	11,421	20,700	48,798	102,364	130,354	148,985	198,000	247,000	260,000	317,000
Books for the blind and the physically handicapped	2,317	6,195	11,908	31,436	32,954	37,473	39,000	46,000	49,000	35,000
Special foreign currency program ...	1,187	2,273	2,333	3,492	4,621	10	†	†	†	†
Furniture and furnishings	186	310	727	14,579	1,381	3,359	4,000	6,000	6,000	7,000
National Aeronautics and Space Administration:										
Aerospace education services project	100	350	600	882	1,800	3,300	5,923	6,800	6,832	6,569
National Archives and Records Administration ⁹⁸										
Libraries and other archival activities	†	†	†	†	52,118	77,397	105,172	121,879	148,175	180,866
National Commission on Libraries and Information Science ⁹⁹	†	†	449	2,090	723	3,281	1,000	2,000	1,000	2,000
National Endowment for the Arts ³²	†	340	1,068	231	1,137	936	2,304	4,046	4,603	5,054
National Endowment for the Humanities ³³	†	5,090	38,486	85,805	76,252	89,706	94,249	70,807	74,065	72,000

**Table D.—Federal on-budget funds for education, by level or other educational purpose, by agency and program:
Fiscal years 1965 to 2002—Continued**
[In thousands of current dollars]

Level or educational purpose, by agency and program	1965	1970	1975	1980	1985	1990 ¹	1995 ²	2000 ³	2001 ⁴	2002 ⁵
1	2	3	4	5	6	7	8	9	10	11
Smithsonian Institution	2,233	2,461	5,509	5,153	7,886	5,779	9,961	25,764	28,723	29,759
Museum programs and related research	2,133	2,261	4,203	3,254	4,665	690	3,190	18,000	21,000	21,000
National Gallery of Art extension service	100	200	300	426	675	474	771	764	723	759
Woodrow Wilson International Center for Scholars	†	†	1,006	1,473	2,546	4,615	6,000	7,000	7,000	8,000
U.S. Information Agency—Center for Cultural and Technical Interchange ⁶⁴	†	†	†	15,115	18,966	20,375	34,000	†	†	†
U.S. Institute of Peace ¹⁰⁰	†	†	†	†	†	7,621	12,000	13,000	15,000	15,000
Other programs										
Estimated education share of federal aid for the District of Columbia	948	1,758	2,335	2,990	7,156	3,724	2,457	404	404	398
Research programs at universities and related institutions¹⁰¹	\$1,816,276	\$2,283,641	\$3,418,410	\$5,801,204	\$8,844,575	\$12,606,035	\$15,677,919	\$21,660,134	\$25,201,982	\$25,857,927
Department of Education ¹⁰²	13,248	87,823	82,770	78,742	28,809	89,483	279,000	116,464	565,477	818,554
Department of Agriculture	58,362	64,796	108,162	216,405	293,252	348,109	434,544	553,600	677,600	500,900
Department of Commerce	4,015	4,487	21,677	48,295	52,951	50,523	85,442	110,775	125,969	109,200
Department of Defense	436,912	356,188	364,929	644,455	1,245,888	1,871,864	1,853,955	1,891,710	2,506,985	1,887,978
Department of Energy	439,334	548,327	761,376	1,470,224	2,205,316	2,520,885	2,651,641	3,577,004	3,746,156	3,625,124
Department of Health and Human Services	474,362	623,765	1,273,037	2,087,053	3,228,014	4,902,714	6,418,969	10,491,641	12,167,244	13,736,536
Department of Housing and Urban Development	†	510	2,650	5,314	438	118	1,613	1,400	1,600	1,300
Department of the Interior	9,839	18,521	28,955	42,175	34,422	49,790	50,618	47,200	64,100	45,200
Department of Justice	†	1,945	8,902	9,189	5,168	6,858	7,204	19,400	37,800	17,300
Department of Labor	†	3,567	6,124	12,938	3,417	5,893	10,114	12,900	13,400	13,200
Department of State	†	8,220	10,973	188	29	1,519	23	†	†	†
Department of Transportation	†	12,328	28,478	31,910	22,621	28,608	75,847	55,866	70,172	61,378
Department of the Treasury	†	†	†	226	388	227	1,496	†	†	†
Department of Veterans Affairs	337	518	1,112	1,600	1,000	2,300	2,500	†	†	†
ACTION	†	†	36	†	†	†	†	†	†	†
Agency for International Development ...	†	†	†	77,063	56,960	79,415	30,172	33,500	31,500	31,500
Corporation for National and Community Service	†	†	†	†	†	†	†	†	†	†
Environmental Protection Agency	†	19,446	33,875	41,083	60,521	87,481	125,721	98,900	125,500	115,900
Federal Emergency Management Agency	†	†	†	1,665	1,423	†	†	†	†	†
National Aeronautics and Space Administration	208,688	258,016	197,301	254,629	485,824	1,090,003	1,751,977	2,071,030	2,195,200	2,060,300
National Science Foundation	154,046	253,628	475,011	743,809	1,087,046	1,427,007	1,874,395	2,566,244	2,865,579	2,817,812
Nuclear Regulatory Commission	†	†	7,093	32,590	30,261	42,328	22,188	12,200	7,300	10,100
Office of Economic Opportunity	7,078	20,035	†	†	†	†	†	†	†	†
U.S. Arms Control and Disarmament Agency	†	100	†	661	395	25	†	†	†	†
U.S. Information Agency	†	†	†	†	†	†	†	†	†	†
Other agencies	10,055	1,421	5,949	990	432	885	500	300	400	5,645

