

Fiscal Year 2009 Budget
Summary and Background Information

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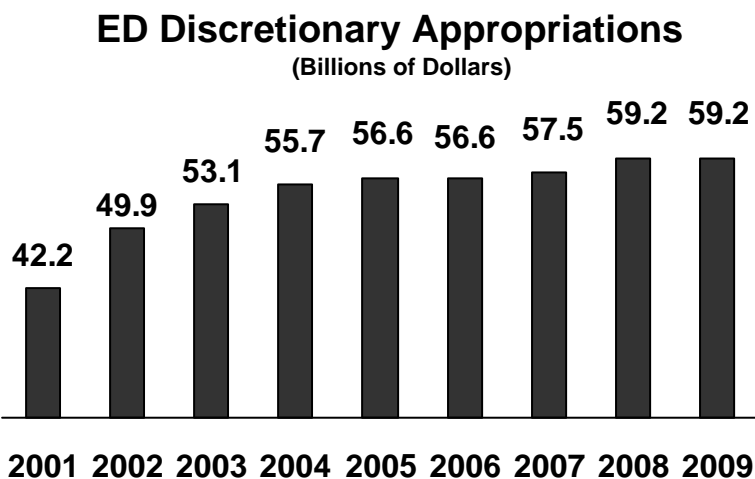
I. SUMMARY OF THE 2009 BUDGET

The *No Child Left Behind Act* (NCLB) was based on a simple premise and a big idea. The premise was that when Federal taxpayers invest in education, they should expect results in return for that investment. The big idea was that all children can learn or, more specifically, that all students should be proficient in reading and math by 2014. NCLB called for comprehensive reforms to reach this national goal, including strong assessment and accountability systems, a highly qualified teacher in every classroom, more choices for students and parents, a new emphasis on school improvement, and the use of research-based instructional practices.

President Bush and the Congress delivered on the promise of new investment in education, as funding for NCLB programs rose from \$17.4 billion in fiscal year 2001 to \$24.4 billion in fiscal year 2008, an increase of \$7 billion or 40 percent. States and school districts have used these new resources to put in place the strong accountability systems required by NCLB, and the hard work of teachers and students across the country has helped reverse a decade of stagnation in student achievement and make real progress toward ensuring that all students are proficient in reading and math. The results of the 2007 National Assessment of Educational Progress confirmed that student achievement levels are at all-time highs and that the biggest gains are being made by African-American and Hispanic students.

Now it is time for Congress and the Nation to renew this historic commitment to America's children by reauthorizing and strengthening No Child Left Behind. The Administration has developed a comprehensive reauthorization proposal and is committed to working again with a bipartisan Congress to learn from the experience of the past six years and make the changes and improvements that will merit even greater commitment to our Nation's schools.

The 2009 request builds on President Bush's legacy of successful education reform by supporting programs and policies from pre-kindergarten through postgraduate study that have produced results for both students and taxpayers.



Note: 2009 reflects the President's request level.

For 2009, the President is requesting \$59.2 billion in discretionary appropriations for the Department of Education, the same as the 2008 level, and an increase of \$17.0 billion, or 40 percent, in discretionary appropriations for the Department since fiscal year 2001.

Key priorities in the 2009 budget include the following:

- \$14.3 billion, an increase of \$406 million or 2.9 percent, for a reauthorized Title I Grants to Local Educational Agencies program that would more fairly distribute Title I resources to the high school level, strengthen assessment and accountability in our high schools, provide more choices to students and parents, and encourage more effective restructuring of chronically low-performing schools. The 2009 request is an increase of \$5.5 billion, or 63 percent, over the 2001 level.
- \$491.3 million, the same as the 2008 level, for a reauthorized Title I School Improvement Grants program that would help build State and local capacity to identify and implement effective interventions to turn around low-performing schools. The rapid growth in funding for this program, from the initial fiscal year 2007 appropriation of \$125 million, is justified by the increase in the number of schools identified for fundamental restructuring reforms.
- \$1 billion for Reading First State Grants, an increase of \$607 million, to restore funding for this program that has proven its effectiveness in using research-based instructional methods to improve the reading skills of students in high-poverty, low-performing elementary schools.
- \$800 million for a reauthorized 21st Century Learning Opportunities program (replacing 21st Century Community Learning Centers) that would transform the current program into a scholarship fund enabling poor students in low-performing schools to enroll in high-quality after-school and summer school programs aimed at increasing student achievement.
- \$300 million for Pell Grants for Kids, a new K-12 scholarship program that would allow low-income students attending schools in restructuring or that have high dropout rates to transfer to local private schools or out-of-district public schools.
- \$200 million for the Teacher Incentive Fund, an increase of \$102.7 million, to encourage States and school districts to reform compensation plans to reward principals and teachers who raise student achievement, close achievement gaps, and work in hard-to-staff schools.
- \$175 million, an increase of \$131.5 million, for programs aimed at improving math and science instruction in K-12 schools as part of the President's American Competitiveness Initiative.
- \$11.3 billion for Individuals with Disabilities Education Act (IDEA) Part B Grants to States, an increase of \$337 million that would maintain the Federal contribution toward meeting the excess cost of special education at about 17 percent of the national average per pupil expenditure (APPE). Under the request, combined NCLB and IDEA funding would total \$36.9 billion in 2009, an increase of \$12.1 billion, or 49 percent, since 2001.
- \$16.9 billion for Pell Grants, an increase of \$2.6 billion that, together with mandatory funds, would raise the maximum Pell Grant award to \$4,800. The request level reflects an increase in total Pell Grant funding since 2001 of \$10.1 billion, or 116 percent, that funded a 28 percent increase in the maximum award, from \$3,750 to \$4,800, and a 33 percent increase in recipients, from 4.3 million to 5.8 million.

The 2009 request for the Department of Education supports these priorities while also proposing significant mandatory and discretionary savings that are essential to meeting the President's goal of eliminating the deficit by 2012. For example, the discretionary request includes the proposed elimination or consolidation of 47 programs for a total savings of almost \$3.3 billion. In addition, the request eliminates 759 earmarked projects totaling an estimated \$328 million. On the mandatory side, the request would save nearly \$6 billion over 5 years by recalling Perkins Loans revolving funds and by making changes in certain loan repayment provisions of the College Cost Reduction and Access Act of 2007.

Total Department of Education Appropriations
(in billions of dollars)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Discretionary	\$57.5	\$59.2	\$59.2
Mandatory	<u>10.4</u>	<u>9.4</u>	<u>5.7</u>
Total	67.9	68.6	64.9

Most education funding is discretionary. It is called "discretionary" because Congress has the discretion to make decisions about how much to appropriate annually for each program within the limits established by authorizing legislation. Other funding is called "mandatory" because the authorizing legislation itself establishes a fixed funding level or a method for calculating automatic appropriations without further Congressional action. The largest mandatory programs in the Department's budget are Federally subsidized loans for postsecondary students, the costs of which are estimated based on assumptions about interest rates, lender fees, repayments, defaults, and collections. Other education programs funded in whole or in part through mandatory appropriations include Vocational Rehabilitation State Grants, Academic Competitiveness Grants, Pell Grants, and certain programs in the Higher Education account.

An additional factor affecting the display of discretionary appropriations in Federal budget documents is the use of "advance" appropriations, a method of funding that makes budget authority available in the fiscal year after it is appropriated. Examples of Department programs that receive advance appropriations include Title I Grants to Local Educational Agencies and IDEA Part B Grants to States. As a result of advance appropriations, some materials published by the Office of Management and Budget for the fiscal year 2009 President's request will show a 2008 discretionary budget authority total of \$57.2 billion for the Department of Education, instead of the \$59.2 billion figure shown above. This is because the 2008 total above includes \$2 billion in advance funding that will be counted for scoring purposes in 2009.

Federal funding makes up about 8.9 percent of the estimated \$626 billion that America is spending on elementary and secondary education during the 2007-08 school year. The relatively small size of the Federal investment in education dictates an emphasis on supporting promising, research-based programs that have the potential to leverage more effectively the much larger State and local share of national education spending to bring about real improvement in student achievement. This is the primary goal, for example, of the strong State accountability systems required by No Child Left Behind and the research-based approach of Reading First. Under the President's request, funding for NCLB programs would rise by \$127 million in fiscal year 2009, from \$24.4 billion to more than \$24.5 billion, for a total increase of \$7.2 billion, or 41 percent, since NCLB was enacted in 2001.

The \$59.2 billion discretionary request for 2009 is focused on the following areas.

SUPPORTING THE STRONG ACCOUNTABILITY OF NO CHILD LEFT BEHIND

A critical goal of the Administration's NCLB reauthorization proposal is to maintain the strong accountability systems that States have put into place over the past six years, with a particular emphasis on ensuring that all students are proficient in reading and mathematics by 2014. The Title I Grants to Local Educational Agencies program serves as the foundation of this effort, with essential contributions from related programs in the areas of school improvement, assessment, and data collection:

- \$14.3 billion for Title I Grants to Local Educational Agencies, an increase of \$406 million, or 2.9 percent, for formula grants intended to ensure that high-poverty schools have the extra resources they need to help all students reach proficiency in reading and mathematics, as required by No Child Left Behind. The 2009 request builds on the \$1.1 billion increase provided in 2008, for a total of \$1.5 billion in new funds available to implement the Administration's reauthorization proposal for Title I.
- \$491.3 million for Title I School Improvement Grants, which would be reauthorized to support strong and effective State leadership in helping to turn around low-performing schools and school districts. Funding would be continued at the 2008 level, which was a \$366.3 million increase over first-year funding of \$125 million provided in fiscal year 2007, and States would be permitted to reserve up to 50 percent of their formula allocations to build their capacity to lead LEA and school improvement efforts.
- \$408.7 million for State Assessment Grants to maintain support for strong State assessment systems and support the development and implementation of 2 years of high school assessments that would be required by the Administration's Title I reauthorization proposal.
- \$100 million for Statewide Data Systems, an increase of \$51.7 million, to help improve student achievement by helping States create comprehensive P-16 longitudinal data systems for collecting, analyzing, and using performance and outcome data to guide educational decision-making.

MORE CHOICES FOR STUDENTS IN LOW-PERFORMING SCHOOLS

Expanding choice for students in low-performing schools is a core component of NCLB, as reflected in the public school choice and supplemental educational services requirements for schools identified for improvement, corrective action, or restructuring. However, the effectiveness of these options has been limited in many States and school districts by capacity constraints within public school systems and, increasingly, the availability of funding to serve all eligible students. For example, according to the Consolidated State Performance Report for the 2006-07 school year, just 2.2 percent of eligible students transferred under Title I public school choice provisions, and only 14.5 percent of eligible students obtained supplemental educational services. The 2009 request would help address this problem through the following two new initiatives:

- \$300 million for a new Pell Grants for Kids program to expand educational choices by providing scholarships that enable low-income students to transfer to out-of-district public schools or local private schools. The program would make competitive awards to States, municipalities, school districts, and public or private non-profit organizations (including faith-based and community organizations) to develop K-12 scholarship programs for eligible students attending schools that are in restructuring status or that have a graduation rate of less than 60 percent. Scholarships would cover tuition, fees, transportation, and other costs, but would be limited to the State average per-pupil expenditure for education.
- \$800 million for a reauthorized and renamed 21st Century Learning Opportunities program, which would radically reform the low-performing 21st Century Community Learning Centers program into an academically focused after-school and summer-school scholarship program. Under the revised program, State educational agencies would make competitive awards to public or private nonprofit organizations to administer scholarships for students from low-income families who attend schools that have been identified for school improvement, corrective action, or restructuring.

IMPROVED TEACHING

No Child Left Behind emphasized the importance of ensuring that there is a highly qualified teacher in every classroom. Six years later, recruiting, training, and rewarding effective teachers remains a high priority, particularly as increasing numbers of States and school districts experiment with incentives aimed at rewarding our best teachers for their performance and attracting them to our most challenging schools. The 2009 request would support these efforts through the following:

- \$200 million for the Teacher Incentive Fund, an increase of \$102.7 million over the 2008 level, to expand support for State and local efforts to develop and implement performance-based financial incentives for teachers and principals. This program helps close the equity gap in access to the best teachers and principals by rewarding those who raise student achievement, close achievement gaps, and work in hard-to-staff schools.
- \$2.8 billion for Improving Teacher Quality State Grants to help States ensure that all teachers of core academic subjects are highly qualified and to strengthen teachers' subject-matter knowledge and teaching skills. The \$100 million reduction from the 2008 level would be used to increase funding for the Teacher Incentive Fund. Most teachers now are highly qualified; the challenge is to allocate teaching talent more equitably across low- and high-poverty schools, a goal more directly addressed by the Teacher Incentive Fund.
- \$10 million for the Adjunct Teacher Corps, requested as part of the President's American Competitiveness Initiative, to create opportunities for qualified professionals from outside the K-12 educational system to teach secondary-school courses in the core academic subjects, with an emphasis on mathematics and the sciences.

HIGHER-QUALITY, MORE RIGOROUS INSTRUCTION

No Child Left Behind sparked a new focus on the use of research-based instructional practices and curricula, especially as part of efforts to turn around low-performing, high-poverty schools. The first program to do this on a large scale was the Reading First State Grants program, which requires the use of research-based instructional programs and which has demonstrated positive results in helping young children learn to read. The 2009 request reaffirms the Administration's support for a strong Reading First program while promoting the expansion of similar programs.

- \$1.0 billion for Reading First State Grants to restore roughly the 2007 level of funding for this popular comprehensive, research-based reading instruction program of proven effectiveness in helping young children in high-poverty schools to read well by the end of third grade. Early Reading First would be continued at the 2008 level of \$112.5 million.
- \$100 million for the Striving Readers program, an increase of \$64.6 million over the 2008 level, to expand the development and implementation of research-based interventions that improve the skills of teenage students who are reading below grade level.
- \$95 million for Math Now, requested as part of the President's American Competitiveness Initiative, to implement research-based practices in math instruction (including those that will be recommended by the National Math Panel) that focus on preparing K-9 students for rigorous math courses in high school.
- \$70 million for Advanced Placement and International Baccalaureate programs, an increase of \$26.5 million requested as part of the President's American Competitiveness Initiative, to prepare more teachers to teach AP courses and to encourage more students from high-need schools to take and pass AP courses and tests. The program can support awards to teachers who become qualified to teach AP courses or whose students pass the AP and IB tests.

"Overall, more than three-fourths of States and two-thirds of districts with Reading First grants reported that the program's assessment and instructional programs were important causes of gains in student achievement."

Center on Education Policy, October 2007

SUPPORT FOR SPECIAL POPULATIONS

A signal achievement of No Child Left Behind was a new focus on the academic achievement of groups with special needs, such as students with disabilities and limited English proficient (LEP) students. NCLB calls for holding school districts and schools accountable for ensuring that these students reach the same high standards as other students. While the Administration has provided limited flexibility in this area, such as for students with the most severe cognitive disabilities and newly arrived LEP students, the following requests for 2009 reflect the Administration's continuing commitment to the 2014 proficiency goal for students with disabilities and other students with special needs.

- \$11.3 billion for Special Education Grants to States, an increase of \$337 million, or 3.1 percent, to help ensure that States and school districts have adequate resources to help students with disabilities meet the requirements of No Child Left Behind. The request would maintain the Federal contribution toward offsetting the cost of special education and related

services for 6.8 million children with disabilities at 17 percent of the national average per pupil expenditure, the same level as estimated for fiscal year 2008.

- \$730 million for English Language Acquisition, an increase of \$29.6 million, or 4.2 percent, to help States and school districts meet the needs of the growing population of limited English proficient students, and to help these students reach the same proficiency goals for reading and mathematics as other students. The proposed increase also reflects recognition of improvements in program management implemented through the PART process.
- \$451.7 million for Title I Migrant Education and Neglected and Delinquent State agency programs, an increase of \$23 million or 5.4 percent reflecting the Administration's policy of providing increases to selected programs serving disadvantaged populations and programs that have made improvements in performance, management, or efficiency, as demonstrated through the PART process.

POSTSECONDARY STUDENT FINANCIAL ASSISTANCE

In 2009 the Department of Education will administer nearly \$95 billion in new grants, loans, and work-study assistance to help almost 11 million students and their families pay for college. These grant and loan programs will help millions of Americans obtain the benefits of postsecondary education and play a vital role in strengthening our Nation by providing advanced training for today's global economy. The total includes almost \$19 billion in Pell Grants to nearly 5.8 million students, or 186,000 more recipients than the 2008 level, and increases the maximum award by \$69, to \$4,800. The request also would increase the average Pell Grant to \$3,154—the highest level ever and the first time the average Pell Grant has exceeded \$3,000.

Most Federal postsecondary student aid is delivered through guaranteed and direct student loans, which are expected to total \$75 billion in new loans in 2009. The 2009 request provides new discretionary resources for student aid in the following areas:

Pell Grants Under President Bush

(2009 Request)

Total Funding: Up \$10.1 billion, or 116 percent.

Recipients: Up 1.5 million, or 33 percent.

Maximum Award: Up \$1,050, or 28 percent.

- \$18.9 billion in combined discretionary and mandatory funding for Pell Grants, including a discretionary increase of \$2.6 billion, to raise the maximum Pell Grant award to \$4,800. The request level reflects an increase in total Pell Grant funding since 2001 of \$10.2 billion, or 116 percent, that funded a 28 percent increase in the maximum award, from \$3,750 to \$4,800, and a 33 percent increase in recipients, from 4.3 million to 5.8 million.
- Leverage \$362 million in Loans for Short-Term Training through a new, market-oriented program, jointly administered by the Departments of Education and Labor. The new program would help an estimated 377,000 dislocated, unemployed, transitioning, or older workers and students acquire or upgrade specific job-related skills through short-term training.

HIGHER EDUCATION PROGRAMS

In addition to student financial assistance, the Administration's fiscal year 2009 request provides support for a variety of activities designed to improve access to, and success in, postsecondary education, including increases for initiatives that would benefit adult and non-traditional students. In both areas, the request proposes targeted increases to help non-traditional students—including individuals already in the workforce—pursue postsecondary education and upgrade their skills. Highlights include the following:

- \$37.4 million for the Fund for the Improvement of Postsecondary Education, an increase of \$16 million (excluding funds for earmarked projects), including \$10 million to support the development of systems to facilitate transfer of credits between institutions of higher education, which would reduce the cost and time to completion for the nearly 60 percent of students who transfer during their college studies. Funds would also be used for promoting “dual-enrollment” and articulation partnerships between high schools and community colleges. These activities would be complemented by a \$5 million request under Adult Education National Activities for a “Bridge to College” demonstration program that would help non-traditional students enter college prepared to complete college-level work.
- \$24 million for a new Advancing America Through Foreign Language Partnerships program, now authorized under the America COMPETES Act, which would make grants to institutions of higher education for partnerships with school districts for language learning from kindergarten through high school and into advanced language learning at the postsecondary level. This program is a key component of the President's National Security Language Initiative (NSLI).
- \$110 million for the International Education and Foreign Language Studies (IEFLS) programs, to help meet the Nation's security and economic needs through the development of expertise in foreign languages and area and international studies. The request includes a \$1 million increase to support the development of new assessment tools for measuring improvements in language competency in the IEFLS programs and \$1 million to create, as part of the NSLI, an e-Learning Clearinghouse to deliver foreign language education resources to teachers and students across the country.
- \$10.4 million for the Historically Black College and University (HBCU) Capital Financing program, an increase of \$10.2 million that would support an additional \$61 million in guaranteed loans for the construction, reconstruction, and renovation of academic facilities.
- \$42.4 million for Graduate Assistance in Areas of National Need and the Javits fellowships program, an increase of \$3.3 million for fellowships to graduate students of superior ability and high financial need studying in priority academic areas, including \$2 million aimed at addressing acute shortages in the field of psychometrics that have hampered implementation of certain aspects of the No Child Left Behind Act.
- \$451.7 million in combined discretionary and mandatory funding for the Aid for Institutional Development (HEA Title III) programs to maintain support for institutions that help close achievement and attainment gaps between minority students and their non-minority peers, including HBCUs and Historically Black Graduate Institutions.

- \$174.4 million in combined discretionary and mandatory funding for Developing Hispanic-serving Institutions to maintain a high level of support for postsecondary education institutions that serve large percentages of Hispanic students as part of the Administration's effort to increase academic achievement, high school graduation, postsecondary participation, and life-long learning among Hispanic Americans.
- \$885.2 million in combined discretionary and mandatory funding for the Federal TRIO Programs and \$303.4 million for Gaining Early Awareness and Readiness for Undergraduate Education Programs (GEAR UP), which provide educational outreach and support services to help an estimated 1.6 million disadvantaged students to enter and complete college.

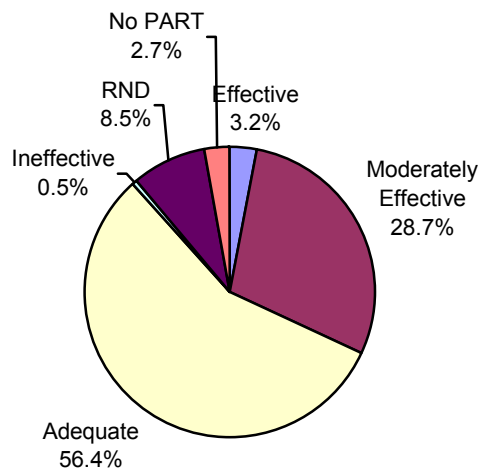
PROGRAM PERFORMANCE AND IMPROVEMENT

As part of the President's Management Agenda, the Administration developed the Program Assessment Rating Tool (PART) to assess and improve program performance and achieve better results. Each program receives scores for program purpose and design, strategic planning, program management, and program results, as well as an overall rating of Effective, Moderately Effective, Adequate, Ineffective, or Results Not Demonstrated (RND).

In 2007, the Department assessed 4 programs for the first time and reassessed 3 programs, bringing the number of currently funded programs assessed using the PART since 2002 to 91. Of these, the Administration has rated 5 programs Effective, 7 programs Moderately Effective, 29 programs Adequate, 4 programs Ineffective, and 46 programs RND. Key results of the 2007 PART process included an Effective rating for the IES Research, Development, and Dissemination program and Adequate ratings for three programs that received RND ratings in prior years: Child Care Access Means Parents in School, Neglected and Delinquent State Agency program, and Indian Education Grants to Local Educational Agencies.

A rating of RND typically identifies a lack of long-term goals, annual performance measures, or reliable data—management issues that often can be addressed by ED internally, though program statutes sometimes contribute to the problem because they do not include clear and measurable objectives, results-based accountability mechanisms, or authority to gather reliable data on program outcomes. The Department works to improve the effectiveness of its programs to the extent possible under current law and also works with the Congress on accountability and data quality issues when

2009 ED Request by PART Rating



Note: 88 percent of 2009 funding is for programs rated Effective, Moderately Effective, or Adequate.

statutes are reauthorized. One recent advance was the full implementation of *EDFacts*, a centralized information management system for K-12 education programs. *EDFacts* is streamlining the collection of timely, accurate program performance data while facilitating the analysis and use of such data to improve program management.

The PART also contributes to the decision-making required by the President's goal of eliminating the deficit by 2012, helping to ensure that limited resources are targeted toward those programs and activities most likely to achieve positive results.

In general, this means investments will continue to be made in programs receiving a PART rating of Effective, Moderately Effective, or Adequate, while most programs rated Ineffective will be proposed for elimination or reform. For programs rated RND, the Administration will generally support continued funding if the programs are likely to demonstrate results in the future. However, the Administration will propose the termination of RND programs that unnecessarily duplicate other activities or suffer from such major flaws in design or execution that they are unlikely to demonstrate improved performance in the future.

For the year ending on September 30, 2007, the Department's program performance and improvement efforts achieved "green" ratings for all four quarters on the President's Management Scorecard. This accomplishment reflects the successful development of efficiency measures for all programs that have undergone a PART assessment, the completion of marginal cost analyses of three programs, and ongoing improvement efforts in all programs evaluated with the PART. With the publication of the President's Budget, the Department has completed the PART for programs covering 98 percent of its budget, including \$480 million associated with small programs for which the Department was not required to conduct a PART assessment.

II. THE 2009 EDUCATION BUDGET BY PROGRAM AREA

A. ELEMENTARY AND SECONDARY EDUCATION

Overview

Six years after President Bush signed the No Child Left Behind Act of 2001 (NCLB) into law, on January 8, 2002, Congress faces the challenge of renewing the Nation's commitment to the principle that all students—regardless of family income or racial or ethnic background, disability, or limited English proficiency—should reach grade-level standards in reading and mathematics by 2014. Under NCLB, which reauthorized the Elementary and Secondary Education Act of 1965 (ESEA), States have for the first time implemented rigorous educational accountability systems based on their own academic standards and assessments that are used to measure student and school performance, report on results, identify weaknesses, and develop effective interventions that both address the needs of individual students and help turn around low-performing schools.

These changes have had a positive impact on overall academic achievement, while also helping to reduce longstanding achievement gaps between racial and ethnic groups. In June 2007, the Center on Education Policy (CEP) published a study, entitled *Answering the Question that Matters Most: Has Student Achievement Increased Since No Child Left Behind?*, that drew on State-reported assessment results to show that, under NCLB, the Nation's schools are on the right track:

- In most States with 3 or more years of comparable test data, student achievement in reading and math has gone up since NCLB was enacted.
- There is more evidence of achievement gaps between groups of students narrowing since 2002 than of gaps widening, even though these gaps remain unacceptably large.
- In 9 of the 13 States with sufficient data to compare achievement trends before and after the enactment of NCLB, average yearly achievement gains were greater after NCLB took effect than before.

The CEP findings confirm earlier-reported data on reading and math achievement from the National Assessment of Educational Progress that highlighted strong growth in reading achievement in the early grades from 1999-2004, all-time high math scores for 4th- and 8th-graders, and a decline in the achievement gaps in reading and math between African-American and Hispanic students and their white peers to all-time lows.

These reports of higher achievement are encouraging, but the State accountability systems created under NCLB also tell us that with only two-thirds of American students currently reaching the proficient level on State reading and mathematics assessments, there is much more work to be done. In particular, States identified more than 11,500 schools for improvement in the 2007-08 school year, including almost 4,000 schools that are either preparing or implementing fundamental restructuring plans. We also have increasingly reliable data documenting low graduation rates—resulting from high dropout rates—in far too many of our Nation's high schools.

And while hundreds of thousands of students are taking advantage of the public school choice and supplemental educational services options made available under NCLB, the percentage of eligible students participating in these options remains unacceptably low, primarily due to the absence of high-quality choices in too many school districts across the Nation.

In 2007, the Administration drew on the data and experience gathered during the first 5 years of NCLB implementation to develop a reauthorization proposal designed to build on the successes of NCLB and address new challenges. This proposal, which was shared with the Congress in late summer 2007, focused on (1) increasing flexibility for States and school districts to turn around low-performing schools, (2) improving the academic achievement of students in our high schools, and (3) expanding choice options for students in chronically low-performing schools.

The 2009 budget request for elementary and secondary education programs is based on the Administration's reauthorization proposal, and President Bush will continue to work with the Congress to complete a reauthorization of the ESEA that preserves and strengthens the core principles of NCLB. At the same time, the Administration believes it is appropriate—given the delays in the reauthorization process—to adopt administrative changes that can give States, school districts, and schools new tools and flexibility to more effectively implement NCLB prior to completion of reauthorization. An early example of such administrative actions was the December 2007 decision by Secretary Spellings to open up the “growth model pilot” to all States.

Highlights of the 2009 budget for elementary and secondary education programs include:

- \$14.3 billion, an increase of \$406 million or 2.9 percent, for a reauthorized Title I Grants to Local Educational Agencies program that would more fairly distribute Title I resources to the high school level, strengthen assessment and accountability in our high schools, provide more choices to students and parents, and encourage more effective restructuring of chronically low-performing schools. The 2009 request, combined with the \$1.1 billion increase provided in 2008, would make available a total of \$1.5 billion in new funds to implement the Administration's reauthorization proposal for Title I.
- \$491.3 million, the same as the 2008 level, for a reauthorized Title I School Improvement Grants program that would help build State and local capacity to identify and implement effective interventions to turn around low-performing schools. The rapid growth in funding for this program, from the initial fiscal year 2007 appropriation of \$125 million, is justified by the equally rapid growth in the number of schools identified for restructuring.
- \$408.7 million for State Assessment Grants to fund strong State assessment systems and support the development and implementation of 2 years of high school assessments that would be required by the Administration's reauthorization proposal for Title I.
- \$1 billion for Reading First State Grants, an increase of \$607 million, to restore funding for this program that has proven its effectiveness in using research-based instructional methods to improve the reading skills of students in high-poverty, low-performing elementary schools.
- \$100 million for the Striving Readers program, an increase of \$64.6 million over the 2008 level, to expand the development and implementation of research-based interventions that improve the skills of teenage students who are reading below grade level.

- \$800 million for a reauthorized 21st Century Community Learning Centers program, renamed 21st Century Learning Opportunities, that would radically reform the current program into a scholarship fund enabling poor students in low-performing schools to enroll in high-quality after-school and summer school programs aimed at increasing student achievement.
- \$300 million for a new Pell Grants for Kids program that would allow low-income K-12 students attending schools in restructuring or that have high dropout rates to transfer to local private schools or out-of-district public schools.
- \$200 million for the Teacher Incentive Fund, an increase of \$102.7 million, to encourage States and school districts to reform compensation plans to reward principals and teachers who raise student achievement, close achievement gaps, and work in hard-to-staff schools.
- \$175 million, an increase of \$131.5 million, for programs aimed at improving math and science instruction in K-12 schools as part of the President’s American Competitiveness Initiative, including \$95 million for Math Now, \$70 million for AP/IB programs, and \$10 million for the Adjunct Teachers Corps.
- \$730 million for English Language Acquisition State Grants, an increase of \$29.6 million, reflecting the Administration’s policy of providing increases to selected programs serving disadvantaged populations and programs that have made improvements in program management or performance. In addition, the requested increase would help the program meet the needs of the rapidly growing LEP student population.
- \$451.7 million for Title I Migrant Education and Neglected and Delinquent State agency programs, an increase of \$23 million or 5.4 percent, reflecting the Administration’s policy of providing increases to selected programs serving disadvantaged populations and programs that have made improvements in program management or performance.

Title I Grants to Local Educational Agencies

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$12,838.1	\$13,898.9	\$14,304.9

Title I, Part A of the ESEA provides supplemental education funding, especially in high-poverty areas, for locally designed programs that offer extra academic support to help raise the achievement of students at risk of educational failure or, in the case of schoolwide programs, to help all students in high-poverty schools meet challenging State academic standards. This formula-based program serves more than 20 million students in nearly all school districts and more than 54,000 public schools—including two-thirds of the Nation’s elementary schools.

Title I schools help students reach challenging State standards through one of two models: “targeted assistance” that supplements the regular education program of individual children deemed most in need of special assistance; or a “schoolwide” approach that allows schools to use Title I funds—in combination with other Federal, State, and local funds—to improve the

overall instructional program for all children in a school. More than 30,000 participating schools use the schoolwide approach.

Both schoolwide and targeted assistance programs must employ effective methods and instructional strategies grounded in scientifically based research, including activities that supplement regular instruction, such as after-school, weekend, and summer programs. Schools also must provide ongoing professional development for staff working with disadvantaged students and implement programs and activities designed to increase parental involvement.

Participating schools must make adequate yearly progress (AYP) toward annual, State-established proficiency goals aimed at ensuring that all students are proficient in reading and math by the 2013-14 school year. Schools that do not make AYP for at least 2 consecutive years must develop and implement improvement plans, and school districts must permit students attending such schools to transfer to a better-performing public school, with transportation provided by the district.

Schools that do not improve are subject to increasingly tough corrective actions—such as replacing school staff or significantly decreasing management authority at the school level—and can ultimately face restructuring, which involves a fundamental change in governance, such as conversion to a charter school or placement under private management. Students attending schools that have not made AYP for 3 or more years may obtain supplemental educational services (SES)—paid for by the district—from the public- or private-sector provider selected by their parents from a State-approved list.

Under section 1003(a) of the ESEA, States must reserve 4 percent of the Title I funds allocated to their LEAs for school improvement activities, and must subgrant 95 percent of these funds to LEAs with schools identified for improvement, corrective action, or restructuring. At the request level, States would reserve up to \$570 million for school improvement activities.

NCLB Brought Revolutionary Change

Title I was first authorized by the Elementary and Secondary Education Act of 1965, but by 2001—after 37 years and \$135 billion in funding—there was little, if any, evidence that the Federal government’s largest elementary and secondary education program had a positive effect on educational achievement. The No Child Left Behind Act, which reauthorized Title I in 2002, brought revolutionary change and has produced significant results:

- Every State has established academic standards and implemented reading and math assessments in grades 3-8 and one high school grade.
- Every State has established annual achievement objectives aimed at ensuring that all students are proficient in reading and math by 2014.
- Every State is identifying schools for improvement and providing additional resources and technical assistance to help those schools make AYP.
- Every State is working to ensure that all new and veteran teachers are highly qualified, and highly qualified teachers now teach more than 90 percent of classes.

- Every State has established lists of approved SES providers, with more than 3,100 operating nationwide.
- In the 2006-07 school year, 650,000 students in low-performing schools obtained SES or transferred to a higher-performing public school.

