

**Strategic Plan
For Fiscal Years 2007–12**



U.S. Department of Education

U.S. Department of Education

Margaret Spellings
Secretary

Office of the Chief Financial Officer
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May 2007

NOTE: Although this strategic plan covers fiscal year (FY) 2007, the Department's annual performance plan and annual performance and accountability report for FY 2007 will use the key measures for that year that are related to the goals of the expiring Department strategic plan FY 2002–07. The key measures included in this document will be effective for the Department beginning with FY 2008.

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LETTER FROM THE SECRETARY

Dear Reader,

Five years after the bipartisan passage of the *No Child Left Behind Act of 2001*, we remain dedicated to promoting education excellence in every corner of the country. Together, we can point with pride to the progress we've made. But we must continue to focus on the hard work and challenges that lie ahead.

The U.S. Department of Education's *Strategic Plan for Fiscal Years 2007–12* sets high expectations for America's schools and students, and for ourselves. We are committed to giving students the skills they need to succeed in a highly competitive global economy. To this end, we have set out three important goals in this plan that address the following three priorities:

1. Increase student achievement, reward qualified teachers, and renew troubled schools so that every student can read and do math at grade level by 2014, as called for by the *No Child Left Behind Act*.
2. Encourage more rigorous and advanced coursework to improve the academic performance of our middle and high school students.
3. Work with colleges and universities to improve access, affordability, and accountability, so that our higher education system remains the world's finest.

We are also setting high expectations for management of the Department by creating a crosscutting goal focused on excellent management practices, fiscal integrity, and a culture of high performance.

No Child Left Behind provides a strong foundation on which to build these positive results. Data show that the law is working to improve student achievement and close the nation's achievement gap. We must now work together to reauthorize and strengthen the law. Children who were in grade 3 when the law was passed will soon be entering high school. They deserve to be taught to high standards by qualified teachers in schools that are held accountable for results.

We understand who truly makes a difference in education: hard-working teachers, principals, administrators, and parents. Let us commit ourselves to helping them get the very best from our nation's students.

Sincerely,

/s/

Margaret Spellings
Secretary of Education

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MISSION STATEMENT

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

As the Department continues efforts to improve the quality of education for America's students, new challenges are emerging. While increases in academic proficiency ushered in by the *No Child Left Behind Act of 2001 (NCLB)* are encouraging, student achievement must continue to improve so that all students achieve proficiency in state reading/language arts and mathematics assessments by 2014. In later grades, more students must take increasingly rigorous course work, especially in mathematics and science, to be prepared for postsecondary education or the workforce following high school. Postsecondary education requires significant transformation to maintain America's leading position in scientific innovation and economic prosperity. And all Americans should have the skills to hold desired employment and to participate actively and wisely in the nation's civic affairs.

The Department's previous mission statement¹ succinctly encapsulated both academic excellence and equal access for all Americans. The Department continues to strive for these ends and now adds to them expectations for increasing levels of academic performance and long-term competitiveness in the global marketplace.

In pursuit of its mission, the Department will help define America's education agenda, focusing the attention of our state and local partners on strategies and practices that demonstrate results. Together, we will establish a world-class education system for all Americans, and close the achievement gaps faced by low-income and minority students, students with disabilities, and limited English proficient students. Further, we will encourage students to attend college and will continue to help families pay college costs. The Department intends that all students have the opportunity to achieve to their full academic potential. The Department will measure success not only by the outcomes of its programs, but also by the nation's ability to prepare students to succeed in a global economy as productive and responsible citizens and leaders.

¹ Our mission is to ensure equal access to education and to promote educational excellence throughout the nation.

GOAL 1

Improve student achievement, with a focus on bringing all students to grade level in reading and mathematics by 2014.

In education, the bottom line is student learning. *NCLB* (the most recent reauthorization of the *Elementary and Secondary Education Act of 1965 [ESEA]*) revolutionized federal support for elementary and secondary education by establishing a national commitment to bring all children up to grade level in reading and mathematics by 2014, and holding schools, districts, and states accountable for making annual progress toward that goal.

NCLB is working, and most of the strategies described under Goal 1 are designed to ensure continuation of the gains the nation has made under that historic legislation. This year, the Department has announced an *ESEA* reauthorization proposal that, within the current framework established by *NCLB*, will direct more resources and attention to high schools, call on schools and districts to meet high standards in science, ensure more prompt and effective action to turn around schools that consistently fail to educate their students to high standards, and give students enrolled in those schools better choices and options.

Because student achievement depends on the efforts of well-prepared teachers, the Department will work with state educational agencies (SEAs) to devise and implement appropriate strategies for ensuring that teachers become highly qualified as quickly as possible.

Teaching and learning to the high standards demanded in *NCLB* require that our nation's schools be safe and drug free; the Department along with the states will promote practices that create safe, secure, and healthy school climates.

Parents are children's first and most important teachers. The Department will aggressively implement the parental involvement, information, and options components of *NCLB* and encourage states and communities to provide additional choices to parents.

The Department will pursue the following objectives in support of Goal 1.

Goal 1, Objective 1: Improve student achievement in reading/language arts;
Goal 1, Objective 2: Improve student achievement in mathematics.

President Bush and the Congress set a goal through *NCLB* that all children will perform at the proficient level or above on challenging state student achievement tests in reading/language arts and mathematics. To reach this goal, the Department will assist states and local educational agencies (LEAs) in building capacity to support effective turn-around strategies in schools undergoing restructuring. The Department also will help ensure that parents and students have greater access to public school choice and supplemental educational services (SES). Additionally, the Department will seek enactment of a bill that incorporates key elements of *Building on Results*, the blueprint for an effective *ESEA* reauthorization; this proposal builds on the progress states, LEAs,

and schools have made over the past five years in support of achievement in reading and mathematics. The Department's efforts will help ensure that students graduate with a high school diploma that prepares them for success in postsecondary studies and the job market.

Strategy 1. Seek enactment of a bill that incorporates the key elements of *Building on Results*, the Department's blueprint for *ESEA* reauthorization. In order to support attainment of achievement targets mandated by *No Child Left Behind*, the Department in January, 2007 put forth the policy document *Building on Results*. With this document as its blueprint, the Department will seek enactment of a bill that strengthens the core principles of *No Child Left Behind*, continuing to focus the work of states and educators on closing the achievement gap and having all students proficient in reading and mathematics by 2014.