† Not applicable.

¹Excludes \$4,440,000,000 for federal support for medical education benefits under Medicare in the U.S. Department of Health and Human Services. Is not included in the total because data before fiscal year 1990 are not available. This program has existed since Medicare began, but was not available as a separate budget item until FY 90.

²Excludes \$7,510,000,000 for federal support for medical education benefits under Medicare. See footnote 1.

³Excludes \$9,460,000,000 for federal support for medical education benefits under Medicare. See footnote 1.

³Excludes \$8,020,000,000 for federal support for medical education benefits under Medicare. See footnote 1.

⁴Excludes \$8,030,000,000 for federal support for medical education benefits under Medicare. See footnote 1.

⁵Estimated. Excludes \$9,020,000,000 for federal support for medical education benefits under Medicare. See footnote 1.

⁶The U.S. Department of Education was created in May 1980. It formerly was the Office of Education in the U.S. Department of Health, Education, and Welfare.

⁷Domestic Schools formerly called Section 6 of public law 81–874 (the former Impact Aid statute) was funded and administered by the U.S. Department of Education during 1951–1981. This program allowed the Secretary to make arrangements for the education of children who reside on federal property when no suitable local school district could or would provide for the education of these children. Since 1981, the provision was funded by the Department of Defense and in

1994, when public law 81–874 was repealed, the Department of Defense was authorized to fund and administer similar provisions.

⁸This program created a national framework for education reform and meeting the National Education Goals. This program included the School-To-Work Opportunities program which initiated a national system to be administered jointly by the U.S. Departments of Education and Labor. Both departments were to establish a national framework within which all states can create statewide systems to help youth acquire the knowledge, skills, abilities, and labor market information they need to make an effective transition from school to work or to further their education or training. Programs in the Education Reform program have been transferred to the School Improvement program or discontinued in FY 2002. Amounts in this program reflect balances that are spending out from prior-year appropriations.

⁹Starting in FY 94, the Special Milk program was included in the Child Nutrition program.

¹⁰These commodities are purchased under Section 32 of the Act of August 24, 1935, for use in the child nutrition programs.

¹¹This program assisted in the construction of public facilities, such as vocational schools, through grants or loans. No funds have been appropriated for this account since FY 77, and it was completely phased out in FY 84.

¹²The U.S. Department of Energy was created in 1977. It formerly was the Energy Research and Development Administration and before that the Atomic Energy Commission. No funds were designated for any of the education programs listed on this table in FYs 96 and 97.

¹³This program was established in 1979. Funds were first appropriated for this program in FY 80.

¹⁴The U.S. Department of Health and Human Services was part of the U.S. Department of Health, Education, and Welfare until May 1980.

¹⁵The Head Start program was formerly in the Office of Economic Opportunity, and funds were appropriated to the U.S. Department of Health, Education, and Welfare, Office of Child Development, beginning in 1972.

¹⁶This program was created by the Family Support Act of 1988. It provides funds for the Job Opportunities and Basic Skills Training program. This activity is being replaced by Temporary Assistance for Needy Families program.

¹⁷After age 18, benefits terminate at the end of the school term or in 3 months, whichever is less.

¹⁸This program provides funding for supplemental programs for eligible American Indian students in public schools.

¹⁹This program finances the cost of academic, social, and occupational education courses for inmates in federal prisons.

²⁰The Job Corps program was formerly in the Office of Economic Opportunity, and funds were appropriated to the U.S. Department of Labor beginning in 1971 and 1972.

²¹Some of the work and training programs included in this program were in the Office of Economic Opportunity and were transferred to the U.S. Department of Labor in 1971 and 1972. Beginning in FY 94, the School-to-Work Opportunities program is included. This program is administered jointly by the U.S. Departments of Education and Labor.

²²The U.S. Department of Transportation was created in 1967.

²³This program was transferred from the U.S. Department of the Treasury to the U.S. Department of Transportation in 1967.

²⁴This program was established in FY 72 and closed in FY 86.

²⁵The states' share of revenue-sharing funds could not be spent on education in FYs 81–86.