Most importantly, as described in the Overview of this section, both State assessments and the National Assessment of Educational Progress have documented consistent gains in student achievement and a narrowing of achievement gaps, thanks in large part to historic improvement in achievement by the minority and low-income students served by Title I.

Results like these and strong evidence that the program is well implemented helped Title I Grants to LEAs earn a Moderately Effective rating from the Administration's Program Assessment Rating Tool (PART) in 2006. The PART found that the program is well structured to meet its goals, is effectively and efficiently implemented, has established meaningful long-term performance measures and annual targets, and is contributing to higher proficiency levels among the students served by the program.

NCLB Reauthorization

The 2009 request would build on this success by providing \$14.3 billion to support critical program improvements included in the Administration's comprehensive reauthorization proposal for Title I Grants to LEAs. These improvements are focused in the areas of high school reform, strengthening adequate yearly progress, expanding choice options for students and parents, and supporting more fundamental restructuring efforts at chronically low-performing schools. The request for Title I, on top of the \$1.1 billion increase provided in fiscal year 2008, provides a solid funding base for the Administration's reauthorization proposal. These Title I increases, coupled with other increases for special populations under such programs as English Language Acquisition State Grants and Individuals with Disabilities Education Act Part B Grants to States, will help keep the Nation's schools on the path toward 100-percent proficiency in 2014.

High School Reform

Steady progress in the early grades under NCLB has helped bring into sharp relief the extent to which high schools are often left behind by most education reforms. To help expand NCLB accountability principles at the high school level, the Administration's reauthorization proposal would require assessment in math and in reading or language arts in two additional high school grades, using assessments that are aligned with college and work-ready standards required for high school graduation, including aligned course-level outcomes. These new assessments, which must be in place by the end of the 2012-13 school year and which are funded in part by a \$409 million 2009 request for State Assessments, would strengthen the impact of Title I accountability requirements at the high school level by giving parents, teachers, and principals more information on the progress of high school students toward State proficiency standards. The new assessments also would let students know if they are on track to graduate from high school prepared to succeed in either college or the workforce.

In addition to the new assessments, States would be required, by 2011-12, to use a graduation rate definition that meets the conditions established by the National Governors Association, and would be required to make significant annual improvement in the graduation rate a condition for making AYP.

The reauthorization proposal would provide additional resources at the high school level to help carry out these reforms by realigning Title I funding so that local allocations to high schools more closely reflect the enrollment of students from low-income families in those schools. This would be accomplished by requiring LEAs to ensure that the proportion of their Title I, Part A funds allocated to their high schools is at least 90 percent of the share of low-income students enrolled in those schools. Under current law, the share of Title I dollars reaching the high school level (grades 9-12) has ranged from just 8-10 percent over the past decade, even though during that period high schools enrolled about one-fifth of the low-income K-12 students who are the focus of Title I.

Strengthening AYP

In addition to requiring improvement in the graduation rate for high schools to make AYP, the reauthorization proposal would require States to include the results of science assessments in their AYP determinations beginning with the 2008-09 school year. States would set annual measurable objectives for science so that all students are proficient in science by 2020. States also would be permitted to incorporate student academic growth into their AYP definitions so long as they adhere to key No Child Left Behind accountability principles, such as the inclusion of all students, subgroup accountability, and ensuring that all students are proficient in reading and mathematics by 2014.

Expanding Choice for Students and Parents

The reauthorization proposal would expand choices for students and parents by requiring LEAs to offer both public school choice and supplemental educational services (SES) to students enrolled in schools identified for a first year of improvement; doubling the per-child SES expenditure cap for students with disabilities, limited English proficient students, and students in rural districts; tightening requirements for use of the 20-percent reservation for choice-related transportation and SES; and permitting LEAs to use up to 1 percent of this reservation for parent outreach and assistance aimed at promoting greater participation in public school choice and SES options. The proposal also would increase the number of transfer options under public school choice by permitting schools that miss AYP for only one subgroup to serve as “receiving schools.” In addition, LEAs would be required to offer private school choice to students from low-income families who are attending schools that are in restructuring status.

Promoting Fundamental Restructuring of Chronically Low-Performing Schools

Reports and evaluation data on restructuring under NCLB have highlighted the limited, tentative nature of most restructuring plans, which too often bear more resemblance to the corrective action phase of improvement than to the fundamental changes in structure and governance envisioned by the statute. The reauthorization proposal would encourage adoption of more fundamental, far-reaching restructuring strategies by eliminating the “any other major restructuring” option, reducing the impact of collective bargaining agreements on restructuring-related staffing changes, permitting the charter school restructuring option regardless of any State caps on the numbers of charter schools, and authorizing the operation of a school by an elected official, such as a city mayor, as an approved alternative governance arrangement under a restructuring plan.

In addition, the Administration would help ensure that States and school districts have the resources to carry out effective restructuring and other interventions by repealing the

section 1003(e) “hold-harmless” provision and permitting States to withhold the full 4 percent for school improvement even if it reduces regular Title I, Part A allocations to LEAs below the prior-year level. This provision often prevents States from withholding the full 4 percent, and occasionally prohibits States from withholding any improvement funding. For example, according to the Center on Education Policy, for school year 2007-08, 3 States will not be able to reserve any school improvement funds and 29 States in total will be unable to reserve the full 4 percent.

Finally, the 2009 budget also includes a separate \$9.2 million request for Title I Evaluation, primarily to support studies designed to produce rigorous scientific evidence on the effectiveness of education programs and practices, including practices critical to the effective use of Title I, Part A funds.

School Improvement Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$125.0	\$491.3	\$491.3

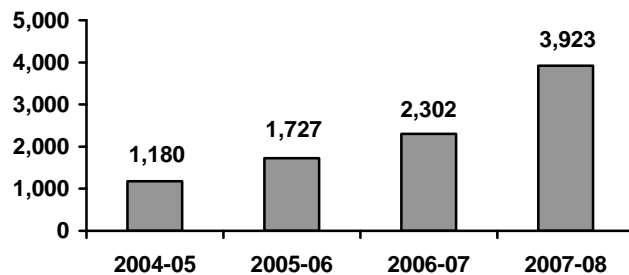
Section 1003(g) of the Elementary and Secondary Education Act (ESEA) authorizes formula grants to States to provide assistance for local school improvement activities required by section 1116(b) of the ESEA for Title I schools that do not make adequate yearly progress for at least 2 consecutive years. Authorized activities include the development and implementation of school improvement plans, professional development for teachers and staff, corrective actions such as instituting a new curriculum, development and implementation of restructuring plans, and the provision of public school choice and supplemental educational services options.

The 2009 request would continue funding at \$491.3 million, maintaining the same overall level of school improvement assistance while supporting a reauthorized program that would significantly increase State-level capacity to aid LEA and school improvement efforts.

Current law permits States to reserve just 5 percent of school improvement funding to pay for the statewide systems of “intensive and sustained support for and improvement for local educational agencies and schools.” This limitation has meant that few States have been able to deliver on the NCLB promise of meaningful and substantial assistance to LEAs and schools identified for improvement.

The *National Assessment of Title I: Final Report* identified resource limitations as “a moderate or serious challenge” to implementing the school improvement provisions of NCLB, citing obstacles in the following areas: adequacy of State-level staff size (45 States); adequacy of State-level staff expertise (30 States) adequacy of State funding (40 States); and adequacy of Federal funds allocated for State systems (39 States). These data highlight the importance of capacity-building efforts at the State level.

Schools Identified for Restructuring



It is important to note that these data come from surveys conducted during the 2004-05 school year, when fewer schools were identified for improvement and far fewer were identified for the more demanding restructuring phase of improvement. Between the 2004-05 and 2007-08 school years, the total number of schools identified for improvement increased by more than 1,800, or 18.5 percent, while the number of schools identified for restructuring more than tripled, rising from 1,180 in 2004-05 to 3,923 in 2007-08.

The Administration’s reauthorization proposal for School Improvement Grants would address the capacity issues affecting State support for school and LEA improvement by permitting States to reserve up to 50 percent of their allocations under section 1003(g) for State-level efforts to identify and implement effective interventions to turn around low-performing schools and school districts.

Pell Grants for Kids

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	—	—	\$300.0

The Pell Grants for Kids program would provide competitive grants to support local efforts to increase educational options for low-income K-12 students enrolled in the Nation’s most troubled public schools, namely, Title I schools in restructuring status or high schools with significant dropout rates. Eligible students would receive scholarships to pay tuition, fees, and other education-related expenses at out-of-district public schools or nearby private schools. These scholarships would complement funds made available through the Title I program and the Individuals with Disabilities Education Act (IDEA).

Students attending persistently low-performing schools deserve the opportunity to pursue other educational options, including attending a higher-performing out-of district public or nearby private school, while those schools are being restructured. Current law requires local educational agencies (LEAs) to provide students who attend such schools the option of attending a higher-performing public school; however, many LEAs, particularly urban LEAs, have few such options available and thus few meaningful choices for parents.

Under the Pell Grants for Kids program, the Department would make competitive awards to States, municipalities, LEAs, and public or private nonprofit organizations (including faith-based and community organizations) to develop K-12 scholarship programs for eligible low-income students attending schools that are in restructuring status under Title I or that have a graduation rate of less than 60 percent. In making awards, priority would be given to applicants that propose to serve students in areas with large numbers or percentages of low-performing schools and also to those applicants that propose to augment the Federal scholarships with additional funds in order to ensure that parents can pay the tuition and fees at the school of their choice.

Parents of eligible students who choose to send their child to an out-of-district public school or nearby private school would receive a scholarship equal to the sum of tuition, fees, and other costs, including necessary transportation costs, for the new school, or the average per-pupil expenditure of public schools in the State where the recipient resides, whichever is less.

Scholarship recipients would be required to take their States' assessments or a nationally normed test in each grade and subject required under Title I.

21st Century Learning Opportunities (21st Century Community Learning Centers)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$981.2	\$1,081.2	\$800.0

As currently authorized, this program helps communities establish or expand centers that provide extended learning opportunities for students and related services to their families. From their formula grants, States make competitive awards to school districts, community-based organizations, faith-based organizations, and other public or private entities for projects that primarily serve students attending high-poverty schools. States give priority to projects serving students who attend schools identified for improvement or corrective action under Title I, and projects emphasize activities that prepare students to meet State and local achievement standards in core academic subjects. However, a national evaluation of the program and the program's performance data to date cast doubt on whether the program is achieving results; in particular, performance data indicate that there has been little improvement in key academic outcomes since 2004.

The request is based on a proposal to transform the program into an after-school and summer-school scholarship program, renamed the 21st Century Learning Opportunities program, that would give parents greater choices in the selection of extended-learning opportunities for their children and focus the program more precisely on using the time outside of school to improve educational achievement consistent with State standards.

Under the reauthorized program, the Department would continue to allocate funding by formula to States, which would award competitive grants to public or private nonprofit organizations to administer scholarships for students from low-income families who attend schools that have been identified for school improvement, corrective action, or restructuring under Title I, or who attend schools with a graduation rate of less than 60 percent. In making awards, the Department would require States and their subgrantees to ensure the high quality of the academic component of the after-school programs at which students use their scholarships, and to ensure that those components are aligned with State educational standards. States would also have to explain in their applications how they would ensure that families can choose from a variety of high-quality providers, including faith-based and community organizations, and how they would align activities funded under this program with supplemental educational services provided under Title I. Although local projects could provide additional activities, such as recreation programs and arts, the primary use of Federal funds would be supporting efforts clearly geared toward generating higher academic achievement of disadvantaged students.

A 2003 PART analysis gave the currently authorized program an Adequate rating and high scores for purpose, planning, and management, while identifying weaknesses related to accountability. The Department has taken steps to improve the program's data collection system and to use data and program evaluations to improve program management.

State Assessments
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
State Grants.....	\$400.0	\$400.0	\$400.0
Enhanced Assessment Instruments	<u>7.6</u>	<u>8.7</u>	<u>8.7</u>
Total	407.6	408.7	408.7

This program provides formula grants to States to pay the cost of developing the additional standards and assessments required by NCLB and, if a State has put in place such standards and assessments, to pay for the administration of those assessments or other related activities. Funds also may be used to develop standards and assessments in subjects other than those required by NCLB and to improve the reliability and validity of assessment systems. Other allowable uses include paying the costs of working in voluntary partnership with other States to develop standards and assessments, professional development aligned with State standards and assessments, and support for data reporting and other components of the State accountability systems required under NCLB.

Under Title I, States select or develop their own assessments aligned with State academic achievement standards. States were required to put in place annual assessments in reading and mathematics in grades 3-8 and in one high school grade by the end of the 2005-2006 school year, and to implement annual science assessments in three grade spans (3-5, 6-9, 10-12) by the 2007-2008 school year.

The 2009 request would provide \$400 million to support, as part of the Administration's ESEA reauthorization proposal, the development of 2 years of high school assessments in reading and mathematics that would be aligned with college and work-ready standards, including aligned course-level outcomes. These new assessments would support the Administration's strategy for using the ESEA reauthorization to drive NCLB reforms to the high school level. The remaining \$8.7 million would fund Enhanced Assessment Instruments grants to assist States in improving the quality of assessment for limited English proficient students and students with disabilities. Additional funding for improvement of student assessment is proposed under the Fund for the Improvement of Education.

A 2004 PART analysis of State Assessment Grants produced a rating of Adequate, finding that the program has a clear purpose, is operated well, and meets an important need.

Reading First
(BA in millions)

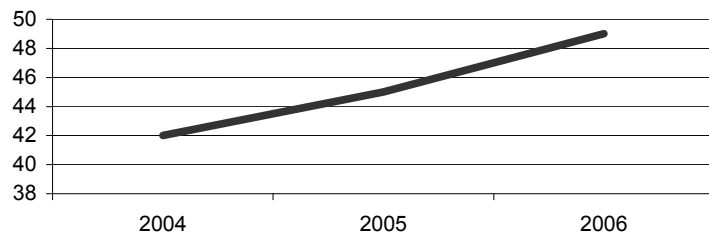
	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Reading First State Grants	\$1,029.2	\$393.0	\$1,000.0
Early Reading First	<u>117.7</u>	<u>112.5</u>	<u>112.5</u>
Total	1,146.9	505.5	1,112.5

The Reading First initiative is a critical test of the emphasis of No Child Left Behind on the use of research-based instruction to improve student achievement. The Reading First State Grants

program provides formula grants to help school districts and schools provide professional development in reading instruction for teachers and administrators, adopt and use diagnostic reading assessments for students in kindergarten through third grade to determine where they need help, implement reading curricula that are grounded in scientifically based research, and provide reading interventions for young grade-school children. The program responds to research showing that students who cannot read well by fourth grade have a greater likelihood of dropping out and facing a lifetime of diminished success.

Performance data for Reading First State Grants show clear early reading gains (across all grades and targeted populations) after only a few years of implementation. In addition, nationwide data show a continuing need for the program, as too many young children do not master reading—the most basic and essential skill required for more advanced learning—during their early elementary school years. For example, 56 percent of all fourth graders in high-poverty schools scored below the "basic" reading level on the 2007 National Assessment of Educational Progress. Reading First activities help increase reading gains, reduce the number of children who fall behind in reading, provide additional help to children who need it, and lower the number of children referred to special education due to low reading scores. The Reading First State Grants program received a PART rating of Effective in 2006, reflecting in large part the clear early reading gains documented by performance data.

The percentage of third grade students in Reading First schools who score at or above proficient on State reading assessments



Congress sharply reduced Reading First State Grants funding in fiscal year 2008 in response to management problems identified in Office of Inspector General (OIG) reports. The Department has implemented all of the OIG recommendations for the program, including decisive steps to ensure that problems related to perceived conflicts of interest do not recur. In addition, the Administration's reauthorization proposal for Reading First includes amendments to strengthen the screening process for conflicts of interest, define the types of programs that can be implemented using Reading First funds, increase accountability in large LEAs, improve targeting of program funds to the schools most in need of support, and expand flexibility in the Targeted Assistance Grants program.

The Administration believes that Reading First's problems are now in the past, that the program is well managed and generating consistently positive achievement outcomes, and that Congress should restore funding to the level required for States to continue fully implementing this necessary program. The 2009 request would provide \$1 billion for Reading First State Grants in support of this goal.

Early Reading First complements Reading First State Grants by providing competitive grants to school districts and non-profit organizations to support activities in preschool programs designed to enhance the verbal skills, phonological awareness, letter knowledge, and pre-reading skills of children from birth through age 5. Funds are focused on communities with high numbers of low-income families. A 2006 PART review rated Early Reading First Moderately Effective. The 2009 request would support up to 36 new Early Reading First projects.

The Administration’s reauthorization proposal for Early Reading First would strengthen partnerships between preschool providers and institutions of higher education that provide professional development to early childhood educators by requiring all Early Reading First projects to have a strong educator professional development component. This change would promote more efficient administration of ESEA early childhood discretionary grants and ensure that their activities include an appropriate focus on scientifically based reading readiness and high-quality professional development.

Striving Readers

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$31.9	\$35.4	\$100.0

The request includes a \$65 million expansion for this program, first funded in 2005, which supports research-based interventions to help improve the skills of secondary school students who are reading below grade level. Such students often are at risk of dropping out of school because of their poor reading skills, which can affect their performance in all subject areas.

The request would fund competitive awards for: (1) the development, implementation, and testing of research-based reading interventions designed to improve the reading skills of students reading significantly below grade level; (2) rigorous evaluations, including evaluations that use experimental research designs, of reading interventions being implemented in the Nation’s secondary schools to determine their efficacy; and (3) activities to improve the quality of literacy instruction across the curriculum in schools receiving program funds. The Administration’s ESEA reauthorization proposal would create a separate authority for the Striving Readers program, which is currently funded under the Title I Demonstration authority.

Math Now

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	—	—	\$95.0

The Math Now program authorizes competitive grants to improve instruction in mathematics for students in kindergarten through 9th grade. Grantees will implement research-based mathematics programs to enable all students to reach or exceed grade-level achievement standards and prepare them to enroll in and pass algebra courses.

School districts that receive funds would use them to: (1) implement mathematics programs that are research-based and reflect a demonstrated record of effectiveness; (2) provide professional development to teachers and, if appropriate, administrators and other school staff, on the implementation of mathematics initiatives designed to improve student achievement, improve mathematical content knowledge, increase the use of effective instructional practices, and monitor student progress; and (3) conduct continuous progress monitoring to measure student progress and identify areas in which students need help learning mathematics. School districts could also use their funds to adopt and use mathematics instructional materials and assessments, implement classroom-based assessments, provide remedial coursework and

interventions for students, provide small groups of students with individualized instruction, conduct activities to improve teachers' content knowledge, and collect and report performance data.

Advanced Placement

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Advanced Placement and International Baccalaureate Programs (COMPETES Act VI-A-II)	—	—	\$70.0
Advanced Placement (ESEA I-G)	<u>\$37.0</u>	<u>\$43.5</u>	<u>—</u>
Total	37.0	43.5	70.0

Under the recently enacted America COMPETES Act, this program presents a new vision for advanced placement, as embodied in the President's American Competitiveness Initiative. As with the program authorized under Title I, Part G of the Elementary and Secondary Education Act (ESEA), the purpose of the new AP/IB program is to support State and local efforts to increase access to advanced placement classes and tests for low-income students in order to better prepare them for success after high school. However, the new authority targets Federal support more specifically on the preparation of teachers to teach classes in the critical subjects of mathematics, science, and the critical foreign languages, and on encouraging more students from high-need schools to take and pass AP and IB courses and tests in those subjects. In addition, by requiring a 2-to-1 non-Federal-to-Federal match, it is designed to leverage Federal support in a manner that, over a period of years, will result in a dramatic increase in the creation of AP and IB programs in critical subjects in high-need schools. Further, by authorizing salary incentives to teachers who become qualified to teach AP and IB courses in the critical subjects or whose students pass the AP and IB tests in those subjects, it is designed to create additional incentives for the expansion of advanced placement programs in the schools that most need them.

The request is an increase of \$26.5 million over the 2008 appropriation for the Advanced Placement program authorized under ESEA. The request also includes appropriations language providing that fiscal year 2009 funds will first be used to pay continuation costs under the ESEA Advanced Placement Incentive (API) Grant program and to meet State needs for AP test fees under the ESEA program, with all remaining funds used under the new authority. The inclusion of this language would ensure that State needs for tests fees subsidies continue to be met and that grants made in prior years are not cut off. Of the requested amount, roughly \$12 million would be required to fund State applications for the Test Fees program and approximately \$11 million would fund API continuation grants under the ESEA program, leaving an estimated \$47 million for new grants under the COMPETES Act authority. Funds available for new awards will support projects expanding AP offerings and participation in mathematics, science, and critical foreign languages.

Adjunct Teacher Corps

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	—	—	\$10.0

This initiative would create an Adjunct Teacher Corps that would draw on the skills of well-qualified individuals outside of the public education system to meet specialized teaching needs in secondary schools. Instead of the usual focus on certification or licensure of such individuals, the initiative would concentrate on helping schools find experienced professionals who can bring real-world experience to their explanation of abstract mathematical concepts or scientific principles in hard-to-fill teaching positions.

Funds would be used to make competitive grants to partnerships of school districts and States or appropriate public or private entities to create opportunities for professionals with subject-matter expertise to teach secondary-school courses in the core academic subjects, particularly in mathematics and science. Adjunct teachers might teach one or more courses on the school site on a part-time basis, teach full-time in secondary schools while on leave from their jobs, or teach courses that would be available online or through other distance learning arrangements.

Title I State Agency Programs
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Migrant Education	\$386.5	\$379.8	\$399.8
Neglected and Delinquent.....	<u>49.8</u>	<u>48.9</u>	<u>51.9</u>
Total	436.3	428.7	451.7

Migrant Education State Grants provide formula-based assistance in meeting the special educational needs of nearly 636,000 children of migrant agricultural workers by helping States identify and pay the higher costs often associated with serving such children. The Department also uses a portion of funding to improve inter- and intra-State coordination of migrant education activities. The request includes a \$20 million increase for the program, reflecting the Administration’s policy of providing increases to selected programs serving disadvantaged populations and programs that have made improvements in performance, management, or efficiency, as demonstrated through the PART process.

The Administration’s reauthorization proposal for the program would improve and simplify the State allocation formula and ensure that allocations respond to shifts in State counts of migrant students; improve targeting of services to migrant students by strengthening the program purpose language and sharpening the provisions that determine which students receive priority for program services; increase the set-aside for migrant coordination activities (from \$10 million to \$12.5 million); and add a new authority to set aside up to \$5 million of program funds over the life of the authorization for an evaluation of the program.

The Migrant Education State Grants program received a PART rating of Adequate in 2006. While the review found that the program is on track to meet its long-term performance objectives, it also noted inaccuracies in State identification and counting of eligible students. In

response, the Department has developed a plan to review the reliability and validity of States' reported error rates and is providing States with technical assistance and support in ensuring accurate and timely student identification. In addition, in 2007 the Department began operating the new Migrant Student Record Exchange System, which is designed to enable States to exchange migrant student data records efficiently and expeditiously and provide an accurate, unduplicated count of the number of migrant students on a national and statewide basis.

The Title I Neglected and Delinquent program makes State formula grants to support educational services for an estimated 134,000 children and youth in State-operated institutions. The request includes a \$3 million funding increase, reflecting the Administration's policy of providing increases to selected programs serving disadvantaged populations and programs that have made improvements in program management or performance.

The Title I Neglected and Delinquent program received a PART rating of Results Not Demonstrated in 2005, primarily due to the absence of performance targets and data. In response, the Department improved data collection procedures and established performance targets. The program underwent a PART evaluation again in 2007 and, based on improvements in data quality and program accountability, received a rating of Adequate.

In response to the 2007 PART improvement plan recommendations, the Department is continuing to improve technical assistance to States to help ensure they are providing effective transition services to help students continue further schooling or employment, and to develop better means of tracking achievement data once students leave institutions, including data on high school graduation rates.

English Language Acquisition
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u> <u>Request</u>
Language Acquisition State grants	\$620.5	\$649.9	\$677.6
National Activities.....	43.5	45.5	47.4
Native American grants.....	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
 Total	 669.0	 700.4	 730.0

Title III of the Elementary and Secondary Education Act (ESEA) authorizes formula grants to States based on each State's share of the Nation's limited English proficient (LEP) and recent immigrant student population. Grants help States design and implement statewide activities meeting the educational needs of their LEP students. States must develop annual measurable achievement objectives for LEP students that measure their success in achieving English language proficiency and meeting challenging State academic content and achievement standards.

The request includes a \$29.6 million increase for the program, reflecting the Administration's policy of providing increases to selected programs serving disadvantaged populations and programs that have made improvements in program management or performance. In addition, the requested increase would help the program meet the needs of the rapidly growing LEP student population.

The request also would provide continued support for Title III National Activities, including the National Professional Development Project, the National Clearinghouse for English Language Acquisition and Language Instructional Programs, and evaluation.

The Administration's reauthorization proposal for Title III would make minor changes to the program, including strengthening the standards applicable to teachers and paraprofessionals who educate LEP students.

The program received a PART rating of Results Not Demonstrated in 2006, largely due to the lack of data to document the program's success in improving student outcomes.

Improving Teacher Quality State Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$2,887.4	\$2,935.2	\$2,835.2

NCLB required States and school districts to ensure that all teachers were highly qualified—as defined by individual States consistent with ESEA requirements—by the end of the 2005-2006 school year. While the States have not yet met this requirement, more than 90 percent of teachers nationwide are now highly qualified, and nearly all States have put in place comprehensive plans for meeting the 100 percent target. The Improving Teacher Quality State Grants program is a major source of flexible Federal funding to help States and school districts strengthen the skills of the teaching force and meet the highly qualified teacher requirement. Program funds support high-quality professional development that research indicates can improve teaching skills that raise student achievement.

State-level activities may include changes to teacher certification or licensure requirements, alternative certification, tenure reform, merit-based teacher performance systems, and differential and bonus pay for teachers in high-need subject areas. School districts may use funds for professional development, recruitment and retraining of teachers and principals, merit pay, mentoring, and other activities.

The proposed \$100 million reduction reflects a decision to increase investment in the Teacher Incentive Fund in order to expand support for State and local initiatives that introduce performance-based teacher and principal compensation systems and provide incentives for the most effective teachers to serve in the most challenging schools. While most teachers are now considered to be highly qualified, these teachers are not distributed equitably across all school districts. It is appropriate to shift a portion of funds to the Teacher Incentive Fund to promote these important compensation reforms and assist districts in their efforts to ensure that all students are taught by effective teachers.

The Department also would continue developing the knowledge base on teacher effectiveness by reserving up to \$14.2 million (one-half of 1 percent) of the appropriation for evaluation and related activities.

The initial PART review of this program, in 2003, rated it Results Not Demonstrated. A second review in 2005 gave the program a Moderately Effective rating, based on progress in reaching performance targets and evidence that the Department has initiated rigorous program evaluations and improved its technical assistance to States and districts.

Teacher Incentive Fund

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$0.2	\$97.3	\$200.0

This program provides grants to encourage school districts and States to develop and implement innovative performance-based compensation systems that reward teachers and principals for raising student achievement and for taking positions in high-need schools. States and LEAs, either alone or in partnership with non-profit organizations, may apply for competitive grants to develop and implement performance-based compensation systems for public school teachers and principals. These compensation systems must be based primarily on measures related to student achievement.

The \$102.7 million increase would support a significant expansion of State and school district efforts to develop and implement innovative compensation systems that provide financial incentives for teachers and principals who raise student achievement and close the achievement gap in some of our Nation's highest-need schools and that attract highly qualified teachers to those schools.

Mathematics and Science Partnerships

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$182.2	\$179.0	\$179.0

This program makes formula grants to help States and localities improve academic achievement in mathematics and science. It promotes development of teaching skills by elementary and secondary school teachers, including skill in integrating teaching methods based on scientifically based research and technology into the curriculum. Partnerships focus on developing rigorous mathematics and science curricula, distance learning programs, and incentives to recruit college graduates with degrees in math and science into the teaching profession.

A 2006 PART review of this program produced a Results Not Demonstrated rating due to limited performance and evaluation data. In response, the Department revised the program's performance measures and expects baseline performance data to become available in 2008.

Troops-to-Teachers

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$14.6	\$14.4	\$14.4

The Troops-to-Teachers program helps to improve public school education by recruiting, preparing, and supporting members of the military service as teachers in high-poverty public schools. The Department of Defense administers the program through a memorandum of

agreement with ED. A 2006 report by the Government Accountability Office found that the program contributes significantly to the diversity of the population of new teachers, with high percentages of men and minorities as participants. Teachers recruited through the Troops-to-Teachers program also teach math, science, and special education in significantly higher proportions than traditional public school teachers.

A 2003 PART analysis of the Troops-to-Teachers program produced an Adequate rating, concluding that, while the program is accomplishing its objectives, it would benefit from short- and long-term performance measures and more transparent reporting of results. The Department has responded to these findings by establishing performance measures and improving reporting.

Transition to Teaching

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$44.5	\$43.7	\$43.7

This program supports alternative routes to teacher certification and other innovative approaches for recruiting, training, and placing mid-career professionals, recent college graduates, and educational paraprofessionals in high-need schools and supporting them during their first years in the classroom. The request would support some 88 grants to help States and communities recruit and retain capable and qualified teachers in our Nation’s public schools.

The program received a PART rating of Adequate in 2005, based on high scores for purpose, measurable goals, and progress in making performance data available to the public. In response to PART findings, the Department has improved the reliability and comparability of performance data and implemented program efficiency measures.

The Administration’s reauthorization proposal for Transition to Teaching would permit the participation, in some circumstances, of veteran teachers seeking additional credentials, and would better align the authorized activities with participating LEAs’ plans for recruiting and retaining teachers in high-need schools.

Teaching American History

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$119.8	\$117.9	\$50.0

This program makes competitive grants to school districts for professional development to strengthen the teaching of traditional American history as a separate subject in elementary and secondary schools. The Administration recognizes the importance of American history in preparing future generations of students to become responsible citizens and to participate fully in our democracy. However, the number of quality applications for assistance under this program in recent years does not justify the current level of funding. The reduced request would fund approximately 50 to 55 new awards, roughly the number of high-quality applications likely to be submitted.

A PART analysis completed in 2004 produced a Results Not Demonstrated rating for this program, primarily due to the absence of long-term and annual performance targets and data. In response, the Department is collecting new data, setting performance targets, and developing a strategy for making the data available to the public.

Literacy Through School Libraries

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$19.5	\$19.1	\$19.1

This program helps school districts improve literacy skills by providing students with increased access to up-to-date school library materials and professionally certified school library media specialists. The 2009 request would fund roughly 75 competitive grants that would support the efforts of libraries to help children learn to read well by making information available to all students, training students and teachers about how to obtain and make use of information, and increasing access to technology and information for students in low-income schools.

Charter Schools Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$214.8	\$211.0 ¹	\$236.0

¹ Planned activities for fiscal year 2008 include approximately \$190 million for the Charter Schools grants program (including national activities), \$12.7 million for Charter School Facilities Incentive Grants, and \$8.3 million for Credit Enhancement for Charter School Facilities.

This program increases public school choice options by supporting the planning, development, and initial implementation of public charter schools. States also may use a portion of their funds for dissemination of information on successful charter school practices. In addition, a portion of the appropriation is used for the State Charter School Facilities Incentive Grants program, which provides competitive matching funds to States that offer per-pupil financial assistance to charter schools to obtain facilities. Forty States and the District of Columbia have charter school laws that offer regulatory flexibility in exchange for greater accountability for improving student performance. Over the last decade, with support from this program, the number of charter schools nationwide has grown from only a handful to more than 4,000.

The \$25 million increase requested for 2009 would increase support for the planning and start up of charter schools, a key element of the Administration’s efforts to expand quality school choice for students and parents.

This request is supported by a 2005 PART analysis that gave the program an Adequate rating and high scores for purpose, program management, and demonstrated results, while identifying weaknesses related to data collection and public availability of results. The Department is taking steps to eliminate those weaknesses.

Credit Enhancement for Charter School Facilities

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$36.6	— ¹	\$36.6

¹ The Department will use \$8.3 million for this program from the appropriation for the Charter Schools Grants program, as permitted by the fiscal year 2008 appropriation.

Expanding the number of charter schools is a key Administration strategy for increasing the options available to parents seeking the best educational opportunities for their children. A major obstacle to the creation of charter schools in many communities is limited access to suitable academic facilities. The Credit Enhancement for Charter School Facilities program provides competitive grants to public and nonprofit entities that help charter schools secure the financing needed to purchase, construct, renovate, or lease academic facilities. For example, a grantee might provide guarantees and insurance on bonds and leases. The request would leverage an estimated \$333 million and support more than 200 charter schools over the course of the grants.

Magnet Schools Assistance

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$106.7	\$104.8	\$104.8

The request would support continuation awards to approximately 40 local educational agencies to operate magnet schools that are part of a court-ordered or court-approved desegregation plan to eliminate, reduce, or prevent minority group isolation in elementary and secondary schools. Magnet schools address their desegregation goals by providing a distinctive educational program that attracts a diverse student population. The Department would use about \$1.5 million for evaluation and dissemination activities.

A 2004 PART analysis of this program produced an Adequate rating and high scores for purpose, management, and evaluation strategy, while also noting weaknesses in the collection and public dissemination of performance data. The Department is working to improve data collection and to develop a plan for making performance data accessible to the public.

