



***BUSH FISCAL YEAR 2008 EDUCATION BUDGET:***  
**Failing to Invest in Schools, Denying Critical Services to**  
**Disadvantaged Children, Allowing College**  
**Tuition to Soar...And More**

**THE HONORABLE GEORGE MILLER**  
**CHAIRMAN**  
**COMMITTEE ON EDUCATION AND LABOR**  
**U.S. HOUSE OF REPRESENTATIVES**

---

**February 2007**

---

## Executive Summary

**President Bush cuts \$1.5 billion in education funding.** In his fiscal year 2008 budget, President Bush cuts \$1.5 billion, or 2.6%, from education funding despite the critical need to boost high quality educational opportunities for all Americans. President Bush's budget reflects his misguided priorities, driving up the deficit to record levels with a failed tax policy while cutting the most critical programs that serve American children, students and families. Inadequate federal investments will further jeopardize education reform focused on improved accountability, teacher quality and school safety, and will hamper postsecondary access for millions of students.

Department of Education Funding

Bush Fiscal Year 2008 Request	-\$1.5 billion	-2.6%
2007	-2.1 billion	-3.80%
2006	-\$530 million	-1.00%
2005	+916 million	+1.60 %
2004	+ \$2.5 billion	4.80%
2003	+ \$3.2 billion	6.40%
2002	+ \$7.7 billion	18.20%
2001	+ \$6.6 billion	18.60%
2000	+ \$2.1 billion	6.00%
1999	+ \$3.6 billion	12.10%
1998	+ \$3.3 billion	12.20%
1997	+ \$3.6 billion	15.70%

### Critical Failures of President Bush's 2008 Education Budget

- President Bush denies critical services to 3.2 million disadvantaged children, breaking funding promises again and undermining efforts to close the achievement gap.** President Bush's budget will deny 3.2 million disadvantaged children critical assistance, such as extra help to become proficient in reading and math, while at the same time increasing funds for a shortsighted private school voucher program. Bush shortchanges NCLB by \$14.8 billion, for a cumulative shortfall of \$70.9 billion since enactment of the law.
- President Bush allows college tuition to soar un-checked.** In the past few years, the weakened economy, regressive tax cuts for the wealthy and federal budget cuts have pushed higher tuition prices onto college students and their families. The average tuition and fees at four-year public colleges have risen by 40%, when adjusted for inflation, since 2001. Not only has President Bush failed to provide any relief for rising tuition, but his FY 2008 budget makes yet another promise to increase the Pell Scholarships – even though he has not kept his previous promises.
- President Bush undermines critical early education.** Successful K-12 education reform must include opportunities for low-income children to receive high quality early education. But the Bush budget cuts \$100 million from the Head Start program and, as a result, programs will have to choose between cutting 30,000 children from the program and making cuts to the quality services proven to help children reach kindergarten better prepared to succeed.
- President Bush shortchanges infants with special needs and their families.** Science on brain and child development demonstrate that services to children with special needs are the most effective and the most cost efficient when difficulties are identified and services are provided early. These early interventions lead to significant improvements in educational outcomes later in childhood, and this is why the Grants for Infants and Families under Part C of IDEA are so important to our children and our nation's future. Yet the President's budget continues to ignore these needs, undermining our best efforts to serve these children and families by level funding of the Grants for Infants and Families under Part C of IDEA and failing to restore the 3% cut in funding the Republicans passed into law in 2006.

## No Child Left Behind Funding: Failing to Invest in Our Schools

**President Bush shortchanges education reform.** President Bush is failing to provide the resources he promised for the No Child Left Behind Act (NCLB) —bipartisan K-12 education reform legislation signed into law in 2002. The Bush budget falls \$14.8 billion short of the amount that the President and Congress originally agreed to provide for NCLB this year. Under his FY 2008 budget, President Bush has shortchanged NCLB by a total of more than \$70.9 billion since its enactment.