Strategy 2. Assist states and LEAs in turning around schools in restructuring status or in need of improvement. The Department will collect and disseminate information about (a) promising strategies and practices for turning around schools in restructuring status, and (b) activities to improve schools designated "low-performing," with an emphasis on strategies to evaluate and improve reading and mathematics instruction. Furthermore, the Department will leverage the School Improvement Fund to ensure that this information translates into meaningful change.

Strategy 3. Collect, analyze, and publicly disseminate disaggregated student information on a timely basis. The Department will post on its Web site timely, disaggregated data provided by states in the *ESEA Consolidated State Performance Report* on student performance levels on state academic student achievement assessments for reading/language arts and mathematics.

Strategy 4. Assist states in achieving their *Individuals with Disabilities Education Act (IDEA)* State Performance Plan (SPP) targets in reading and mathematics. The Department will collect participation and performance data for students with disabilities on statewide assessments as part of meeting *IDEA*'s SPP requirements and on the percentage of students with disabilities who meet or exceed Proficient levels in reading and mathematics on the National Assessment of Educational Progress. The Department will provide technical assistance to states to improve their capacity in collecting accurate data and in designing appropriate assessments. The Department also will provide technical assistance on evidence-based practices and effective strategies that assist states in meeting their SPP targets and that result in improving the reading and mathematics performance of students with disabilities.

Table 1 and Table 2 present the FY 2005 baseline and targets for all students to achieve proficiency on state reading/language arts and mathematics assessments, respectively, required by *NCLB* by 2014. The baselines for each subgroup are actual composites of the national population based upon the most recent *ESEA Consolidated State Performance Reports*. The starting points for each group are extrapolated linearly to a 100 percent proficiency target by 2014, which necessitates differing proficiency targets among

subgroups until 2014. Additionally, it is likely that the national baselines and subsequent targets presented here are lower than baselines and targets established by some states in their *NCLB* state accountability systems for similar years, which appears to contradict *NCLB* provisions on annual measurable objectives. However, the measures in these tables are based on actual national composite proficiency data for the most recent year available and should not be interpreted as support by the Department for states to modify their annual measurable objectives downward from currently established levels.

Table 1. Measures of student proficiency on state reading/language arts assessments, by student characteristic

	Baseline ('05) (%)	Targets (%)					
		'07	'08	'09	'10	'11	'12
All students	65.8	73.4	77.2	81.0	84.8	88.6	92.4
Low-income students	52.6	63.1	68.4	73.7	78.9	84.2	89.5
Students from major racial and ethnic groups ^a	Pending	Close 12.5% of gap ^b	Close 25% of gap ^b	Close 37.5% of gap ^b	Close 50% of gap ^b	Close 62.5% of gap ^b	Close 75% of gap ^b
Students with disabilities	38.0	51.8	58.7	65.6	72.4	79.3	86.2
Limited English proficient (LEP) students	Pending	Close 12.5% of gap ^b	Close 25% of gap ^b	Close 37.5% of gap ^b	Close 50% of gap ^b	Close 62.5% of gap ^b	Close 75% of gap ^b
Career and technical education (CTE) "concentrators" ^c	Pending	73.4	77.2	81.0	84.8	88.6	92.4

Sources: *ESEA Consolidated State Performance Reports* and Vocational Education Annual Performance Report (state program).

Note: 2006 data are not yet available for these measures.

^aAfrican-American, Hispanic, and American Indian/Alaska Native students when they are of a statistically significant number to be reported by the states.

^bGap = difference between baseline percentage in 2005 and 100 percent proficiency goal for all students in 2014.

^cA CTE "concentrator" is a secondary student who has earned three or more credits in a single CTE program area (e.g., health care or business services), or two credits in single program areas where two credit sequences at the secondary level are recognized by the state and/or its local eligible recipients.

Note on tables: The targets in this and other tables in the Department's strategic plan were generated from a variety of sources, including existing projections, legal requirements, and analyses from the Department's internal subject matter experts. It is the Department's intention that targets be ambitious, yet achievable, and that they be reevaluated annually (except where stipulated by legal requirements) as more updated information becomes available.

Table 2. Measures of student proficiency on state mathematics assessments, by student characteristic

	Baseline '05 (%)	Targets (%)					
		'07	'08	'09	'10	'11	'12
All students	63.4	71.6	75.6	79.7	83.8	87.8	91.9
Low-income students	50.7	61.6	67.1	72.6	78.1	83.6	89.0
Students from targeted racial and ethnic groups ^a	Pending	Close 12.5% of gap ^b	Close 25% of gap ^b	Close 37.5 % of gap ^b	Close 50% of gap ^b	Close 62.5% of gap ^b	Close 75% of gap ^b
Students with disabilities	38.5	52.2	59.0	65.8	72.7	79.5	86.3
Limited English Proficient (LEP) students	Pending	Close 12.5% of gap ^b	Close 25% of gap ^b	Close 37.5 % of gap ^b	Close 50% of gap ^b	Close 62.5% of gap ^b	Close 75% of gap ^b
CTE "concentrators" ^c	Pending	71.5	75.6	79.7	83.7	87.8	91.9

Sources: *ESEA Consolidated State Performance Reports* and Vocational Education Annual Performance Report (state program).

Note: 2006 data are not yet available for these measures.

^aAfrican-American, Hispanic, and American Indian/Alaska Native students when they are of statistically significant number to be reported by the states.

^bGap = difference between baseline percentage in 2005 and 100 percent proficiency goal for all students in 2014.

^cA CTE "concentrator" is a secondary student who has earned three or more credits in a single CTE program area (e.g., health care or business services), or two credits in single program areas where two credit sequences at the secondary level are recognized by the state and/or its local eligible recipients.

Goal 1, Objective 3: Improve teacher quality.

High-quality, effective teaching is one of the most important contributors to improving student achievement. In order that all children achieve proficiency in reading and mathematics by 2014, the Department must continue to make progress toward ensuring that all classes in core academic subjects are taught by highly qualified teachers, and that poor and minority children are not disproportionately taught by unqualified or inexperienced teachers. Over the past five years, states and local school districts have made substantial progress in determining whether their teachers are highly qualified, in ensuring that they are assigned to teach subjects for which they are well prepared, and in providing additional support and training to help teachers with insufficient training to become highly qualified. Across the country, approximately 90 percent of classes in core academic subjects were taught by highly qualified teachers in the 2004–05 school year, with a slightly higher proportion at the elementary school level than at the secondary level.