Voluntary Public School Choice

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$26.3	\$25.8	\$25.8

This program supports efforts to establish intradistrict and interdistrict public school choice programs to provide parents, particularly parents whose children attend low-performing public schools, with greater choice for their children's education. Competitive grants support planning and implementation costs associated with new programs, tuition transfer payments to public schools that students choose to attend, and efforts to expand the capacity of schools to meet

the demand for choice. The Department made 14 new awards in 2007, with a priority for projects that provide interdistrict choice and aim to improve the academic achievement of secondary school students. The 2009 request would provide the third year of funding for these awards.

Fund for the Improvement of Education

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$16.1	\$121.9	\$52.3

The Fund for the Improvement of Education (FIE) supports nationally significant programs, administered through a combination of discretionary grants and contracts, to improve the quality of elementary and secondary education at the State and local levels and help all students meet challenging State academic achievement standards. The budget would provide funding for two components of the National Security Language Initiative: \$5 million for the Language Teacher Corps, which would provide training to college graduates with critical language skills who are interested in becoming foreign language teachers, and \$3 million for a Teacher-to-Teacher Initiative that would fund intensive summer training sessions for foreign language teachers, especially teachers of critical need languages.

The request also would provide \$15 million in competitive grants for activities designed to promote early literacy for infants and preschool children; \$10 million for an initiative to help ensure that high-need public schools have high-quality teachers and \$5 million for a similar program for nonpublic schools; \$5 million for a comprehensive assessment systems demonstration project; and \$5 million for technical assistance to States to help them improve student assessments.

Other proposed activities include \$2 million to continue a Data Quality Initiative launched in fiscal year 2006 that is intended to improve the quality of Department evaluations and data collections for its elementary and secondary education programs and \$1.3 million for State Scholars, a program that supports partnerships that encourage high school students to complete a rigorous academic curriculum.

Foreign Language Assistance

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$23.8	\$25.7	\$25.7

This program provides 3-year competitive grants to State educational agencies to support systemic approaches to improving foreign language learning in States, and to local educational agencies to establish, improve, and expand foreign language instruction. As part of the President’s National Security Language Initiative, the Department will continue to give priority to State and local proposals to provide instruction in critical foreign languages, such as Arabic, Chinese, Japanese, Korean, and Russian, as well as languages in the Indic, Iranian, and Turkic families.

In fiscal year 2008, Congress provided approximately \$2.4 million for 5-year grants to LEAs, in partnership with institutions of higher education, to establish or expand articulated programs of study in the critical foreign languages. These new grants will enable students, as they advance through elementary and secondary school and then college, to attain a superior level of proficiency in languages critical to U.S. national security and economic prosperity. The budget request would expand this initiative in 2009, allowing some 25 new grants to be made, while also supporting an estimated 35 new grants to LEAs under the regular program.

Comprehensive Centers

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$56.3	\$57.1	\$57.1

The Comprehensive Centers, selected competitively in 2005, are structured to provide intensive technical assistance to increase the capacity of State educational agencies (SEAs) to help districts and schools meet the key goals of *No Child Left Behind*, including 100-percent proficiency in reading and math by the 2013-14 school year, highly qualified teachers in every classroom, the use of research-based instructional methods and curricula, and increased choices for students and parents.

The system includes 16 regional centers that work with SEAs within specified geographic regions to help them implement NCLB school improvement measures and objectives. In addition, 5 content centers provide in-depth, specialized support in key areas, with separate centers focusing on (1) assessment and accountability; (2) instruction; (3) teacher quality; (4) innovation and improvement; and (5) high schools. Each content center pulls together resources and expertise to provide analyses, information, and materials in its focus area for use by the network of regional centers, SEAs, and other clients.

The antecedent comprehensive centers program received a PART rating in 2004 of Results Not Demonstrated. The Department responded to the initial recommendations by embedding newly developed common measures for technical assistance programs into the new program. Those measures will determine the quality, relevance, and usefulness of the centers' products and services. The Department will establish long-term performance goals, targets, and time frames for the measures in 2008, once baseline data become available.

Rural Education

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$168.9	\$171.9	\$171.9

The Rural Education Achievement Program (REAP) authorizes two programs to assist rural school districts in carrying out activities to help improve the quality of teaching and learning in their schools. The Small, Rural School Achievement program provides formula funds to rural school districts that serve small numbers of students, and the Rural and Low-Income School program provides funds to rural school districts that serve concentrations of poor students, regardless of the district's size. Funds appropriated for REAP are divided equally between these two programs. The request would maintain support for rural, often geographically

isolated, districts that face significant challenges in implementing NCLB accountability requirements. The Administration's reauthorization proposal would create a more equitable distribution of funds and improve efficiency in administration of the Small, Rural School Achievement program, while providing additional flexibility to LEAs receiving funds under the Rural and Low-Income School program.

The 2006 PART analysis of the Rural Education program produced a Results Not Demonstrated rating, primarily due to the absence of student achievement data for the program's annual and long-term performance measures at the time of the initial review. In response, the Department is currently collecting performance data and developing a strategy for making the data available to the public.

Safe and Drug-Free Schools and Communities
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
State grants.....	\$346.5	\$294.8	\$100.0
National activities	<u>149.7</u>	<u>137.7</u>	<u>182.0</u>
<u>Total</u>	496.2 ¹	432.5 ¹	282.0 ¹

¹ Excludes amounts for the Alcohol Abuse Reduction and Mentoring Program funded under Safe and Drug-Free Schools and Communities National Programs in 2007 and 2008, which are proposed for termination in 2009.

The Safe and Drug-Free Schools and Communities (SDFSC) State Grants program supports research-based approaches to drug and violence prevention. PART reviews conducted in 2002 and 2006 found that the structure of the program is flawed, spreading funding too thinly to support quality interventions and failing to target schools and communities in greatest need of assistance. Accordingly, the Administration's reauthorization proposal would significantly change the structure of the program by requiring State educational agencies to support local implementation of effective models for the creation of safe, healthy, drug-free, and secure schools. Such activities could include, for example, provision of training, technical and financial assistance, and local capacity building to school districts to support their efforts to deter student drug use; to prepare for, prevent, mitigate, respond to, and recover from crises arising from violent or traumatic events or natural disasters; and to restore the learning environment in the event of a crisis or emergency. The reduced request for SDFSC State Grants in 2009 would support this reauthorization proposal.

The Administration also is proposing to consolidate SDFSC National Programs into a single, flexible discretionary program focused on four priority areas: (1) emergency management planning; (2) preventing violence and drug use, including student drug testing; (3) school culture and climate, including character education; and (4) other needs related to improving students' learning environment to enable those students to learn to high academic standards. Grantees would be required, to the extent possible, to implement interventions that reflect scientifically based research. The 2009 request includes \$10 million for drug prevention or school safety programs informed by scientifically based research or that will use such research to demonstrate their effectiveness, and \$77.8 million for grants to school districts for comprehensive, community-wide "Safe Schools/Healthy Students" drug and violence prevention projects. Other activities include \$30 million for school emergency preparedness initiatives and

\$5 million for initiatives in emergency preparedness for institutions of higher education (IHEs), \$11.8 million for school-based drug testing for students, \$23.8 million for character education programs in elementary and secondary schools, and \$5 million to provide emergency response services to LEAs and IHEs under Project SERV (School Emergency Response to Violence).

Ready-to-Learn Television

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$24.3	\$23.8	\$23.8

This program supports the development and distribution of educational video and related materials for preschool children, elementary school children, and their parents that are intended to improve school readiness and academic achievement.

A 2004 PART analysis of this program produced a Results Not Demonstrated rating, primarily due to a lack of consistent or reliable data on program results, and a recommendation that the Department take additional steps to better understand the impact of the program. In response, the Department has made three key changes. First, the Department is requiring that all new children’s television programming content be informed by scientifically based research in reading and early literacy. Second, grantees must conduct rigorous evaluations using experimental or quasi-experimental designs. And third, instead of a single, large award, the Department has made three smaller competitive awards (two programming and one outreach award) to different grantees. The request would continue support for these three awards.

High School Equivalency Program and College Assistance Migrant Program
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
High School Equivalency Program	\$18.6	\$18.2	\$18.2
College Assistance Migrant Program.....	<u>15.4</u>	<u>15.1</u>	<u>15.1</u>
Total	34.0	33.3	33.3

The High School Equivalency Program (HEP) funds competitively selected projects to help low-income migrant and seasonal farm workers gain high school diplomas or equivalency certificates. The College Assistance Migrant Program (CAMP) makes competitive grants to provide stipends and special services, such as tutoring and counseling, to migrant students who are in their first year of college. The 2009 request would support approximately 84 HEP and CAMP projects.

The Department completed a PART analysis of these programs in 2004. Both programs were rated Results Not Demonstrated due to weaknesses related to data collection and accountability. In response, the Department developed a new annual performance report for the HEP program that will improve collection of comparable performance data across grantees; the Department expects to develop a similar annual performance report for the CAMP program in 2008.

Indian Education
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u> <u>Request</u>
Grants to Local Educational Agencies	\$95.3	\$96.6	\$96.6
Special Programs for Indian Children	19.4	19.1	19.1
National Activities.....	<u>4.0</u>	<u>3.9</u>	<u>3.9</u>
Total	118.7	119.6	119.6

Indian Education programs supplement the efforts of State and local educational agencies and Indian tribes to improve educational opportunities for Indian children. The programs link these efforts to broader educational reforms underway in States and localities in order to ensure that Indian students benefit from those reforms and achieve to the same challenging academic standards as other students.

Grants to Local Educational Agencies provide formula grants to public and Department of the Interior/Bureau of Indian Education-supported schools for activities to improve the educational achievement of Indian students. Special Programs for Indian Children includes \$9.2 million in competitive grants for the American Indian Teacher Corps and the American Indian Administrator Corps, to support training for Indian teachers and administrators to take positions in schools that serve concentrations of Indian children, and \$9.7 million for competitive demonstration grants to improve educational opportunities for Indian children in such areas as early childhood education and college preparation.

The request also provides \$3.9 million for National Activities, which funds research, evaluation, and data collection designed to fill gaps in our understanding of the educational status and needs of Indians and to identify educational practices that are effective with Indian students. The program also provides technical assistance to school districts and other entities receiving Indian Education formula and discretionary grants.

The 2007 PART analysis of the Indian Education Grants to Local Educational Agencies program produced an Adequate rating. In response to an initial PART review in 2006, which resulted in a Results Not Demonstrated rating, the Department established several new long-term and annual performance measures to complement the existing national-level data on Indian students' performance on the NAEP. Further, the Department has taken steps to improve management of the program by developing a web-based Performance Measures Tracking System, which maintains grant application and performance data within the *EDFacts* system.

Supplemental Education Grants (Compact of Free Association Amendments Act)

	<u>2007</u>	<u>2008</u>	<u>2009</u> <u>Request</u>
BA in millions	\$18.0	\$17.7	\$17.7

The request would maintain support for Supplemental Education Grants to the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI), as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under this program, the

Department transfers funds and provides recommendations on funding to the Department of the Interior, which makes grants to the FSM and RMI for educational services that augment the general operations of the educational systems of the two entities.

P.L. 108-188 eliminated RMI and FSM participation in most domestic formula grant programs funded by the Departments of Education, Health and Human Services, and Labor, and created this program to supplement separate education support programs under the Compact. The request would allow the RMI and FSM to support programs that focus on improving the educational achievement of students in the two Freely Associated States.

Education for Homeless Children and Youths

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$61.9	\$64.1	\$64.1

This program provides formula grants to States, which subgrant most funds to LEAs for tutoring, transportation, and other services that help homeless children to enroll in, attend, and succeed in school. In addition to academic instruction, the program helps ensure access for these children to preschool programs, special education, and gifted and talented programs.

While nearly all States have eased residency requirements and improved transportation and immunization policies to ensure greater access for homeless students over the past decade, those students continue to be at significant risk of educational failure. The request would maintain support for State and local activities designed to reduce that risk.

This program received an Adequate rating following a 2006 PART review, which found that the program is generally well managed and has a good performance data collection system in place. However, the review also identified weaknesses in the areas of evaluation and efficiency data. The Department has now established baseline data and set targets for the program's efficiency measure.

Impact Aid

(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Payments for Federally Connected Children:			
Basic Support Payments.....	\$1,091.9	\$1,105.5	\$1,105.5
Payments for Children with Disabilities.....	49.5	48.6	48.6
Facilities Maintenance	5.0	4.9	4.9
Construction.....	17.8	17.5	17.5
Payments for Federal Property	<u>64.4</u>	<u>64.2</u>	<u>64.2</u>
Total	1,228.5	1,240.7	1,240.7

The Impact Aid program provides financial support to school districts affected by Federal activities. The property on which certain children live is exempt from local property taxes,

denying districts access to the primary source of revenue used by most communities to finance education. Impact Aid helps to replace the lost local revenue that would otherwise be available to districts to pay for the education of these children.

The \$1.1 billion request for Basic Support Payments would provide formula grants for both regular Basic Support Payments and Basic Support Payments for Heavily Impacted LEAs.

The \$48.6 million request for Payments for Children with Disabilities would provide formula grants to help eligible districts meet their obligations under the Individuals with Disabilities Education Act to provide a free appropriate public education for federally connected children with disabilities.

The Department of Education owns and maintains 24 school facilities that serve large numbers of military dependents. The \$4.8 million request for Facilities Maintenance would fund essential repair and maintenance of these facilities and allow the Department to continue to transfer schools to local school districts.

School districts also generally pay for most of their school construction costs using their own resources and rely on property taxes to finance these costs. Districts affected by Federal operations have limited access to those sources of funding. Continuing the policy established in the fiscal year 2008 appropriation, the entire \$17.5 million proposed for Construction would be used for competitive grants, rather than the formula grants that are also currently authorized under the program. Unlike the formula grants, the competitive grants are targeted to the LEAs with the greatest need and provide sufficient assistance to enable those LEAs to make major repairs and renovations.

The \$64.2 million request for Payments for Federal Property would provide formula-based payments to districts that generally have lost 10 percent or more of their taxable property to the Federal Government.

For reauthorization, Administration proposals would improve the Impact Aid funding formulas, achieving greater equity in allocations, particularly in Basic Support Payments.

PART assessments have produced mixed results for Impact Aid programs. A 2005 PART analysis of Impact Aid Basic Support Payments and Payments for Children with Disabilities resulted in a Results Not Demonstrated rating, based on the lack of data on how well program funds are targeted, while also acknowledging the Department's efficiencies in managing payments. In response, the Department contracted for a study that is examining the effectiveness of the program formulas in delivering assistance to Federally affected school districts.

A 2005 PART analysis of Impact Aid Construction produced an Adequate rating and high scores for purpose, program management, and results that show improvement in grantees' ability to improve the condition of their school buildings. A 2004 PART analysis of Payments for Federal Property produced a Results Not Demonstrated rating based on the lack of annual and long-term performance measures for the program. In response, the Department created two new performance measures to track the program's operational efficiency.

Training and Advisory Services (Title IV of the Civil Rights Act)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$7.1	\$7.0	\$7.0

This program supports 10 regional Equity Assistance Centers, selected competitively, that provide services to school districts on issues related to discrimination based on race, gender, and national origin. Typical activities include disseminating information on successful practices and legal requirements related to nondiscrimination, providing training to educators to develop their skills in specific areas, such as in the identification of bias in instructional materials, and technical assistance on selection of instructional materials.

A PART analysis of this program conducted in 2005 produced a Results Not Demonstrated rating, primarily due to the absence of performance targets and data. In response, the Department developed a survey to measure the quality, relevance, and usefulness of the services provided by the program and to collect data that allow the comparison of this program to other technical assistance programs. The program is scheduled for review under the PART again in 2008.

B. SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Overview

The Administration is committed to working to ensure that all Americans have the opportunity to learn and develop skills, engage in productive work, choose where to live, and participate in community life. The 2009 request funds a wide range of programs that can improve educational, employment, and independent living outcomes for people with disabilities.

The \$12.3 billion request for Special Education programs focuses on improving educational and early intervention outcomes for children with disabilities. For the Grants to States program, the Administration is requesting \$11.3 billion, an increase of \$337 million, to maintain the Federal contribution toward meeting the excess cost of special education at about 17 percent of the national average per pupil expenditure (APPE), and provide an estimated average of \$1,658 per student for about 6.8 million children ages 3 through 21. Funding for the Grants for Infants and Families and Preschool Grants programs would be maintained at their 2008 levels.

The \$241.7 million request for Special Education National Activities would support a variety of technical assistance, dissemination, training, and other activities that assist States, local educational agencies, parents, and others in improving results for children with disabilities. Funding for State Personnel Development would more than double, to \$48 million, to support the full cost of continuation awards and new awards, while Technology and Media Services would be reduced from \$39.3 million to \$30.9 million to eliminate funding for previously earmarked projects. The earmarks for Special Olympics programs also would be eliminated.

For Rehabilitation Services and Disability Research, the budget provides \$3.2 billion to support comprehensive and coordinated vocational rehabilitation and independent living services for individuals with disabilities through research, training, demonstration, technical assistance, evaluation, and direct service programs. The request includes \$2.9 billion for Vocational Rehabilitation (VR) State Grants to help over 200,000 individuals with disabilities obtain or maintain employment.

Consistent with the Administration's multi-year initiative to reform the Federal government's overlapping training and employment programs, the request does not fund Supported Employment State Grants, Projects with Industry, or the Migrant and Seasonal Farmworkers program because these programs provide services that can be provided by the larger VR State Grants program. The 2009 request would also eliminate funding for Recreational programs.

The 2009 budget proposal would provide \$25.7 million for the Assistive Technology (AT) State grant program and National Activities. These programs enable individuals to acquire technology they might not otherwise be able to obtain, including technology that improves their quality of life and that enables them to work or participate in other productive activities. No funds are requested for the Protection and Advocacy (P&A) for Assistive Technology program, which duplicates services available through other P&A programs.

The request includes \$105.7 million for the National Institute on Disability and Rehabilitation Research, which would fund a comprehensive program of research and related activities designed to generate new knowledge to improve the ability of people with disabilities to perform activities of their choice in the community, and also to expand society's capacity to provide full opportunities and accommodations for its citizens with disabilities.

Special Education State Grants

Grants to States

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$10,783.0	\$10,947.5	\$11,284.5
Estimated average Federal share per child.....	\$1,584	\$1,609	\$1,658

The Grants to States program, which is authorized under the Individuals with Disabilities Education Act (IDEA), makes formula grants that help States pay the additional costs of providing special education and related services to children with disabilities aged 3 through 21 years. The request includes an increase of \$337 million, or 3.1 percent, that would maintain the Federal contribution toward meeting the excess cost of special education at about 17 percent of the national average per pupil expenditure (APPE), and provide a per-child average of \$1,658 for an estimated 6,796,000 children with disabilities.

Under IDEA, States are required to provide a free appropriate public education (FAPE) to all children with disabilities. Services are provided in accordance with individualized education programs (IEPs) that are developed by teams that include the child's parents; a special educator; a representative of the local educational agency; a regular educator, if appropriate; and others. In addition, services must be provided—to the maximum extent appropriate—in the least restrictive environment, which for most children means in classes with children who are not disabled. Under IDEA, children with disabilities must be included in general State and district-wide assessments, including the assessments required under NCLB. States must provide appropriate accommodations, where necessary, to enable children with disabilities to participate in these assessments, or alternate assessments for those children who cannot participate in regular assessments.

The request also includes \$15.0 million that would be reserved for technical assistance to improve the capacity of States to meet the data collection requirements of the IDEA.

PART assessments of the program were conducted in 2002 and 2005. In 2002 the program was rated as Results Not Demonstrated. The Department has addressed most of the concerns raised in the 2002 analysis, which led to an Adequate rating in the 2005 assessment.

Preschool Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$380.8	\$374.1	\$374.1

This program provides formula grants to help States make a free appropriate public education available to all children with disabilities ages 3 through 5. The Preschool Grants program supplements funds provided under the Grants to States program and helps to ensure that young children with disabilities are ready to learn when they enter school. The request would provide an estimated \$503 per child for approximately 743,300 children.

A 2002 PART analysis of this program produced a Results Not Demonstrated rating, primarily due to the absence of performance goals and data. In response, the Department has developed goals and measures and has undertaken a multifaceted approach to collecting data on child outcomes. Initial data on the status of children entering the program was reported to the Department in fiscal year 2007. Data on children entering and exiting the program is expected in fiscal year 2008.

Grants for Infants and Families

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$436.4	\$435.7	\$435.7

This program makes formula grants to help States implement statewide systems of early intervention services for all eligible children with disabilities from birth through age 2 and their families. The Grants for Infants and Families program helps State and local agencies identify and serve children with disabilities early in life when interventions can be most effective in improving educational outcomes. The budget request will provide support to 57 State agencies serving approximately 323,000 infants and toddlers with disabilities and their families.

A PART analysis of this program in 2002 produced a Results Not Demonstrated rating. In response, the Department implemented a multifaceted approach to promote the development of State data systems and collection of child outcome data. States reported baseline data on the status of children entering the program to the Department in fiscal year 2007, and will report on children entering and exiting the system in fiscal year 2008.

Special Education National Activities

Special Education National Activities programs support State efforts to improve early intervention and educational results for children with disabilities. The total request for National Activities is \$241.7 million.

State Personnel Development

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	—	\$22.6	\$48.0

This program provides competitive grants to help States reform and enhance their systems for personnel preparation and professional development in the areas of early intervention, educational, and transition services. The fiscal year 2008 appropriation does not include sufficient funds to cover the 2008 continuation awards or provide new funding for the 6 States with projects expiring on September 30, 2008. The \$25.4 million increase proposed for 2009 would pay the full cost of continuation awards to 41 States and new awards to 5 States aimed at improving results for children through the delivery of high quality instruction and the recruitment and retention of highly qualified personnel.

Technical Assistance and Dissemination

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$48.9	\$48.0	\$48.0

This program funds competitive grants for technical assistance and dissemination of materials based on knowledge gained through research and practice. This request is in addition to the separate \$15.0 million to be set aside under the Grants to States program to help States meet data collection requirements.

A PART review of this program in 2004 produced a Results Not Demonstrated rating primarily because of the lack of meaningful performance measures. In response, the Department has (1) developed and implemented three annual measures as part of an agency-wide effort on common measures for technical assistance programs and (2) developed two long-term measures and one efficiency measure.

Personnel Preparation

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$89.7	\$88.2	\$88.2

This program helps ensure that there are adequate numbers of personnel with the skills and knowledge necessary to help children with disabilities succeed educationally. Program activities focus on both meeting the demand for personnel to serve children with disabilities and improving the qualifications of these personnel, with particular emphasis on incorporating knowledge gained from research and practice into training programs. The Department is required to support training for leadership personnel and personnel who work with children with low incidence disabilities. Funds must also be used to support at least one activity in the broadly defined area of personnel development, along with providing enhanced support for beginning special educators. At the request level, \$20.2 million would be available for new competitive grants and \$68.0 million for continuation awards.

A PART analysis completed in 2003 produced a Results Not Demonstrated rating for this program, leading the Department to develop new program measures that focus on outcomes and to undertake a new data collection. In addition, the Department is conducting a 4-year independent evaluation of the program, which began in fiscal year 2007.

Parent Information Centers

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$25.7	\$26.5	\$26.5

Parent Information Centers provide parents with the training and information they need to work with professionals in meeting the early intervention and special education needs of their children with disabilities. The request would support new competitive grants and continuation awards for about 100 centers as well as awards to provide technical assistance to the centers.

A PART review of this program in 2004 produced a Results Not Demonstrated rating, primarily due to the lack of meaningful performance measures. In response, the Department has developed both annual and long-term measures and an efficiency measure for the program.

Technology and Media Services

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$38.4	\$39.3	\$30.9

This program supports competitive awards for research, development, and other activities that promote the use of technologies in providing special education and early intervention services. Funds also are used for media-related activities, such as providing video description and captioning of films and television appropriate for use in classrooms for individuals with visual and hearing impairments and improving accessibility to textbooks for individuals with visual impairments. The proposed reduction reflects the elimination of funding for previously earmarked projects.

A PART review of this program in 2006 produced a Results Not Demonstrated rating due to a lack of performance measures or data to evaluate program outcomes. In response, the Department has established annual, long-term, and efficiency measures and has begun data collection for the annual performance measures.

Rehabilitation Services and Disability Research

Vocational Rehabilitation (VR) State Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$2,837.2	\$2,874.0	\$2,874.0

This program, funded through mandatory appropriations, provides formula grants to State vocational rehabilitation agencies to help individuals with disabilities become gainfully employed. A wide range of services are provided each year to over 1 million individuals with disabilities, including vocational evaluation, counseling and guidance, work adjustment, diagnosis and treatment of physical and mental impairments, education and vocational training, job placement, and post-employment services. States that are unable to serve all eligible individuals with disabilities who apply must give priority to individuals with the most significant disabilities. Services are provided according to an individualized plan for employment. In 2007, the VR program helped over 200,000 individuals with disabilities—92 percent of whom have significant disabilities—achieve employment outcomes.

The \$2.9 billion request would help State VR agencies increase the participation of individuals with disabilities in the labor force. The request also includes \$34.9 million for grants to Indian tribes. The request does not include the inflation adjustment specified in the authorizing statute, which would increase the total by \$100.6 million over the 2008 level. In the past 2 years, funding for this program increased by \$153.9 million, or 5.7 percent.

Both the State Grants and the Grants to Indians programs, which were assessed in 2002 and 2004, respectively, received an Adequate PART rating. The Department is addressing PART findings by improving the quality, timeliness, and accessibility of program performance data, as well as the extent to which such data are used for program management and improvement.

Client Assistance State Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$11.8	\$11.6	\$11.6

This program makes formula grants to States for activities to inform and advise clients of benefits available to them under the Rehabilitation Act, to assist them in their relationships with service providers, and to ensure the protection of their rights under the Act. The request would support advocacy services for approximately 56,800 individuals with disabilities.

Training

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$38.4	\$37.8	\$37.8

This program makes competitive grants to State and other public or nonprofit agencies and organizations, including institutions of higher education, to help ensure that personnel with adequate skills are available to provide rehabilitation services to persons with disabilities. A 2006 PART assessment, which produced a rating of Adequate, found that most of the scholarship recipients fulfilled the “payback” requirement to work in the public sector, but looming retirements, escalating tuition, and problems with grantee data present challenges to program effectiveness. The 2009 request includes \$31.9 million for 239 projects receiving continuation awards and \$5.1 million for 41 new awards.

Demonstration and Training Programs

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$8.8	\$10.2	\$8.8

Demonstration and Training Programs support competitive grants for projects that expand and improve the provision of rehabilitation and other services authorized under the Rehabilitation Act, including related research and evaluation activities. The request would cover the continuation costs of grants awarded in previous fiscal years while providing \$3.5 million to support 7 new demonstration projects to obtain high quality employment outcomes for Social Security Disability Insurance beneficiaries and Supplemental Security Income recipients. A 2005 PART assessment of this program produced a rating of Results Not Demonstrated and found that program management could be improved by long-range planning designed to direct resources to identified needs.

Protection and Advocacy of Individual Rights

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$16.5	\$16.2	\$16.2

This formula grant program supports systems in each State to protect and advocate for the legal and human rights of individuals with disabilities. These systems pursue legal and administrative remedies to ensure the protection of the rights of individuals with disabilities under Federal law and provide information on, and referrals to, programs and services for individuals with disabilities. The request would support services to approximately 71,345 individuals with disabilities.

Independent Living
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Independent Living State Grants	\$22.6	\$22.2	\$22.2
Centers for Independent Living	74.6	73.3	73.3
Services for Older Blind Individuals	32.9	32.3	32.3

These programs provide services to individuals with disabilities to maximize their independence and productivity and to help them integrate into the mainstream of American society. The State Grants program awards formula grants to States to expand and improve independent living services and to support the operation of centers for independent living. The Centers for Independent Living program makes competitive grants to support a network of consumer-controlled, nonresidential, community-based centers that provide a broad range of independent living services. The formula-based Services for Older Blind Individuals program assists individuals aged 55 or older whose severe visual impairments make competitive employment difficult to obtain, but for whom independent living goals are feasible. At the requested level, program funds would directly support 340 Centers for Independent Living, 78 designated State units under the State Grants program, and 56 grantees under the Services for Older Blind Individuals program.

A 2003 PART analysis produced a Results Not Demonstrated rating for both the State Grants and the Centers programs, and the Department is working to develop evidence of program effectiveness through collection of performance data or evaluation.

Program Improvement

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$0.8	\$0.6	\$0.8

These funds, awarded through competitive grants and contracts, support activities that increase program effectiveness, improve accountability, and enhance the Department's ability to address critical areas of national significance in achieving the purposes of the Rehabilitation Act. The request would enable the Department to address the technical assistance needs identified as a

result of monitoring and program improvement activities initiated in fiscal years 2006 and 2007 and implement the Rehabilitation Services Administration's VR Strategic Performance Plan.

Evaluation

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$1.5	\$1.4	\$1.9

These funds are used to evaluate the impact and effectiveness of programs authorized by the Rehabilitation Act. The request would enable the Department to continue support for a multi-year study of the post-program experiences of former VR State Grants program consumers and to initiate an independent, comprehensive evaluation of the Helen Keller National Center for Deaf-Blind Youths and Adults.

Helen Keller National Center for Deaf-Blind Youths and Adults

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$ 8.5	\$8.4	\$7.9

This program serves individuals who are deaf-blind, their families, and service providers through a national headquarters center with a residential training and rehabilitation facility and a network of 10 regional offices that provide referral, counseling, training, and technical assistance. At the request level, the Center would provide direct services for approximately 122 clients in its residential training and rehabilitation program, and serve an estimated 1,600 individuals, 450 families, and 1,050 agencies through its regional offices. In addition to the \$7.9 million for operations, the Administration is seeking \$500,000 under the Rehabilitation Evaluation program for a comprehensive evaluation of the Center.

National Institute on Disability and Rehabilitation Research

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$106.7	\$105.7	\$105.7

The National Institute on Disability and Rehabilitation Research (NIDRR) helps improve the lives of persons of all ages with disabilities through a comprehensive and coordinated program of research, demonstration projects, and related activities, including training of persons who provide rehabilitation services or who conduct rehabilitation research. NIDRR awards discretionary grants that support rehabilitation research and training centers, rehabilitation engineering research centers, and directed and field-initiated research and development projects that address diverse issues in rehabilitation, including ways to improve educational, employment, and independent living opportunities for persons with disabilities.

The request would allow NIDRR to continue to support programs integral to the President's *New Freedom Initiative*, including the Rehabilitation Engineering Research Centers (RERC) program, the Rehabilitation Research Training Centers (RRTC) program, and the Model Systems projects

for Spinal Cord Injury (SCI), Traumatic Brain Injury (TBI), and Burn Injury. In recent years, the RERCs have sponsored innovative assistive technology research that has helped individuals with disabilities to achieve greater independence. The RRTC's conduct research, training, and information dissemination in identified problem areas. Model Systems projects focus on the delivery, demonstration, and evaluation of comprehensive medical, vocational, and other rehabilitation services for individuals with SCI, TBI, and Burn Injury.

NIDRR, which initially received a Results Not Demonstrated rating following a 2003 PART analysis, was reassessed in 2005 and earned an Adequate rating. Recommended follow-up actions include collecting baseline performance data for long-term performance goals; taking steps to ensure that complete, timely, and accurate performance information is available for funded activities; and establishing a regular schedule for announcing grant competitions and competition results to allow applicants to better schedule their workload.

Assistive Technology

(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Assistive Technology programs	\$30.5	\$29.9	\$25.7

Assistive Technology (AT) programs support grants to States to increase access to and funding for assistive technology devices and services for individuals with disabilities of all ages. The request includes \$24.6 million for the AT State grant program and \$1.0 million for technical assistance required under the AT Act's National Activities authority. No funds are requested for the Protection and Advocacy (P&A) for Assistive Technology program, which provides services that are authorized and can be provided by other P&A programs.

Special Institutions for Persons with Disabilities

(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
American Printing House for the Blind (APH)	\$17.6	\$21.6	\$21.6
National Technical Institute for the Deaf (NTID).....	56.1	59.7	59.2
Gallaudet University.....	<u>107.0</u>	<u>113.4</u>	<u>119.4</u>
Total	180.7	194.7	200.2

The American Printing House for the Blind provides special education materials for students who are visually impaired, offers advisory services for consumers, and conducts applied research. At the request level, APH would provide free educational materials to approximately 58,750 persons with visual impairments at an average per student allotment of \$262.00, continue funding for initiatives to improve its technical assistance and outreach services, and support a wide variety of continuing and new research projects.

The Printing House received a PART rating of Results Not Demonstrated in 2005, primarily due to inadequate performance measures. In response, APH implemented 4 new performance measures and 2 new efficiency measures in fiscal year 2007.

The National Technical Institute for the Deaf provides postsecondary technical education and training for students who are deaf, and graduate education and interpreter training for persons who are deaf or hearing. NTID also conducts research and provides training related to the education and employment of individuals who are deaf. The request would support education and training for approximately 1,110 undergraduate and technical students, 110 graduate students, and 130 interpreters for persons who are deaf, and includes \$1.2 million for a variety of construction projects to replace and update major equipment necessary to maintain the infrastructure of campus buildings.

NTID was rated Adequate by a 2005 PART analysis. The Department is working with NTID to identify strategies to further improve student outcomes.