### Failing to Give Schools the Resources Needed to Close the Achievement Gap

	FY02	FY03	FY04	FY05	FY06	FY07*	FY08
NCLB Authorized Level <i>(in billions)</i>	\$26.42	\$29.22	\$32.02	\$34.32	\$36.87	\$39.44	n/a
Appropriations <i>(in billions)</i>	\$22.20	\$23.84	\$24.46	\$24.52	\$23.51	\$23.65	\$24.6
<b>NCLB shortfall</b> <i>(in billions)</i>	<b>- \$4.2</b>	<b>- \$5.38</b>	<b>- \$7.55</b>	<b>- \$ 9.8</b>	<b>- \$13.36</b>	<b>-\$15.8</b>	<b>\$-14.8</b>

\*Appropriations level is based on the 2007 joint funding resolution.

## Elementary and Secondary Education

**President Bush fails to uphold his commitment to bipartisan education reform.** Five years ago, Congress and the President enacted the most important education reform legislation in 30 years – the No Child Left Behind Act (NCLB). NCLB focused on improving quality and accountability for results in exchange for significantly increased resources. Unfortunately, the Bush administration has abandoned its commitment to this law. Through both inadequate funding and slow and contradictory implementation, the administration has failed to help our schools achieve the law’s goals. The FY 2008 Bush budget makes the job for schools even harder in the following ways:

**Denying extra academic help to 3.2 million students.** This budget allocates \$13.9 billion for the Title I program, which provides additional assistance to our most disadvantaged children and is a critical component of our efforts to close the achievement gap. Despite the \$1.2 billion increase in 2008, the Title I shortfall from last year’s authorized level (\$25 billion) would be \$11.1 billion, and the cumulative shortfall since enactment of NCLB rises to \$54.7 billion. The increase is intended to help school districts boost Title I funding in high schools without taking funds from Title I schools in the lower grades. The plan requires new authorizing language that changes local allocation rules for Title I funding. The budget also includes \$500 million in funding for the Title I School Improvement Grants program, which is funded for the first time ever in the 2007 Congressional Joint Funding Resolution.

- **Misleading the public on math and science education.** The Bush administration has trumpeted an investment of more than \$380 million in math and science efforts. In reality, \$115 million of these funds are not new – they are simply a continuation of existing grants for other education programs. While improving our children’s math and science skills is important, it should not come at the expense of much needed resources for critical existing programs, such as the Safe and Drug Free Schools, Even Start, and vocational education programs.