Despite this progress, the *NCLB* requirement that all teachers in core subjects be highly qualified by the end of the 2005–06 school year has not been fulfilled. States and districts still face challenges in ensuring that all teachers are qualified to teach their subjects, particularly in small, rural middle and high schools, and in self-contained secondary

special education classes where teachers typically must teach multiple subjects. During the past year, all states have begun to analyze the pattern of teacher assignments to determine whether schools and districts with high concentrations of poor and minority children tend to have teachers with less experience and training than those in wealthier schools and districts. The states have submitted plans to the Department outlining specific strategies and activities to eliminate differences in teacher assignments where they exist and ensure that all teachers in core subjects are highly qualified.

Strategy 1. Collect data and monitor performance to ensure that all states meet the goal of having all core academic classes taught by highly qualified teachers in school year 2006–07 and beyond. *NCLB* requires that each class in a core academic subject be taught by a teacher who holds a bachelor’s degree and has obtained full state certification, and who has demonstrated competence in each subject taught. Over the next three years, the Department will work extensively with SEAs—including at least one monitoring visit to each state—to ensure that this requirement is met and to verify that accurate data on teacher qualifications and assignment are reported.

Strategy 2. Monitor states with substantial numbers of classes taught by non-highly qualified teachers, spurring these states to bring all teachers to highly qualified status as soon as possible. In states where core academic classes are still taught by teachers who are not highly qualified (e.g., in rural areas and in special education classes), the Department will closely monitor the SEAs to ensure that their plans for highly qualified teachers are being rigorously and effectively implemented. The Department also will support SEAs as they work with their LEAs to use federal funds effectively to support high-quality professional development and training programs to assist teachers to become highly qualified as soon as possible.

Strategy 3. As states move toward ensuring that all teachers are highly qualified, monitor their efforts to determine that poor and minority children are not taught at disproportionate rates by unqualified, inexperienced, or out-of-field teachers. All states have devised plans for ensuring that children from all backgrounds and incomes are taught by qualified, experienced, in-field teachers. The Department will work with SEAs to improve these plans and will monitor to ensure that the plans are being implemented and that full compliance with the highly qualified teacher requirements is reached in all types of districts and reported to the public.

Strategy 4. Encourage districts to reform educator compensation systems to reward their most effective teachers and to create incentives to attract their best teachers to high-need schools and hard-to-staff subjects. Through the Teacher Incentive Fund, the Department will support a diverse set of projects to develop or expand sustainable differential performance-based compensation systems. These projects will serve as pilot programs that reward teachers for: improvements in student achievement; outstanding teaching performance as measured by rigorous, multiyear evaluations; and taking on additional or new responsibilities or assignments (such as teaching in a high-need, low-performing school). Lessons learned from these projects will be disseminated by the Department for use by states and LEAs as they face the challenge of recruiting and

retaining their best teachers.

Table 3. Measures of core courses taught by highly qualified teachers

	Baseline (’05) (%)	Target (%)
Core academic classes (total)	91	100
Core elementary classes (total)	93	100
Core elementary classes in high-poverty schools	90	100
Core elementary classes in low-poverty schools	95	100
Core secondary classes (total)	89	100
Core secondary classes in high-poverty schools	84	100
Core secondary classes in low-poverty schools	92	100

Source: *ESEA Consolidated State Performance Reports*.

Goal 1, Objective 4: Promote safe, disciplined, and drug-free learning environments.

While a focus on providing the best instruction in core academic disciplines, such as reading and mathematics, is one key to helping students succeed academically, schools also must work to create a school climate that is safe and drug free and provide the framework and context for academic success, as well as for healthy youth development. The Department will support programs and activities designed to help schools respond to crises, address the needs of at-risk youths, and encourage students to develop the skills they need to become healthy, responsible, and productive citizens.

Strategy 1. Identify and disseminate information about the most effective practices that create a safe, disciplined, and drug-free school climate. The Department will continue efforts to identify and share information with schools and communities about the best strategies in a variety of areas, including planning to respond to crises, preventing youth drug use and violence, encouraging healthy development, and helping students develop strong character and personal and civic responsibility.

Strategy 2. Provide training and technical assistance to help achieve this objective. The Department will assist school personnel and others to acquire the information and skills they need to adopt and implement the best programs, activities, and strategies to create a safe, disciplined, and drug-free school climate conducive for learning.

Table 4. Measures of students in grades 9–12 affected by or involved in selected risk behaviors

	Baseline (’05) (%)	Targets (%)		
		’07	’09	’11
Carried a weapon (such as a knife, gun, or club) on school property one or more times during the past 30 days	6.5	5.0	4.0	4.0
Missed one or more days of school (in the past 30 days) because they felt unsafe at school or on their way to and from school	6.0	5.0	5.0	4.0
Were offered, given, or sold an illegal drug by someone on school property in the past year	25.4	27.0	26.0	25.0

Source: Youth Risk Behavior Surveillance System, supported by the Centers for Disease Control and Prevention, part of the U.S. Department of Health and Human Services.

Note: Data gathered only in odd-numbered years. Targets for students being offered, given or sold illegal drugs on school property in FY 2009 and later years may be revised downward at a later date, which would demonstrate improvement on this measure; FY 2005 data for this measure showed significant improvement but were received too late to include in the target-setting process.

External factors

The decisions that children make about a variety of behaviors, including drug use or involvement in violent activity, are affected by several factors, including community norms and media influences, which are outside of the control of schools. While the Department cannot control these kinds of factors, it will support schools as they work to mitigate their influence.

Goal 1, Objective 5: Increase information and options for parents.

Parents are children’s first and most important teachers. The Department will continue to aggressively implement the parental involvement, information, and options components of *NCLB* and encourage states and communities to provide additional choices to parents. States and districts will continue to be required to publish report cards that provide school-performance information to parents. Children who attend underperforming schools will have increased opportunity to attend better public schools (including charter schools) or private schools, or, if eligible, use federal funds to obtain tutoring from the SES provider of their choice.

Strategy 1. Ensure adequate parental notification. The Department will work with states so that they may provide high-quality, comprehensible information to parents about their child’s school. The Department will work with states to ensure that this information is useful both for school improvement efforts and in helping parents make informed decisions regarding school choice and SES. The Department will also encourage the creation of easy-to-use online databases of school information and options for parents.