Gallaudet University offers undergraduate and continuing education programs for persons who are deaf, and graduate programs for persons who are deaf or hearing. Gallaudet also maintains and operates the Kendall Demonstration Elementary School and Model Secondary School for the Deaf (MSSD). The request provides \$113.4 million for operations, including funds for the Endowment Grant program, and \$6 million for construction to repair MSSD facilities. The University would serve approximately 1,900 undergraduate and graduate students and 365 elementary and secondary education students with these funds in 2009.

A 2005 PART analysis rated Gallaudet as Ineffective, primarily due to inadequate progress in achieving its annual and long-term performance goals in the key areas of persistence, graduation, and post-school outcomes. The University was reassessed in 2006 and received a rating of Adequate based on information provided by the University and actions taken by the Department to improve its oversight of Gallaudet. The Department plans to continue to work with Gallaudet on ways to improve program outcomes.

C. CAREER, TECHNICAL, AND ADULT EDUCATION

Overview

Programs in the Career, Technical, and Adult Education account provide formula grants to States to further State and community efforts to improve career and technical education programs, adult education and literacy systems, programs for incarcerated youth, and competitive grants to establish smaller learning communities in high schools. The Adult Education programs, the Smaller Learning Communities program, and the State Grants for Incarcerated Youth Offenders program (authorized under the Workforce Investment Act, the Elementary and Secondary Education Act of 1965, and the Higher Education Act, respectively), are subject to reauthorization this year.

Career and Technical Education (BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u> <u>Request</u>
Career and Technical Education			
State Grants	\$1,181.5	\$1,160.9	—
Tech-Prep Education State Grants	104.8	102.9	—
National Programs	<u>10.0</u>	<u>7.9</u>	<u>—</u>
Total	1,296.3	1,271.7	—

The Administration requests no funding for activities under the Carl D. Perkins Career and Technical Education Act of 2006. The request is consistent with the Administration's policy of eliminating funding for programs that are unable to demonstrate effectiveness, are narrowly focused, or whose objectives would be better accomplished through other programs. The most recent evaluation of the State Grants program raised questions about the effectiveness of the program in helping prepare secondary students academically for the transition to postsecondary education and the workforce. The Administration believes that this goal would be better accomplished through funding increases and policy changes aimed at improving the quality of high school education, such as the high school reforms included in the Administration's reauthorization proposal for No Child Left Behind.

Funding for National Programs would be eliminated because these funds are used to support the implementation of, and evaluate the impact of, the State grants. No funds are requested for Tech Prep Education State Grants because the program is narrowly focused and has had only a limited impact.

Adult Education (Adult Basic and Literacy Education)
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Adult Basic and Literacy Education			
State Grants	\$564.0	\$554.1	\$554.1
National Leadership Activities	9.0	6.9	14.0
National Institute for Literacy	<u>6.6</u>	<u>6.5</u>	<u>6.5</u>
Total	579.6	567.5	574.6

The request for Adult Basic and Literacy Education State Grants will assist States in meeting a significant and ongoing need for adult education services. The request includes continuation of a \$68 million set-aside for English Literacy/Civics Education State Grants to help States and communities provide limited English proficient adults with expanded access to high-quality English literacy programs linked to civics education. The requested increase for National Leadership Activities will support the Administration's goal of supporting a Web-based adult learning portal that will help expand the availability of adult education services, specifically services for low-level English language learners, as well as the "Bridge to College" demonstration program, which would help non-traditional students enter college prepared to complete college-level work. The request also includes \$6.5 million for the National Institute for Literacy, which provides national leadership and coordination on issues related to adult and child literacy.

The Adult Basic and Literacy Education State Grants program received an Effective rating in 2006 on the PART, reflecting achievements in the areas of data quality, student outcomes, and program evaluation.

D. STUDENT FINANCIAL ASSISTANCE

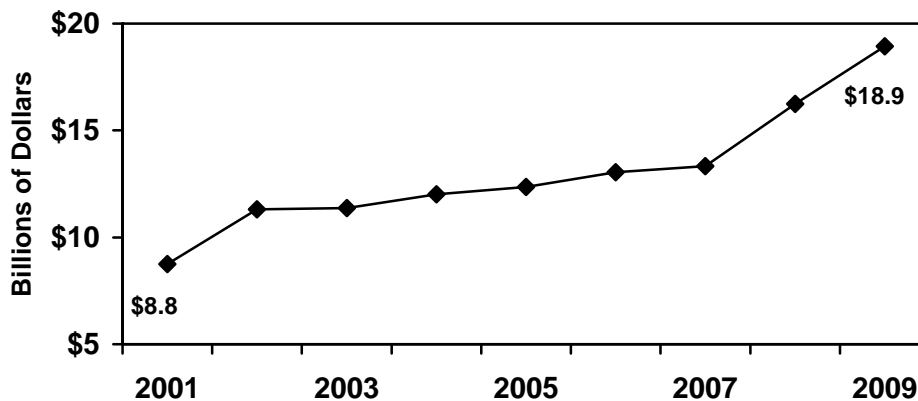
Overview

In 2009 the Department of Education will administer almost \$95 billion in new grants, loans, and work-study assistance to help almost 11 million students and their families pay for college. The request includes nearly \$19 billion in combined discretionary and mandatory funding for the Pell Grant program to support awards to almost 5.8 million students and increase the maximum award to \$4,800, the highest level ever. The budget also would support almost \$75 billion in new guaranteed and direct student loans. Federal student aid funds will help millions of Americans obtain the benefits of postsecondary education and play a vital role in strengthening our Nation by providing advanced training for today's global economy.

In September 2007 President Bush signed the College Cost Reduction and Access Act (CCRAA), providing the largest increase in student aid funding in a generation. This landmark legislation, which was based on proposals advanced in the 2008 President's Budget, invested over \$15 billion in new mandatory funds over 5 years to raise the maximum Pell Grant to \$5,400 by award year 2012-2013. These funds support annual additions, rising from \$490 for award year 2008-2009 to \$1,090 in 2012-2013, to the maximum Pell Grant award set in each year's discretionary appropriation act. The law also made a number of changes to expand eligibility for Pell Grants and other need-based student aid.

The 2009 request for student financial assistance keeps the Pell Grant program on track to deliver on the promise of the CCRAA, restoring the discretionary maximum award to \$4,310 and investing an additional \$2.6 billion in discretionary funding over the 2008 level. Under the President's proposal, nearly 5.8 million Americans will receive an average Pell Grant award of \$3,154, the first time the program's average grant has exceeded \$3,000. This proposal represents the culmination of President Bush's unprecedented commitment to this vital program, funding for which has more than doubled—from \$8.8 billion to nearly \$19 billion—since 2001.

Pell Grant Funding Doubles Under President Bush



Note: Includes discretionary and mandatory funding in 2008 and 2009; 2006 total excludes \$4.3 billion for prior-year funding shortfalls.

Student Aid Summary Tables

<u>Budget Authority (\$ in millions)</u>	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Pell Grants			
Discretionary funding	\$13,660.7 ¹	\$14,215.0 ¹	\$16,851.1 ¹
Mandatory funding	<u>—</u>	<u>2,041.0</u>	<u>2,090.0</u>
Subtotal, Pell Grants	13,660.7	16,256.0	18,941.1
Supplemental Educational Opportunity Grants ...	770.9	757.5	—
Work-Study	980.4	980.5	980.5
Leveraging Educational Assistance			
Partnerships	64.9 ²	63.9 ²	—
Academic Competitiveness Grants	850.0	395.0 ³	960.0
TEACH Grants	—	7.0	14.0
Loans for Short-Term Training	—	—	3.0
Federal Family Education Loans	3,690.5 ⁴	-398.0 ⁴	2,407.3 ⁴
Federal Direct Loans	3,982.2 ⁵	4,983.4 ⁵	-1,262.4 ⁵
Perkins Loans Cancellations	<u>65.5</u>	<u>64.3</u>	<u>—</u>
Total	24,065.1	23,109.6	22,043.6

¹ Discretionary amount for 2007 assumes use of additional \$227 million from prior-year surplus, consistent with scoring rule included in the 2006 Congressional Budget Resolution. Discretionary amount for 2008 assumes use of \$521.1 million to fund shortfall from previous year. Discretionary amount for 2009 assumes use of \$732.1 million to fund shortfall from previous year.

² Includes \$34.9 million in 2007 and \$33.9 million in 2008 for Special LEAP.

³ For budget scoring and presentation purposes, the FY 2008 funding level reflects a rescission of \$525 million in unneeded, unobligated balances. This does not affect the actual availability of the FY 2008 mandatory appropriation of \$920 million.

⁴ Budget authority requested for FFEL does not include the Liquidating account. The 2007 amount includes a net downward re-estimate of \$3.7 billion primarily related to revised assumptions for interest rates, loan volume, and default collection costs. The 2008 amount includes a net upward re-estimate of \$990 million primarily related to revised interest rates and assumptions related to deferment and forbearance, students entering repayment, and teacher loan forgiveness. The 2008 amount also includes a \$2.5 billion downward modification to reflect the effect of the College Cost Reduction and Access Act on existing loans.

⁵ For 2007, the Direct Loan amount includes a net upward re-estimate of \$3.7 billion primarily related to revised assumptions related to interest rates and collections on defaulted loans. The 2008 amount includes a net upward re-estimate of \$585 million primarily related to revised interest rates and assumptions related to income-contingent repayment. The 2008 amount also includes a \$4.1 billion upward modification to reflect the effect of the College Cost Reduction and Access Act on existing loans. The 2009 amount includes a net downward modification of \$1.6 billion related to proposed policies.

Aid Available to Students (\$ in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Pell Grants	\$14,381.9	\$16,428.1	\$18,180.2
Supplemental Educational Opportunity Grants...	975.9	958.8	—
Work-Study	1,171.2	1,171.4	1,171.4
Leveraging Educational Assistance Partnerships	165.0 ¹	161.6 ¹	—
Academic Competitiveness Grants	350	440	490
SMART Grants.....	230	260	270
TEACH Grants	—	86.0	114.0
New Student Loans:			
Loans for Short-Term Training	—	—	362.6
Federal Family Education Loans.....	51,319.8	56,241.8	59,307.7
Federal Direct Loans.....	13,022.1	14,103.5	14,866.5
Perkins Loans	<u>1,104.5</u>	<u>1,103.4</u>	<u>—</u>
Subtotal, Student Loans	<u>65,446.4²</u>	<u>71,448.6²</u>	<u>74,536.8²</u>
Total	82,720.4 ³	90,954.5 ³	94,762.4 ³

¹ Reflects only the LEAP program's statutory State matching requirements.

² In addition, consolidation loans for existing borrowers will total \$50 billion in 2007, \$38 billion in 2008, and \$43 billion in 2009.

³ Shows total aid generated by Department programs, including Federal Family Education Loan capital, Perkins Loan capital from institutional revolving funds, and institutional and State matching funds.

Number of Student Aid Awards

(in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Pell Grants	5,428	5,578	5,764
Supplemental Educational Opportunity Grants...	1,277.3	1,255.0	—
Work-Study	792.4	792.6	792.6
Leveraging Educational Assistance Partnerships	165.0 ¹	161.6 ¹	—
Academic Competitiveness Grants	456.0	559.0	643.0
SMART Grants.....	72.0	79.0	85.0
TEACH Grants	—	31.0	41.0
New Student Loans: ²			
Loans for Short-Term Training	—	—	377.0
Federal Family Education Loans.....	11,519.2	12,235.3	12,702.0
Federal Direct Loans.....	2,764.0	2,857.3	2,961.2
Perkins Loans	<u>504.3</u>	<u>503.8</u>	<u>—</u>
Total awards.....	24,801.4	25,372.5	24,816.3

¹ Reflects only the LEAP program's statutory State matching requirements.

² In addition, consolidation loans for existing borrowers will total 1,823 in 2007, 1,320 in 2008, and 1,451 in 2009.

Number of Postsecondary Students Aided by Department Programs

Unduplicated Count (in thousands).....	10,075	10,560	10,857
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Tax Benefits for Postsecondary Students and Their Families

In addition to the Department of Education's grant, loan, and work-study programs, significant support for postsecondary students and their families is available through tax credits and deductions for higher education expenses, including tuition and fees. For example, in 2009, students and families will save an estimated \$3.6 billion under the HOPE tax credit, which allows a credit of up to \$1,500 for tuition and fees during the first 2 years of postsecondary education; \$2.3 billion under the Lifetime Learning tax credit, which allows a credit of up to \$2,000 for undergraduate and graduate tuition and fees; and \$830 million in above-the-line deductions for interest paid on postsecondary student loans. The 2009 request also promotes savings for college by providing a 50 percent tax credit for the first \$2,000 that moderate- and low-income parents invest annually in a 529 tuition-savings account. The credit ranges between 10 and 50 percent of the amount contributed, depending on the taxpayer's filing status and adjusted gross income (adjusted for inflation).

Pell Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions			
Discretionary	\$13,661	\$14,215	\$16,851
Mandatory	<u>—</u>	<u>2,041</u>	<u>2,090</u>
Total	13,661	16,256	18,941
Program costs (\$ in millions).....	14,409	16,467	18,209
Aid available (\$ in millions)	14,382	16,428	18,180
Recipients (in thousands)	5,428	5,578	5,764
Maximum grant			
Discretionary	\$4,310	\$4,241	\$4,310
Mandatory add-on.....	<u>—</u>	<u>490</u>	<u>490</u>
Total	4,310	4,731	4,800
Average grant	2,650	2,945	3,154

The Pell Grant program helps ensure financial access to postsecondary education by providing grant aid to low- and middle-income undergraduate students. The program is the most need-focused of the Department's student aid programs, with individual awards varying according to the financial circumstances of students and their families.

This request includes \$16.9 billion in discretionary funding and \$2.1 billion in mandatory funding to support a maximum award of \$4,800 for award year 2009-2010. The \$2.6 billion discretionary increase proposed for 2009 primarily reflects updated cost estimates for the Pell Grant program as well as a small increase needed to restore the discretionary share of the maximum Pell Grant to \$4,310. The 2009 request increase sets the Pell Grant program back on

the 5-year path to a \$5,400 maximum award in award year 2012-2013, as envisioned in the President's 2008 Budget proposal and implemented by the College Cost Reduction and Access Act.

While Pell Grants have been very successful in expanding access to postsecondary education for low-income students, the Administration plans to work with Congress to increase the program's effectiveness and improve its overall operation. Accordingly, the 2009 request includes the following proposals:

Snapshot of Pell Grant Recipients in 2009-10 Award Year

- Recipients will total an estimated 5.8 million students.
- 30 percent will receive a maximum Pell award of \$4,800
- 87 percent have family incomes under \$40,000.
- 46 percent are over the age of 23
- 20 percent are enrolled on a less-than-full-time basis
- 35 percent attend 2-year public institutions

- Pell Grants would be made available year-round at eligible 2- and 4-year degree granting institutions, giving students a more convenient option for accelerating their studies and promptly completing their education.
- As a further incentive for timely completion, and to eliminate an area of potential abuse, Pell Grant eligibility would be limited to the equivalent of 16 semesters.
- To ensure Federal Pell Grant funds are properly used, the Department and the Internal Revenue Service continue to implement a consent-based approach to matching applicant data reported on the Free Application for Federal Student Aid with Federal tax data.

Work-Study

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$980	\$980	\$980
Aid available (\$ in millions)	1,171	1,171	1,171
Recipients (in thousands)	792	793	793
Average award	\$1,478	\$1,478	\$1,478

The Work-Study program provides grants to participating institutions to pay up to 75 percent of the wages of eligible undergraduate and graduate students working part-time to help pay their college costs. The school or other eligible employer provides the balance of the student's wages. At the request level, nearly 800,000 students would receive a total of nearly \$1.2 billion in award year 2009-10. Funds are allocated to institutions according to a statutory formula, and individual award amounts to students are determined at the discretion of institutional financial aid administrators.

Academic Competitiveness Grants/SMART Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$850.0	\$395.0	\$960.0
Rescission of unneeded balances	—	525.0	—
Cancellation of unneeded balances	—	—	652.0
Academic Competitiveness Grants			
Recipients.....	456,000	559,000	643,000
Aid available to students (in 000s).....	\$350,000	\$440,000	\$490,000
Maximum grant (in whole \$)			
First-year student.....	\$750	\$750	\$750
Second-year student.....	\$1,300	\$1,300	\$1,300
Average grant (in whole \$)	\$768	\$787	\$762
SMART Grants			
Recipients.....	72,000	79,000	85,000
Aid available to students (in 000s).....	\$230,000	\$260,000	\$270,000
Maximum grant (in whole \$)	\$4,000	\$4,000	\$4,000
Average grant (in whole \$)	\$3,194	\$3,291	\$3,176

These programs, which began operation on July 1, 2006, award need-based Academic Competitiveness Grants (ACG) to first- and second-year undergraduates who complete a rigorous high school curriculum, and National Science and Mathematics Access to Retain Talent (SMART) Grants to third- and fourth-year undergraduates majoring in physical, life, or computer sciences, mathematics, technology, engineering, or a critical foreign language. All funding is mandatory, so annual discretionary appropriations are not required.

Academic Competitiveness Grants are awarded to United States citizens who are eligible for a Federal Pell Grant. First-year applicants, who may receive up to \$750, also must be first-time undergraduates, enrolled or accepted for enrollment in a 2- or 4-year degree granting institution, and have completed a rigorous secondary school program. Second-year ACG applicants qualify for an award of up to \$1,300 if they have completed a rigorous program and maintained a cumulative grade point average of at least 3.0 during their first year as an undergraduate. The Secretary of Education recognizes at least one rigorous program of study in each State.

SMART Grant applicants must maintain a cumulative GPA of at least 3.0 in the coursework required by their major to qualify for up to \$4,000 for their third and fourth years of undergraduate study. SMART Grants, in combination with the Federal Pell Grant and other student financial assistance, may not exceed the student's cost of attendance.

While the Administration is working with States and postsecondary institutions to increase demand for these programs, participation trends during the first 2 years indicate that future funding will substantially exceed the amounts needed to support anticipated grant awards. Congress rescinded \$525 million in unneeded ACG/SMART balances in 2008 and the Administration proposes to cancel an additional \$652 million in unneeded balances in 2009.

Even with the proposed cancellation of these funds, in the 2009-2010 academic year the Administration estimates there will be 84,000 new ACG recipients (a 15 percent increase) and 6,000 new SMART grant recipients (an 8 percent increase) compared to the prior year.

TEACH Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	—	\$7.0	\$14.0
Recipients.....	—	31,000	41,000
Aid available to students (in 000s).....	—	\$86,000	\$114,000
Maximum grant (in whole \$)	—	\$4,000	\$4,000
Average grant (in whole \$)	—	\$2,774	\$2,780

The TEACH Grant program—created by the College Cost Reduction and Access Act and beginning operation on July 1, 2008—awards annual grants of up to \$4,000 to eligible undergraduate and graduate students who agree to serve as a full-time mathematics, science, foreign language, bilingual education or other English language program, special education, or reading teacher at a high-need school for not less than 4 years within 8 years of graduation. For students who fail to fulfill this service requirement, grants are converted to Direct Unsubsidized Stafford Loans, with interest accrued from the date the grants were awarded.

For budget and financial management purposes, this program will be operated as a loan program with 100 percent forgiveness of outstanding principal and interest upon completion of a student's service requirement. The Administration currently estimates approximately 80 percent of participating students will not complete the required service and thus will have their grants converted to Direct Unsubsidized Stafford Loans. Consistent with the requirements of the Credit Reform Act of 1990, budget authority for this program reflects the estimated net present value of all future non-administrative Federal costs associated with awards made in a given fiscal year. Re-estimates of prior-year costs will be performed each year beginning in fiscal year 2009.

Loans for Short-Term Training

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	—	—	\$3.0
Recipients.....	—	—	377,000
Aid available to students (in 000s).....	—	—	\$362,593
Maximum loan (in whole \$)	—	—	\$5,000
Average loan (in whole \$).....	—	—	\$962

This proposed new, market-oriented program, jointly administered by the Departments of Education and Labor, would help dislocated, unemployed, transitioning, or older workers and students acquire or upgrade specific job-related skills through short-term training programs. These programs are usually shorter than 10 weeks and are not currently eligible for Federal student aid. Eligible programs for the new loans must lead to an industry credential or

certificate, or to employer-endorsed technological/occupational skills. This program is expected to provide over \$362 million in loans to 377,000 recipients in FY 2009.

Federal Family Education Loans and Direct Loans (in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Federal Family Education Loans			
New Loan Subsidies (BA)	\$6,850.1 ¹	\$1,076.4 ¹	\$2,407.3 ¹
Net Modification of Existing Loans	—	-2,464.3 ²	—
Net Re-estimate of Prior Loans	<u>-3,159.6³</u>	<u>990.0³</u>	<u>—</u>
Total, FFEL Program BA.....	3,690.5	-398.0	2,407.3
 Direct Loans			
New Loan Subsidy (BA).....	264.6 ⁴	255.6 ⁴	328.7 ⁴
Net Modification of Existing Loans	—	4,143.3 ²	-1,591.0 ²
Net Re-estimate of Prior Loans.....	<u>3,717.6³</u>	<u>584.5³</u>	<u>—</u>
Total, New Budget Authority	3,982.2	4,983.4	-1,262.4
 Total, Student Loans (BA)	7,672.7	4,585.4	1,145.0

¹ Total includes amount for Consolidation Loans, but does not include the Liquidating Account, which deals with costs associated with loans made prior to 1992.

² Under Credit Reform, costs or savings related to the impact of policy changes on existing loans are reflected in the current year. Amounts for 2008 reflect the impact of the College Cost Reduction and Access Act on existing loans. The amount for 2009 reflects proposed policies.

³ Under Credit Reform, the subsidy amounts needed for active loan cohorts are re-estimated annually in both Direct Loans and FFEL to account for changes in long-term projections. In 2007 and 2008, Direct Loans re-estimates primarily reflect revised interest rate assumptions, and in 2008, revised assumptions related to income-contingent repayment. FFEL re-estimates are driven primarily by updated interest rate, deferment and forbearance, enter repayment, and teacher loan forgiveness assumptions.

⁴ Total includes amount for Consolidation Loans.

New loan volume (in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Federal Family Education Loans.....	\$51,320	\$56,242	\$59,308
Direct Loans	<u>13,022</u>	<u>14,103</u>	<u>14,867</u>
Total	64,342 ¹	70,345 ¹	74,175 ¹

Number of new loans (in thousands)

Federal Family Education Loans.....	11,519	12,235	12,702
Direct Loans.....	<u>2,764</u>	<u>2,857</u>	<u>2,961</u>
Total	14,283 ¹	15,092 ¹	15,663 ¹

¹ In addition, Consolidation Loans for existing borrowers will total \$50 billion and 1.8 million loans in 2007, \$38 billion and 1.3 million loans in 2008, and \$43 billion and 1.5 million loans in 2009.

The Department of Education operates two major student loan programs: the Federal Family Education Loan (FFEL) program and the William D. Ford Federal Direct Loan (Direct Loan) program. These two programs meet an important Department goal by helping ensure student

access to and completion of high-quality postsecondary education. Competition between the two programs and among FFEL lenders has led to a greater emphasis on borrower satisfaction and resulted in better customer service to students and institutions.

The FFEL program makes loan capital available to students and their families through some 3,100 private lenders. There are 35 active State and private nonprofit guaranty agencies which administer the Federal guarantee protecting FFEL lenders against losses related to borrower default. These agencies also collect on defaulted loans and provide other services to lenders. The FFEL program accounts for about 80 percent of new student loan volume.

Under the Direct Loan program, the Federal Government uses Treasury funds to provide loan capital directly to schools, which then disburse loan funds to students. The Direct Loan program began operation in academic year 1994-95 and now accounts for about 20 percent of new student loan volume.

Basic Loan Program Components

Both FFEL and Direct Loans feature four types of loans with similar fees and maximum borrowing amounts:

- Stafford Loans are subsidized, low-interest loans based on financial need. The Federal Government pays the interest while the student is in school and during certain grace and deferment periods. The interest rate on Stafford loans made before July 1, 2006, is adjusted annually based on the 91-day Treasury bill rate, with a cap of 8.25 percent. For loans made on or after July 1, 2006, the interest rate is fixed at 6.8 percent. The CCRAA includes a 4-year phased reduction of Stafford Loan interest rates, which would drop to 6.0 percent for loans made on or after July 1, 2008, with further reductions each subsequent July 1 through 2011, when rates would be 3.4 percent. Rates would return to 6.8 percent beginning July 1, 2012.
- Unsubsidized Stafford Loans have a fixed interest rate of 6.8 percent, but the Federal Government does not pay interest for the student during in-school, grace, and deferment periods.
- PLUS Loans are available to parents of dependent undergraduate students at slightly higher rates than Stafford or Unsubsidized Stafford Loans and the Federal Government does not pay interest during in-school, grace, and deferment periods. Graduate and professional students may also take out PLUS loans.
- Consolidation Loans allow borrowers with multiple student loans who meet certain criteria to combine their obligations and extend their repayment schedules. The rate for both FFEL and Direct Consolidation Loans is based on the weighted average of loans consolidated rounded up to the nearest 1/8th of 1 percent. The resulting rate for the consolidated loan is then fixed for the life of the loan.

College Cost Reduction and Access Act (CCRAA)

The College Cost Reduction and Access Act of 2007 made a number of significant changes in the loan programs to expand student benefits, increase program efficiency, and reduce

excessive subsidies in order to focus limited Federal resources on aid to needy students. These changes include:

- Reduce interest subsidies to lenders. FFEL private lenders are guaranteed a specified interest rate by law, regardless of what the student borrower pays. This rate is based on the quarterly commercial paper rate plus a statutory add-on. The CCRAA reduced this add-on by .55 percent for for-profit lenders, to 1.79 percent for most loans, and by .40 percent for not-for-profit lenders, to 1.94 percent for most loans in repayment.
- Loan forgiveness for public service employees. Direct Loan borrowers who work in a broad range of public service positions may have the balance of their loans forgiven after 10 years in repayment. Repayments must occur after October 1, 2007, to count against the 10-year eligibility criteria. Borrowers must work in qualifying public service jobs throughout the 10-year repayment period to qualify for forgiveness. FFEL borrowers must consolidate their loans into Direct Loans to qualify for the program. The 2009 request would limit eligibility for this benefit to new borrowers after October 1, 2009, to better target these benefits to borrowers who will soon be making career decisions and encourage them to pursue public service despite holding high student loan balances. These changes also would allow time for the student loan marketplace to prepare for potential shifts in loan volume between Direct Loans and FFEL.
- Income-based repayment. FFEL and Direct Loan borrowers meeting eligibility criteria based on “partial economic hardship” may have their payments limited to a percentage of their income. For up to 3 years, the government pays any Stafford Loan interest that accrues and is unpaid under the income-based repayments. Outstanding balances are cancelled after 25 years in repayment. The 2009 request would eliminate the 3-year Stafford Loan interest subsidy under this repayment plan, as comparable benefits are already available under economic hardship and unemployment deferments.
- Reduce default insurance from 97 percent to 95 percent. FFEL lenders currently receive 97 percent of students’ loan balances when filing for Federal insurance. The CCRAA reduced this amount to 95 percent, effective October 1, 2012. The CCRAA also eliminated the higher reinsurance previously paid to lenders and loan servicers deemed “exceptional performers.”
- Reduce guaranty agency default collection payments. Effective October 1, 2007, the CCRAA reduced the amount guaranty agencies may retain from collections on most defaulted loans from 23 percent to 16 percent, a figure consistent with amounts paid to the Department’s private collection agents.
- Reduce guaranty agency account maintenance fees. Agencies currently are paid an administrative fee based on a percentage of the original principal amount of active loans they have guaranteed. Effective October 1, 2007, the CCRAA reduced this percentage from .1 percent to .06 percent.
- Increase lender fee to 1 percent. Effective October 1, 2007, the CCRAA increased the one-time origination fee lenders pay from 0.5 percent to 1.0 percent of the loan balance.

- PLUS loan auction. Beginning July 1, 2009, the right to originate PLUS loans to parents in the FFEL program will be auctioned to the lowest two bidders in each State. PLUS loans to graduate students would continue to be available from any lender.

Perkins Loan Revolving Funds

The Administration is proposing to recall the Federal portion of the Perkins Loans revolving funds currently held by participating institutions, which will total \$4.2 billion over fiscal years 2009-2013. The Administration believes the Perkins Loan program is ineffective, redundant, and poorly targeted.

E. HIGHER EDUCATION PROGRAMS

Overview

The Administration's request for fiscal year 2009 includes \$2.1 billion for Higher Education Programs. This request complements the Administration's proposals for elementary and secondary education by helping to ensure the availability of quality postsecondary educational opportunities.

The request would provide \$296.7 million in discretionary funding for the Aid for Institutional Development programs, a decrease of \$119.7 million from the 2008 level. In general, this decrease reflects a decision to reduce discretionary support for these programs because of the availability of \$130 million in new mandatory funding provided for the same activities in 2008 and 2009 under the College Cost Reduction and Access Act (CCRAA). Similarly, the budget provides \$74.4 million for Developing Hispanic-serving Institutions (HSIs), a 20 percent reduction in discretionary support for new awards that is more than compensated for by the additional \$100 million in mandatory funding provided for this program in 2008 and 2009 under the CCRAA. To help ensure that Historically Black Colleges and Universities have access to low-cost financing to fund infrastructure improvements, the budget includes a \$10.2 million increase for HBCU Capital Financing loan subsidies that would support an additional \$61 million in loans for the construction, reconstruction, and renovation of academic facilities.

The 2009 budget also renews the President's request for the Department's share of the National Security Language Initiative (NSLI), which would help address the need for skilled professionals with competency in languages critical to U.S. national security. The key NSLI component in the 2009 request is \$24 million for a new Advancing America Through Foreign Language Partnerships program, now authorized under the America COMPETES Act, which would make grants to institutions of higher education for partnerships with school districts for language learning from kindergarten through high school and into advanced language learning at the postsecondary level.

An additional contribution to the NSLI would be made through the \$110 million request for the International Education and Foreign Language Studies (IEFLS) programs, which includes a \$1 million increase to support the development of new assessment tools for measuring improvements in language competency in the IEFLS programs and \$1 million to develop NSLI's e-Learning Clearinghouse to deliver foreign language education resources to teachers and students across the country.

Other proposed increases include \$16 million for new competitive grants under the Fund for the Improvement of Postsecondary Education (FIPSE), including initiatives to facilitate transfer of credits from one institution to another and increase college access through dual enrollment and articulation partnerships between high schools and community colleges, and \$2 million in the Graduate Assistance in Areas of National Need program for a special priority to address the acute shortages in the field of psychometrics that have hampered implementation of critical elements of the No Child Left Behind Act.

The request also would provide level funding of \$885.2 million in combined discretionary and mandatory appropriations to maintain college preparation and college student support services for approximately 830,000 participants in the Federal TRIO Programs, as well as \$303.4 million for an estimated 743,000 middle and high school students preparing for college through the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP).

Title III: Aid for Institutional Development
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009</u> <u>Request</u>
Strengthening Institutions (Part A)	\$79.5	\$78.1	\$78.1
Strengthening Tribally Controlled Colleges and Universities (Part A)	23.6	23.2	—
(mandatory)	—	30.0 ¹	30.0 ¹
Strengthening Alaska Native and Native Hawaiian-serving Institutions (Part A)	11.8	11.6	—
(mandatory)	—	15.0 ¹	15.0 ¹
Strengthening Historically Black Colleges and Universities (Part B)	238.1	238.1	153.1
(mandatory)	—	85.0 ¹	85.0 ¹
Strengthening Historically Black Graduate Institutions (Part B)	57.9	56.9	56.9
Minority Science and Engineering Improvement (Part E)	8.7	8.6	8.6
Strengthening Predominantly Black Institutions (mandatory)	—	15.0 ¹	15.0 ¹
Strengthening Asian American and Native American Pacific Islander-serving Institutions (mandatory)	—	5.0 ¹	5.0 ¹
Strengthening Native American-serving nontribal institutions (mandatory)	<u>—</u>	<u>5.0¹</u>	<u>5.0¹</u>
Total	419.6	571.5	451.7

¹ Mandatory funds made available by the College Cost Reduction and Access Act, P.L. 110-84 (September 27, 2007). These funds are not part of the fiscal year 2009 budget request.

The request for Title III maintains support for institutions that serve large percentages of minority and disadvantaged students. Title III funding, which is awarded both competitively and by a formula that directs aid to specified institutions, helps provide equal educational opportunity and strong academic programs for these students and help achieve greater financial stability for the institutions that serve them.

In general, the nearly \$120 million reduction proposed for 2009 reflects an offset of newly provided mandatory funding in 2008 and 2009 for Title III activities under the College Cost Reduction and Access Act (CCRAA). For example, the request would reduce discretionary funding for Strengthening Historically Black Colleges and Universities by \$85 million, or the amount of new mandatory funding provided for this program by the CCRAA, resulting in the same overall funding level as provided in 2007.

Similarly, while the request does not include discretionary funding for Strengthening Tribally Controlled Colleges and Universities or Strengthening Alaska Native and Native Hawaiian-serving Institutions (ANNH), these programs would nevertheless receive mandatory funding well

in excess of their 2007 levels. The Administration continues to support the termination of the Strengthening ANNH program because these institutions are eligible for funds under the much larger Strengthening Institutions program.