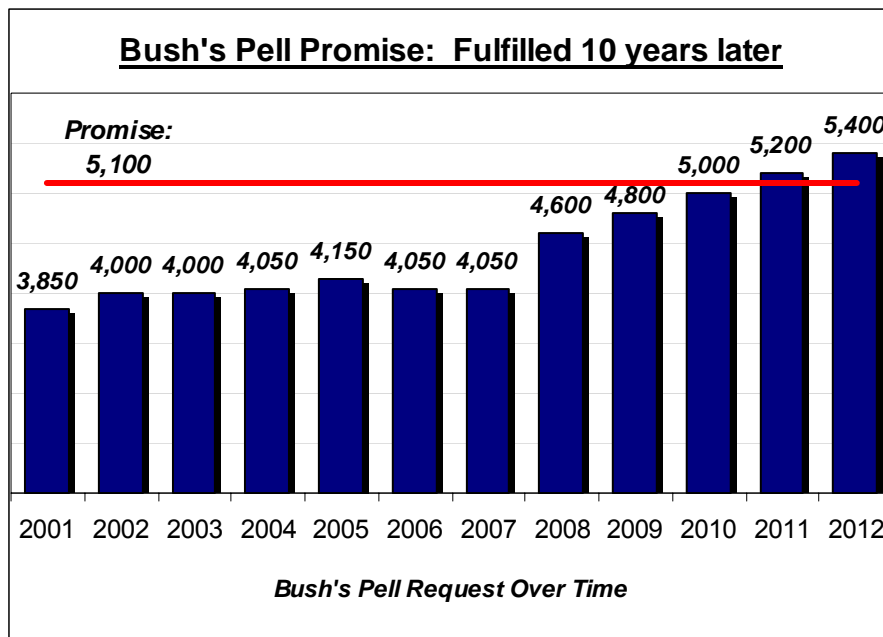
- **Continuing misguided support for private school vouchers while shortchanging public schools.** President Bush's budget proposes yet another private-school voucher scheme—a \$300 million voucher plan that comes one year after the House and Senate appropriators rejected the administration's \$100 million voucher plan. While public schools struggle with declining federal financial assistance, the Bush administration again demonstrates its misguided priorities by proposing to use public dollars to subsidize private schools and pay for private school tuition.
- **Shortchanging disadvantaged high school students.** While the Bush administration touts its commitment to high school reform, the Bush budget simply seizes more than a billion dollars in current funding from ongoing programs, including vocational education, school counseling and smaller learning communities, in order to fund its “new” high school reform proposal. These programs provide critical support to high school students, particularly those at risk of school failure and dropping out.
- **President Bush breaks his NCLB promise to provide highly qualified teachers in our classrooms.** President Bush's budget provides \$100 million less than he promised to states to help improve teacher quality. Investing in teachers is one of the smartest and most effective ways to help students but the President's budget takes us in the wrong direction.
- **Closing the door to after school programs – denying 2 million children critical after school support.** The Bush budget fails to increase funding for the effective and popular 21<sup>st</sup> Century Community Learning Centers Initiative, providing only a \$14 thousand increase above the 2007 joint funding resolution. Under NCLB, President Bush promised to fund this program at \$2.5 billion in FY 2007, more than twice as much as he now proposes. As a result of the freeze, President Bush will deny an additional 2 million children the ability to attend after school programs.
- **Freezing bilingual education – 5<sup>th</sup> year in a row.** The Bush budget provides a slight \$1.8 million increase for bilingual education, allocating only \$670.8 million – far less than promised by NCLB. This shortsightedness comes at a time when the number of students who need help learning English is growing rapidly. This shortfall means more than 60,000 children will be denied assistance in learning English.
- **Jeopardizing student safety and drug abuse prevention.** The Bush budget slashes funding for the Safe and Drug Free Schools and Communities State Grant program by more than \$250 million and eliminates the Alcohol Abuse Reduction program and the Mentoring program. These cuts will compromise existing efforts to ensure safe learning environments and safeguard students from terrorist threats, violence in the schools and drug use by students.

## Higher Education and Financial Aid for College

**President Bush allows college tuition to soar un-checked.** In the past few years, the weakened economy, regressive tax cuts for the wealthy and federal budget cuts have pushed higher tuition prices onto college students and their families. The average tuition and fees at four-year public colleges have risen 40%, when adjusted for inflation, since 2001.

**President Bush breaks yet another promise on increasing the Pell Scholarships.** While campaigning in 2000, George W. Bush pledged to make college more affordable and accessible by increasing the maximum Pell Scholarship for college freshman to \$5,100...seven years later he has yet to make good on his promise. Now the President promises a maximum Pell Grant award of \$4,600, only increasing the maximum Pell by \$290 in 2008 (after the 2007 Congressional Joint Funding Resolution increased Pell Grant funding to \$4,310). Under President Bush's proposal, he fails to meet his campaign promise to bring the Pell Grant to \$5,100 until 2011 – three years after he leaves office.

The President proposes to pay for this increase in part by eliminating critical college access programs, including the Federal Supplemental Educational Opportunity Grants (SEOG) (-\$771 million), Federal Perkins Cancellations (-\$65.5 million), and Leveraging Education Assistance Partnerships (LEAP) (-\$65 million).



**Bush denies low cost loans to more than 460,000 students in 2007.** The President's FY 2008 budget cuts \$65.5 million from the Perkins College Loan Program by requiring that participating colleges return the federal portion of collections made on Perkins Loans in 2007. As a result, this year more than 500,000 low- and middle-income students will be denied low-cost loans (interest rates on Perkins loans are set at a fixed rate of 5%) to help pay for their college education.