Strategy 2. Support charter schools. The Department will continue to provide start-up funds and facilities financing to enable the development of many high-quality charter schools.

Strategy 3. Encourage states and communities to provide choices to children attending underperforming schools. The Department will work with states to ensure that children attending underperforming schools have the opportunity to transfer to better public schools (including charter schools), attend private schools, or, if eligible, use federal dollars for SES.

Strategy 4. Provide support to states in implementing the choice and SES requirements of ESEA. The Department will work with states to help ensure that choice and SES are provided to the greatest number of students eligible to access these opportunities. The Department will offer guidance and technical assistance to states on such issues as improving parental outreach, recruiting SES providers in underserved areas, promoting successful practices to enroll students and sustain their participation, and evaluating SES provider effectiveness while enforcing effective SES implementation through expanded monitoring.

Table 5. Measures for selected school choice-related indicators

	Baseline	Targets					
		'07	'08	'09	'10	'11	'12
Percentage of eligible students exercising choice	x = % in FY 05–06 ^a		2x		3x		4x
Percentage of eligible students participating in SES	x = % in FY 05–06 ^b	1.1x	1.2x	1.3x	1.4x	1.45x	1.5x
No. of charter schools in operation	3,600	3,900	4,300	4,700	5,200	5,700	6,300

Source: *ESEA Consolidated State Performance Reports*.

^aFigure for 2004–05 was 0.93 percent; 2005–06 figure expected in February 2007.

^bFigure for 2004–05 was 18.8 percent; 2005–06 figure expected in February 2007.

External Factors

While *NCLB* requires public school choice for children enrolled in schools identified for improvement, corrective action, or restructuring, the range of choices depends on state and local factors. The Department will encourage states and districts to increase their capacity to offer choice and remove other barriers, such as caps on the number of charter schools.

The Department’s implementation of some of these strategies requires amendments to the *ESEA*, as amended by *NCLB*, and sufficient annual appropriations. The Department will work with Congress to create the statutory authority and obtain the annual appropriations needed to implement these strategies.

Goal 1, Objective 6: Increase the high school completion rate.

One of our nation's greatest challenges is ensuring that every child graduates from high school with the academic preparation needed to succeed in college and the workplace. One million students drop out of school every year. Among ninth-graders, five out of 10 minority students fail to finish high school on time. Only 54 percent of students with disabilities leave school with a regular high school diploma. Overall, three out of 10 ninth-graders do not finish on time.

The Department will support states' efforts to improve data systems so that students who need help are identified early. To improve the skills of students who read below grade level and are at high risk of dropping out, the Department will support the development and implementation of research-based reading interventions, as well as improved content standards and aligned assessments. The Department will give students attending the neediest high schools greater support, as well as more high-quality alternatives for completing their education.

Strategy 1. Help states and districts intervene early to get at-risk students back on track. The path toward dropping out of school is a long one that, for many teenagers, begins in elementary school. The Department will support the development and effective use of longitudinal data systems by states and districts to identify at-risk students early so that they can provide the support these youths need to stay on track for graduation. In addition, the Department will provide technical assistance to states toward the development of a schoolwide foundation of quality core instruction and a system of prevention and intervention called Response to Intervention and Early Intervening Services. This system includes high-quality supplemental supports, interventions or services or both, and continuous monitoring of student progress, resulting in accelerating the learning of students who are struggling. This system also ensures that students who are at risk for failure receive interventions early, thus preventing them from being identified later in their schooling as in need of special education services.

Strategy 2. Improve the skills of adolescents who struggle with reading and mathematics. Students who enter high school with reading and mathematics skills that are significantly below grade level are at great risk of dropping out. The Department will continue to support the development and implementation of research-based interventions to equip these students with the literacy and mathematics skills they need to succeed in high school, college, and the workplace. To guide educators and policymakers in improving student mastery of algebra and readiness for higher-level mathematics in high school, the Department will disseminate the findings of the National Mathematics Advisory Panel, which is examining the scientific evidence and identifying instructional practices, programs, and materials that are effective in improving mathematics learning.

Strategy 3. Focus on the neediest schools. Nearly half of the nation's dropouts are from 15 percent of high schools—most of them in high-poverty areas. The Department will work with Congress during the reauthorization of *NCLB* to target greater resources to

high-need, high-poverty high schools. The Department also will work with states to strengthen their capacity to support districts in turning around low-performing high schools.

Strategy 4. Increase learning options for students. At-risk students and dropouts are finding success in nontraditional high schools based on college campuses, virtual schools, and other innovative models that set high expectations for youths and give them the support they need to meet these expectations. The Department will continue to promote greater options and choice for high school students and their parents.

Strategy 5. Assist states in achieving their *Individuals with Disabilities Education Act (IDEA) State Performance Plan (SPP) targets related to dropping out, completing school and post-school employment.* The Department will collect data on students with disabilities as part of meeting *IDEA*'s SPP requirements. These data will include the percentage of youths with disabilities graduating from high school with a regular diploma, the percentage of youths with disabilities dropping out of high school, and the percentage of youths with disabilities who have been competitively employed, or enrolled in any postsecondary school, or both, within one year of leaving high school. The Department will provide technical assistance to states to improve their capacity for collecting accurate data. The Department also will provide technical assistance to states on evidence-based practices that assist states in meeting their SPP targets and that result in improving post-school outcomes for students with disabilities.

The first three indicators in the table that follows relate to the high school completion rate of Americans aged 18 to 24. Improvement in this rate may lag for up to six years until the full measured population benefits from the initiatives described herein. The immigration of individuals in this age group to the United States also may affect progress on these measures.

Table 6. Measures related to the high school completion rate

	Baseline (’04) (%)	Targets (%)					
		’07	’08	’09	’10	’11	’12
18- to 24-year-olds who have completed high school:							
• Total	86.8	87.3	87.4	87.6	87.8	88.0	88.2
• African-Americans	83.4	85.3	85.5	85.8	86.0	86.3	86.5
• Hispanics	69.8	70.1	70.3	70.6	71.0	71.5	71.8
Averaged freshman graduation rate	74.3	75.2	76.6	77.9	79.3	80.8	82.2

Sources: For 18- to 24-year-olds who have completed high school, U.S. Department of Commerce, Bureau of the Census, Current Population Survey. Data are collected annually.