The CCRAA also authorized and provided mandatory funds for the fiscal years 2008 and 2009 for 3 new programs that support minority-serving institutions:

Strengthening Predominantly Black Institutions authorizes 25 grants of \$600,000 to be awarded competitively to eligible institutions of higher education to support programs in any of the following areas: science, technology, engineering, or mathematics; health education; internationalization or globalization; teacher preparation; or improving educational outcomes of African American males.

Strengthening Asian American and Native American Pacific Islander-serving Institutions authorizes competitive grants to eligible institutions of higher education that have an enrollment of undergraduate students that is at least 10 percent Asian American and Native American Pacific Islander students.

Strengthening Native American-serving Nontribal Institutions authorizes competitive grants to eligible institutions of higher education that have an enrollment of undergraduate students that is not less than 10 percent Native American students and are not a Tribal College or University to plan, develop, undertake, and carry out activities to improve and expand the institutions' capacity to serve Native Americans.

Separate PART analyses for the Strengthening Institutions, Strengthening HBCUs, and Strengthening Historically Black Graduate Institutions programs produced ratings of Results Not Demonstrated due to insufficient data demonstrating program effectiveness against newly established performance targets.

Developing Hispanic-serving Institutions
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Discretionary funding	\$94.9	\$93.3	\$74.4
Mandatory funding	—	<u>100.0</u> ¹	<u>100.0</u> ¹
Total	94.9	193.3	174.4

¹ Mandatory funds made available by the College Cost Reduction and Access Act, P.L. 110-84 (September 27, 2007). These funds are not part of the fiscal year 2009 budget request.

This program funds competitive grants to expand and enhance the academic quality, institutional management, fiscal stability, and self-sufficiency of colleges and universities that enroll large percentages of Hispanic students. This request is a decrease of \$18.8 million, or 20 percent, from the 2008 discretionary level that reflects the more than doubling of total support for this program due to the addition of \$100 million in mandatory funding for 2008 and 2009 under the CCRAA. Even with the proposed reduction, the Department would be providing \$79.5 million more in support in fiscal year 2009, for an estimated 60 additional projects at HSIs, than it provided in fiscal year 2007.

A 2005 PART analysis of the Developing Hispanic-serving Institutions program resulted in a Results Not Demonstrated rating because of insufficient data demonstrating program effectiveness against newly established performance targets.

International Education and Foreign Language Studies

(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Domestic programs	\$91.5	\$93.9	\$94.9
Overseas programs	12.6	13.4	13.4
Institute for International Public Policy	<u>1.6</u>	<u>1.7</u>	<u>1.7</u>
 Total	 105.8	 109.0	 110.0

The 14 International Education and Foreign Language Studies programs support comprehensive language and area study centers within the United States, research and curriculum development, opportunities for American scholars to study abroad, and activities to increase the number of underrepresented minorities in international service. In addition to promoting general understanding of the peoples of other countries, the Department's international programs also serve important economic, diplomatic, defense, and other national security interests. The 2009 request would fund approximately 471 grants to institutions of higher education, directly support over 1,010 individuals through fellowships and projects, and support the international service programs of more than 100 underrepresented minorities. The request includes a \$1 million increase to support the development of new assessment tools for measuring improvements in language competency in the IEFLS programs, and \$1 million to develop, as part of the National Security Language Initiative, an e-Learning Clearinghouse to deliver foreign language education resources to teachers and students across the country.

In 2004, the Domestic programs were rated Results Not Demonstrated (RND) by the PART due to insufficient data demonstrating program effectiveness against newly established performance targets. A 2007 reassessment produced another RND rating, partly due to changes in performance measures that again resulted in insufficient data on program effectiveness.

Advancing America Through Foreign Language Partnerships

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	—	—	\$24.0

This program, authorized under the recently enacted America COMPETES Act, would help establish fully articulated language programs of study in languages critical to U.S. national security. The new program would make competitive grants to institutions of higher education for partnerships with school districts for language learning from kindergarten through high school and into advanced language learning at the postsecondary level. These language programs, coupled with directed and targeted fellowships for individual students, would produce significant numbers of graduates with advanced levels of proficiency in languages critical to national security, many of whom would be candidates for employment with agencies and offices of the Federal Government across a broad range of disciplines. The 2009 request would support 24 new awards focusing on critical languages such as Arabic, Chinese, Japanese, Korean, and Russian, as well as the Indic, Iranian, and Turkic language families.

Fund for the Improvement of Postsecondary Education (FIPSE)
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Comprehensive Program	\$15.7	\$13.6	\$23.4
International Consortia	5.9	7.4	13.3
Earmarks	—	98.9	—
Other	<u>0.4</u>	<u>0.4</u>	<u>0.7</u>
Total	22.0	120.3	37.4

FIPSE awards competitive grants to support exemplary, locally developed projects that are models for innovative reform and improvement in postsecondary education. The 2009 request results from the elimination of \$98.9 million in funding for earmarks in 2008 and an increase of \$16 million for competitive grants.

Funding for the Comprehensive Program would support projects that target areas of higher education deemed to be a top priority, including a \$10 million initiative to facilitate transfer of credits from one institution of higher education to another and funds to support the recommendations of the Academic Competitiveness Council. Planned projects include rigorously testing novel ways to increase higher education access, persistence, and graduation rates; aligning curricula on a multi-state level between high schools and two- and four-year colleges; and improving the foreign language, math, and science skills of postsecondary students, including students preparing to become teachers.

Funding for the International Consortia programs would support 163 academic partnerships between U.S. institutions of higher education and institutions in Canada, Mexico, Russia, the European Community, and Brazil to provide students with increased opportunities to study abroad and increase cooperation and collaboration between institutions in these countries.

Federal TRIO Programs
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Talent Search.....	\$143.1	\$142.9	\$142.9
Upward Bound	314.2	304.0	302.7
Educational Opportunity Centers	47.0	47.1	47.1
Student Support Services	271.6	281.0	282.3
McNair Postbaccalaureate Achievement	45.3	43.6	43.6
Staff Training.....	3.3	4.0	4.0
Evaluation	1.9	1.5	1.5
Administration/Peer Review.....	1.8	4.1	4.1
Upward Bound (mandatory).....	<u>—</u>	<u>57.0¹</u>	<u>57.0¹</u>
Total	828.2	885.2	885.2

¹ Mandatory funds made available by the College Cost Reduction and Access Act, P.L. 110-84 (September 27, 2007). These funds are not part of the fiscal year 2009 budget request.

The request for 2009 would maintain level funding for these college preparation and student support programs, which would serve an estimated 830,000 middle school, high school, and college students and adults. Of the four TRIO programs reviewed by the PART, Student Support Services, Talent Search, and McNair received Moderately Effective ratings. The Upward Bound program received an Ineffective rating, but has implemented changes that address program deficiencies by better targeting funds to higher-risk students. The request also includes funding for Staff Training grants, evaluation, and administrative support for the TRIO programs.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
State Grants.....	\$114.9	\$121.9	\$121.8
Partnership Grants.....	186.9	179.5	180.0
21st Century Scholar Certificates	0.1	0.1	0.1
Evaluation	1.5	1.4	1.5
Peer Review.....	<u>—</u>	<u>0.5</u>	<u>—</u>
 Total	 303.4	 303.4	 303.4

GEAR UP provides funds to States and partnerships for early college preparation and awareness activities to help low-income elementary and secondary school students prepare for and pursue postsecondary education. Several features of GEAR UP, including targeting entire grades of students, partnering with local organizations and businesses, and matching local contributions, allow projects to serve increasing numbers of students at the same level of Federal support. The request maintains funding at the 2008 level and would serve approximately 743,000 middle and high school students in fiscal year 2009.

The GEAR UP program received a PART rating of Adequate in 2003 based on evidence that the program employs a number of strategies that hold significant promise for success in college preparation. An evaluation on the early effects of the GEAR UP program highlights the positive impact of the program on participants attending middle schools, their parents, and middle schools housing GEAR UP programs.

Scholarships and Fellowships
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Javits Fellowships	\$9.7	\$9.5	\$9.8
Graduate Assistance in Areas of National Need (GAANN)	30.1	29.5	32.5

Javits Fellowships provide up to 4 years of competitively awarded support to students of superior ability and high financial need who are pursuing doctoral degrees, or the highest terminal degree, in the arts, humanities, and social sciences. The requested 3.3 percent increase over the 2008 appropriation would begin to arrest the long-term decline in the number of fellowships awarded. The request would support 225 fellowships in 2009, including 66 new

fellows. The program received a PART rating of Adequate in 2004 based on data showing that its performance exceeded targets and that the program is on track to achieve program goals related to time-to-degree completion and graduation rates.

GAANN provides fellowships, through competitive grants to postsecondary institutions, to graduate students with superior ability and high financial need studying in areas of national need. Participating graduate schools must provide assurances that they will seek talented students from traditionally underrepresented backgrounds. Increased funding is requested to arrest the long-term decline in the number of fellowships awarded under the program. In addition, \$2 million would be used to address acute shortages in the field of psychometrics that have hampered implementation of certain aspects of the NCLB Act. The 2009 request would provide support for 747 fellowships, including 529 new fellows. Following an initial PART rating of Results Not Demonstrated in 2004, a 2006 reassessment of the GAANN program highlighted improvements in program management and performance supporting an Adequate rating.

Child Care Access Means Parents in School

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$15.8	\$15.5	\$15.5

This competitive grant program supports the participation of low-income parents in postsecondary education through campus-based childcare services. Grants made to institutions of higher education must be used to supplement childcare services or start a new program, not to supplant funds for current childcare services. The program gives priority to institutions that leverage local or institutional resources and employ a sliding fee scale. The 2009 request would fund 113 new and 55 existing projects.

Following an initial PART rating of Results Not Demonstrated in 2004, a 2007 reassessment noted improvements in program management and performance leading to an Adequate rating.

GPRA Data/HEA Program Evaluation

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$1.0	\$0.6	\$1.6

The request would fund the continuation of contracts for program evaluations, data collections to measure the performance of Higher Education Act programs, and data collection for the State teacher quality accountability reports. Data and information from these activities are used to comply with the reporting requirements of GPRA and the PART process, assess program effectiveness, make program improvements, and inform budgetary decisions. The requested increase would allow more rigorous studies of program interventions and best practices, with the long-term goal of improving program design and management, while also helping faculty and teachers better understand what works in teaching and learning.

College Access Challenge Grants

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	—	\$66.0 ¹	\$66.0 ¹

¹ Mandatory funds made available by the College Cost Reduction and Access Act, P.L. 110-84 (September 27, 2007). These funds are not part of the fiscal year 2009 budget request.

This program, authorized by the College Cost Reduction and Access Act, provides mandatory funding to foster partnerships among Federal, State and local government entities and philanthropic organizations through matching challenge grants aimed at increasing the number of underrepresented students who enter and remain in postsecondary education.

Academic Facilities

(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
HBCU Capital Financing Program	\$0.2	\$0.2	\$10.4
CHAFL Federal Administration	0.6	0.5	0.5

These programs support the construction, reconstruction, and renovation of academic facilities at institutions of higher education. The request for the HBCU Capital Financing Program would support the management and servicing of loan guarantees on previously issued loans. The requested increase of \$10.2 million includes \$10 million in loan subsidies that would allow the program to guarantee an additional \$61 million in loans in 2009. In 2007, the program guaranteed \$467 million worth of loans and, in doing so, depleted the remaining loan funds available under the statutory cap. The Administration is proposing to increase the loan cap to \$725 million to make new loan guarantees for fiscal year 2009. Funds also would be used to establish an expanded technical assistance program to help HBCUs to increase their fiscal stability and improve their access to capital markets.

The program was rated Results Not Demonstrated by the PART in 2007, based on the lack of data available to evaluate the effectiveness of the program.

Funding for CHAFL Federal Administration is used solely to manage and service existing portfolios of facilities loans and grants made in prior years.

Howard University

(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Howard University Hospital.....	\$29.5	\$28.9	\$28.9
General Support.....	<u>207.9</u>	<u>204.3</u>	<u>204.3</u>
Total	237.4	233.2	233.2

The 2009 request would maintain support for Howard University's academic programs, research programs, construction activities, and the Howard University Hospital. The request reflects the

importance of maintaining and improving the quality and financial strength of an institution that has played a historic role in providing access to postsecondary educational opportunities for students from traditionally underrepresented backgrounds, especially African-Americans. The request includes \$3.6 million for Howard University's endowment. The direct Federal appropriation accounts for approximately 50 percent of Howard University's operating costs.

The program received an Adequate PART rating in 2005 based on data showing that Howard's performance exceeded targets and that the program is on track to achieve program goals related to graduation rates, persistence, and enrollment.

F. INSTITUTE OF EDUCATION SCIENCES

Overview

The Institute of Education Sciences (IES) supports sustained programs of research, evaluation, and data collection to provide solutions to the problems and challenges faced by schools and learners. A cornerstone of NCLB is investment in research to identify effective instructional and program practices, as well as in data collection needed to track student achievement and measure the impact of educational reform. Through its four centers—the National Center for Education Research, the National Center for Education Statistics, the National Center for Education Evaluation and Regional Assistance, and the National Center for Special Education Research—IES ensures that the Federal investment in education research and data collection is well-managed and relevant to the needs of educators and policymakers.

For 2009, the Administration is seeking \$658.2 million for IES activities. This request would support a new research initiative to identify and evaluate models for turning around low-performing schools, while maintaining support for existing programs of research, development, and dissemination in areas where our knowledge of learning and instruction is inadequate. The request also would maintain high quality statistics and assessment programs, including an ongoing longitudinal study of high school students, implementing State-level 12th grade assessments in reading and mathematics under the National Assessment of Educational Progress, and continued improvements in State-level longitudinal data systems. Finally, the request would provide funding to conduct an evaluation of the Regional Educational Laboratories.

Research, Development, and Dissemination

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$162.6	\$159.7	\$167.2

The request would support a new research initiative on the identification and evaluation of models for turning around low-performing schools, as well as ongoing research efforts in reading, mathematics, science, cognition, teacher quality, high school reform, postsecondary education, and education finance and leadership.

The request for dissemination includes funds for the *What Works Clearinghouse* (www.whatworks.ed.gov), which provides evidence-based information for policymakers, researchers, and educators on promising approaches and interventions, the National Library of Education, and the Education Research Information Clearinghouse (ERIC).

A 2007 PART review rated this program Effective, finding that IES has transformed the quality and rigor of education research within the Department of Education and increased the demand for scientifically based evidence of effectiveness in the education field as a whole. In response to a PART recommendation, IES is working with other offices to develop technical assistance materials that translate research findings into practical information that can be applied in the classroom.

Statistics

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$90.0	\$88.4	\$104.6

The Department's statistics programs—operated primarily through competitively awarded contracts administered by the National Center for Education Statistics (NCES)—provide general statistics about trends in education, collect data to monitor reform and measure educational progress, and inform the IES research agenda.

The increase requested for 2009 would help cover the rising costs of maintaining NCES's current portfolio of surveys and support a new secondary school longitudinal study that began in 2007. Funding for the Statistics program declined from 2004 to 2007, but the costs of collecting and analyzing data have increased significantly, and without additional funds NCES will be forced to discontinue or severely curtail selected ongoing surveys. The longitudinal study, which will follow a cohort of students who are in the 9th grade in 2009 through high school and college, will provide detailed information about the educational experiences of high school students, their parents, teachers, and schools, and will follow students as they make major transitions to high school and to postsecondary education or work.

A 2003 PART review rated the Statistics program Effective, primarily on the basis of survey data showing that customers are satisfied overall with NCES products and services. The PART also recommended that NCES take steps to improve the timeliness of its products and services, NCES continues to pursue initiatives such as online data collection and release of products and data via the Internet and has accelerated the release of survey data.

Regional Educational Laboratories

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$65.5	\$65.6	\$67.6

The request would support a network of 10 regional laboratories that provide expert advice, including training and technical assistance, to help States and districts apply proven research findings in their school improvement efforts. The \$2 million increase requested for 2009 would be used to support an evaluation of the program required by statute.

Assessment

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$93.1	\$104.1	\$138.8

The request would fund the ongoing National Assessment of Educational Progress (NAEP) and the National Assessment Governing Board (NAGB). NAEP measures and reports on the status of and trends in student learning over time, on a subject-by-subject basis, and makes objective information on student performance available to policymakers, educators, parents, and others.

NAEP is the only nationally representative and continuing assessment of what American students know and can do, and has become a key measure of our Nation's educational performance. NAEP activities are conducted through competitively awarded contracts.

The \$34.8 million increase requested for 2009 would allow the Department to expand 12th grade State NAEP to include all States in 2011, support a private school oversample and various special studies in 2009, and prepare for geography, U.S. history, and writing assessments. The request also would provide additional funds for NAGB to support setting achievement levels for reading, mathematics, and science assessments and a range of validity studies designed to enable NAEP to report on the preparedness of 12th grade students for college and training for occupations. A 2003 PART analysis rated the Assessment program Effective, primarily because of overall customer satisfaction. In response to a PART recommendation, NCES now releases NCLB-related NAEP results within 6 months of data collection.

Research in Special Education

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$71.8	\$70.6	\$70.6

This program supports discretionary grants and contracts for research to address gaps in scientific knowledge in order to improve special education and early intervention services for infants, toddlers, and children with disabilities. The request would support new awards under ongoing programs of research, such as new studies to advance our understanding of the education needs of children with autism and infants and toddlers with disabilities.

A 2003 PART review rated this program Results Not Demonstrated. The National Center for Special Education Research has developed long-term and annual measures of progress toward the achievement of key program outcomes and is working with the Office of Special Education Programs to develop a research plan.

Statewide Data Systems

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$24.6	\$48.3	\$100.0

The request would more than double funding for competitive awards to help State educational agencies design, develop, and implement longitudinal data systems that can improve teaching and learning and strengthen State accountability systems. To date, only 27 States have received awards under the program. Increased funding would support new awards to States that have not yet received funding under this program as well as additional awards to currently funded States to expand their K-12 systems to include postsecondary and workforce information. Including postsecondary and workforce information will allow States to examine the extent to which students are leaving high school ready for college and employment. On average, awards will be larger than in the past, because most States have found that developing and implementing longitudinal data systems is considerably more costly and complex than originally anticipated. At the request level, the Department will be able to support approximately 32 awards for developing longitudinal data systems or expanding existing data

systems to include postsecondary and workforce information. The request also would provide funding for State coordinators and data coordination.

Special Education Studies and Evaluations

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
BA in millions	\$9.9	\$9.5	\$9.5

This program, which was transferred to IES as part of the 2004 IDEA reauthorization, supports competitive grants, contracts, and cooperative agreements to assess the implementation of IDEA and the effectiveness of State and local efforts to provide special education and early intervention programs and services to infants, toddlers, and children with disabilities. The request would support the required national assessment of activities supported with Federal special education funds as well as ongoing studies.

III. PROGRAMS PROPOSED FOR ELIMINATION

The 2009 request continues the Administration's commitment to eliminate or consolidate funding for programs that have achieved their original purpose, duplicate other programs, are narrowly focused, or are unable to demonstrate effectiveness.

The Governmentwide Program Assessment Rating Tool, or PART, helps focus funding on Department of Education programs that generate positive results for students and that meet strong accountability standards. For 2009, PART findings were used to redirect funds from ineffective programs to more effective activities, as well as to identify reforms to help address program weaknesses.

The following table shows the programs proposed for elimination or consolidation in the President's 2009 budget request. Termination of these 47 programs frees up almost \$3.3 billion—based on 2008 levels—for priority education programs that have a demonstrated record of success or that hold significant promise for increasing accountability and improving student achievement. Following the table is a brief summary of each program and the rationale for its elimination.

Program Eliminations

Program (2008 BA in millions)

Academies for American History and Civics	\$1.9
Advanced Credentialing	9.6
Alaska Native Education Equity	33.3
Alcohol Abuse Reduction	32.4
Arts in Education	37.5
B.J. Stupak Olympic Scholarships	1.0
Byrd Honors Scholarships	40.3
Career and Technical Education National Programs	7.9
Career and Technical Education State Grants	1,160.9
Civic Education	31.9
Close Up Fellowships	1.9
Comprehensive School Reform	1.6
Demonstration Projects for Students with Disabilities	6.8
Education for Native Hawaiians	33.3
Educational Technology State Grants	267.5
Elementary and Secondary School Counseling	48.6
Even Start	66.5
Excellence in Economic Education	1.4
Exchanges with Historic Whaling and Trading Partners	8.8
Federal Perkins Loan Cancellations	64.3
Federal Supplemental Educational Opportunity Grants	757.5
Foundations for Learning	1.0
Javits Gifted and Talented Education	7.5
Leveraging Educational Assistance Partnerships	63.9
Mental Health Integration in Schools	4.9
Mentoring	48.5
Migrant and Seasonal Farmworkers	2.2

Program Eliminations, continued (2008 BA in millions):

National Writing Project	\$23.6
Parental Information and Resource Centers.....	38.9
Physical Education.....	75.7
Projects With Industry	19.2
Reading is Fundamental	24.6
Ready to Teach.....	10.7
Recreational Programs	2.5
School Leadership	14.5
Smaller Learning Communities	80.1
Special Olympics Education Program.....	11.8
State Grants for Incarcerated Youth Offenders	22.4
Strengthening Alaska Native and Native Hawaiian-Serving Institutions	11.6
Supported Employment State Grants	29.2
Teacher Quality Enhancement	33.7
Teachers for a Competitive Tomorrow: Baccalaureate/Master's STEM	2.0
Tech-Prep Education State Grants	102.9
Thurgood Marshall Legal Educational Opportunity Program	2.9
Tribally Controlled Postsecondary Career and Technical Institutions.....	7.5
Underground Railroad Program.....	1.9
Women's Educational Equity	<u>1.8</u>
 Total	 \$3,260.4

Program Descriptions
(Dollars reflect 2008 BA in millions)

Academies for American History and Civics \$1.9

Supports workshops for teachers and students in the areas of history and civics. Eliminating funding for this program is consistent with Administration policy of terminating small categorical programs with limited impact in order to fund higher priorities. Academies for American history and civics can be funded under other authorities, such as the Teaching American History and the Teacher Quality State Grants programs.

Advanced Credentialing..... \$9.6

Supports the development of advanced credentials based on the content experience of master teachers and related activities to encourage and support teachers seeking advanced credentials. This program is no longer needed because the development and implementation of advanced credentialing systems through the National Board for Professional Teaching Standards and the American Board for the Certification of Teacher Excellence is complete.

Alaska Native Education Equity \$33.3

Funds supplemental educational programs and services to Alaska Native children. School districts that seek to implement programs and services tailored to the educational and cultural needs of Alaska Native students are able to use funds provided under other Federal programs, such as the Title I Grants to Local Educational Agencies, Special Education State Grants, and Indian Education programs. In addition, a portion of the grantees receive earmarks not subject to a competitive process or other normal accountability requirements.

Alcohol Abuse Reduction \$32.4

Supports programs to reduce alcohol abuse in secondary schools. These programs may be funded through other Safe and Drug-Free Schools and Communities National Activities as well as with State and local resources.

Program Eliminations, continued (2008 BA in millions)

Arts in Education \$37.5

Makes non-competitive awards to VSA Arts and the John F. Kennedy Center for the Performing Arts as well as competitive awards for national demonstrations and Federal leadership activities to encourage the integration of the arts into the school curriculum. The Kennedy Center and VSA Arts have a long history of obtaining financial support from the private sector, individual donors, and other non-Federal sources, which can be expected to continue. By increasing their outreach to those sources, the two entities should be able to adjust for the ending of the earmarked Federal support. School districts desiring to implement arts education activities can use funds provided under other programs, such as the Improving Teacher Quality State Grants program.

B.J. Stupak Olympic Scholarships \$1.0

Provides financial assistance, through a non-competitive award to the US Olympic Committee, to athletes who are training at the United States Olympic Education Center or one of the United States Olympic Training centers and who are pursuing a postsecondary education. Athletes can receive grant, work-study, and loan assistance through the Department's postsecondary student aid programs. Activities can be funded under other Federal programs.

Byrd Honors Scholarships \$40.3

Promotes academic excellence and achievement by awarding merit-based scholarships to high school students, through formula grants to State educational agencies, who have demonstrated outstanding academic achievement and who show promise of continued academic excellence. This program duplicates other State, local and private efforts that provide merit-based resources for postsecondary education.

Career and Technical Education National Programs \$7.9

Program activities are mostly focused on supporting activities to help States implement the requirements of the Career and Technical Education State Grant program; no funds are requested for this activity because no funds are being requested for the State Grant program.

Career and Technical Education State Grants \$1,160.9

Provides funds to strengthen career and technical education programs at the secondary and postsecondary levels. Funds would be redirected to support programs that aim to improve the quality of high school education, particularly for students who are struggling academically and are likely to drop out or to graduate without the education needed to succeed in postsecondary education or the workforce.

Civic Education \$31.9

Provides a single non-competitive award to the Center for Civic Education to conduct We the People, a program to improve the quality of civics and government education. Also makes non-competitive and competitive awards for the Cooperative Education Exchange, a program to improve civic and economic education through exchange programs. The program's contribution to the Department's mission is marginal, and the Administration does not believe that additional funding is necessary for the successful operation of this program.

Close Up Fellowships \$1.9

Provides a non-competitive award to the Close Up Foundation to support fellowships to low-income students and teachers participating in Close Up visits to Washington, DC and other activities. Peer organizations provide scholarships to participants without Federal assistance, and the organization's successful private fundraising indicates that it can continue its activities without a Federal appropriation.

Comprehensive School Reform \$1.6

In 2008, this program is providing funds only for the Comprehensive School Reform Clearinghouse. The authorized program duplicates activities that are carried out under the Title I Grants to LEAs program, and Congress began phasing out the program in fiscal year 2006. The 2009 request would complete the process.

Program Eliminations, continued (2008 BA in millions)

Demonstration Projects to Ensure Quality Higher Education
for Students with Disabilities \$6.8

Provides funds for competitive grants for technical assistance and professional development activities for faculty and administrators in institutions of higher education to improve the quality of education for students with disabilities. This program has achieved its primary goal of funding model demonstration projects. Activities can be funded under other Federal programs.

Education for Native Hawaiians \$33.3

Provides grants for supplemental education services and activities for Native Hawaiians. Public and private entities that seek to implement programs and services to meet educational needs of Native Hawaiian students may use or apply for funding under other Federal programs, such as Title I Grants to Local Educational Agencies, Special Education State Grants, and the TRIO programs. In addition, in recent years a portion of the funding has been earmarked for noncompetitive grants to specific entities.

Educational Technology State Grants \$267.5

Provides funding to States and school districts to support the deployment and integration of educational technology into classroom instruction. Schools today offer a greater level of technology infrastructure than just a few years ago, and there is no longer a significant need for a State formula grant program targeted specifically on (and limited to) the integration of technology into schools and classrooms. Districts seeking funds to integrate technology into teaching and learning can use funds from other Federal programs, such as Improving Teacher Quality State Grants and Title I Grants to Local Educational Agencies.

Elementary and Secondary School Counseling..... \$48.6

Provides grants to LEAs to establish or expand elementary school and secondary school counseling programs. School counselors are primarily supported with State and local funds and this Federal program, by making a small number of grants, does little to increase the availability of school counseling services or the quality of those services. Such activities also may be funded under Safe and Drug-Free Schools and Communities National Programs as part of a comprehensive, research-based focus on the school environment.

Even Start \$66.5

Supports projects to improve educational opportunities for children and their parents in low-income areas by integrating early childhood education, adult education, and parenting education into “family literacy” programs. However, three separate national evaluations of the program reached the same conclusion: children and adults participating in Even Start generally made no greater literacy gains than non-participants, a finding that contributed to an Ineffective PART rating. Other programs such as Reading First and Early Reading First are better structured to implement proven research and to achieve the Nation’s literacy goals. In response to the evaluation findings, the Congress has phased out most funding for this program; the 2009 budget would complete the phase-out.

Excellence in Economic Education \$1.4

Supports a grant to a single national nonprofit educational organization to promote economic and financial literacy for K-12 students. Economic and financial literacy education can be supported under other programs, such as Improving Teacher Quality State Grants. In addition, the current grantee receives grants and contributions from private-sector firms and foundations to support its economic education activities. It should be able to continue its activities at the current operating level through an increase in outreach to the private sector.

Program Eliminations, continued (2008 BA in millions)

Exchanges with Historic Whaling and Trading Partners \$8.8

Supports culturally based educational activities, internships, apprenticeship programs and exchanges for Alaska Natives, Native Hawaiians, children and families of Massachusetts, and any federally recognized Indian tribe in Mississippi. All of the funding provided for the program is for statutory earmarks, and the Administration has consistently opposed the funding of earmarks because they support activities that have not gone through the rigor of a competitive process and have negligible accountability for results. Other Federal and non-Federal sources are available to support the activities carried out under this program.

Federal Perkins Loan Cancellations \$64.3

Reimburses institutional revolving funds for borrowers whose loan repayments are canceled in exchange for undertaking public service employment, such as teaching in Head Start programs, full-time law enforcement, or nursing. These reimbursements are no longer needed as the Administration will work with Congress to phase out the Perkins Loan program, which is inefficient and duplicative of other, larger, Federal student loan programs.

Federal Supplemental Educational Opportunity Grants..... \$757.5

Program provides need-based grant aid to eligible undergraduate students to help reduce financial barriers to postsecondary education. Federal funding allocations are awarded to qualifying postsecondary institutions under an outdated statutory formula, and individual SEOG awards are not optimally allocated based on a student's financial need.

Foundations for Learning \$1.0

Funds services to children and their families to enhance young children's development and school readiness. The request includes funding for other, larger programs that support early childhood education and development, such as Early Reading First, Special Education Preschool Grants, and Special Education Grants for Infants and Families.

Javits Gifted and Talented Education \$7.5

Supports research, demonstration projects, and other activities designed to help elementary and secondary schools meet the needs of gifted and talented students. Most gifted and talented education programs in the U.S. are implemented without Federal support, and the program, by making a handful of grants each year, does little to increase the availability of gifted and talented programs in schools, increase the quality of those programs, or advance the field of gifted and talented education nationally.

Leveraging Educational Assistance Partnerships \$63.9

Has accomplished its objective of stimulating all States to establish need-based postsecondary student grant programs. State grant levels have expanded greatly over the years, and most States significantly exceed the statutory matching requirements. State matching funds in academic year 2006-07, for example, totaled nearly \$1 billion, or more than \$950 million over the level generated by a dollar-for-dollar match.

Mental Health Integration in Schools \$4.9

Makes competitive grants to increase student access to mental health care by linking school systems with the mental health system. School districts may use funds from other Federal programs to support mental health services. For example, the 2009 request includes \$77.8 million for the Safe Schools/Healthy Students initiative that the Department of Education (under Safe and Drug-Free Schools and Communities National Activities) funds jointly with the Substance Abuse and Mental Health Services Administration in the Department of Health and Human Services. Each Safe Schools/Healthy Students grant must support school and community mental health preventive and treatment services as part of a comprehensive approach to healthy childhood development.

Program Eliminations, continued (2008 BA in millions)

Mentoring Program \$48.5

Makes grants to LEAs and nonprofit community-based organizations to establish and support mentoring programs and activities for children who are at risk of educational failure. In 2005, the Department began a 4-year evaluation to assess the impact of school-based mentoring programs supported with Safe and Drug-Free Schools and Communities National Activities funds. The evaluation will be completed in 2008. The program has accomplished its mission.

Migrant and Seasonal Farmworkers \$2.2

This program makes competitive awards to support rehabilitation services to migratory workers with disabilities, duplicating activities that may be funded through the VR State Grants program.

National Writing Project \$23.6

Supports a non-competitive grant to a nationwide, nonprofit educational organization that promotes the effective teaching of writing in grades K-16. States may support such activities through flexible programs like Improving Teacher Quality State Grants. In addition, the Administration does not believe that making awards to designated grantees without the benefit of competition is the best way of ensuring that public funds are used effectively.

Parental Information and Resource Centers..... \$38.9

Provides training, information, and support to SEAs, LEAs, and other organizations that carry out parent education and family involvement activities. Parent education and family involvement activities are required and funded under other ESEA programs, such as Title I Grants to Local Educational Agencies. In addition, all States now have access to a comprehensive technical assistance system that includes assistance in the areas addressed by PIRCs.

Physical Education Program..... \$75.7

Provides grants to local educational agencies and community-based organizations to pay for the Federal share of the costs of initiating, expanding, and improving physical education programs for students in kindergarten through 12th grade. However, there is no evidence that the program is making a difference in terms of youth physical activity, reduction in obesity, or other desired outcomes.

Projects With Industry (PWI)..... \$19.2

PWI administers a grant competition for projects to help individuals with disabilities obtain employment in the competitive labor market. This program is duplicative of the much larger VR State Grants program, which is authorized to provide the same services to the same target population.

Reading is Fundamental \$24.6

Supports an annual award to Reading is Fundamental, Inc. (RIF) to provide aid to local nonprofit groups and volunteer organizations that serve low-income children through book distribution and reading motivation activities. Though the Administration supports the goals of the program, RIF receives substantial private donations that can support the program if Federal funds are discontinued. In addition, the Administration is opposed to programs that provide noncompetitive, earmarked support to designated entities.