²⁶The U.S. Department of Veterans Affairs, formerly the Veterans Administration, was created in March 1989.

²⁷This program provides educational assistance allowances in order to restore lost educational opportunities to those individuals whose careers were interrupted or impeded by reason of active military service between January 31, 1955, and January 1, 1977. Includes "Readjustment Benefits," Chapter 34, for education other than college and also includes the Veterans Job Training program for service persons and veterans. The Chapter 34 program closed December 31, 1989. The Veterans Job Training Program was put in the program Payments to State Education Agencies. Veterans who were still eligible to receive benefits under Chapter 34 were covered by Chapter 30 (The All-Volunteer-Force Educational Assistance program).

²⁸This program is in "Readjustment Benefits" program, Chapter 31, and covers the costs of subsistence, tuition, books, supplies, and equipment for disabled veterans requiring vocational rehabilitation.

²⁹This program is in the "Readjustment Benefits" program, Chapter 35, and provides benefits to children and spouses of veterans.

³⁰The purpose of this program is to provide stable and permanent employment to those men and women who have served on active duty on or after August 2, 1990, and are unemployed. Program expired in 1997.

³¹This agency was established March 9, 1965. Its first year of appropriations was 1966. The outlays were larger in the years 1970 and 1975 for elementary and secondary education because of the construction of facilities for vocational schools.

³²This agency was established in 1965. In 1970, \$900,000 was appropriated through the Office of Education, U.S. Department of Health, Education, and Welfare, for the National Endowment for the Arts, Arts in Education program.

³³This agency was established in 1965. First year of appropriations was 1966.

³⁴The Economic Opportunity Act of 1964 authorized 10 major action programs, including Job Corps, Neighborhood Youth Corps, Adult Literacy, Work Experience, College Work-Study, and Community Action programs, including Head Start, Follow Through, and Upward Bound, and authorized the establishment of Volunteers in Service to America (VISTA). These programs were transferred to the U.S. Department of Health, Education, and Welfare, U.S. Department of Labor, and the Action Agency in the 1970s. An act on January 4, 1975 established the Community Services Administration as the successor agency to the Office of Economic Opportunity.

³⁵Head Start program funds were transferred to the U.S. Department of Health, Education, and Welfare, Office of Child Development, in 1972.

³⁶Most of these programs were transferred to the U.S. Department of Health, Education, and Welfare, Office of Education, in 1972.

³⁷The Job Corps programs were transferred to the U.S. Department of Labor in 1971 and 1972.

³⁸These programs were transferred to the U.S. Department of Labor in 1971 and 1972.

³⁹These programs were transferred to the Action Agency in 1972.

⁴⁰Similar programs were included in the "higher education" program in 1965 through 1975.

⁴¹The Student Loan Reform Act of 1993 authorized a new Federal Direct Student Loan (FDSL) program, renamed the William D. Ford Direct Loan program.

This program is a new streamlined lending system that simplifies the process of obtaining and repaying loans for student and parent borrowers and provides borrowers with greater choice in repayment plans.

⁴²Negative amounts occur when program receipts exceed outlays.

⁴³Similar programs were included in the "higher education" program in 1965 through 1975, formerly called the "Guaranteed Student Loan" program.

⁴⁴This program was transferred from the U.S. Department of Housing and Urban Development to the U.S. Department of Health, Education, and Welfare, Office of Education, in FY 79.

⁴⁵The Historically Black Colleges and Universities (HBCUs) Capital Financing program was authorized by the Higher Education Act Amendments of 1992 to provide HBCUs with private funds for repair, renovation, and construction projects.

⁴⁶First year of appropriations for this program was 1967.

⁴⁷Program funds were first appropriated for Tuskegee Institute in 1972.

⁴⁸The Sea Grant College Program Act of 1966 established a matching fund grant program that provides for the establishment of a network of programs in fields related to development and preservation of the nation's coastal and marine resources. This program was transferred from the National Science Foundation to the U.S. Department of Commerce, October 1970.

⁴⁹This program was transferred to the U.S. Department of Transportation in FY 81 by Public Law 97–31, from the U.S. Department of Commerce.

⁵⁰The U.S. Department of Defense funds for FYs 90 to 96 exclude military pay and reserve accounts which were included in previous years. FY 65 data are not available except for service academies.

⁵¹Included in total above.

⁵²Instructional costs only are included. These include academics, audiovisual, academic computing center, faculty training, military training, physical education, and libraries.

⁵³Includes special education programs (military and civilian); legal education program; flight training; advanced degree program; college degree program (officers); and "Armed Forces Health Professions Scholarship" program.

⁵⁴No funds have been appropriated since FY 82.

⁵⁵This program receives funds periodically.

⁵⁶Appropriations began in FY 84.

⁵⁷Appropriations began in FY 89.