**Bush cuts place billions in student aid at risk.** President Bush's FY 2008 budget cuts student aid administrative funds by \$10 million. Additionally, the budget subjects these funds to annual appropriations putting them at significant risk. The Bush budget will force administrative funding to compete against Pell grants and other education priorities for resources, and will jeopardize the Department of Education's ability to administer the student aid programs—which have a long history of fraud and abuse—safely and soundly.

Each year these critical funds are used to: disburse approximately \$117 billion in student aid grants and loans to nearly 10 million students; process more than 13 million federal financial aid applications; oversee the participation of more than 6,200 schools in the student loan programs

**Bush eliminates loan forgiveness to teachers, military service members and law enforcement officers.** In his FY 2008 budget, President Bush eliminates Perkins Loan forgiveness funding, and as a result, students who borrow Perkins loans and who become teachers, law enforcement officers or who serve in the military will lose out on loan forgiveness.

**Bush freezes work-study and eliminates supplemental college grants.** President Bush freezes funds for work-study and eliminates Supplemental Educational Opportunity Grants (SEOG)—which provide aid to more than 1.3 million students with the most financial need.

**Bush eliminates the state college scholarship initiative (LEAP), risking \$1 billion in non-federal student aid.** President Bush eliminates the \$65 million Leveraging Educational Assistance Partnerships (LEAP) initiative, which encourages states to establish college scholarships for college students. In 2001-2002, the federal investment in LEAP leveraged more than \$1 billion in matching state spending.

**Bush terminates 44 critical education programs, reducing the federal investment in education by more than \$2.2 billion.** These programs help disadvantaged children prepare for and attend college and assist schools in meeting the challenges of NCLB. **Among the programs terminated, the six largest include:**

**Supplemental Educational Opportunity Grants** – (-\$771 million) provides an additional source of aid for exceptionally needy students.

**Even Start** -- (-\$99 million) provides funding to support family literacy programs – improving the literacy skills of both children and their parents.

**Technology State Grants** – (-\$272 million) provides critical funding to close the digital divide and improve academic achievement in our schools.

**Tech Prep Education State Grants** – (-\$105 million) are designed to enhance and expand traditional career technical education by requiring a linkage between secondary and post-secondary programs.

**Smaller Learning Communities** – (-\$94 million) provides resources to reduce school size and promote personalized learning environments especially in high schools.

**State Grants for Innovative Programs** – (-\$99 million) supports education reform efforts and provides an additional source of funding for education improvement.