Ready to Teach..... \$10.7

Makes competitive awards to nonprofit telecommunications entities for programs to improve teaching in core curriculum areas, and to develop, produce, and distribute innovative educational and instructional video programming. The \$2.8 billion Improving Teacher Quality State Grants program provides sufficient resources for such activities.

Program Eliminations, continued (2008 BA in millions)

Recreational Programs \$2.5

Supports competitively awarded projects that provide recreation and related activities for individuals with disabilities to aid in their employment, mobility, independence, socialization, and community integration. The program has limited impact, and such activities are more appropriately financed by State and local agencies and the private sector.

School Leadership \$14.5

Provides grants to assist high-need LEAs in the recruitment, training, and retention of principals and assistant principals. These activities are specifically authorized under other Federal programs, such as Improving Teacher Quality State Grants.

Smaller Learning Communities \$80.1

Provides competitive awards to LEAs to support the creation of smaller, more personalized learning environments in large high schools. The relatively low demand for smaller learning communities, the effectiveness of which has not been proven through research, has been met both by funding in earlier years and through private efforts. The Administration is addressing the need for high school reform through its 2009 requests for Title I Grants to Local Educational Agencies, Striving Readers, the Advanced Placement and International Baccalaureate program, and Academic Competitiveness Grants. Also, schools identified for improvement under Title I may use Title I school improvement funds to create smaller learning communities as part of an overall school improvement plan.

Special Olympics Education Program..... \$11.8

Supports activities to promote the expansion of Special Olympics, and the design and implementation of Special Olympics education programs. Many of the activities are not directly supportive of the Department of Education's mission and strategic education goals. Eliminating funding for this program is also consistent with the Administration's policy of increasing resources for higher priority programs and eliminating small categorical programs that have limited impact. In addition, the Administration does not believe that making awards to designated grantees without the benefit of competition is the best way of ensuring that public funds are used effectively.

State Grants for Incarcerated Youth Offenders \$22.4

Provides formula grants to State correctional agencies to assist and encourage incarcerated youth in acquiring functional literacy skills and life and job skills. State appropriations and prisoner self-funding can support these activities in the absence of Federal funds. In addition, the 2009 budget request includes funding for the Department of Labor's Reintegration of Ex-Offenders (REO) program, which can serve many of the needs of this population. For juvenile offenders, REO provides a greater focus on building basic literacy and numeracy skills and the completion of secondary education through alternative education pathways, leading to career opportunities through postsecondary credentialing programs or pre-apprenticeship and apprenticeship programs.

Strengthening Alaska Native and Native Hawaiian-Serving Institutions \$11.8

Helps Alaska Native and Native Hawaiian-serving Institutions improve their capacity to serve Alaska Native and Native Hawaiian students, activities may be carried out under the HEA Title III Strengthening Institutions program. Furthermore, \$15 million in mandatory funding is provided under the College Cost Reduction and Access Act.

Supported Employment State Grants \$29.2

This formula grant program has accomplished its goal of developing collaborative programs with appropriate public and private nonprofit organizations to provide supported employment services for individuals with the most significant disabilities. Supported employment services are also provided by the VR State Grants program.

Program Eliminations, continued (2008 BA in millions)

Teacher Quality Enhancement \$33.7

This program provides competitive grants to States and partnerships to improve recruitment, preparation, licensure, and support for teachers by providing incentives, encouraging reforms, and leveraging local and State resources to ensure that current and future teachers have the necessary teaching skills and academic content knowledge to teach effectively. All of these activities can be carried out under other existing Federal programs.

Teachers for a Competitive Tomorrow: Baccalaureate and Master's
STEM and Foreign Language Teacher Training..... \$2.0

Provides competitive grants to enable partnerships to develop and implement programs that provide courses of study in science, technology, engineering, mathematics, or critical foreign languages that are integrated with teacher education and would lead to a baccalaureate degree in the primary subject matter with a concurrent teacher certification. Similar grants support 2- or 3-year part-time master's degree programs for teachers to enhance the teacher's content knowledge and teaching skills in the same fields; or programs for professionals in those fields that lead to a 1-year master's degree in teaching that results in teacher certification. Activities can be funded under other Federal programs.

Tech-Prep Education State Grants \$102.9

Grants to States support local programs that develop a structural link between secondary and postsecondary institutions that integrates academic and career and technical education and prepares students to make the transition from high school to college and from college to careers. Funds would be redirected to activities focused on strengthening high school education in general, rather than supporting this lower-priority, narrowly focused program.

Thurgood Marshall Legal Educational Opportunity Program \$2.9

Supports a non-competitive award to provide minority, low-income or disadvantaged college students with the information, preparation, and financial assistance needed to gain access to and complete law school study. Disadvantaged individuals can receive assistance through the Department's student financial assistance programs.

Tribally Controlled Postsecondary Career and Technical Institutions..... \$7.5

Provides grants to tribally controlled postsecondary career and technical institutions to provide career and technical education to Indian students. The statute effectively earmarks funds to the same institutions each year. Program recipients are eligible for competitive grants under other Federal programs, including mandatory funding provided for the Strengthening Tribally Controlled Colleges and Universities program under the College Cost Reduction and Access Act.

Underground Railroad Program..... \$1.9

Provides competitive grants to non-profit educational organizations to establish facilities that house, display, and interpret artifacts relating to the history of the Underground Railroad, as well as to make the interpretive efforts available to institutions of higher education. The program has largely achieved its original purpose.

Women's Educational Equity \$1.9

Promotes educational equity for girls and women. There is no longer a need for a program focused on eliminating the educational gap for girls and women, as women have made educational gains that match or exceed those of their male peers.

IV. DEPARTMENTAL MANAGEMENT

History and Background

Congress established the Department of Education as a Cabinet level agency in 1980. Today, the Department operates programs that touch on every area and level of education. The Department's elementary and secondary programs annually serve more than 14,000 school districts and some 56 million students attending more than 97,000 public schools and 28,000 private schools. Department programs also provide grant, loan, and work-study assistance to nearly 11 million postsecondary students.

Despite its broad reach, the Department's role remains a limited one, reflecting both the history and structure of the American education system, in which education is primarily a State and local responsibility. It is States and communities, as well as public and private organizations of all kinds, that establish schools and colleges, develop curricula, and determine requirements for enrollment and graduation. The structure of education finance in America reflects this predominant State and local role. Of the estimated \$1 trillion spent annually on education at all levels, a large majority—nearly 91 percent at the elementary and secondary level—comes from State, local, and private sources.

Moreover, in creating the Department of Education, Congress reinforced this limited role by prohibiting the new agency from exercising "any direction, supervision, or control over the curriculum program of instruction, administration, or personnel of any educational institution, school, or school system."

In general, the Department of Education is responsible for administering education programs authorized by Congress and signed into law by the President. This responsibility involves developing regulations and policy guidance that determine exactly how programs are operated, determining how program funds are awarded to recipients, ensuring that programs are operated fairly and in conformance with both authorizing statutes and laws prohibiting discrimination in federally funded activities, collecting data and conducting research on education, and helping to focus attention on education issues of national importance.

Most federal funds for education are distributed using three methods: a statutory formula based on certain eligibility requirements, such as the number of low-income students in a school district; a competitive process aimed at identifying the most promising proposals or projects targeting a particular educational purpose; or financial need, such as the ability of a student or family to pay for college.

Key programs administered by the Department include Title I Grants to Local Educational Agencies, which in fiscal year 2008 will deliver almost \$14 billion to help 20 million students in high poverty schools meet State proficiency standards; Individuals with Disabilities Education Act Part B Grants to States, which will provide nearly \$11 billion to help States and school districts meet the special educational needs of students of all ages with disabilities; Federal Pell Grants, which will make available almost \$16 billion in grant assistance to poor students enrolled in postsecondary institutions; and the postsecondary student loan programs, which will support over \$70 billion a year in new low-interest loans to help students and families pay for college.

While the Department's programs and responsibilities have grown substantially over the years, the agency itself has not. In fact, with a planned fiscal year 2008 level of 4,169 full-time

equivalent employees, the Department's staff is nearly 45 percent below the 7,528 employees who administered Federal education programs in several different agencies prior to the creation of the Department in 1980. As a result, the Department has the smallest staff of any Cabinet agency, yet administers the third-largest discretionary budget. This small, efficient staff, along with many management improvements over the years, helps limit administrative costs to approximately 2 percent of the Department's budget, ensuring that the agency delivers about 98 cents on the dollar in education assistance to States, school districts, postsecondary institutions, and students.

The 2009 request for administration, described in detail below, would help the Department continue this record of effective and efficient management of Federal education programs.

Departmental Management
(BA in millions)

	<u>2007</u>	<u>2008</u>	<u>2009 Request</u>
Program Administration.....	\$418.6 ¹	\$411.3 ¹	\$444.4 ¹
Office for Civil Rights.....	91.2	89.6	101.0
Office of the Inspector General	50.3 ²	50.8	54.5
Student Aid Administration	718.0 ^{3,4}	695.8	714.0
Other	<u>13.0⁵</u>	<u>13.8⁵</u>	<u>16.8⁵</u>
Total.....	1,291.1	1,261.3	1,330.7

Full-time equivalent employment (FTE)

Program Administration.....	2,113	2,095	2,095
Office for Civil Rights.....	614	629	629
Office of the Inspector General	282	270	280
Student Aid Administration	1,050	1,140	1,140
Other	<u>30⁵</u>	<u>35⁵</u>	<u>35⁵</u>
Total	4,089 ⁶	4,169 ⁶	4,179 ⁶

¹ Includes \$2.1 million in 2007, \$2.1 million in 2008, and \$7.9 million in 2009 for the Building Modernization activity.

² Includes a transfer of \$1,464,060 from Student Aid Administration, as authorized by Section 104 of the Continuing Appropriations Resolution 2007.

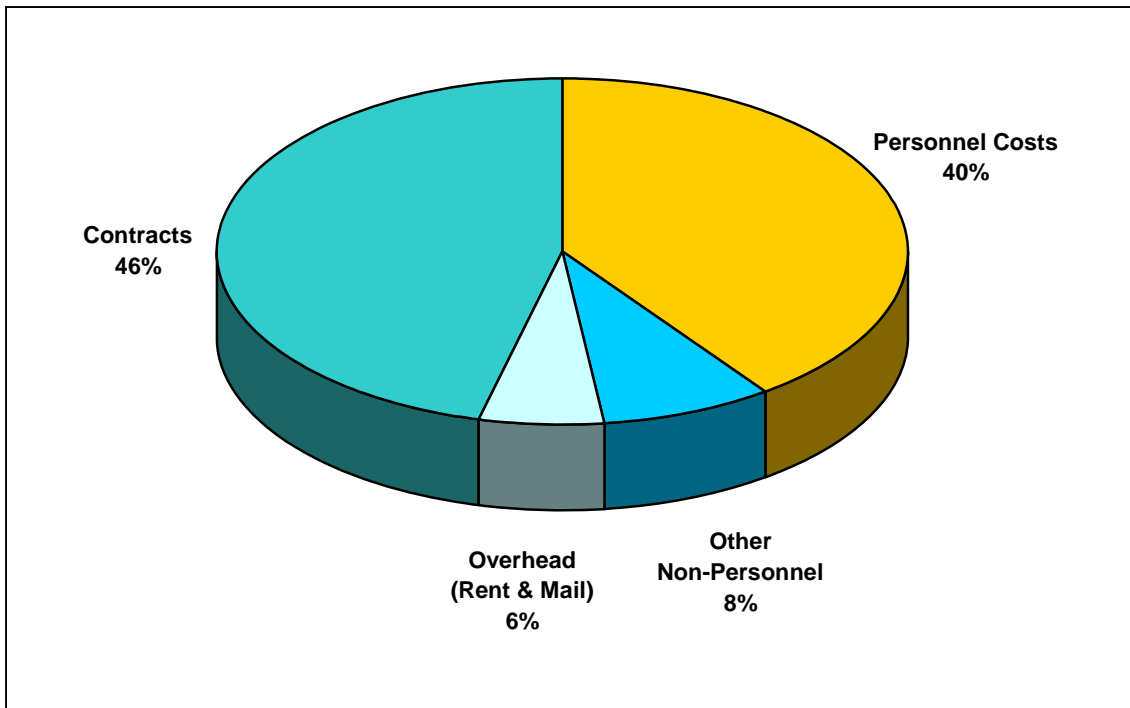
³ Reflects enactment of the Higher Education Reconciliation Act of 2005 (Title V-III of the Deficit Reduction Act of 2005), which reauthorizes HEA section 458 and requires the Congress, beginning in fiscal year 2007, to appropriate discretionary funds for Federal student aid administrative costs, which were formerly available as mandatory funds.

⁴ Reflects a rescission of \$500,000, enacted in Section 6608 of P.L. 110-28, the U.S. Troops Readiness, Veterans' Care, Katrina Recovery and Iraq Accountability Appropriations Act of 2007, enacted May 25, 2007, and transfer of \$1,464,060 to the Office of the Inspector General, as authorized by Section 104 of the Continuing Appropriations Resolution, 2007.

⁵ Includes small Federal Credit Administration accounts and S&E activities in program accounts.

⁶ Actual FTE usage in 2007; target for 2008 and 2009.

FY 2009 Salaries and Expenses Costs by Category



Salaries and Expenses Overview

The 2009 budget request for Salaries and Expenses (S&E) will pay the costs of staff, overhead, contracts, and other activities needed to administer and monitor the Department's educational assistance programs and provide almost \$95 billion in grants and loans to more than 11 million postsecondary students and parents.

The Department is requesting \$1.33 billion for its discretionary S&E budget in 2009, an increase of \$69 million over the 2008 level. This includes \$535 million for payroll costs, which would rise an estimated \$18 million to pay for the proposed 2.9 percent Governmentwide pay raise in 2009 as well as employee benefit increases.

The non-personnel costs for the administrative accounts cover such items as travel, rent, mail, telephones, utilities, printing, information technology (IT), contractual services, equipment, supplies, and other Departmental services. The total request for non-personnel activities in 2009 is \$796 million.

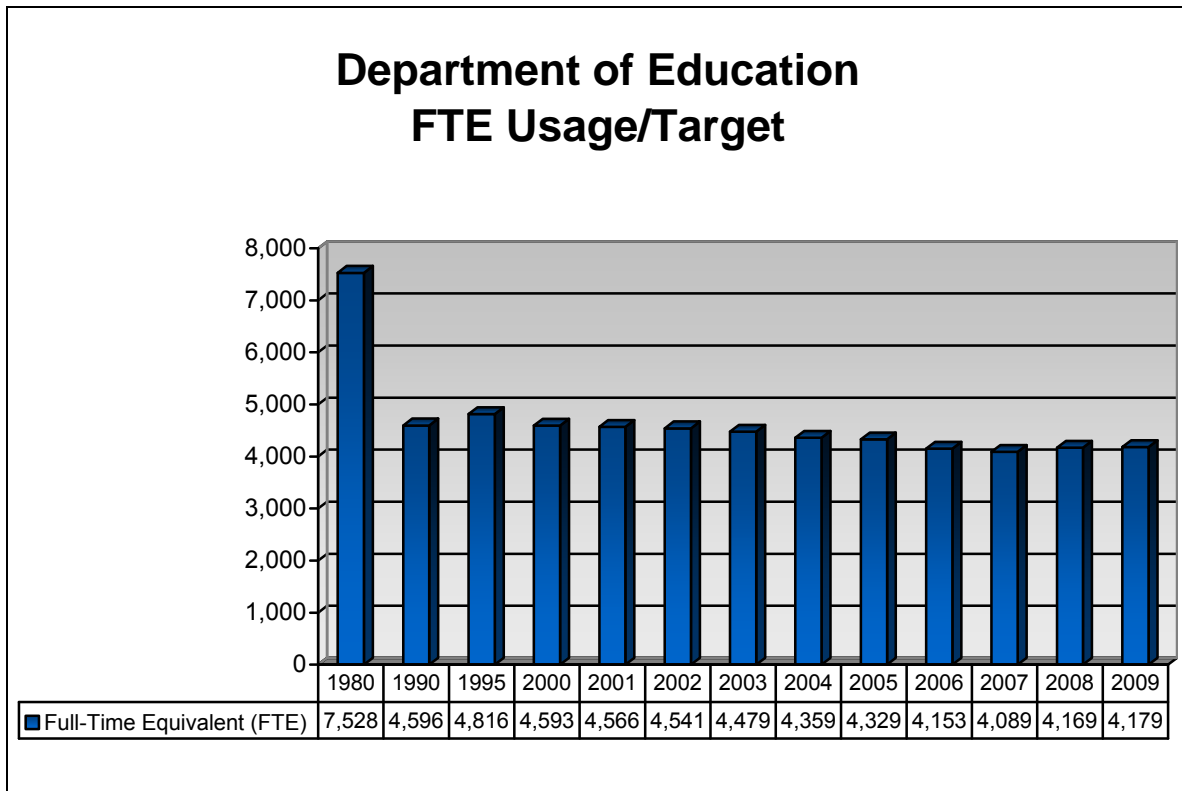
More than two-thirds of the requested increase in 2009 is for three activities:

1. Pay raises—both the enacted 3.5 percent raise for 2008 and the proposed 2.9 percent 2009 pay raise;
2. The one-time effect of accelerating computer network and publication dissemination contract costs; and
3. General Services Administration (GSA) mandated regional office moves as well as inflationary increases in services provided by GSA and the Federal Protective Service.

These increases in “fixed” costs for 2009 mean that funding below the request level would require cuts elsewhere in the Department’s budget, such as reduced staffing. Other requested increases would support the administration of the National Assessment of Educational Progress (NAEP), carrying out the statutorily required Civil Rights Data Collection, and improving the Department’s grant monitoring efforts.

Department administrative costs continue to constitute a small fraction of its total budget. For example, even with the increase requested for 2009, the discretionary administrative budget would be approximately 2 percent of the Department’s total discretionary appropriation and less than 1 percent of all grants and loans made by the Department last year.

Department Employment

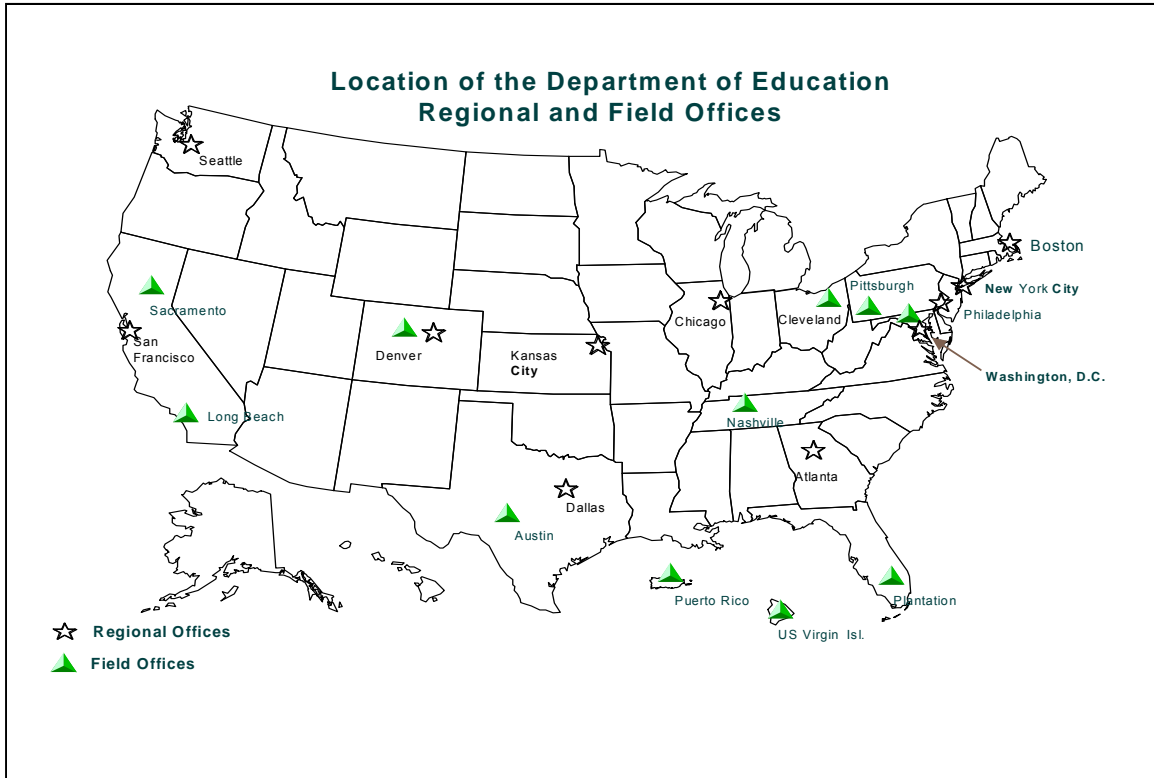


The 2009 staffing request of 4,179 FTE, an increase of 10 FTE from the planned 2008 level, is 44 percent below the level of 7,528 FTE when the Department was created in 1980. The additional 10 FTE in 2008 are for the following activities in the Office of the Inspector General:

- 1) 5 FTE in Audit Services to conduct oversight in determining whether Department programs and operations are in compliance with applicable laws and regulations, are operating efficiently, and are achieving program goals.
- 2) 5 FTE in Investigation Services to conduct a program of compliance audits and investigations focusing primarily on institutions (lenders, guaranty agencies, servers, and schools) participating in the student financial assistance programs.

Despite steadily reducing its workforce, the Department has improved its operational performance, in part by relying heavily on automation and private contractors to handle such functions as awarding grants, processing student aid applications, and providing grants and loans to more than 11 million college students. Already the smallest of the Cabinet agencies, the Department streamlines administrative tasks and privatizes functions that can be handled more efficiently by outside contractors. A prime example of this management approach is the effective use of contracts to operate the Federal Direct Student Loan program.

As shown in the following chart, staff is divided among the Washington, D.C. headquarters, 10 regional offices, and 10 field offices. Approximately 76 percent of the employees are assigned to headquarters, and 24 percent are assigned to the regional and field offices. Most regional and field office employees are in the Federal Student Aid office, the Office of the Inspector General, and the Office for Civil Rights. Regional and field office activities include review of lenders, institutions, and guaranty agencies participating in the student financial aid programs, as well as collections on defaulted student loans; audits and investigations of Department programs and operations; and civil rights complaint investigations and compliance reviews.



Program Administration

The Program Administration account provides administrative support for most programs and offices in the Department. The 2009 request totals \$444.4 million, an increase of \$33.1 million from the 2008 level. The budget request includes \$274.6 million for personnel compensation and benefits to support 2,095 FTE, an increase of \$7.9 million from the 2008 level.

Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology (IT), contractual services, equipment, supplies, and other Departmental services. The total request for non-personnel activities in 2009 is \$169.8 million, an increase of \$25.2 million from 2008. The increase is primarily for rental payments, the Department's centralized information technology network, dissemination of print materials produced by the Department, increased monitoring of grantees, relocation of Department employees in regional offices, and IT enhancements such as developing a system designed to identify and monitor potential high-risk grantees.

Student Aid Administration

The Department will administer nearly \$95 billion in new Federal student aid grants and loans to more than 11 million students and parents in fiscal year 2009. In addition, the Department will support the consolidation of an estimated \$43 billion in loans made in earlier years. In providing this essential financial assistance to postsecondary students and their families, the Department and its contractors will interact on a daily basis with approximately 6,200 schools; 3,100 lenders; 35 guaranty agencies; and dozens of accrediting agencies, participants in the secondary market for student loans, and other organizations. Ensuring the smooth operation of the complex array of financial transactions and participants involved in the student financial aid programs—and safeguarding the interests of both students and Federal taxpayers—is perennially the Department's greatest management challenge and one of its highest administrative priorities. Primary responsibility for administering the Federal student financial assistance programs rests with Federal Student Aid (FSA) and the Office of Postsecondary Education (OPE).

The Student Aid Administration account represents 54 percent of the Department's total administrative budget. The request would provide \$714 million to administer student aid programs in 2009, an increase of \$18.2 million from the 2008 level. Of the total request, \$143.6 million is for staff pay and benefits for 1,140 FTE and \$464.0 million is for information technology contracts, primarily for the processing of student aid grant and loan applications; payments to students, schools, guaranty agencies, and lenders; and to collect defaulted loans.

Office for Civil Rights

The Department's Office for Civil Rights (OCR) investigates discrimination complaints, conducts compliance reviews, monitors corrective action plans, and provides technical assistance on civil rights issues. The 2009 request for OCR is \$101 million, an increase of \$11.4 million over the 2008 level. About \$75 million of the OCR budget is for staff pay and benefits for its 629 FTE; the remaining \$26 million covers overhead costs as well as computer equipment, data analysis and reporting activities, travel, staff training, and other contractual services.

The requested funds will ensure essential program support to resolve complaints of discrimination filed by the public and to ensure that institutions receiving Federal financial assistance are in compliance with the civil rights laws enforced by OCR. The request also will provide resources for technical assistance to recipients, parents, and students to informally address civil rights concerns and to prevent problems from arising in the future. OCR provides extensive information on its Internet site, including self-assessment materials for recipients, data on school characteristics, brochures, and other information for the public.

Office of the Inspector General

The Office of the Inspector General (OIG) conducts audits and investigations of the Department's programs and activities to help ensure accountability for taxpayer-provided funds and to identify management improvements. The 2009 request for the OIG is \$54.5 million, an increase of \$3.7 million over the 2008 level. Approximately 68 percent of this amount, or \$37.3 million, is for personnel compensation and benefits to support a staffing level of 280 FTE.

The non-personnel request of \$17.2 million includes \$2.1 million to contract for the mandated annual audit of the Department's financial statements. The scope of the audit will include the examination and analysis of account balances, review of applicable financial systems, and evaluation of internal controls and compliance with significant laws and regulations.

APPENDICES

Tables:

- Summary of Discretionary Funds, Fiscal Years 2001-2009
- PART Ratings for ED Programs Assessed to Date
- Education Fact Sheets
- Detailed Budget Table by Program

DEPARTMENT OF EDUCATION
Summary of Discretionary Funds, FY 2009 Request

(dollars in thousands) Program	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	2007 Operating	2008	Fiscal Year	2009	Change from	
	2001	2002	2003	2004	2005	2006	Plan	Request	2008	Request	FY 2001 - FY 2009	Percent
Elementary/Secondary Education (K-12)												
No Child Left Behind (NCLB) ¹												
Title I Grants to Local Educational Agencies	8,762,721	10,350,000	11,688,664	12,342,309	12,739,571	12,713,125	12,838,125	13,909,900	13,898,875	14,304,901	5,542,180	63.2%
School Improvement Grants	0	0	0	0	0	0	125,000	500,000	491,265	491,265	491,265	---
Reading First State Grants	286,000	900,000	993,500	1,023,923	1,041,600	1,029,234	1,029,234	1,018,692	393,012	1,000,000	714,000	249.7%
Math Now	0	0	0	0	0	0	0	125,000	0	95,000	95,000	---
Math and Science Partnerships	0	0	0	0	0	0	182,160	182,124	178,978	178,978	178,978	---
Pell Grants for Kids	0	0	0	0	0	0	0	250,000	0	300,000	300,000	---
Impact Aid	993,302	1,143,500	1,188,226	1,229,527	1,243,862	1,228,453	1,228,453	1,228,100	1,240,717	1,240,718	247,416	24.9%
Improving Teacher Quality State Grants	0	2,850,000	2,930,825	2,930,126	2,916,605	2,887,439	2,887,439	2,787,488	2,935,248	2,835,248	2,835,248	---
Education Technology State Grants	450,000	700,500	695,947	691,841	496,000	272,250	272,250	0	267,494	0	(450,000)	-100.0%
21st Century Learning Opportunities	845,614	1,000,000	993,500	999,070	991,077	981,166	981,166	981,180	1,081,166	800,000	(45,614)	-5.4%
State Assessments	0	387,000	384,484	390,000	411,680	407,563	407,563	411,630	408,732	408,732	408,732	---
Striving Readers	0	0	0	0	24,800	29,700	31,870	100,000	35,371	100,000	100,000	---
Even Start	250,000	250,000	248,375	246,910	225,095	99,000	82,283	0	66,454	0	(250,000)	-100.0%
Teacher Incentive Fund	0	0	0	0	0	99,000	200	199,000	97,270	200,000	200,000	---
Adjunct Teacher Corps	0	0	0	0	0	0	0	25,000	0	10,000	10,000	---
Advanced Placement	0 ²	22,000	23,347	23,534	29,760	32,175	37,026	122,175	43,540	70,000	70,000	---
Safe and Drug-Free Schools and Communities	644,250	696,750	666,353	674,203	671,961	568,835	577,429 ³	324,248	513,391	281,963	(362,287)	-56.2%
English Language Acquisition	446,000	664,269	683,747	681,215	675,765	669,007	669,007	670,819	700,395	730,000	284,000	63.7%
Other NCLB	4,704,577	3,048,657	3,128,264	3,076,619	2,882,478	2,316,229	2,138,196	1,463,703	2,065,213	1,497,149	(3,207,428)	-68.2%
Subtotal, NCLB	17,382,464	22,012,676	23,625,232	24,309,277	24,350,254	23,333,176	23,487,401	24,299,059	24,417,121	24,543,954	7,161,490	41.2%
Special Education (IDEA)												
Grants to States (Part B)	6,339,685	7,528,533	8,874,398	10,068,106	10,589,746	10,582,961	10,782,961	10,491,941	10,947,511	11,284,511	4,944,826	78.0%
Other IDEA	1,022,910	1,065,891	1,082,309	1,092,601	1,083,860	1,070,052	1,019,906	993,206	1,034,381	1,051,432	28,522	2.8%
Subtotal, IDEA	7,362,595	8,594,424	9,956,707	11,160,707	11,673,606	11,653,013	11,802,867	11,485,147	11,981,892	12,335,943	4,973,348	67.5%
Subtotal, NCLB and IDEA	24,745,059	30,607,100	33,581,939	35,469,984	36,023,860	34,986,189	35,290,268	35,784,206	36,399,013	36,879,897	12,134,838	49.0%
Career and Technical Education State Grants												
Other K-12	1,100,000	1,180,000	1,192,200	1,195,008	1,194,331	1,182,388	1,181,553	600,000	1,160,911	0	(1,100,000)	-100.0%
Other K-12	1,471,834	291,334	339,114	277,486	312,066	295,263	296,098	189,371	310,216	185,698	(1,286,136)	-87.4%
Subtotal, Elementary/Secondary Education	27,316,893	32,078,434	35,113,253	36,942,478	37,530,257	36,463,840	36,767,919	36,573,577	37,870,141	37,065,595	9,748,702	35.7%
Postsecondary Education												
Federal Pell Grants	8,756,000	11,314,000	11,364,646	12,006,738	12,364,997	13,045,230	13,660,711	13,223,000	14,215,000	16,851,059	8,095,059	92.5%
Other Student Financial Aid	1,918,000	1,971,500	1,998,426	2,000,558	1,900,752	1,881,745	1,881,745	980,492	1,866,136	980,492	(937,508)	-48.9%
Other Postsecondary Education	2,295,560	2,439,336	2,498,791	2,499,957	2,530,921	2,366,961	2,366,961	2,257,606	2,443,284	1,508,616	(786,944)	-34.3%
Subtotal, Postsecondary Education	12,969,560	15,724,836	15,861,863	16,507,253	16,796,670	17,293,936	17,909,417	16,461,098	18,524,420	19,340,167	6,370,607	49.1%
IES Programs												
Research, Development and Dissemination	120,567	121,817	139,090	165,518	164,194	162,552	162,552	162,535	159,696	167,196	46,629	38.7%
Statistics	80,000	85,000	89,415	91,664	90,931	90,022	90,022	119,022	88,449	104,593	24,593	30.7%
National Assessment	40,000	111,553	94,767	94,763	94,073	93,132	93,149	116,632	104,053	138,844	98,844	247.1%
Statewide Data Systems	0	0	0	0	24,800	24,552	24,552	49,152	48,293	100,000	100,000	---
Other Programs and Activities	1,703,801	1,448,431	1,405,458	1,439,618	1,456,723	2,013,580	2,015,596	2,787,119	2,386,415	2,293,665	589,864	34.6%
TOTAL, ED Discretionary Funds	42,230,821	49,935,599	53,113,709	55,661,673	56,576,928	56,552,764 ⁴	57,481,794 ^{3,4}	55,821,794	59,181,467	59,210,061	16,979,240	40.2%

Note: Detail may not add to totals due to rounding.

¹ Starting in 2009, includes funds for elementary and secondary education programs authorized by the America COMPETES Act (P.L. 110-69)

² In 2001, Advanced Placement was authorized by the Higher Education Amendments of 1998. Funds are included in K-12

³ Includes \$8,594 thousand for Persistently Dangerous Schools (Pub. Law 110-28).