For averaged freshman graduation rate, U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), State Nonfiscal Survey of Public Elementary/Secondary Education. Data are collected annually.

Note: Averaged freshman graduation rate is a CCD measure that provides an estimate of the percentage of

high school students who graduate on time by dividing the number of graduates with regular diplomas by the size of the incoming class four years earlier. For further information, see <http://nces.ed.gov/pubs2007/2007024.pdf>, p. 2.

External Factors

The Department's implementation of some of these strategies requires amendments to the *ESEA*, as amended by *NCLB*, and sufficient annual appropriations. The Department will work with Congress to create the statutory authority and obtain the annual appropriations needed to implement these strategies. In addition, some factors that may contribute to a student's decision to drop out are outside the direct control of schools. However, these strategies are designed to reduce their impact.

Goal 1, Objective 7: Transform education into an evidence-based field.

Since the passage of *NCLB*, the Department has promoted the use of scientific research to make education an evidence-based field. The Department's Institute of Education Sciences will continue working to increase the supply of high-quality and highly relevant research; to provide policy-makers, educators, parents and other concerned citizens with ready access to syntheses of research and objective information that allow more informed and effective decisions; and to encourage the use of this knowledge to improve student performance.

Strategy 1. Develop or identify effective programs and practices for improving reading and writing achievement, mathematics and science achievement, and teacher quality and effectiveness. Through its National Centers for Education Research and Special Education Research, the Department's Institute of Education Sciences will continue to fund high quality research projects to develop or identify programs and practices to improve reading and writing achievement, mathematics and science achievement, and teacher quality and effectiveness. The rigorous evidence standards of the What Works Clearinghouse (WWC) will be used to determine if and when projects have yielded programs and practices that have been shown to be effective. The Institute's support for a new generation of education research began only in 2002. Effective programs and practices are beginning to emerge from those investments.

Strategy 2. Disseminate information about the effectiveness of education programs and practices. The Department's Institute of Education Sciences will continue to fund the WWC to provide a resource for education decision makers on the effectiveness of education programs and practices. The WWC reviews research studies and evidence related to education programs and practices and reports on the scientific quality of the studies and the nature and strength of the evidence related to the effectiveness of particular programs and practices. The WWC website is a user-friendly site for obtaining information.

The Department's Institute of Education Sciences will also fund the development of Practice Guides. Whereas the intervention reports of the WWC discussed above focus on individual programs and practices, Practice Guides will provide coherent guidance and

recommendations on practice with respect to particular problems that require multifaceted solutions that span domains such as curriculum, teacher training, assessment, and accountability. The problem of improving student achievement must be addressed now, even when the research base is immature. Practice Guides will incorporate the best available evidence and alert users to the quality of the evidence supporting particular recommendations, and they will be widely disseminated by the Department.

Table 7. Measures of effective programs and practices developed by the Department’s Institute of Education Sciences and use of the What Works Clearinghouse for obtaining information

	Baseline (’06)	Targets					
		’07	’08	’09	’10	’11	’12
Number of Department-supported programs and practices with evidence of efficacy using WWC standards:							
• Reading or Writing	3	6	11	13	15	17	20
• Mathematics or Science	1	3	7	10	12	15	18
• Teacher Quality	1	3	5	7	10	12	15
Number of hits to the WWC website	6.8 million	8.0 million	9.2 million	10.5 million	12.0 million	13.5 million	15.0 million

GOAL 2

Increase the academic achievement of all high school students.

To better equip our students to compete in the global economy, the Department will encourage states to adopt high school course work and programs of study that prepare all students for a postsecondary credential and facilitate a seamless transition from high school to college or the workforce. The President has proposed preparing additional instructors of Advanced Placement (AP) and International Baccalaureate (IB) classes in mathematics, science, and critical-need foreign languages. The Department will continue to enhance and promote achievement in math, science and critical-need foreign languages through incentives for teachers to teach advanced courses, thus providing opportunities for students to be well prepared for postsecondary education or the workforce following high school. In addition, the Department will encourage advanced course work by seeking to expand the State Scholars Initiative.

The Department will pursue the following objectives in support of Goal 2.

Goal 2, Objective 1: Increase the proportion of high school students taking a rigorous curriculum.

The Department will encourage increased access to, and participation in, AP or IB classes by low-income and other disadvantaged students. To offer challenging courses, schools must have qualified teachers to teach them. The Department will promote efforts to increase the number of teachers who have the academic content knowledge needed to teach advanced classes, particularly in schools where access to rigorous course work is limited.

Strategy 1. Increase access to AP courses nationwide. Approximately 44 percent of America's public high schools offered no AP or IB courses during the 2003–04 school year, according to National Center for Education Statistics data. Course offerings in schools that do offer AP are often quite limited. The Department will continue to support efforts to make more AP courses, including online courses, available to students who now have no or limited access. Furthermore, because low-income and minority students are underrepresented in AP classrooms, the Department will target AP Incentive (API) grants to high-poverty high schools. The Department will also work with states to promote greater awareness and use of federal aid for AP exam fees by low-income and minority families. And the Department will identify and disseminate information on promising strategies and practices for expanding the successful participation of low-income and minority students in AP courses.

Strategy 2. Increase the number of teachers qualified to teach AP and IB classes. To expand access to advanced course work for low-income and other disadvantaged students, the Department will promote efforts to increase the number of teachers qualified to teach AP and IB classes in high-need schools. Working with Congress, the Department will expand support for API grants to provide assistance to SEAs and LEAs to prepare, over the next five years, an additional 70,000 teachers to deliver instruction in AP and IB

courses.

Strategy 3. Increase the number of students who complete the State Scholars Initiative curriculum. The Department’s State Scholars Initiative has helped to create business-education partnerships in 22 states that are now working with students in middle and high schools, encouraging them to excel academically and complete rigorous course work. The Department will disseminate information on promising practices implemented by the current partnerships and promote the development of new partnerships in the remaining states.

Strategy 4. Identify and disseminate information on states that have increased their standards for graduation or that have rigorous high school end-of-course exams. The Department will identify and disseminate information on states that have increased their standards for graduation. States that have raised the rigor of their graduation standards, better aligning them with the expectations of postsecondary education and employers, are seeing promising results in student achievement. Through the Department’s Comprehensive Centers program and additional programs and initiatives, other states will be encouraged to pursue these reforms.