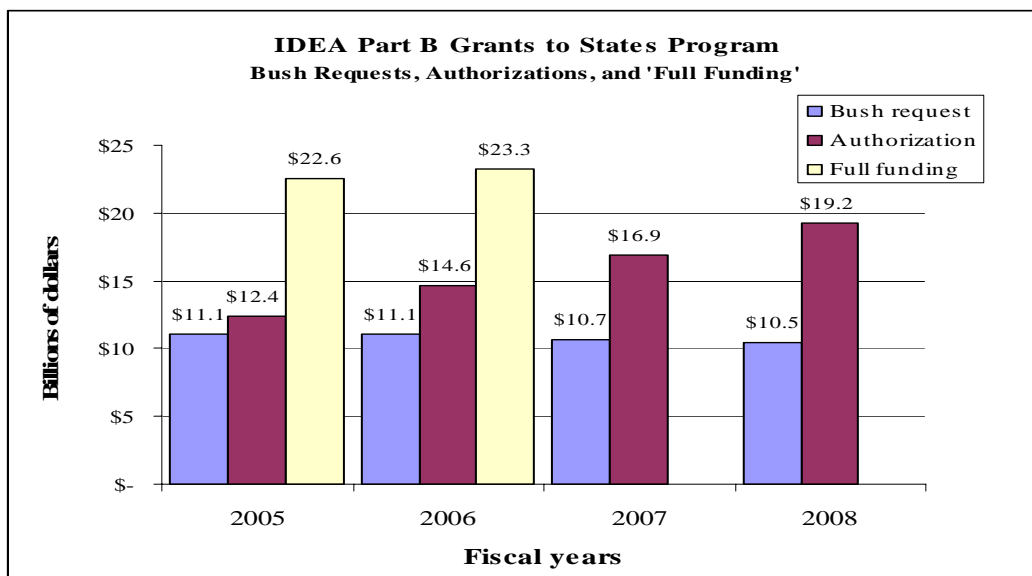
## Special Education

The Individuals with Disabilities Education Act (IDEA) requires schools to provide all students with a free and appropriate public education and provides funding for educating children with disabilities. Unfortunately, the Bush budget continues to retreat on its commitment to students with disabilities, decreasing funding for IDEA Part B State Grants by \$291 million (-2.7%), for a total of \$10.5 billion. This would provide just 16.5% of the national average per-pupil expenditure toward meeting the excess costs of education students with disabilities – down from 17.2% this year and less than half of the 40% promised by Congress when IDEA was enacted 32 years ago. The Bush proposal is the lowest percentage level of support in five years. Further, the 2008 proposed level for IDEA falls \$8.7 billion short of the FY 2008 authorized level of \$19.2 billion, a major set-back in ensuring that the Individuals with Disabilities Act (IDEA) will ever be fully funded.

In addition, the President plans to take administrative action to reduce Medicaid-based reimbursements related to services for special education students by -\$615 million in FY 2008 and -\$3.6 billion over the next 5 years. For over 20 years, a Medicaid policy has been on the books to

help provide low-income students with special health needs with access to treatment in school settings. Eliminating the reimbursement mechanism together with the proposed cut in IDEA State Grants amounts to more than \$900 million less in FY 2008 and will severely undermine schools' ability to educate students with special needs.

President Bush shortchanges infants with special needs and their families in the administration's FY 2008 budget. Science on brain and child development demonstrate that services to children with special needs are the most effective and the most cost efficient when difficulties are identified and services are provided early. These early interventions lead to significant improvements in educational outcomes later in childhood, and this is why the Grants for Infants and Families under Part C of IDEA are so important to our children and our nation's future. Yet the President's budget continues to ignore these needs, undermining our best efforts to serve these children and families by level funding the Grants for Infants and Families under Part C of IDEA and failing to restore the 3% cut in funding the Republicans passed into law in 2006.



\*The 2004 amendments changed the definition of full funding for FY 2007 and beyond. Calculations are not available at this time.

## Vocational Education and Adult Education

Vocational education provides important training and education opportunities to students in high schools and community colleges. The current system supports training and education in cutting edge fields of health care, technology and others. In addition, the federal Adult Education program continues to provide opportunities for adults to improve their literacy and workplace skills. Both vocational and adult education programs continue to play a crucial role in training Americans for high paying and rewarding careers in today's changing economy.

The FY 2008 Bush budget clearly demonstrates that the President has lost sight of the important job training and economic benefits of vocational and adult education programs. In his 2008 budget, President Bush:

- **Proposes a -49 percent reduction to Vocational Education, destroying innovative career and technical education programs for students attending high school and**

**community college.** The Bush budget provides \$600 million for vocational education State Grants, a -49% reduction below the 2007 joint funding resolution. In total, the President cut -\$802 million in funding for vocational education programs, cutting off a pipeline to job opportunities in emerging fields such as telecommunications and health care for millions of students.

- **Freezes critical literacy services, providing services to only 3% of eligible recipients.** President Bush freezes funding for adult basic education, failing to expand services to over 90 million adults who have literacy levels that make it difficult for them to gain and hold employment or help their children with their school work. Adult education services already have long waiting lists and budgets that only allow them to serve 3% of adults with basic or below basic literacy skills.
- **Reflects lack of administration concern over training and job opportunities.** The elimination of vocational education funding will directly impact community college efforts to ensure a highly trained American workforce. The elimination of vocational education funding comes on top of efforts by President Bush to cut more than \$675 million in funding for job training for youth since he took office.