⁵⁸Does not include higher education assistance loans.

⁵⁹Appropriations began in FY 78.

⁶⁰Alcohol, drug abuse, and mental health training programs are included starting in fiscal year 1992.

⁶¹Beginning in fiscal year 1992, data were included in the National Institutes of Health training grants program.

⁶²Postsecondary student benefits were ended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) and were completely phased out by August 1985.

⁶³Includes adult education, tribally-controlled community colleges, postsecondary instruction, and other education.

⁶⁴This program was transferred from the U.S. Department of State to the International Communication Agency (I.C.A.) in 1977, which consolidated the functions of the U.S. Information Agency and the U.S. Department of State's Bureau of Educational and Cultural Affairs. In FY 82 the I.C.A. became the U.S.I.A. In FY 98 pursuant to the Foreign Affairs Reform and Restructuring Act of 1998, this program from the United States Information Agency was transferred to the U.S. Department of State.

⁶⁵This program provides funds for advanced study and research projects of the Russian, Eurasian, and Eastern European countries by American institutions of higher education and private research firms. Appropriations began in FY 88.

⁶⁶This program was transferred to the U.S. Department of Transportation in FY 81 by Public Law 97–31 from the U.S. Department of Commerce.

⁶⁷Includes flight training. This program was in the U.S. Department of the Treasury in 1965 and was transferred to the U.S. Department of Transportation in 1967.

⁶⁸Includes benefits for Vietnam-era veterans under Chapter 34 (GI Bill) of the "Readjustment Benefits" education and training program. This program provides educational assistance allowances, primarily on a monthly basis, in order to restore lost educational opportunities to those individuals whose careers were interrupted or impeded by reason of active military service between January 31, 1955, and January 1, 1977. This program closed December 31, 1989. Some veterans who were still eligible were put in Chapter 30 (the All-Volunteer-Force Educational Assistance program).

⁶⁹Includes service persons under Chapter 34 (GI Bill) of the "Readjustment Benefits" education and training program. Service persons with over 180 days of active duty, any part of which was before January 1, 1977, are eligible to participate in this program.

⁷⁰Includes post-Vietnam-era veterans, under Chapter 32, of the post-Vietnam-era "Veterans Education Account." Provides education and training assistance payments to veterans and service persons with no active duty time before January 1, 1977. Funding is provided through participants' contributions while on active duty and through transfers from the U.S. Department of Defense (DOD). The U.S. Department of Veterans Affairs funds are not appropriated for this program, so these

data represent obligations, which are funded through other agencies' appropriations.

⁷¹Public Law 98-525, enacted October 19, 1984 (New GI Bill), established two new peacetime educational programs: an assistance program for veterans who entered active duty during the period beginning July 1, 1985, to June 30, 1988, and an assistance program for certain members of the Selected Reserve.

⁷²Chapter 30, also called the Montgomery Bill, and the new GI Bill are for eligible veterans who have agreed to have their military pay reduced \$100 per month for their first 12 months of active duty. The "Readjustment Benefits" account under the U.S. Department of Veterans Affairs pays only the basic allowance, up to a maximum of \$536 per month, for full-time training. "Supplemental Benefits" are paid by the U.S. Department of Defense (DOD).

⁷³Chapter 106 is for members of the Selected Reserve. The reserve components include the Army, Navy, Air Force, Marine Corps Reserve, Army National Guard and Air National Guard under the U.S. Department of Defense (DOD), and the Coast Guard Reserve, which is under the U.S. Department of Transportation (DOT) when it is not operating as a service in the Navy. Eligible persons can receive up to \$255 per month for full-time training. The DOD and DOT pay for this program, and the U.S. Department of Veterans Affairs administers it.

⁷⁴Includes dependents of veterans under Chapter 35, the "Readjustment Benefits" education and training program. Provides education and training benefits to dependents of veterans who died of a service-connected disability or whose service-connected disability is rated permanent and total.

⁷⁵Payments have been made to state education agencies for a number of years but were not listed separately until FY 88.

⁷⁶The U.S.I.A. was called the "International Communication Agency" in FYs 80 and 81. This program was transferred from the U.S. Department of State to the International Communication Agency (I.C.A.) in 1977, which consolidated the functions of the U.S. Information Agency and the U.S. Department of State's Bureau of Educational and Cultural Affairs. In FY 82 the I.C.A. became the U.S.I.A. In FY 98 pursuant to the Foreign Affairs Reform and Restructuring Act of 1998, this program from the United States Information Agency was transferred to the U.S. Department of State and the newly created Broadcasting Board of Governors.

⁷⁷This program was in the "Educational and Cultural Affairs" program in FYs 80-83, and became an independent program in FY 84.

⁷⁸This program was combined with the "Educational and Cultural Affairs" program in FY 77.