⁴ Excludes emergency supplemental appropriations for hurricane education recovery in FY 2006 and FY 2007 (Pub. Laws 109-148, 109-234, and 110-28)

PART Ratings for ED Programs Assessed To Date

(Dollars in thousands)

Program	Year Assessed	Rating ¹	FY 2008 Appropriation ²	FY 2009 Request ²	Change from 2008
Adult basic and literacy education State grants	2002/06	Effective	554,122	554,122	0
National assessment	2002/03	Effective	98,121	130,121	32,000
Statistics	2002/03	Effective	88,449	104,593	16,144
Reading first State grants	2006	Effective	393,012	1,000,000	606,988
Research, development and dissemination	2007	Effective	159,696	167,196	7,500
Subtotal, 5 Programs Effective			1,293,400	1,956,032	662,632
TRIO Student support services	2002/05	Mod. Effec.	282,275	282,275	0
Improving teacher quality State grants	2003/05	Mod. Effec.	2,935,248	2,835,248	-100,000
TRIO Talent search	2003/05	Mod. Effec.	142,884	142,884	0
Advanced placement	2005	Mod. Effec.	43,540	70,000	26,460
Early reading first	2006	Mod. Effec.	112,549	112,549	0
Title I Grants to local educational agencies	2006	Mod. Effec.	13,898,875	14,304,901	406,026
TRIO McNair postbaccalaureate achievement	2006	Mod. Effec.	43,636	43,636	0
Subtotal, 7 Programs Moderately Effective			17,459,007	17,791,493	332,486
Comprehensive school reform	2002	Adequate	1,605	0	-1,605
Student Aid Administration (includes FDSL Fed. Admn.)	2002	Adequate	695,843	714,000	18,157
Vocational rehabilitation State grants	2002	Adequate	2,839,151	2,839,151	0
Federal Pell grants	2002/03	Adequate	14,215,000	16,851,059	2,636,059
IDEA grants to States	2002/05	Adequate	10,947,511	11,284,511	337,000
21st century learning opportunities	2003	Adequate	1,081,166	800,000	-281,166
GEAR UP	2003	Adequate	303,423	303,423	0
Troops-to-teachers	2003	Adequate	14,389	14,389	0
Federal direct student loans	2003/04	Adequate	5,532,290	328,670	-5,203,620
FFEL program	2003/04	Adequate	4,533,440	2,407,263	-2,126,177
National Institute on Disability and Rehabilitation Research	2003/05	Adequate	105,741	105,741	0
Javits Fellowships	2004	Adequate	9,530	9,844	314
Magnet schools assistance	2004	Adequate	104,829	104,829	0
Projects with industry	2004	Adequate	19,197	0	-19,197
State assessments	2004	Adequate	408,732	408,732	0
Vocational rehabilitation grants for Indians	2004	Adequate	34,892	34,892	0
Graduate assistance in areas of national need	2004/06	Adequate	29,542	32,517	2,975

PART Ratings for ED Programs Assessed To Date

(Dollars in thousands)

Program	Year Assessed	Rating ¹	FY 2008 Appropriation ²	FY 2009 Request ²	Change from 2008
Child care access means parents in school	2004/07	Adequate	15,534	15,534	0
Charter schools grants	2005	Adequate	211,031	236,031	25,000
Howard University	2005	Adequate	233,245	233,245	0
Impact aid construction	2005	Adequate	17,509	17,509	0
National Technical Institute for the Deaf	2005	Adequate	59,696	59,195	-501
Transition to teaching	2005	Adequate	43,707	43,707	0
Neglected and delinquent State agency program	2005/07	Adequate	48,927	51,927	3,000
Education for homeless children and youths	2006	Adequate	64,067	64,067	0
Gallaudet University	2006	Adequate	113,384	119,384	6,000
Migrant State agency program	2006	Adequate	379,771	399,771	20,000
Vocational rehabilitation training	2006	Adequate	37,766	37,766	0
Indian education grants to local educational agencies	2006/07	Adequate	96,613	96,613	0
Subtotal, 29 Programs Adequate			42,197,531	37,613,770	-4,583,761

Career and technical education State grants	2002	Ineffective	1,160,911	0	-1,160,911
Even start	2002	Ineffective	66,454	0	-66,454
TRIO Upward bound	2002	Ineffective	302,685	302,685	0
Federal Perkins loans	2003	Ineffective	64,327	0	-64,327
Subtotal, 4 Programs Ineffective			1,594,377	302,685	-1,291,692
IDEA grants for infants and families	2002	RND	435,654	435,654	0
IDEA preschool grants	2002	RND	374,099	374,099	0
Tech prep State grants	2002	RND	102,923	0	-102,923
Tribally controlled postsecondary career & tech. institutions	2002	RND	7,546	0	-7,546
Safe & drug-free schools & communities State grants	2002/06	RND	294,759	100,000	-194,759
Federal supplemental educational opportunity grants	2003	RND	757,465	0	-757,465
Federal work-study	2003	RND	980,492	980,492	0
IDEA personnel preparation	2003	RND	88,153	88,153	0
Independent living State grants and centers	2003	RND	95,527	95,527	0
Research in special education	2003	RND	70,585	70,585	0
Teacher quality enhancement	2003	RND	33,662	0	-33,662
B.J. Stupak Olympic scholarships	2004	RND	953	0	-953
Byrd honors scholarships	2004	RND	40,284	0	-40,284

PART Ratings for ED Programs Assessed To Date

(Dollars in thousands)

Program	Year Assessed	Rating ¹	FY 2008 Appropriation ²	FY 2009 Request ²	Change from 2008
College assistance migrant program	2004	RND	15,108	15,108	0
Comprehensive centers	2004	RND	57,113	57,113	0
High school equivalency program	2004	RND	18,226	18,226	0
IDEA parent information centers	2004	RND	26,528	26,528	0
IDEA technical assistance and dissemination	2004	RND	48,049	48,049	0
Impact aid payments for Federal property	2004	RND	64,208	64,208	0
Leveraging educational assistance partnership	2004	RND	63,852	0	-63,852
National writing project	2004	RND	23,581	0	-23,581
Parental information and resource centers	2004	RND	38,908	0	-38,908
Ready to learn television	2004	RND	23,831	23,831	0
Teaching American history	2004	RND	117,904	50,000	-67,904
Training and advisory services	2004	RND	6,989	6,989	0
International education--Domestic	2004/07	RND	93,941	94,941	1,000
American Printing House for the Blind	2005	RND	21,616	21,616	0
Developing Hispanic-serving institutions	2005	RND	93,256	74,442	-18,814
Educational technology State grants	2005	RND	267,494	0	-267,494
Physical education program	2005	RND	75,655	0	-75,655
Smaller learning communities	2005	RND	80,108	0	-80,108
State grants for innovative programs	2005	RND	0	0	0
Strengthening HBCUs	2005	RND	238,095	153,095	-85,000
Strengthening historically black graduate institutions	2005	RND	56,903	56,903	0
Voc. rehab. demonstration and training programs	2005	RND	10,151	8,826	-1,325
Impact aid basic support/payments for children with disabilities	2005/07	RND	1,154,137	1,154,137	0
IDEA technology and media services	2006	RND	39,301	30,949	-8,352
Language acquisition State grants	2006	RND	700,395	730,000	29,605
Mathematics and science partnerships	2006	RND	178,978	178,978	0
Mentoring program	2006	RND	48,544	0	-48,544
Migrant and seasonal farmworkers	2006	RND	2,239	0	-2,239
Rural education	2006	RND	171,854	171,854	0
Strengthening institutions	2006	RND	78,146	78,146	0
HBCU capital financing	2007	RND	18,223	10,354	-7,869
Supported employment State grants	2007	RND	29,181	0	-29,181
TRIO Educational opportunity centers	2007	RND	47,057	47,057	0
Subtotal, 46 Programs Results Not Demonstrated			7,191,673	5,265,860	-1,925,813

PART Ratings for ED Programs Assessed To Date

(Dollars in thousands)

Program	Year Assessed	Rating ¹	FY 2008 Appropriation ²	FY 2009 Request ²	Change from 2008
Total, 91 Programs Rated					
			69,735,988	62,929,840	-6,806,148

¹ Reflects the most recent rating for programs that were reassessed.

² Does not include mandatory funding for 2008 and 2009 appropriated under the College Cost Reduction and Access Act.

NOTE: A total of 91 currently-funded ED programs have been assessed since 2002 using the Program Assessment Rating Tool (PART); additional programs will be rated in the future.

EDUCATION DEPARTMENT FACTS

U.S. Department of Education Appropriations

	FY 2008	Change from FY 2001	
Total K-12	\$37.9 billion	+\$10.6 billion	+38.6%
NCLB	\$24.4 billion	+\$7.0 billion	+40.5%
Title I	\$13.9 billion	+\$5.1 billion	+58.6%
IDEA (Part B)	\$10.9 billion	+\$4.6 billion	+72.7%
Total Postsecondary	\$18.5 billion	+\$5.6 billion	+42.8%
Pell	\$14.2 billion	+\$5.5 billion	+62.3%
Other non-loan student aid	\$1.9 billion	-\$0.05 billion	-2.7%
Other postsecondary	\$2.4 billion	+\$0.15 billion	+6.4%
Other Discretionary	\$2.8 billion	+\$0.49 billion	+21.2%
Subtotal, Discretionary	\$59.2 billion	+\$17.0 billion	+40.1%
Subtotal, Mandatory	\$9.4 billion		
Total ED Appropriations	\$68.6 billion		

Department Management

FTE Employment: 4,169
Contractors: 6,100
Number of Programs: 156

ELEMENTARY AND SECONDARY EDUCATION FACTS (2007-08 projected or latest available actual)

Students – 56.9 million

Public:

- 49.6 million students
- 7 million with disabilities
- 5 million limited English proficiency

Demographics:

- 57% White
- 20% Hispanic
- 17% Black
- 5% Asian/Pacific Islander
- 1% American Indian/Alaska Native

Private: 6.2 million students

Home-schooled: 1.1 million students

Teachers – 3.7 million

Public:

- 3.2 million teachers
- Student to teacher ratio: about 15 to 1

Private: 466,000 teachers

Districts/Schools

- 14,199 public school districts
- 97,382 public schools (includes 3,780 charter schools)
 - 53% primary schools
 - 17% middle schools
 - 16% high schools
 - 14% other
- 28,380 private schools

National Expenditures for K-12 Education (Public and Private) 2007-08

Federal	\$56 billion	8.9%
State	\$271 billion	43.3%
Local	\$238 billion	38.0%
All other	<u>\$61 billion</u>	<u>9.7%</u>
Total	\$626 billion	100.0%

Spending Per Pupil in Fall Enrollment (Public)

- \$9,992 in U.S. (2007-08 projected)
- \$8,237 in U.S. (2004-05)
 - Low: \$6,271 in Tenn. (2004-05)
 - High: \$15,255 in Alaska (2004-05)

HIGHER EDUCATION FACTS

Vital Statistics

Students

- 22 million enrolled at any time in 2003-04
 - 17.9 million fall 2005 enrollment
 - 75% in public schools
 - 43% of undergraduates older than 23
 - 33% of undergraduates work full-time
 - 40% take at least one remedial course (2000 survey)
 - 69% of high school grads immediately enrolled in HE (2005)
 - 46% of undergrads received Federal aid in 2003-04

Institutions

- Over 4,000 public and private nonprofit schools
 - 60% 4-year schools
- Over 2,500 for-profit schools

Bachelor's Degree Completion within 6 years at 4-year schools (at same school):

- 55.9% of all students
 - 59% of White students
 - 47% of Hispanic students
 - 40% of Black students

Pell Grants (FY 2008)

- Recipients: 5.6 million
- Maximum award: \$4,731
- Average award: \$2,945

ACG/SMART Grants (FY 2008)

- Recipients: 0.6 million
- ACG maximum award 1st year students: \$750
- ACG maximum award 2nd year students: \$1,300
- SMART maximum award \$4,000 (3rd & 4th year students)

ED Financial Aid to Students (FY 2008) 10.6 million students/parents aided (unduplicated count)

Pell Grants	\$16.4 billion
Academic Competitiveness Grants	\$0.7 billion
Other non-loan aid	\$2.4 billion
New student loans	
• FFEL	\$56.2 billion
• Federal Direct Loans	\$14.1 billion
• Federal Perkins Loans	<u>\$1.1 billion</u>
• Subtotal, new loans	<u>\$71.4 billion</u>
Total	\$91.0 billion

Student Loans (FY 2008)

- ED is spending \$1.3 billion to provide \$71.4 billion in new loans and \$38.0 billion in consolidation loans
- Outstanding loans: \$421 billion guaranteed loans; \$107 billion direct loans
- 9.1 million borrowers in 2007: 7.1 million students, 633,000 parents, and 1.8 million consolidators
- Guaranteed loan subsidy rate of 1.07%
- Direct loan subsidy rate of 0.76%
- 6.8% interest rate for new student loans, dropping to 6.0% on July 1, 2008 for Stafford loans
- 7.2% current variable interest rate on most older loans
- \$19,000 average debt for student graduating from a 4-year school (2003-04)
- 4.6% default rate for the most recent cohort

Changes Under President Bush (FY 2001-08)

- 57% increase in total ED investment in higher ed
- 86% increase in current-year Pell Grant funding supporting 28% more recipients
- \$15.3 billion in new mandatory Pell Grant funding to increase the maximum award to \$5,400 in 2012-13
- 100% increase in new student loan volume
- \$4.5 billion from FY 2006-10 for new ACG/SMART Grants

Tax Benefits for Students and Families (FY 2008)

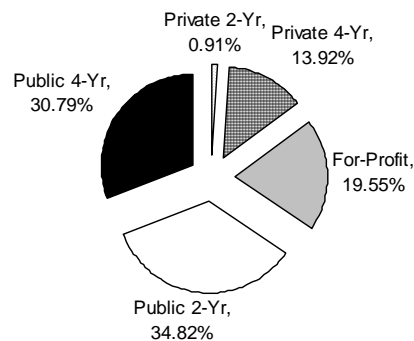
- \$3.4 billion under the Hope tax credit
- \$2.2 billion under the Lifetime Learning tax credit;
- \$1.2 billion in above-the-line deductions for higher education expenses
- \$0.8 billion in above-the-line deductions for interest paid on student loans

PELL GRANT FACTS

Pell Recipients

- 5.8 million projected recipients in 2009-10:
 - 87% have family incomes under \$40K
 - 30% will receive a maximum Pell award of \$4,800 in 2009-10
 - 46% are over the age of 23
 - 20% are enrolled on a less-than-full-time basis
 - 35% attend 2-year public institutions

AY 2009-10 Pell Recipients by Institution Type and Control



Apprx. 5,200 institutions currently participate in the Pell Grant Program.

Pell Grant Award (AY 2009-10)

- The total maximum award proposed at \$4,800, an increase of \$69 over last year's level
- The 2009 Budget request includes a discretionary maximum award of \$4,310, but most recipients will also receive an additional \$490 mandatory award
- Average award estimated at \$3,154—the first time ever over the \$3,000 level
- Maximum award will fund 31% of the average cost of attendance at a four-year public institution

Pell Grant Funding

- FY 2009 discretionary budget request is \$2.6B over the FY 2008 funding level
- Request includes funding to pay for changes mandated in the 2008 College Cost Reduction and Access Act
- Request includes funding to make Pell grants available for students who attend college year-round

Changes Under President Bush (FY 2001-09)

- Including the FY 2009 Request:
 - 116% increase, or \$10.1 billion, in Pell funding since 2001 (\$8.8B to \$18.9B)
 - 28% increase, or \$1,050, in the Pell maximum award since 2001 (\$3,750 to \$4,800)
 - 33% increase, or 1.5 million, in the number of additional Pell grant recipients since 2001 (4.3M to 5.8M)

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

January 23, 2008

(in thousands of dollars)		2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION (OESE)						
Education for the Disadvantaged						
1. Grants to local educational agencies (ESEA I-A):						
(a) LEA grants formulas:						
(1) Basic grants (section 1124)						
Annual appropriation	D	5,454,824	5,964,119	5,964,119	0	0.0%
Advance for succeeding fiscal year	D	1,353,584	633,827	633,827	0	0.0%
Subtotal		6,808,408	6,597,946	6,597,946	0	0.0%
(2) Concentration grants (section 1124A)						
Annual appropriation	D	0	0	0	0	---
Advance for succeeding fiscal year	D	1,365,031	1,365,031	1,365,031	0	0.0%
Subtotal		1,365,031	1,365,031	1,365,031	0	0.0%
(3) Targeted grants (section 1125)						
Annual appropriation	D	0	0	406,026	406,026	---
Advance for succeeding fiscal year	D	2,332,343	2,967,949	2,967,949	0	0.0%
Subtotal		2,332,343	2,967,949	3,373,975	406,026	13.7%
(4) Education finance incentive grants formula (section 1125A)						
Annual appropriation	D	0	0	0	0	---
Advance for succeeding fiscal year	D	2,332,343	2,967,949	2,967,949	0	0.0%
Subtotal		2,332,343	2,967,949	2,967,949	0	0.0%
Subtotal, LEA grants formulas		12,838,125	13,898,875	14,304,901	406,026	2.9%
Subtotal, Grants to LEAs		12,838,125	13,898,875	14,304,901	406,026	2.9%
Annual appropriation	D	5,454,824	5,964,119	6,370,145	406,026	6.8%
Advance for succeeding fiscal year	D	7,383,301	7,934,756	7,934,756	0	0.0%
2. School improvement grants (ESEA section 1003(g))						
	D	125,000	491,265	491,265	0	0.0%
3. Reading first:						
(a) Reading first State grants (ESEA I-B-1)						
	D	1,029,234	393,012	1,000,000	606,988	154.4%
(b) Early reading first (ESEA I-B-2)						
	D	117,666	112,549	112,549	0	0.0%
Subtotal, Reading first		1,146,900	505,561	1,112,549	606,988	120.1%
4. Striving readers (ESEA I-E section 1502)						
	D	31,870	35,371	100,000	64,629	182.7%
5. Math Now (America COMPETES VI, Part III-B, sec. 6201)						
	D	0	0	95,000	95,000	---
6. Even start (ESEA I-B-3)						
	D	82,283	66,454	0	(66,454)	-100.0%
7. Literacy through school libraries (ESEA I-B-4)						
	D	19,485	19,145	19,145	0	0.0%

NOTES: Category Codes are as follows: D = discretionary program; M = mandatory program.
FY 2008 detail may not add to totals due to rounding.

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

January 23, 2008

(in thousands of dollars)			2007 Annual		2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	2008 Appropriation	President's Request	Amount	Percent	
Education for the Disadvantaged (continued)							
8. Pell grants for kids (proposed legislation)	D	0	0	300,000	300,000	---	
9. State agency programs:							
(a) Migrant (ESEA I-C)	D	386,524	379,771	399,771	20,000	5.3%	
(b) Neglected and delinquent (ESEA I-D)	D	49,797	48,927	51,927	3,000	6.1%	
Subtotal		436,321	428,698	451,698	23,000	5.4%	
10. Comprehensive school reform (ESEA I-F)	D	2,352	1,605	0	(1,605)	-100.0%	
11. Evaluation (ESEA sections 1501 and 1503)	D	9,330	9,167	9,167	0	0.0%	
12. Migrant education (HEA IV-A-5):							
(a) High school equivalency program	D	18,550	18,226	18,226	0	0.0%	
(b) College assistance migrant program	D	15,377	15,108	15,108	0	0.0%	
Subtotal		33,927	33,334	33,334	0	0.0%	
Total, Appropriation	D	14,725,593	15,489,476	16,917,059	1,427,583	9.2%	
Total, Budget authority	D	14,725,593	14,938,021	16,917,059	1,979,038	13.2%	
Current		7,342,292 ¹	7,554,720 ²	8,982,303 ²	1,427,583	18.9%	
Prior year's advance		7,383,301	7,383,301	7,934,756	551,455	7.5%	
Outlays	D	14,486,936	15,036,258	15,312,523	276,265	1.8%	

¹ Excludes an advance appropriation of \$7,383,301 thousand that becomes available on October 1 of the following fiscal year.

² Excludes an advance appropriation of \$7,934,756 thousand that becomes available on October 1 of the following fiscal year.

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

January 23, 2008

(in thousands of dollars)		2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent
Impact Aid (ESEA VIII)						
1. Payments for federally connected children (section 8003):						
(a) Basic support payments (section 8003(b))	D	1,091,867	1,105,535	1,105,535	0	0.0%
(b) Payments for children with disabilities (section 8003(d))	D	49,466	48,602	48,602	0	0.0%
Subtotal		1,141,333	1,154,137	1,154,137	0	0.0%
2. Facilities maintenance (section 8008)	D	4,950	4,864	4,864	0	0.0%
3. Construction (section 8007)	D	17,820	17,509	17,509	0	0.0%
4. Payments for Federal property (section 8002)	D	64,350	64,208	64,208	0	0.0%
Total	D	1,228,453	1,240,717	1,240,718	1	0.0%
<i>Outlays</i>	<i>D</i>	<i>1,162,814</i>	<i>1,388,915</i>	<i>1,287,119</i>	<i>(101,796)</i>	<i>-7.3%</i>

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

January 23, 2008

(in thousands of dollars)		2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent
School Improvement Programs						
1. Improving teacher quality (ESEA II):						
(a) Improving teacher quality State grants (Part A)						
Annual appropriation	D	1,452,439	1,500,248	1,400,248	(100,000)	-6.7%
Advance for succeeding fiscal year	D	1,435,000	1,435,000	1,435,000	0	0.0%
Subtotal		2,887,439	2,935,248	2,835,248	(100,000)	-3.4%
(b) Early childhood educator professional development (Part A-5, section 2151(e))	D	14,550	0	0	0	---
(c) Mathematics and science partnerships (Part B)	D	182,160	178,978	178,978	0	0.0%
2. Educational technology State grants (ESEA II-D-1 and 2)	D	272,250	267,494	0	(267,494)	-100.0%
3. 21st century learning opportunities (ESEA IV-B)	D	981,166	1,081,166	800,000	(281,166)	-26.0%
4. State grants for innovative programs (ESEA V Part A)	D	99,000	0	0	0	---
5. Javits gifted and talented education (ESEA V-D, subpart 6)	D	7,596	7,463	0	(7,463)	-100.0%
6. Foreign language assistance (ESEA V-D, subpart 9)	D	23,780	25,655	25,655	0	0.0%
7. State assessments (ESEA VI-A-1)	D	407,563	408,732	408,732	0	0.0%
8. Education for homeless children and youths (MVHAA Title VII-B)	D	61,871	64,067	64,067	0	0.0%
9. Education for Native Hawaiians (ESEA VII-B)	D	33,907	33,315	0	(33,315)	-100.0%
10. Alaska Native education equity (ESEA VII-C)	D	33,907	33,315	0	(33,315)	-100.0%
11. Training and advisory services (CRA IV)	D	7,113	6,989	6,989	0	0.0%
12. Rural education (ESEA VI-B)	D	168,918	171,854	171,854	0	0.0%
13. Supplemental education grants (Compact of Free Association Act)	D	18,001	17,687	17,687	0	0.0%
14. Comprehensive centers (ETAA section 203)	D	56,257	57,113	57,113	0	0.0%
Total, Appropriation	D	5,255,478	5,289,076	4,566,323	(722,753)	-13.7%
Total, Budget authority	D	5,255,478	5,289,076	4,566,323	(722,753)	-13.7%
Current		3,820,478 ¹	3,854,076 ¹	3,131,323 ¹	(722,753)	-18.8%
Prior year's advance		1,435,000	1,435,000	1,435,000	0	0.0%
Outlays	D	5,483,497	5,372,591	5,232,411	(140,180)	-2.6%

¹ Excludes an advance appropriation of \$1,435,000 thousand that becomes available on October 1 of the following fiscal year.

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

January 23, 2008

(in thousands of dollars)		Category Code	2007 Annual CR Operating Plan	2008 Appropriation	2009 President's Request	Change from 2008 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
Indian Education (ESEA VII)							
1. Grants to local educational agencies (Part A-1)	D	95,331	96,613	96,613	0	0.0%	
2. Special programs for Indian children (Part A-2)	D	19,399	19,060	19,060	0	0.0%	
3. National activities (Part A-3)	D	3,960	3,891	3,891	0	0.0%	
Total	D	118,690	119,564	119,564	0	0.0%	
Outlays	D	117,992	116,720	117,659	939	0.8%	
Education Reform Outlays							
	D	906	0	0	0	---	
Chicago Litigation Settlement Outlays							
	D	5	0	0	0	---	
TOTAL APPROPRIATION, OESE			21,328,214	22,138,833	22,843,664	704,831	3.2%
TOTAL BUDGET AUTHORITY, OESE			21,328,214 ¹	21,587,378 ²	22,843,664 ²	1,256,286	5.8%

¹ Excludes advance appropriations totaling \$8,818,301 thousand that become available on October 1 of the following fiscal year.

² Excludes advance appropriations totaling \$9,369,796 thousand that become available on October 1 of the following fiscal year.

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

January 23, 2008

(in thousands of dollars)		2007 Annual		2009		Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	2008 Appropriation	President's Request	Amount	Percent	
OFFICE OF INNOVATION AND IMPROVEMENT (OII)							
Innovation and Improvement							
1. Recruiting and training high quality teachers and principals:							
(a) Teacher incentive fund (ESEA V-D-1)	D	200	97,270	200,000	102,730	105.6%	
(b) Troops-to-teachers (ESEA II-C-1-A)	D	14,645	14,389	14,389	0	0.0%	
(c) Transition to teaching (ESEA II-C-1-B)	D	44,484	43,707	43,707	0	0.0%	
(d) National writing project (ESEA II-C-2)	D	21,533	23,581	0	(23,581)	-100.0%	
(e) Teaching American history (ESEA II-C-4)	D	119,790	117,904	50,000	(67,904)	-57.6%	
(f) Academies for American history and civics (American History and Civics Education Act)	D	1,980	1,945	0	(1,945)	-100.0%	
(g) School leadership (ESEA section 2151(b))	D	14,731	14,474	0	(14,474)	-100.0%	
(h) Advanced credentialing (ESEA section 2151(c))	D	16,695	9,649	0	(9,649)	-100.0%	
(i) Adjunct teacher corps (proposed legislation)	D	0	0	10,000	10,000	---	
2. School choice and flexibility (ESEA Title V):							
(a) Charter schools grants (Part B-1)	D	214,783	211,031 ¹	236,031 ²	25,000	11.8%	
(b) Credit enhancement for charter school facilities (Part B-2)	D	36,611	0 ¹	36,611 ²	36,611	---	
(c) Voluntary public school choice (Part B-3)	D	26,278	25,819	25,819	0	0.0%	
(d) Magnet schools assistance (Part C)	D	106,693	104,829	104,829	0	0.0%	
3. Advanced placement (ESEA I-G)							
4. Advanced placement and international baccalaureate programs (America COMPETES Act VI, Part II)							
5. Close Up fellowships (ESEA section 1504)	D	1,454	1,942	0	(1,942)	-100.0%	
6. Ready-to-learn television (ESEA II-D-3)	D	24,255	23,831	23,831	0	0.0%	
7. FIE programs of national significance (ESEA V-D, subpart 1)	D	16,051	121,934	52,300	(69,634)	-57.1%	
8. Reading is fundamental/Inexpensive book distribution (ESEA V-D, subpart 5)	D	25,043	24,606	0	(24,606)	-100.0%	
9. Star schools (ESEA V-D, subpart 7)	D	11,513	0	0	0	---	
10. Ready to teach (ESEA V-D, subpart 8)	D	10,890	10,700	0	(10,700)	-100.0%	
11. Exchanges with historic whaling and trading partners (ESEA V-D, subpart 12)	D	8,910	8,754	0	(8,754)	-100.0%	
12. Excellence in economic education (ESEA V-D, subpart 13)	D	1,473	1,447	0	(1,447)	-100.0%	
13. Mental health integration in schools (ESEA V-D, subpart 14, section 5541)	D	4,910	4,913	0	(4,913)	-100.0%	
14. Foundations for learning (ESEA V-D, subpart 14, section 5542)	D	982	965	0	(965)	-100.0%	
15. Arts in education (ESEA V-D, subpart 15)	D	35,277	37,533	0	(37,533)	-100.0%	
16. Parental information and resource centers (ESEA V-D, subpart 16)	D	39,600	38,908	0	(38,908)	-100.0%	
17. Women's educational equity (ESEA V-D, subpart 21)	D	1,879	1,846	0	(1,846)	-100.0%	
Total	D	837,686	985,517	867,517	(118,000)	-12.0%	
<i>Outlays</i>	<i>D</i>	<i>845,817</i>	<i>1,298,984</i>	<i>786,742</i>	<i>(512,242)</i>	<i>-39.4%</i>	
TOTAL, OII		837,686	985,517	867,517	(118,000)	-12.0%	

¹ The FY 2008 appropriation permits the Secretary to use, from the amount appropriated for Charter Schools Grants, up to \$24,783 thousand for Charter School Facilities Incentive Grants and Credit Enhancement for Charter School Facilities.

² The FY 2009 request proposes that up to \$82,642 thousand from the amount appropriated for ESEA V-B may be used for Charter School Facilities Incentives Grants and Credit Enhancement for Charter School Facilities. Of this amount \$36,611 thousand will be used for Credit Enhancement.

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(in thousands of dollars)		2007 Annual		2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	2008 Appropriation	President's Request	Amount	Percent
OFFICE OF SAFE AND DRUG-FREE SCHOOLS (OSDFS)						
Safe Schools and Citizenship Education						
1. Safe and drug-free schools and communities (ESEA IV-A):						
(a) State grants (Subpart 1)	D	346,500	294,759	100,000	(194,759)	-66.1%
(b) National programs (Subpart 2):						
(1) National activities (sections 4121 and 4122)	D	149,706 ¹	137,664	181,963	44,299	32.2%
(2) Alcohol abuse reduction (section 4129)	D	32,409	32,423	0	(32,423)	-100.0%
(3) Mentoring program (section 4130)	D	48,814	48,544	0	(48,544)	-100.0%
Subtotal, National programs		230,929	218,632	181,963	(36,669)	-16.8%
Subtotal		577,429	513,391	281,963	(231,428)	-45.1%
2. Character education (ESEA V-D, subpart 3)	D	24,248	23,824	0 ²	(23,824)	-100.0%
3. Elementary and secondary school counseling (ESEA V-D, subpart 2)	D	34,650	48,617	0	(48,617)	-100.0%
4. Physical education program (ESEA V-D, subpart 10)	D	72,674	75,655	0	(75,655)	-100.0%
5. Civic education (ESEA II, Part C-3):						
(a) We the People (section 2344)	D	17,039	20,056	0	(20,056)	-100.0%
(b) Cooperative education exchange (section 2345)	D	12,072	11,861	0	(11,861)	-100.0%
Subtotal		29,111	31,917	0	(31,917)	-100.0%
Total		738,112	693,404	281,963	(411,441)	-59.3%
<i>Outlays</i>	<i>D</i>	<i>754,337</i>	<i>776,333</i>	<i>705,830</i>	<i>(70,503)</i>	<i>-9.1%</i>
TOTAL, OSDFS		738,112	693,404	281,963	(411,441)	-59.3%

¹ Includes \$8,594 thousand for Persistently Dangerous Schools appropriated by section 5502 of P.L. 110-28, the U.S. Troops, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007, May 25, 2007.

² Funding for new and continuing Character Education projects will be supported through the reauthorized National Programs authority.

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

January 23, 2008

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2007 Annual CR Operating Plan	2008 Appropriation	2009 President's Request	Change from 2008 Appropriation	
					Amount	Percent
OFFICE OF ENGLISH LANGUAGE ACQUISITION						
English Language Acquisition (ESEA III, Part A)	D	669,007	700,395	730,000	29,605	4.2%
Outlays	D	728,703	797,858	640,526	(157,332)	-19.7%
TOTAL, OELA		669,007	700,395	730,000	29,605	4.2%

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

January 23, 2008

(in thousands of dollars)		2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES (OSERS)						
Special Education (IDEA)						
1. State grants:						
(a) Grants to States (Part B-611):						
Annual appropriation	D	5,358,761	4,091,067	3,637,067	(454,000)	-11.1%
Advance for succeeding fiscal year	D	5,424,200	6,856,444	7,647,444	791,000	11.5%
Subtotal		10,782,961	10,947,511	11,284,511	337,000	3.1%
(b) Preschool grants (Part B-619)	D	380,751	374,099	374,099	0	0.0%
(c) Grants for infants and families (Part C)	D	436,400	435,654	435,654	0	0.0%
Subtotal, State grants		11,600,112	11,757,264	12,094,264	337,000	2.9%
2. National activities (Part D):						
(a) State personnel development (Subpart 1)	D	0	22,598	48,000	25,402	112.4%
(b) Technical assistance and dissemination (section 663)	D	48,903	48,049	48,049	0	0.0%
(c) Personnel preparation (section 662)	D	89,720	88,153	88,153	0	0.0%
(d) Parent information centers (sections 671-673)	D	25,704	26,528	26,528	0	0.0%
(e) Technology and media services (section 674)	D	38,428	39,301	30,949	(8,352)	-21.3%
Subtotal		202,755	224,629	241,679	17,050	7.6%
3. Special Olympics education programs (Special Olympics Sport and Empowerment Act)	D	0	11,790	0	(11,790)	-100.0%
Total, Appropriation	D	11,802,867	11,993,684	12,335,943	342,259	2.9%
Total, Budget authority	D	11,802,867	10,561,440	11,544,943	983,503	9.3%
Current		6,378,667 ¹	5,137,240 ²	4,688,499 ³	(448,741)	-8.7%
Prior year's advance		5,424,200	5,424,200	6,856,444	1,432,244	26.4%
Outlays	D	11,777,258	11,771,719	11,939,905	168,186	1.4%

¹ Excludes an advance appropriation of \$5,424,200 thousand that becomes available on October 1 of the following fiscal year.