## Early Education

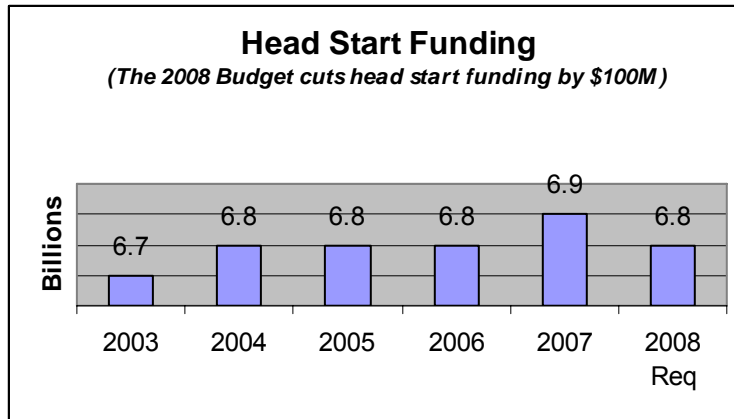
Access to early education is one of the most important opportunities we can provide our children. Children's early learning experiences have life-long consequences. The research is clear – high quality pre-K programs like Head Start change lives and save taxpayer money. Head Start improves children's pre-literacy, pre-math skills, and social skills so when they start kindergarten, they are ready to succeed. Children who attend early education programs like Head Start are less likely to need special education, be held back in school or commit crimes, and they are more likely to graduate from high school. If we are serious about all children succeeding in school, America must make early childhood education a top priority.

The President's budget, for the seventh year in a row, demonstrates that early education is one of his lowest priorities:

- **Increases child care waiting lists by hundreds of thousands.** The Child Care and Development Block Grant (CCDBG) is a critical early education program, that provides child care assistance for low-income working families. Child care costs are often a family's second highest expenditure, and without child care assistance, many American workers cannot make ends meet or stay employed and many children lose the opportunity for important early education experiences. Because of inadequate funding, many states have waiting lists tens of thousands of families long. But instead of doing more to help hard working Americans stay employed and afford child care, the Bush budget does much less for these children and families. By freezing funding for CCDBG for the sixth consecutive year, the Bush budget – by their own admission will cut child care assistance by 450,000 children by 2011.
- **Cuts Head Start services.** The Bush budget cuts \$100 million from the Head Start program, which means programs will have to either cut quality or the number of children served – or both. Head Start funding has not kept pace with inflation since 2003, causing cuts in its services for children. Without providing a cost of living increase, programs, which have to pay for increased rent, transportation, food, and personnel costs, will have to make



difficult choices by either cutting back on the high quality services that have been proven to help children learn – such as qualified teachers, educational activities, and parent education – or, even though only about 50% of eligible preschoolers are served by Head Start, reduce the number of children attending Head Start by as much as 30,000. This follows five years of inadequate Republican Head Start budgets that have already forced programs to do more with less.



## President Bush Eliminates Programs and Shrinks Opportunities

The following programs help disadvantaged students prepare for and attend college and assist schools in meeting the challenges of NCLB. Unfortunately, they are among the 44 programs included in the President's budget for termination:

- **Perkins Loan Cancellations** – provides loan forgiveness to students who pursue careers as law enforcement officers, teachers or who serve in the military.
- **Comprehensive School Reform** – provides assistance to schools to implement public school reform programs.
- **Dropout Prevention Programs** – helps keep children in school at a time when only 68 out of every 100 students who enter high school will graduate.
- **Smaller Learning Communities** – provides resources to reduce school size and create more personalized learning environments, especially in high schools
- **State College Scholarship Program, or Leveraging Education Assistance Partnerships (LEAP)** – which leveraged more than \$1 billion in state spending on student aid in 2001-2002.
- **School Leadership** – improved training opportunities for principals and assistant principals.
- **Elementary and Secondary School Counseling** – provides resources to support elementary and secondary school counseling programs – all the more important at a time of war and in the aftermath of Hurricane Katrina.
- **Even Start** – provides funding to support family literacy programs – improving the literacy skills for 25,000 children and 19,000 adults.
- **Arts in Education** – funds art programs for disabled children.
- **Mentoring Program**—funds mentoring programs that support students at risk of academic failure.