⁷⁹Public Law 99-661 established this program to operate the Foundation which awards scholarships and fellowships to outstanding graduate and undergraduate students who intend to pursue careers or advanced degrees in science or mathematics. It may also award honoraria to outstanding individuals who have made significant contributions to improve the instruction of science and mathematics in secondary schools.

⁸⁰Appropriations for this program began in FY 76.

⁸¹Public Law 99-498 established this Institute as an independent non-profit corporation to provide Native Americans with an opportunity to obtain a postsecondary education in various fields of Indian art and culture.

⁸²Public Laws 99-500 and 99-591 established the James Madison Memorial Fellowship Foundation to operate a fellowship program to encourage graduate study of the American Constitution. First year of appropriations was FY 88.

⁸³This program was transferred to the Institute of Museum and Library Services in fiscal year 1997. Program was formerly in the U.S. Department of Education.

⁸⁴This program was transferred to the U.S. Department of Transportation in FY 68 from the U.S. Department of Housing and Urban Development.

⁸⁵This program was established by the Juvenile Justice and Delinquency Prevention Act of 1974 to provide education and training and to provide leadership in improving correctional programs and practices in prisons. This program was transferred in 1997 to the Federal Prison System, Salaries and Expenses, budget in the Contract Confinement program.

⁸⁶Appropriations for this program began in FY 70.

⁸⁷The Federal Aviation Administration, an independent agency, was transferred to the U.S. Department of Transportation in FY 67.

⁸⁸Appropriations began in FY 72.

⁸⁹First year of appropriations was FY 70.

⁹⁰The National Service Trust Act of 1993 established the Corporation for National and Community Service. In 1993, ACTION became part of this agency.

⁹¹These programs included the Service Learning programs, University Year for ACTION, Volunteers in Service to America, Youth Challenge program, and the National Student Volunteer program in FY 1975. In FY 80, programs included were the University Year for ACTION, Young Volunteers for ACTION, and National Service Learning programs. In fiscal year 1985, the program included was the Service Learning programs, and in FYs 89 to 94, programs included were the Literacy Corps and the Student Community Services program. In FYs 94 through 98 the AmeriCorps program was included. This program provides education grants to help pay for college or to repay student loans for people who perform community service before, during or after postsecondary education.

⁹²The Federal Emergency Management Agency was created in 1979, representing a combination of five existing agencies. The two largest were the Defense Civil Preparedness Agency in the U.S. Department of Defense and the Federal Preparedness Agency in the General Services Administration. The funds for the Federal Emergency Management Agency in FY 70 to FY 75 were in the other agencies.

⁹³First year of appropriations was FY 68.

⁹⁴First appropriations for the "other training programs" were in the late 1960s. These programs include the Fall-Out Shelter Analysis, Blast Protection Design through 1992. Starting in FY 1993, earthquake training and safety for teachers and administrators for grades 1 through 12 are included.

⁹⁵The disaster relief program repairs and replaces damaged and destroyed school buildings. In FY 94 and FY 95 funds were for repairs due to the Northridge Earthquake in California. In FY 94, \$37.2 million was spent on school districts; \$4.2 million was spent on community colleges and \$43.8 million spent on universities. In FY 95, \$74.4 million was spent on school districts; \$8.4 million on community colleges and \$87.6 million on colleges and universities.

⁹⁶This program was transferred from the General Services Administration to the National Archives and Records Administration in April 1985.

⁹⁷This program makes grants for the promotion of scholarly, cultural, and artistic exchanges between Japan and the United States. Appropriations began in FY 76.

⁹⁸The National Archives and Records Administration became an independent agency in April 1985.

⁹⁹This program was established by the act of July 20, 1970, Public Law 91-345.

¹⁰⁰This program was established by Congress to conduct and support research and scholarships in the fields of peace, arms control, and conflict resolution.

¹⁰¹Includes federal obligations for research and development centers and R & D plant administered by colleges and universities. FY 2001 and FY 2002 are estimated.

¹⁰²Total outlays for FYs 65 and 70 include the "Research and Training" program. FY 75 includes the "National Institute of Education" program. FYs 80 to FY 2002 include outlays for the Office of Educational Research and Improvement.

NOTE: Some data have been revised from previously published figures. To the extent possible, amounts reported represent outlays rather than obligations. Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, compiled from data appearing in U.S. Office of Management and Budget, *Budget of the U.S. Government, Appendix*, fiscal years 1967 to 2003; National Science Foundation, *Federal Funds for Research and Development*, fiscal years 1965 to 2002; and unpublished data obtained from various federal agencies. (This table was prepared March 2002.)