Strategy 5. Support states’ implementation of additional high school assessments in mathematics and reading/language arts. The Department will work with Congress during the reauthorization of *NCLB* to require states to implement two additional high school assessments in reading/language arts and mathematics. These new assessments are needed to inform strategies to meet the needs of at-risk high school students and strengthen school accountability at the secondary level.

Strategy 6. Leverage the Academic Competitiveness Grant (ACG) program, rewarding high school students who increase the rigor of their studies. We will continue to implement, support and evaluate the ACG program as an incentive for students to complete rigorous high school programs and enroll in postsecondary programs.

Strategy 7. Collect and analyze data on AP access and success at local levels. Reliable data on student participation and success in AP programs are readily available only at the national and state levels. To better understand local barriers to AP access and success, and promising strategies for overcoming them, the Department will collect and examine district- and school-level data on AP access and success.

Strategy 8. Assist states in their implementation of the *Perkins Career and Technical Education Improvement Act of 2006*. The Department will work with SEAs and LEAs to provide continuing federal support for rigorous Career and Technical Education (CTE) programs that prepare students for today’s competitive workforce. The Department will enforce state and local accountability authorized by the Act and ensure that CTE students reap the benefits of rigorous curricula.

Table 8. Measures related to ACG and AP participation, and AP teacher training

	Baseline ('05)	Targets					
		'07	'08	'09	'10	'11	'12
Low-income students who qualify for Academic Competitiveness Grants		Baseline established	TBD ^a	TBD	TBD	TBD	TBD
No. of AP classes available nationwide		Baseline established	Prior year + 10%	Prior year + 10%	Prior year + 10%	Prior year + 10%	Prior year + 10%
No. of AP tests taken:							
• Total	1,759,299	1,953,000	2,168,000	2,406,000	2,671,000	2,965,000	3,291,000
• By low-income students	223,263	230,000	270,000	292,000	315,000	343,000	374,000
• By minority (Hispanic, Black, Native American) students	315,203	376,000	421,000	472,000	528,000	570,000	616,000
No. of teachers trained through API grants to teach AP classes		Baseline established	Prior year + 5%	Prior year + 10%	Prior year + 10%	Prior year + 10%	Prior year + 10%

Sources: For American Competitiveness Grants, National Student Loan Data System via Common Origination and Disbursement system data. Future targets will be established after determination of the baseline in FY 2007.

For number of AP classes, the College Board, Ledger of Authorized Advanced Placement Courses. Data are reported annually.

For number of AP tests taken, the College Board, Freeze File Report. Data are reported annually.

For number of teachers trained through API grants, U.S. Department of Education, Advanced Placement Incentive Program, Annual Performance Reports.

^a TBD – To be determined.

Goal 2, Objective 2: Promote advanced proficiency in mathematics and science for all students.

Strengthening mathematics and science achievement is an economic imperative for the nation and for individual citizens. As prospective employers increase their reliance upon advanced mathematics and science skills, high schools must provide more rigorous instruction in these subjects. Such efforts will support not only prospective mathematicians, scientists, and engineers, who will develop innovations that enable the

United States to continue to compete economically with other nations, but also all students who will participate effectively in the global economy. The Department will support increased access to AP and IB mathematics and science classes and a critically needed increase in teachers prepared to teach these classes through multiple strategies, including incentives and leveraging of federal dollars.

Strategy 1. Support projects expanding offerings and participation in advanced mathematics and science classes. To better ensure that students arrive in high school ready for rigorous mathematics course work, the Department will identify and, depending on the availability of appropriations, support the implementation of research-based instructional strategies in elementary and middle schools. The Department will seek to maximize the value of the federal investment in mathematics and science education by implementing the recommendations of the Academic Competitiveness Council, which was established to identify ways to improve the coordination of federal efforts in these areas.

Strategy 2. Encourage grantees to offer incentives to teachers to become qualified to teach AP and IB courses in mathematics and science and to teachers whose students pass AP tests in those subjects. The Department will work with Congress to increase support for API grants and give priority to applicants that reward mathematics and science teachers, both for becoming qualified AP and IB instructors and for their students' success on AP exams.

Strategy 3. Promote greater investment by the business community in expanding AP and IB access and success. Business leaders are among the strongest proponents of raising the rigor of the high school curriculum, and they are eager to support these efforts in their local schools. To reach more students, the Department will encourage business leaders to supplement federal support for projects that seek to increase the successful participation of low-income students in AP and IB mathematics and science courses with their own contributions.

Strategy 4. Leverage the National Science and Mathematics Access to Retain Talent (SMART) grant program, rewarding postsecondary students who major in mathematics or science studies. We will continue to implement, support and evaluate the SMART grant program as an incentive for students to complete a bachelor's degree in mathematics or a scientific discipline.

Strategy 5. Ensure student preparation for rigorous mathematics education in high school by investing in the Math Now program. President Bush is proposing funding for Math Now programs that would focus on strengthening mathematics education in the early grades and middle school so that students enter high school prepared for challenging course work. Math Now for Elementary School Students would provide competitive grants to improve instruction in mathematics for students in kindergarten through seventh grade, leveraging scientifically based research and promising practices. Math Now for Middle School Students would make competitive grants to improve mathematics instruction for students whose achievement is significantly below grade

level.

Table 9. Measures related to AP in mathematics and science

	Baseline ('06)	Targets					
		'07	'08	'09	'10	'11	'12
No. of AP tests in math and science taken nationwide by:							
• Public school students	589,701	631,000	681,000	736,000	802,000	882,000	971,000
• Low-income public school students	60,692	65,000	70,000	76,000	84,000	93,000	104,000
• Minority (Hispanic, Black, Native American) students	74,762	80,000	86,000	94,000	104,000	115,000	128,000
No. of teachers trained through API grants to teach AP classes in math and science		Base	Prior year +5%	Prior year +10%	Prior year +10%	Prior year +10%	Prior year +10%

Sources: For number of AP tests in math and science taken nationwide, the College Board, Freeze File Report. Data are reported annually.

For the number of teachers trained through API grants to teach math and science AP classes, U.S. Department of Education, Advanced Placement Incentive Program, Annual Performance Reports.

Goal 2, Objective 3: Increase proficiency in critical-need foreign languages.

The Department must expand the number of Americans mastering foreign languages in order to advance increasingly important economic, diplomatic, and national security objectives. This effort demands that more schools offer languages such as Arabic, Farsi, Chinese, and Russian. The Department will support expanded course offerings in these critical-need languages and the related teacher preparation to encourage access to high-quality instruction.