² Excludes an advance appropriation of \$6,856,444 thousand that becomes available on October 1 of the following fiscal year.

³ Excludes an advance appropriation of \$7,647,444 thousand that becomes available on October 1 of the following fiscal year.

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January 23, 2008

(in thousands of dollars)		2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent
Rehabilitation Services and Disability Research						
1. Vocational rehabilitation State grants:						
(a) Grants to States (RA I Part A, sections 110 and 111)	M	2,802,716	2,839,151	2,839,151	0	0.0%
(b) Grants to Indians (RA I-C)	M	34,444	34,892	34,892	0	0.0%
Subtotal		2,837,160	2,874,043	2,874,043	0	0.0%
Discretionary	D	0	0	(100,592)	(100,592)	---
Mandatory baseline	M	2,837,160	2,874,043	2,974,635	100,592	3.5%
2. Client assistance State grants (RA section 112)	D	11,782	11,576	11,576	0	0.0%
3. Training (RA section 302)	D	38,438	37,766	37,766	0	0.0%
4. Demonstration and training programs (RA section 303)	D	8,756	10,151	8,826	(1,325)	-13.0%
5. Migrant and seasonal farmworkers (RA section 304)	D	2,279	2,239	0	(2,239)	-100.0%
6. Recreational programs (RA section 305)	D	2,518	2,474	0	(2,474)	-100.0%
7. Protection and advocacy of individual rights (RA section 509)	D	16,489	16,201	16,201	0	0.0%
8. Projects with industry (RA VI-A)	D	17,293	19,197	0	(19,197)	-100.0%
9. Supported employment State grants (RA VI-B)	D	29,700	29,181	0	(29,181)	-100.0%
10. Independent living (RA VII):						
(a) State grants (Chapter 1, Part B)	D	22,588	22,193	22,193	0	0.0%
(b) Centers (Chapter 1, Part C)	D	74,638	73,334	73,334	0	0.0%
(c) Services for older blind individuals (Chapter 2)	D	32,895	32,320	32,320	0	0.0%
11. Program improvement (RA section 12(a))	D	835	622	800	178	28.6%
12. Evaluation (RA section 14)	D	1,473	1,447	1,947	500	34.5%
13. Helen Keller National Center for Deaf-Blind Youths and Adults (HKNCA)	D	8,511	8,362	7,862	(500)	-6.0%
14. National Institute on Disability and Rehabilitation Research (RA II)	D	106,705	105,741	105,741	0	0.0%
15. Assistive technology programs (ATA, sections 4, 5, and 6)	D	30,452	29,920	25,655	(4,265)	-14.3%
Subtotal		405,352	402,725	344,221	(58,504)	-14.5%
Total		3,242,512	3,276,768	3,218,264	(58,504)	-1.8%
Discretionary	D	405,352	402,725	243,629	(159,096)	-39.5%
Mandatory baseline	M	2,837,160	2,874,043	2,974,635	100,592	3.5%
<i>Outlays, Total</i>		<i>3,177,031</i>	<i>3,603,594</i>	<i>3,257,598</i>	<i>(345,996)</i>	<i>-9.6%</i>
Discretionary	D	410,612	687,695	312,238	(375,457)	-54.6%
Mandatory baseline	M	2,766,419	2,915,899	2,945,360	29,461	1.0%

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(in thousands of dollars)		Category Code	2007 Annual CR Operating Plan	2008 Appropriation	2009 President's Request	Change from 2008 Appropriation	
Office, Account, Program and Activity						Amount	Percent
American Printing House for the Blind (20 U.S.C. 101 et seq.,		D	17,573	21,616	21,616	0	0.0%
<i>Outlays</i>		D	18,359	23,279	21,616	(1,663)	-7.1%
National Technical Institute for the Deaf (EDA I-B and section 207,							
1. Operations		D	56,141	58,020	58,020	0	0.0%
2. Construction		D	0	1,675	1,175	(500)	-29.9%
Total		D	56,141	59,696	59,195	(501)	-0.8%
<i>Outlays</i>		D	57,836	54,915	58,602	3,687	6.7%
Gallaudet University (EDA I-A and section 207)		D					
1. Operations		D	106,998	113,384	113,384	0	0.0%
2. Construction			0	0	6,000	6,000	---
Total		D	106,998	113,384	119,384	6,000	5.3%
<i>Outlays</i>		D	107,198	106,581	113,984	7,403	6.9%
Total, Special Institutions for Persons with Disabilities			180,712	194,695	200,195	5,500	2.8%
TOTAL APPROPRIATION, OSERS			15,226,091	15,465,147	15,754,402	289,255	1.9%
Discretionary		D	12,388,931	12,591,104	12,779,767	188,663	1.5%
Mandatory		M	2,837,160	2,874,043	2,974,635	100,592	3.5%
TOTAL BUDGET AUTHORITY, OSERS			15,226,091	14,032,903	14,963,402	930,499	6.6%
Discretionary		D	12,388,931 ¹	11,158,860 ²	11,988,767 ³	829,907	7.4%
Mandatory		M	2,837,160	2,874,043	2,974,635	100,592	3.5%

¹ Excludes an advance appropriation of \$5,424,200 thousand that becomes available on October 1 of the following fiscal year.

² Excludes an advance appropriation of \$6,856,444 thousand that becomes available on October 1 of the following fiscal year.

³ Excludes an advance appropriation of \$7,647,444 thousand that becomes available on October 1 of the following fiscal year.

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

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(in thousands of dollars)			2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent	
OFFICE OF VOCATIONAL AND ADULT EDUCATION (OVAE)							
Career, Technical, and Adult Education							
1. Career and technical education (Carl D. Perkins CTEA):							
(a) State grants (CTEA Title I)							
Annual appropriation	D	390,553	369,911	0	(369,911)	-100.0%	
Advance for succeeding fiscal year	D	791,000	791,000	0	(791,000)	-100.0%	
Subtotal		1,181,553	1,160,911	0	(1,160,911)	-100.0%	
(b) National programs (section 114)	D	10,000	7,860	0	(7,860)	-100.0%	
(c) Tech prep education State grants (Title II)	D	104,753	102,923	0	(102,923)	-100.0%	
Subtotal, Career and technical education		1,296,306	1,271,694	0	(1,271,694)	-100.0%	
2. Adult education (Adult Education and Family Literacy Act):							
(a) Adult basic and literacy education State grants (AEFLA and WIA section 503)	D	563,975	554,122	554,122	0	0.0%	
(b) National leadership activities (AEFLA section 243)	D	9,005	6,878	14,000	7,122	103.6%	
(c) National Institute for Literacy (AEFLA section 242)	D	6,583	6,468	6,468	0	0.0%	
Subtotal, Adult education		579,563	567,468	574,590	7,122	1.3%	
3. Smaller learning communities (ESEA V-D, subpart 4)	D	93,531	80,108	0	(80,108)	-100.0%	
4. State grants for incarcerated youth offenders (HE Amendments of 1998, VIII-D)	D	22,770	22,372	0	(22,372)	-100.0%	
Total, Appropriation	D	1,992,170	1,941,642	574,590	(1,367,052)	-70.4%	
Total, Budget authority	D	1,992,170	1,941,642	1,365,590	(576,052)	-29.7%	
Current		1,201,170 ¹	1,150,642 ¹	574,590	(576,052)	-50.1%	
Prior year's advance		791,000	791,000	791,000	0	0.0%	
Outlays	D	1,955,780	2,125,604	1,876,204	(249,400)	-11.7%	
TOTAL APPROPRIATION, OVAE		1,992,170	1,941,642	574,590	(1,367,052)	-70.4%	
TOTAL BUDGET AUTHORITY, OVAE		1,992,170	1,941,642	1,365,590	(576,052)	-29.7%	

¹ Excludes an advance appropriation of \$791,000 thousand that becomes available on October 1 of the following fiscal year.

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(in thousands of dollars)			2007 Annual		2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	2008 Appropriation	President's Request	Amount	Percent	
FEDERAL STUDENT AID (FSA)							
Student Financial Assistance							
1. Federal Pell grants (HEA IV-A-1):							
(a) Pell grants	D	13,660,711	14,215,000	16,851,059	2,636,059	18.5%	
(b) Mandatory increase in Pell Grant maximum award	M	0	2,030,000	2,090,000	60,000	3.0%	
(c) Elimination of tuition sensitivity in AY 2007-2008	M	0	11,000	0	(11,000)	-100.0%	
Appropriation		13,660,711	16,256,000	18,941,059	2,685,059	16.5%	
Discretionary	D	13,660,711	14,215,000	16,851,059	2,636,059	18.5%	
Mandatory	M	0	2,041,000	2,090,000	49,000	2.4%	
Prior year funding surplus (shortfall)	D	227,230	(521,059)	(732,059)	(211,000)	40.5%	
Current year funding surplus/shortfall (non-add)	D	(521,059)	(732,059)	0	732,059	-100.0%	
Total, resources available		13,887,941	15,734,941	18,209,000	2,474,059	15.7%	
Discretionary program costs	D	14,409,000	14,426,000	16,119,000	1,693,000	11.7%	
Mandatory program costs related to increasing maximum award	M	0	2,030,000	2,090,000	60,000	3.0%	
Mandatory program costs related to elimination of tuition sensitivity in AY 2007-2008	M	0	11,000	0	(11,000)	-100.0%	
Subtotal, program costs		14,409,000	16,467,000	18,209,000	1,742,000	10.6%	
Maximum award (in whole dollars)							
Discretionary		\$4,310	\$4,241	\$4,310	\$69	1.6%	
Mandatory add-on		\$0	\$490	\$490	\$0	0.0%	
Total		\$4,310	\$4,731	\$4,800	\$69	1.5%	
Recipients (in thousands)		5,428	5,578	5,764	186	3.3%	
2. Campus-based programs:							
(a) Federal supplemental educational opportunity grants (HEA IV-A-3)	D	770,933	757,465	0	(757,465)	-100.0%	
(b) Federal work-study (HEA IV-C)	D	980,354	980,492	980,492	0	0.0%	
(c) Federal Perkins loan cancellations (HEA IV-E):	D	65,471	64,327	0	(64,327)	-100.0%	
Subtotal, Campus-based programs		1,816,758	1,802,284	980,492	(821,792)	-45.6%	
3. Leveraging educational assistance partnerships (HEA IV-A-4)							
	D	64,987	63,852	0	(63,852)	-100.0%	
Total	D	15,542,456	18,122,136	19,921,551	1,799,415	9.9%	
Discretionary	D	15,542,456	16,081,136	17,831,551	1,750,415	10.9%	
Mandatory	M	0	2,041,000	2,090,000	49,000	2.4%	
Outlays		14,926,585	16,845,906	18,620,398	1,774,492	10.5%	
Discretionary	D	14,926,585	16,283,473	16,594,398	310,925	1.9%	
Mandatory	M	0	562,433	2,026,000	1,463,567	260.2%	

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

January 23, 2008

(in thousands of dollars)			2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent	
Academic Competitiveness							
1. Academic competitiveness and SMART grants (HEA IV, subpart 1, section 401A)	M	850,000	395,000	960,000	565,000	143.0%	
2. Proposed permanent cancellation of unobligated balances	D	0	0	(652,000)	(652,000)	---	
Total		850,000	395,000 ¹	308,000 ²	(87,000)	-22.0%	
Mandatory		850,000	395,000	960,000	565,000	143.0%	
Discretionary		0	0	(652,000)	(652,000)	---	
Recipients (in thousands)		528	638	728	90	14.1%	
Outlays	M	448,700	599,335	704,800	105,465	17.6%	
TEACH Grants (HEA IV-A, subpart 9)							
1. New loan subsidy (HEA IV-A subpart 9)	M	0	7,000	14,000	7,000	100.0%	
Awards (in whole numbers; non-add)		0	86,000	114,000	28,000	32.6%	
Average award (in whole dollars; non-add)		0	\$2,774	\$2,780	\$6	0.2%	
Total	M	0	7,000	14,000	7,000	100.0%	
Recipients (in thousands)		0	31	41	10	32.3%	
Outlays	M	0	3,000	11,000	8,000	266.7%	
Federal Direct Student Loans Program Account (HEA IV-D)							
1. New loan subsidies (HEA IV-D)	M	264,613	255,559	328,670	73,111	28.6%	
2. Upward reestimate of existing loans	M	4,702,101	1,158,458	0	(1,158,458)	-100.0%	
3. Upward modification of existing loans	M	0	4,143,273	0	(4,143,273)	-100.0%	
4. Downward reestimate of existing loans (non-add)	M	(984,538)	(573,939)	0	573,939	-100.0%	
5. Downward modification of existing loans (non-add)	M	0	0	(1,591,034)	(1,591,034)	---	
6. Net reestimate of existing loans (non-add)	M	3,717,563	584,519	0	(584,519)	-100.0%	
7. Net modification of existing loans (non-add)	M	0	4,143,273	(1,591,034)	(5,734,307)	-138.4%	
Subtotal, loan subsidies		4,966,714	5,557,290	328,670	(5,228,620)	-94.1%	
Subtotal, new loan subsidies and net reestimate/modification (non-add)		3,982,176	4,983,351	(1,262,364)	(6,245,715)	-125.3%	
8. Federal administration (HEA IV-D section 458)	M	0	(25,000)	0	25,000	-100.0%	
Total	M	4,966,714	5,532,290	328,670	(5,203,620)	-94.1%	
Outlays		5,391,146	5,609,564	346,002	(5,263,562)	-93.8%	
Federal administration	D	212,688	52,274	17,332	(34,942)	-66.8%	
Loan program--mandatory	M	5,178,458	5,557,290	328,670	(5,228,620)	-94.1%	

¹ A rescission of \$525,000 thousand of unobligated balances was enacted in FY 2008. This does not affect the availability of the mandatory FY 2008 appropriation of \$920,000 thousand. FY 2008 obligations will be partially supported with a carryover balance of approximately \$614,000 thousand, for a total of \$1,009,000 thousand available for grants.

² FY 2009 obligations will be partially supported with a carryover balance of approximately \$657,000 thousand, for a total of \$965,000 thousand available for grants.

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

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(in thousands of dollars)			2007 Annual		2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	2008 Appropriation	President's Request	Amount	Percent	
Federal Family Education Loans Program Account (HEA IV-B)							
1. New loan subsidies (HEA IV-B)	M	6,850,098	1,076,427	2,407,263	1,330,836	123.6%	
2. Upward reestimate of existing loans	M	555,015	3,446,178	0	(3,446,178)	-100.0%	
3. Upward modification of existing loans	M	0	10,835	0	(10,835)	-100.0%	
4. Downward reestimate of existing loans (non-add)	M	(3,714,626)	(2,456,227)	0	2,456,227	-100.0%	
5. Downward modification of existing loans (non-add)	M	0	(2,475,184)	0	2,475,184	-100.0%	
6. Net reestimate of existing loans (non-add)	M	(3,159,611)	989,951	0	(989,951)	-100.0%	
7. Net modification of existing loans (non-add)	M	0	(2,464,349)	0	2,464,349	-100.0%	
Total, FFEL Program Account	M	7,405,113	4,533,440	2,407,263	(2,126,177)	-46.9%	
Total, new loan subsidies and net reestimate/modification (non-add)		3,690,487	(397,971)	2,407,263	2,805,234	-704.9%	
<i>Outlays</i>	<i>M</i>	<i>6,934,811</i>	<i>4,698,552</i>	<i>1,817,457</i>	<i>(2,881,095)</i>	<i>-61.3%</i>	
Federal Family Education Loans Liquidating Account (HEA IV-B)							
1. Pre-1992 student loans	M	(491,770)	(615,033)	(553,095)	61,938	-10.1%	
<i>Outlays</i>	<i>M</i>	<i>(661,436)</i>	<i>(615,033)</i>	<i>(553,095)</i>	<i>61,938</i>	<i>-10.1%</i>	
Federal Student Loan Reserve Fund							
1. Capital transfer to Treasury	M	(254,000)	0	0	0	---	
<i>Outlays</i>	<i>M</i>	<i>(792,832)</i>	<i>(142,000)</i>	<i>(169,603)</i>	<i>(27,603)</i>	<i>19.4%</i>	
Loans for Short-Term Training Program Account							
1. New loans (proposed legislation)	D	0	0	3,000	3,000	---	
<i>Outlays</i>	<i>D</i>	<i>0</i>	<i>0</i>	<i>3,000</i>	<i>3,000</i>	<i>---</i>	
TOTAL, FSA		28,018,513	27,974,833	22,429,389	(5,545,444)	-19.8%	
Discretionary	D	15,542,456	16,081,136	17,182,551	1,101,415	6.8%	
Mandatory	M	12,476,057	11,893,697	5,246,838	(6,646,859)	-55.9%	

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

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(in thousands of dollars)		2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent
OFFICE OF POSTSECONDARY EDUCATION (OPE)						
Higher Education						
1. Aid for institutional development:						
(a) Strengthening institutions (HEA III-A, section 311)	D	79,535	78,146	78,146	0	0.0%
(b) Strengthening tribally controlled colleges and universities (HEA III-A, section 316)	D	23,570	23,158	0	(23,158)	-100.0%
(c) Additional funds for strengthening tribally controlled colleges and universities (HEA-IV-J)	M	0	30,000	30,000	0	0.0%
Subtotal		23,570	53,158	30,000	(23,158)	-43.6%
(d) Strengthening Alaska Native and Native Hawaiian-serving institutions (HEA III-A, section 317)	D	11,785	11,579	0	(11,579)	-100.0%
(e) Additional funds for strengthening Alaska Native or Native Hawaiian-serving institutions (HEA-IV-J)	M	0	15,000	15,000	0	0.0%
Subtotal		11,785	26,579	15,000	(11,579)	-43.6%
(f) Strengthening HBCUs (HEA III-B, section 323)	D	238,095	238,095	153,095	(85,000)	-35.7%
(g) Additional funds for strengthening HBCUs (HEA-IV-J)	M	0	85,000	85,000	0	0.0%
Subtotal		238,095	323,095	238,095	(85,000)	-26.3%
(h) Strengthening historically Black graduate institutions (HEA III-B, section 326)	D	57,915	56,903	56,903	0	0.0%
(i) Minority science and engineering improvement (HEA III-E-1)	D	8,730	8,577	8,577	0	0.0%
(j) Strengthening predominantly Black institutions (HEA IV-J)	M	0	15,000	15,000	0	0.0%
(k) Strengthening Asian American and Native American Pacific Islander-serving institutions (HEA-IV-J)	M	0	5,000	5,000	0	0.0%
(l) Strengthening Native American-serving nontribal institutions (HEA-IV-J)	M	0	5,000	5,000	0	0.0%
Subtotal, Aid for institutional development		419,630	571,458	451,721	(119,737)	-21.0%
2. Other aid for institutions:						
(a) Developing Hispanic-serving institutions (HEA V)	D	94,914	93,256	74,442	(18,814)	-20.2%
(b) Developing HSI STEM and articulation programs (HEA IV-J (B))	M	0	100,000	100,000	0	0.0%
(c) International education and foreign language studies:						
(1) Domestic programs (HEA VI-A and B)	D	91,541	93,941	94,941	1,000	1.1%
(2) Overseas programs (MECEA section 102(b)(6))	D	12,610	13,372	13,372	0	0.0%
(3) Institute for International Public Policy (HEA VI-C)	D	1,600	1,670	1,670	0	0.0%
Subtotal		105,751	108,983	109,983	1,000	0.9%
(d) Fund for the Improvement of Postsecondary Education (HEA VII-B)	D	21,989	120,333	37,433	(82,900)	-68.9%
(e) Demonstration projects to ensure quality higher education for students with disabilities (HEA VII-D)	D	6,875	6,755	0	(6,755)	-100.0%
(f) Tribally controlled postsecondary career and technical institutions (CTEA section 117)	D	7,366	7,546	0	(7,546)	-100.0%

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(in thousands of dollars)		2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent
Higher Education (continued)						
3. Assistance for students:						
(a) Federal TRIO programs (HEA IV-A-2, Chapter 1)	D	828,178	828,178	828,178	0	0.0%
(b) Additional funds for Upward Bound (HEA 402C(f))	M	0	57,000	57,000	0	0.0%
Subtotal		828,178	885,178	885,178	0	0.0%
(c) Gaining early awareness and readiness for undergraduate programs (GEAR UP) (HEA IV-A-2, Chapter 2)						
(d) Scholarships and fellowships:						
(1) Byrd honors scholarships (HEA IV-A-6)	D	40,590	40,284	0	(40,284)	-100.0%
(2) Javits fellowships (HEA VII-A-1)	D	9,699	9,530	9,844	314	3.3%
(3) Graduate assistance in areas of national need (HEA VII-A-2)	D	30,067	29,542	32,517	2,975	10.1%
(4) Thurgood Marshall legal educational opportunity program (HEA VII-A-3)	D	2,946	2,895	0	(2,895)	-100.0%
(5) B.J. Stupak Olympic scholarships (HE Amendments of 1992, section 1543)	D	970	953	0	(953)	-100.0%
(e) Child care access means parents in school (HEA IV-A-7)	D	15,810	15,534	15,534	0	0.0%
4. Teachers for a competitive tomorrow (America COMPETES Act)						
(a) Baccalaureate STEM and foreign language teacher training (Sec. 6113)	D	0	983	0	(983)	-100.0%
(b) Masters STEM and foreign language teacher training (Sec. 6114)	D	0	983	0	(983)	-100.0%
5. Teacher quality enhancement (HEA II-A)	D	59,895	33,662	0	(33,662)	-100.0%
6. GPRA data/HEA program evaluation (Department of Education Appropriations Act)	D	970	609	1,609	1,000	164.1%
7. Underground railroad program (HE Amendments of 1998, VIII-H)	D	1,980	1,945	0	(1,945)	-100.0%
8. Advancing America through foreign language partnerships (America COMPETES Act VI-C)	D	0	0	24,000	24,000	---
9. College access challenge grant program (HEA VII-E)	M	0	66,000	66,000	0	0.0%
10. Hurricane aid for postsecondary institutions (HEA-VII-B) (non-add)	D	30,000	0	0	0	---
Total	D	1,951,053	2,399,851	2,111,684	(288,167)	-12.0%
Discretionary		1,951,053	2,021,851	1,733,684	(288,167)	-14.3%
Mandatory		0	378,000	378,000	0	0.0%
<i>Outlays</i>		1,951,192	2,092,507	2,317,134	224,627	10.7%
<i>Discretionary</i>	<i>D</i>	1,951,192	2,073,607	2,041,194	(32,413)	-1.6%
<i>Mandatory</i>	<i>M</i>	0	18,900	275,940	257,040	1360.0%

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(in thousands of dollars)		Category Code	2007 Annual CR Operating Plan	2008 Appropriation	2009 President's Request	Change from 2008 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
Howard University							
1. Howard University Hospital (20 U.S.C. 128)	D	29,461	28,946	28,946	0	0.0%	
2. General support (20 U.S.C. 121 et seq.)	D	207,931	204,298	204,299	1	0.0%	
Total	D	237,392	233,245	233,245	0	0.0%	
<i>Outlays</i>	<i>D</i>	<i>244,467</i>	<i>222,715</i>	<i>233,245</i>	<i>10,530</i>	<i>4.7%</i>	
College Housing and Academic Facilities Loans Program Account (HEA section 121)							
1. Federal administration (FCRA section 505(e))	D	571	473	461	(12)	-2.5%	
2. Reestimate of existing loan subsidies	M	37	232	0	(232)	-100.0%	
Total		608	705	461	(244)	-34.6%	
Discretionary	D	571	473	461	(12)	-2.5%	
Mandatory	M	37	232	0	(232)	-100.0%	
<i>Outlays</i>		<i>428</i>	<i>860</i>	<i>481</i>	<i>(379)</i>	<i>-44.1%</i>	
Discretionary	D	391	628	481	(147)	-23.4%	
Mandatory	M	37	232	0	(232)	-100.0%	
College Housing and Academic Facilities Loans Liquidating Account (HEA section 121)	M	(6,984)	(933)	(1,228)	(295)	31.6%	
<i>Outlays</i>	<i>M</i>	<i>(733)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>---</i>	
Historically Black College and University Capital Financing Program Account (HEA III-D)							
1. Federal administration (FCRA section 505(e))	D	209	185	354	169	91.6%	
2. Hurricane recovery loan subsidies (non-add)	D	304,560	0	0	0	---	
3. Loan subsidies	D	0	0	10,000	10,000	---	
4. Reestimate of existing loan subsidies	M	14,154	18,038	0	(18,038)	-100.0%	
Total		14,363	18,223	10,354	(7,869)	-43.2%	
Discretionary	D	209	185	10,354	10,169	5505.4%	
Mandatory	M	14,154	18,038	0	(18,038)	-100.0%	
<i>Outlays</i>		<i>318,840</i>	<i>18,235</i>	<i>10,272</i>	<i>(7,963)</i>	<i>-43.7%</i>	
Discretionary	D	304,686	197	10,272	10,075	5114.2%	
Mandatory	M	14,154	18,038	0	(18,038)	-100.0%	
Higher Education Facilities Loans Liquidating Account (HEA section 121)	M	(1,502)	(1,333)	(1,341)	(8)	0.6%	
<i>Outlays</i>	<i>M</i>	<i>(1,366)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>---</i>	
College Housing Loans Liquidating Account (HEA section 121)	M	(25,974)	(18,333)	(17,536)	797	-4.3%	
<i>Outlays</i>	<i>M</i>	<i>(20,722)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>---</i>	
TOTAL, OPE		2,168,956	2,631,424	2,335,639	(295,785)	-11.2%	
Discretionary	D	2,189,225	2,255,753	1,977,744	(278,009)	-12.3%	
Mandatory	M	(20,269)	375,671	357,895	(17,776)	-4.7%	

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(in thousands of dollars)					<u>Change from 2008 Appropriation</u>	
<u>Office, Account, Program and Activity</u>	<u>Category Code</u>	<u>2007 Annual CR Operating Plan</u>	<u>2008 Appropriation</u>	<u>2009 President's Request</u>	<u>Amount</u>	<u>Percent</u>

DEPARTMENT OF EDUCATION FISCAL YEAR 2009 PRESIDENT'S BUDGET

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(in thousands of dollars)		2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent
INSTITUTE OF EDUCATION SCIENCES (IES)						
<i>Institute of Education Sciences</i>						
1. Research and statistics:						
(a) Research, development, and dissemination (ESRA I-A, B and D)	D	162,552	159,696	167,196	7,500	4.7%
(b) Statistics (ESRA I-C)	D	90,022	88,449	104,593	16,144	18.3%
2. Regional educational laboratories (ESRA section 174)						
	D	65,470	65,569	67,569	2,000	3.1%
3. Assessment (NAEPAA):						
(a) National assessment (section 303)	D	88,095	98,121	130,121	32,000	32.6%
(b) National Assessment Governing Board (section 302)	D	5,054	5,932	8,723	2,791	47.1%
Subtotal		93,149	104,053	138,844	34,791	33.4%
4. Research in special education (ESRA, Part E)						
	D	71,840	70,585	70,585	0	0.0%
5. Statewide data systems (ETAA section 208)						
	D	24,552	48,293	100,000	51,707	107.1%
6. Special education studies and evaluations (IDEA, section 664)						
	D	9,900	9,460	9,460	0	0.0%
Total	D	517,485	546,105	658,247	112,142	20.5%
<i>Outlays</i>	<i>D</i>	<i>437,484</i>	<i>428,963</i>	<i>461,048</i>	<i>32,085</i>	<i>7.5%</i>
TOTAL, IES		517,485	546,105	658,247	112,142	20.5%

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(in thousands of dollars)			2007 Annual	2008	2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	Appropriation	President's Request	Amount	Percent	
DEPARTMENTAL MANAGEMENT							
Program Administration (DEOA)							
1. Salaries and expenses	D	416,487	409,211	436,500	27,289	6.7%	
2. Building modernization	D	2,100	2,063	7,939	5,876	284.8%	
Total	D	418,587	411,274	444,439	33,165	8.1%	
Outlays	D	400,176	419,786	427,228	7,442	1.8%	
Student Aid Administration (HEA I-D and IV-D, section 458)							
1. Salaries and expenses	D	717,950 ^{1,2}	695,843	714,000	18,157	2.6%	
Outlays	D	429,151 ³	628,466	686,761	58,295	9.3%	
Office for Civil Rights (DEOA, section 203)							
1. Salaries and expenses	D	91,205	89,612	101,040	11,428	12.8%	
Outlays	D	91,114	93,848	96,764	2,916	3.1%	
Office of the Inspector General (DEOA, section 212)							
1. Salaries and expenses	D	50,266 ⁴	50,849	54,539	3,690	7.3%	
Outlays	D	48,088	51,739	53,221	1,482	2.9%	
TOTAL, DEPARTMENTAL MANAGEMENT		1,278,008	1,247,578	1,314,018	66,440	5.3%	
HURRICANE EDUCATION RECOVERY							
Hurricane Education Recovery							
1. Hurricane educator assistance program (ESEA-V-D-I) (non-add)	D	30,000	0	0	0	---	
Outlays	D	414,907	358,811	0	(358,811)	-100.0%	

¹ Reflects enactment of the Higher Education Reconciliation Act of 2005 (Title VIII-A of the Deficit Reduction Act of 2005), which reauthorizes HEA section 458 and requires the Congress, beginning in fiscal year 2007, to appropriate discretionary funds for Federal student aid administrative costs, which were formerly available as mandatory funds.

² Reflects a rescission of \$500 thousand, enacted in Section 6608 of P.L. 110-28, the U.S. Troops Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007, enacted May 25, 2007, and transfer of \$1,464,060 to the Office of the Inspector General, as authorized by Section 104 of the Continuing Appropriations Resolution.

³ Excludes outlays made under prior mandatory Federal Administration: \$524,974 thousand in fiscal year 2006, \$236,918 thousand in fiscal year 2007, and \$63,891 thousand in fiscal year 2008. These outlays are shown in the Federal Direct Student Loans Program account where the expenditures will occur.

⁴ Reflects a transfer of \$1,464,060 from Student Aid Administration, as authorized by Section 104 of the Continuing Appropriations Resolution 2007 (P.L. 110-5), to Office of the Inspector General.

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(in thousands of dollars)			2007 Annual		2009	Change from 2008 Appropriation	
Office, Account, Program and Activity	Category Code	CR Operating Plan	2008 Appropriation	President's Request	Amount	Percent	
Contributions (DEOA, section 421)	M	0	0	0	0	---	
Outlays	M	21,677	30,620	8,800	(21,820)	-71.3%	
General Fund Receipts							
1. Perkins loan repayments	M	(35,000)	(42,000)	(42,000)	0	0.0%	
2. Perkins institutional fund recall (mandatory)	M	0	0	(1,116,000)	(1,116,000)	---	
3. CHAFL downward reestimate of loan subsidies	M	0	(1,989)	0	1,989	-100.0%	
4. FDSL downward reestimate of loan subsidies	M	(984,538)	(573,939)	0	573,939	-100.0%	
5. FFEL downward reestimate of loan subsidies	M	(3,714,626)	(2,456,227)	0	2,456,227	-100.0%	
6. FDSL downward modification/negative loan subsidies	M	0	(9,693)	(1,678,045)	(1,668,352)	17211.9%	
7. FFEL downward modification/negative loan subsidies	M	0	(2,577,738)	0	2,577,738	-100.0%	
8. HBCU capital financing downward reestimate of loan subsidies	M	0	(17,700)	0	17,700	-100.0%	
9. Proprietary receipts	M	(115,000)	(47,000)	(47,000)	0	0.0%	
10. Proprietary interest receipts	M	(20,000)	(20,000)	(20,000)	0	0.0%	
11. Net intergovernmental payments	M	(1,000)	(4,000)	(4,000)	0	0.0%	
Total		(4,870,164)	(5,750,286)	(2,907,045)	2,843,241	-49.4%	
Outlays	M	(4,870,164)	(5,750,286)	(2,907,045)	2,843,241	-49.4%	
APPROPRIATION TOTAL, EDUCATION DEPARTMENT							
Discretionary funds	D	67,904,078	68,574,592	64,882,384	(3,692,209)	-5.4%	
Mandatory funds	M	57,481,294	59,181,467	59,210,061	28,593	0.0%	
BUDGET AUTHORITY TOTAL, EDUCATION DEPARTMENT							
Discretionary funds	D	67,904,078	66,590,893	64,882,384	(1,708,510)	-2.6%	
Mandatory funds	M	57,481,294 ¹	57,197,768 ²	59,210,061 ²	2,012,292	3.5%	
OUTLAYS TOTAL, EDUCATION DEPARTMENT							
Discretionary funds	D	66,938,761	68,068,939	63,518,587	(4,550,352)	-6.7%	
Mandatory funds	M	57,921,758	60,171,959	59,030,303	(1,141,656)	-1.9%	
	M	9,017,003	7,896,980	4,488,284	(3,408,696)	-43.2%	

¹ Excludes advance appropriations of \$15,033,501 thousand that become available on October 1 of the following fiscal year.

² Excludes advance appropriations of \$17,017,200 thousand that become available on October 1 of the following fiscal year.

NOTE: Appropriation totals reflect the total funds provided in the year of appropriation, including advance appropriation amounts that do not become available until the succeeding fiscal year. The total budget authority reflects funds that become available in the fiscal year shown, which includes new amounts provided for that fiscal year and amounts advanced from the prior year's appropriation.