Table E.—Estimated federal support for education, by agency and type of ultimate recipient: Fiscal year 1980

[In millions of current dollars]

Agency	Total	Local education agencies	State education agencies	College students	Institutions of higher education	Federal	Multiple types of recipients	Other ¹
1	2	3	4	5	6	7	8	9
Total²	\$39,349.5	\$10,938.3	\$1,384.1	\$9,129.6	\$11,239.7	\$1,381.6	\$2,514.4	\$2,761.7
Total program funds – on-budget	\$34,493.5	\$10,938.3	\$1,292.1	\$6,990.6	\$9,626.3	\$1,381.6	\$2,514.4	\$1,750.1
Department of Education	13,137.8	5,313.7	1,103.2	2,137.4	2,267.2	249.8	693.8	1,372.7
Department of Agriculture	4,562.5	4,030.7	33.8	†	226.9	7.5	†	263.6
Department of Commerce	135.6	54.8	†	†	51.4	14.8	2.5	12.0
Department of Defense	1,560.3	32.0	†	187.5	786.0	444.9	109.9	†
Department of Energy	1,605.6	77.2	†	0.8	1,527.1	†	0.4	†
Department of Health and Human Services	5,613.9	73.5	†	1,585.9	3,133.1	37.8	783.6	†
Department of Housing and Urban Development	5.3	†	†	†	5.3	†	†	†
Department of the Interior	440.5	77.5	62.6	27.9	77.6	178.1	16.9	†
Department of Justice	60.7	†	†	†	9.2	51.5	†	†
Department of Labor	1,862.7	277.3	92.5	647.5	12.9	111.0	721.5	†
Department of State	25.2	†	†	†	0.2	25.0	†	†
Department of Transportation	54.7	†	†	6.6	32.0	10.0	6.1	†
Department of the Treasury	1,247.5	935.9	†	†	297.0	14.6	†	†
Department of Veterans Affairs	2,351.2	†	†	2,349.6	1.6	†	†	†
Other agencies and programs								
ACTION programs	2.8	†	†	†	2.3	†	0.5	†
Agency for International Development	176.8	†	†	†	77.1	†	†	99.7
Appalachian Regional Commission	19.0	†	†	†	1.8	†	17.3	†
Environmental Protection Agency	41.1	†	†	†	41.1	†	†	†
Estimated education share of federal aid to the								
District of Columbia	81.8	65.7	†	†	13.1	†	3.0	†
Federal Emergency Management Agency	1.9	†	†	†	1.7	(3)	0.3	(3)
General Services Administration	34.8	†	†	†	†	34.8	†	†
Harry S Truman scholarship fund	-1.9	†	†	†	†	†	-1.9	†
Japanese-United States Friendship Commission	2.3	†	†	†	†	†	2.3	†
Library of Congress	151.9	†	†	†	†	151.9	†	†
National Aeronautics and Space Administration	255.5	†	†	†	254.6	†	0.9	†
National Archives and Records Administration	†	†	†	†	†	†	†	†
National Commission on Libraries and								
Information Science	2.1	†	†	†	†	†	†	2.1
National Endowment for the Arts	5.2	†	†	†	†	†	5.2	†
National Endowment for the Humanities	142.6	†	†	†	†	†	142.6	†
National Science Foundation	808.4	†	†	32.3	772.9	†	3.2	†
Nuclear Regulatory Commission	32.6	†	†	†	32.6	†	†	†
Smithsonian Institution	5.2	†	†	†	†	0.4	4.8	†
U.S. Arms Control Agency	0.7	†	†	†	0.7	†	†	†
U.S. Information Agency	66.2	†	†	15.1	†	49.5	1.5	†
Other agencies	1.0	†	†	†	1.0	†	†	†
Off-budget support and nonfederal funds generated by federal legislation	4,856.0	†	92.0	2,139.0	1,613.4	†	†	1,011.6

† Not applicable.

¹ Other recipients include Indian tribes, private nonprofit agencies, and banks.

² Includes on-budget funds, off-budget support, and nonfederal funds generated by federal legislation. Excludes federal tax expenditures.

³ Less than \$50,000.

NOTE: Outlays by type of recipient are estimated based on obligation data. Negative amounts occur when program receipts exceed outlays. Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, Office of the Under Secretary, unpublished tabulations; U.S. Office of Management and Budget, *Budget of the U.S. Government, Appendix and Special Analyses, Fiscal Year 1982*, and the *Catalog of Federal Domestic Assistance*; National Science Foundation, *Federal Funds for Research and Development, Fiscal Years 1980, 1981, and 1982*; and unpublished data obtained from various federal agencies. (This table was prepared June 1990.)