Strategy 1. Support projects expanding AP offerings, IB offerings and participation in critical-need languages. In the API, Foreign Language Assistance, and other programs, the Department will give priority to projects that support activities to enable students to achieve proficiency or advanced proficiency in critical-need languages. Furthermore, over the course of the strategic plan, the Department will begin measuring availability of critical-need language classes so that it can better track the nation's progress in this essential area.

Strategy 2. Encourage grantees to offer incentives, such as salary increments or bonuses, to teachers to become qualified to teach AP and IB courses in critical-need foreign languages and to teachers whose students pass AP tests in those subjects.

The Department will work with Congress to increase support for API grants, giving priority to applicants that reward critical-need foreign language teachers both for becoming qualified AP and IB instructors and for their students' success on AP exams.

Strategy 3. Leverage the SMART grant program, rewarding postsecondary students who major in a critical-need foreign language. We will continue to implement, support and evaluate the SMART grant program as an incentive for students to complete a bachelor's degree in a critical-need foreign language.

Table 10. Measure of proficiency in critical-need foreign languages

	Base line ('06)	Targets					
		'07	'08	'09	'10	'11	'12
Combined total of AP and IB tests in critical-need foreign languages passed by public school students		Base	Prior year + 15%	Prior year + 15%	Prior year + 15%	Prior year + 15%	Prior year + 15%

Sources: For AP test data, the College Board, Freeze File Report. Data are reported annually.

For IB test data, International Baccalaureate North America, Examination Review and Data Summary. Data are reported annually.

GOAL 3

Ensure the accessibility, affordability, and accountability of higher education, and better prepare students and adults for employment and future learning.

America's institutions of higher education have long been engines of innovation, helping the nation to achieve a level of economic prosperity experienced by few other countries throughout history. The dynamics of rapid technological change over time have required greater levels of education to sustain the global competitiveness of the American economy. As a result, an increasing proportion of Americans have enrolled in and completed a program of postsecondary education in order to secure high-quality employment in competitive industries.

However, the provision of higher education in America requires further transformation. According to data from the Bureau of the Census, only 36 percent of Americans over the age of 25 have an associate's degree or higher; as a nation, we need more individuals enrolling in and completing a higher education program. Postsecondary institutions must become more transparent in providing relevant information to the public and more attuned to trends in global economic development. Financial aid must be made available to students in a more simplified manner and be more focused on students with the greatest financial need. Furthermore, adult education and vocational rehabilitation programs in America must provide increasingly effective services to improve the skills and employment prospects of those they serve. The Department's third strategic goal focuses on these essential improvements over the next six years.

The Department will pursue the following objectives in support of Goal 3.

Goal 3, Objective 1: Increase success in and completion of quality postsecondary education.

To ensure that America's students acquire the knowledge and skills needed to succeed in college and the 21st-century global marketplace, the Department will continue to support college preparatory programs and provide financial aid to make college more affordable. Coordinated efforts with states, institutions, and accrediting agencies will strengthen American higher education and hold institutions accountable for the quality of their educational programs, as well as their students' academic performance and graduation rates. Targeting additional support to students studying in fields that are in high demand internationally and in areas of critical need in America will prepare graduates to effectively compete for jobs in the global economy and help keep our nation strong.

Strategy 1. Increase the transition of high school graduates to postsecondary education by supporting states and other entities in the development and implementation of programs of study for high-skill, high-demand careers. The Department will support states and other entities in the development of coherent, articulated sequences of rigorous academic and technical course work beginning in high school that lead to an associate's degree, industry-recognized certificate, or bachelor's

degree at the postsecondary level. To help make college more affordable and encourage high school students to enroll in rigorous academic programs, ACG awards will continue to supplement the Pell grant awards of first- and second-year college students who successfully completed rigorous high school programs. Furthermore, the Department will support activities that serve as a primary driver for the creation and evaluation of model programs of study in high-skill, high-demand careers.

Strategy 2. Maintain high levels of college enrollment and persistence, while increasing the affordability of and accessibility to higher education through effective college preparation and grant, loan, and campus-based aid programs. By providing Pell grants, federal student loans, and other forms of financial and academic support, the Department will encourage students nationwide to enroll in higher education and complete their studies. The Department will help students and their families by increasing the quantity and accessibility of information about college costs and funding opportunities, streamlining the financial aid application process, and providing earlier notification of aid eligibility.

Strategy 3. Prepare more graduates for employment in areas of vital interest to the United States, especially in critical-need languages, mathematics, and the sciences. The Department will encourage students to pursue course work in critical-need foreign languages, mathematics, and the sciences by awarding grants to undergraduate and graduate students in these fields. The SMART grant program will award grants to Pell-eligible third- and fourth-year bachelor's degree students majoring in the fields of the sciences, mathematics, technology, engineering and critical foreign languages. In addition, priority will be given to those languages and world regions identified as most critical to national interests.

Strategy 4. Improve the academic, administrative, and fiscal stability of Historically Black Colleges and Universities, Hispanic-Serving Institutions, and Tribally Controlled Colleges and Universities. Grants and loans will be provided to enable these institutions of higher education to better serve their students and their communities.

Strategy 5. Strengthen the accountability of postsecondary education institutions through accreditation, evaluation, and monitoring. The Department will work closely with states, institutions, and accrediting agencies to promote the development and consistent application of clear standards for recognition. We will collaborate with these partners to identify and implement ways to include student learning outcomes in the accreditation process. Increased emphasis will be placed on oversight of postsecondary grant and loan programs, in order to ensure compliance with program regulations and the effective use of federal funds. Additionally, the Department will redesign its college search Web site to help students and their families obtain information that will allow them to make informed choices about postsecondary education opportunities based on their individual needs.

Strategy 6. Expand the use of data collection instruments, such as the Integrated Postsecondary Education Data System (IPEDS), to assess student outcomes. The

Department will collaborate with the higher education community to develop and refine practices for collecting and reporting data on student achievement. To encourage information sharing, the Department will provide matching funds to colleges, universities, and states that collect and publicly report student learning outcomes.