Table F.—Estimated federal support for education, by agency and type of ultimate recipient: Fiscal year 1990

[In millions of current dollars]

Agency	Total	Local education agencies	State education agencies	College students	Institutions of higher education	Federal	Multiple types of recipients	Other ¹
1	2	3	4	5	6	7	8	9
Total²	\$62,811.5	\$13,894.5	\$3,264.2	\$10,543.3	\$20,420.2	\$2,424.3	\$5,530.5	\$6,734.5
Total program funds – on-budget	\$51,624.3	\$13,894.5	\$3,051.8	\$5,686.9	\$16,671.0	\$2,424.3	\$5,530.5	\$4,365.3
Department of Education	23,198.6	8,000.7	2,490.4	3,859.6	3,649.9	441.4	912.2	3,844.5
Department of Agriculture	6,260.8	5,479.2	49.8	†	379.4	14.6	†	337.9
Department of Commerce	53.8	†	†	†	53.8	†	†	†
Department of Defense	3,605.5	39.3	†	155.5	2,004.7	1,179.2	226.8	†
Department of Energy	2,562.0	15.2	†	1.5	2,544.9	†	0.4	†
Department of Health and Human Services	7,956.0	144.9	†	713.9	5,129.7	78.0	1,889.7	†
Department of Housing and Urban Development	0.1	†	†	†	0.1	†	†	†
Department of the Interior	630.5	128.6	123.8	30.6	119.8	192.8	34.9	†
Department of Justice	99.8	†	†	†	6.9	92.9	†	†
Department of Labor	2,511.4	†	375.8	†	5.9	†	2,129.7	†
Department of State	51.2	†	†	†	2.8	47.5	†	0.9
Department of Transportation	76.2	†	†	0.3	28.9	33.0	5.7	8.3
Department of the Treasury	41.7	†	†	†	0.2	41.5	†	†
Department of Veterans Affairs	757.5	†	12.0	743.2	2.3	†	†	†
Other agencies and programs								
ACTION programs	8.5	†	†	†	†	†	8.5	†
Agency for International Development	249.8	†	†	†	79.4	†	†	170.4
Appalachian Regional Commission	0.1	†	†	†	†	†	0.1	†
Barry Goldwater Scholarship and Excellence in Education Foundation	1.0	†	†	†	†	†	1.0	†
Environmental Protection Agency	87.5	†	†	†	87.5	†	†	†
Estimated education share of federal aid to the District of Columbia	104.9	86.6	†	†	14.6	†	3.7	†
Federal Emergency Management Agency	(³)	†	†	†	†	(³)	(³)	(³)
General Services Administration	†	†	†	†	†	†	†	†
Harry S Truman scholarship fund	2.9	†	†	†	†	†	2.9	†
Institute of American Indian and Alaskan Native Culture and Arts Development	4.3	†	†	†	†	†	4.3	†
James Madison Memorial Fellowship Foundation	0.2	†	†	†	†	†	0.2	†
Japanese-United States Friendship Commission	2.3	†	†	†	†	†	2.3	†
Library of Congress	189.8	†	†	†	†	189.8	†	†
National Aeronautics and Space Administration	1,093.3	†	†	†	1,090.0	†	3.3	†
National Archives and Records Administration	77.4	†	†	†	†	77.4	†	†
National Commission on Libraries and Information Science	3.3	†	†	†	†	†	†	3.3
National Endowment for the Arts	5.6	†	†	†	†	†	5.6	†
National Endowment for the Humanities	141.0	†	†	†	†	†	141.0	†
National Science Foundation	1,588.9	†	†	161.9	1,427.0	†	†	†
Nuclear Regulatory Commission	42.3	†	†	†	42.3	†	†	†
Smithsonian Institution	5.8	†	†	†	†	0.5	5.3	†
U.S. Arms Control Agency	(³)	†	†	†	†	(³)	†	†
U.S. Information Agency	201.5	†	†	20.4	†	35.9	145.3	†
U.S. Institute of Peace	7.6	†	†	†	†	†	7.6	†
Other agencies	0.9	†	†	†	0.9	†	†	†
Off-budget support and nonfederal funds generated by federal legislation	11,187.2	†	212.4	4,856.4	3,749.2	†	†	2,369.2

† Not applicable.

¹ Other recipients include Indian tribes, private nonprofit agencies, and banks.

² Includes on-budget funds, off-budget support, and nonfederal funds generated by federal legislation. Excludes federal tax expenditures.

³ Less than \$50,000.

NOTE: Outlays by type of recipient are estimated based on obligation data. Data have been revised from previously published data. Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, Office of the Under Secretary, unpublished tabulations; U.S. Office of Management and Budget, *Budget of the U.S. Government, Appendix and Special Analyses, Fiscal Year 1992* and the *Catalog of Federal Domestic Assistance*; National Science Foundation, *Federal Funds for Research and Development, Fiscal Years 1990, 1991, and 1992*; and unpublished data obtained from various federal agencies. (This table was prepared June 1992.)

Table G.—Estimated federal support for education, by agency and type of ultimate recipient: Fiscal year 2002

[In millions of dollars]

Agency	Total	Local education agencies	State education agencies	Students	Postsecondary institutions	Federal	Multiple types of recipients	Other ¹
1	2	3	4	5	6	7	8	9
Total ²	\$147,929.6	\$32,274.0	\$7,930.7	\$28,354.9	\$48,369.3	\$4,212.8	\$15,727.7	\$11,060.1
Total program funds - on-budget	\$109,468.6	\$32,274.0	\$6,741.6	\$12,464.3	\$35,138.4	\$4,212.8	\$15,727.7	\$2,909.7
Department of Education	47,769.3	20,736.5	5,192.7	8,100.5	8,732.7	640.3	2,336.2	2,030.2
Department of Agriculture	11,896.0	10,377.8	516.2	†	541.6	21.0	†	439.5
Department of Commerce	113.4	†	†	†	113.4	†	†	†
Department of Defense	4,749.3	234.8	†	445.6	2,224.2	1,491.7	352.9	†
Department of Energy	3,625.1	†	†	†	3,625.1	†	†	†
Department of Health and Human Services	22,858.6	653.8	†	1,361.5	14,420.8	282.0	6,140.5	†
Department of Housing and Urban Development	1.3	†	†	†	1.3	†	†	†
Department of the Interior	1,185.6	79.1	66.0	27.9	149.7	503.8	359.1	†
Department of Justice	450.1	†	†	†	17.3	432.8	†	†
Department of Labor	6,364.3	†	952.7	†	13.2	†	5,398.4	†
Department of State	387.6	†	†	†	†	96.6	291.0	†
Department of Transportation	144.4	†	†	6.1	65.8	64.9	0.6	7.0
Department of the Treasury	139.0	†	†	†	†	139.0	†	†
Department of Veterans Affairs	2,301.3	†	14.0	2,287.3	†	†	†	†
Other agencies and programs								
Agency for International Development	462.5	†	†	†	31.5	†	†	431.0
Appalachian Regional Commission	8.9	†	†	†	2.1	†	6.8	†
Barry Goldwater Scholarship and Excellence in Education Foundation	3.0	†	†	†	†	†	3.0	†
Corporation for National and Community Service	431.0	†	†	†	†	†	431.0	†
Environmental Protection Agency	115.9	†	†	†	115.9	†	†	†
Estimated education share of federal aid to the District of Columbia	184.9	172.0	†	†	12.5	†	0.4	†
Federal Emergency Management Agency	20.4	20.0	†	†	†	†	0.4	†
General Services Administration	†	†	†	†	†	†	†	†
Harry S Truman scholarship fund	3.0	†	†	†	†	†	3.0	†
Institute of American Indian and Alaskan Native Culture and Arts Development	4.0	†	†	†	†	†	4.0	†
Institute of Library and Museum Services	231.0	†	†	†	†	†	231.0	†
James Madison Memorial Fellowship Foundation	2.0	†	†	†	†	†	2.0	†
Japanese-United States Friendship Commission	3.0	†	†	†	†	†	3.0	†
Library of Congress	359.0	†	†	†	†	359.0	†	†
National Aeronautics and Space Administration	2,066.9	†	†	†	2,060.3	†	6.6	†
National Archives and Records Administration	180.9	†	†	†	†	180.9	†	†
National Commission on Libraries and Information Science	2.0	†	†	†	†	†	†	2.0
National Endowment for the Arts	10.9	†	†	†	†	†	10.9	†
National Endowment for the Humanities	103.0	†	†	†	†	†	103.0	†
National Science Foundation	3,230.8	†	†	235.4	2,995.4	†	†	†
Nuclear Regulatory Commission	10.1	†	†	†	10.1	†	†	†
Smithsonian Institution	29.8	†	†	†	†	0.8	29.0	†
U.S. Arms Control and Disarmament Agency	†	†	†	†	†	†	†	†
U.S. Information Agency ³	†	†	†	†	†	†	†	†
U.S. Institute of Peace	15.0	†	†	†	†	†	15.0	†
Other agencies	5.6	†	†	†	5.6	†	†	†
Off-budget support and nonfederal funds generated by federal legislation	38,461.0	†	1,189.1	15,890.6	13,230.9	†	†	8,150.4

† Not applicable.

¹ Other recipients include Indian tribes, private nonprofit agencies, and banks.

² Includes on-budget support, off-budget support, and nonfederal funds generated by federal legislation. Excludes federal tax expenditures.

³ This agency's education funds were transferred to the U.S. Department of State.

NOTE: Outlays by type of recipient are estimated based on obligation data. Negative amounts occur when program receipts exceed outlays. Detail may not sum to totals due to rounding.

SOURCE: U.S. Department of Education, Office of the Under Secretary, unpublished tabulations; U.S. Office of Management and Budget, Budget of the U.S. Government, Fiscal Year 2003; *National Science Foundation, Federal Funds for Research and Development, Fiscal Years 2000, 2001, and 2002*; and unpublished data obtained from various federal agencies. (This table was prepared April 2002.)