Strategy 7. Promote and disseminate information regarding promising practices in community colleges. The Department will design criteria for identifying successful community colleges. Possible indicators of success include dual enrollment/early college programs; meaningful partnerships with four-year institutions or industry; developmental education programs that work for students; high transfer rates to four-year institutions; career pathways that are well-articulated and meaningful for high school-to-college and adult education-to-career; and the use of data to drive institutional decisionmaking. The Department will broadly disseminate innovative practices and program details and will fund colleges to replicate successful programs and initiatives in other locations.

Table 11. Measures of enrollment in, persistence in, and completion of quality postsecondary education and entry into subsequent employment

	Baseline (%) (year)	Targets (%)					
		'07	'08	'09	'10	'11	'12
Postsecondary enrollment							
High school graduates aged 16–24 enrolling immediately in college.	68.6 ('06)	68	68	69	69	69	70
Upward Bound participants enrolling in college.	74.2 ('04)	65	70	75	75	76	76
Career and technical education (CTE) students who have transitioned to postsecondary education or employment by December of the year of graduation.	87 ('05)	89	90	91	92	93	94
Postsecondary persistence							
Full-time degree-seeking undergraduate students at Title IV institutions who were in their first year of postsecondary enrollment in the previous year and are enrolled in the current year at the same institution.	70 ('06)	71	71	71	72	72	72
Full-time undergraduate students at Historically Black Colleges and Universities who were in their first year of postsecondary enrollment in the previous year and are enrolled	64 ('06)	66	66	66	67	67	67

in the current year at the same institution.							
Full-time undergraduate students at Hispanic-Serving Institutions who were in their first year of postsecondary enrollment in the previous year and are enrolled in the current year at the same institution.	64 ('06)	68	68	68	69	69	69
Postsecondary completion							
Students enrolled at all Title IV institutions completing a 4-year degree within 6 years of enrollment.	56.4 ('05)	57	57	57	58	58	58
Freshmen participating in Student Support Services who complete an associate's degree at original institution or transfer to a 4-year institution within 3 years.	24.5 ('05)	27.5	27.5	28.0	28.0	28.5	28.5
Students enrolled at 4-year Historically Black Colleges and Universities graduating within 6 years of enrollment.	38 ('05)	39	39	40	40	40	40
Students enrolled at 4-year Hispanic-Serving Institutions graduating within 6 years of enrollment.	35 ('05)	37	37	37	37	37	38
Postsecondary CTE students who have completed a postsecondary degree or certification.	42 ('05)	46	47	48	49	50	51

Sources: For percentage of high school graduates aged 16–24 enrolling immediately in college, U.S. Department of Commerce, Bureau of the Census, Current Population Survey. Data are collected annually. For percentage of Upward Bound participants enrolling in college and freshmen participating in Student Support Services as defined above, U.S. Department of Education, TRIO Upward Bound Program Annual Performance Report.

For CTE student percentages, Vocational Technical Education Annual Performance Report and Grantee Performance Reports.

For percentage of full-time degree-seeking undergraduates at Title IV institutions, Historically Black Colleges and Universities (HBCUs), and Hispanic-Serving Institutions (HSI) as defined above under postsecondary persistence, U.S. Department of Education, NCES, Integrated Postsecondary Education Data System, Enrollment Survey. Persistence measures the percentage of full-time degree-seeking undergraduate students at Title IV institutions who were in their first year of postsecondary enrollment in the previous year and are enrolled in the current year at the same institution.

For percentage of students enrolled at Title IV institutions, HBCUs, and HSIs as defined under postsecondary completion above, U.S. Department of Education, NCES, Integrated Postsecondary Education Data System, Graduation Rate Survey.

Note: Two measures in this table focus specifically on improving postsecondary outcomes for students from low-income backgrounds. The TRIO Upward Bound program seeks to increase the rates of completion of secondary education and enrollment in and graduation from institutions of postsecondary education. Projects provide academic instruction in mathematics, laboratory sciences, composition, literature, and foreign languages. Students must be between the ages of 13 and 19, or a veteran, and two-thirds of them must be both potential first-generation college students and low-income persons (the remainder must be one or the other). Targets for postsecondary enrollment by Upward Bound participants in FY 2008 and later years may be revised upward at a later date; late in 2006, FY 2004 data were received and showed significant improvement, but established FY 2007 and FY 2008 targets were not amended at that time.

Also, the TRIO Student Support Services program provides opportunities for academic development, assists students with basic college requirements, and serves to motivate students toward the successful completion of their postsecondary education. Participants must be enrolled or accepted for enrollment in a program of postsecondary education at a grantee institution. Two-thirds of the participants must be either disabled or potential first-generation college students from low-income families.

External Factors

College prices and costs. Many factors affecting tuition and fees, room and board, and other costs and revenues are beyond the Department's control. These factors include state appropriations and costs related to salaries, facilities and maintenance expenses, health care, and insurance. The Department will work with institutions to ensure that this information is widely available in a user-friendly format, enabling students and their families to better plan for higher education expenses.

Higher Education Act reauthorization. The Department continues to anticipate Congressional reauthorization of the *Higher Education Act of 1965*, which may have a significant effect on the Department's postsecondary education programs.

Goal 3, Objective 2: Deliver federal student aid to students and parents effectively and efficiently.

The Department has made considerable progress on a multiyear sequencing plan for system and business process integration to improve the administrative efficiency of federal student aid programs. Several key integration initiatives introduced since FY 2002 have led to the removal of these programs from the Government Accountability Office's (GAO) High-Risk list after nearly 14 years of inclusion. Improvements in operating efficiency, innovation and customer care are necessary for the Department to continue to provide world-class service to customers and demonstrate strong stewardship of federal funds.

Strategy 1. Create an efficient and integrated delivery system. The Department will continue to provide appropriate and integrated technology solutions that enable more efficient and cost-effective delivery and administration of the federal student aid programs, helping to improve access to postsecondary education for greater numbers of Americans. New technologies will drive improvements particularly in application processing, customer service, productivity, and efficiency.

Strategy 2. Improve program integrity. The Department places high priority on ensuring financial accountability and increasing program integrity in federal student aid programs. Continual improvement of financial controls, oversight, and monitoring procedures will ensure adequate program safeguards against fraud, waste, abuse, and mismanagement.

Strategy 3. Reduce the cost of administering the federal student aid programs. The Department will pursue further reductions in program administration costs through strong financial management, reengineering of unnecessarily complex business processes, simplified business application and computing environments, and contract alignment that improves vendor management.

Strategy 4. Improve federal student aid products and services to provide better customer service. The Department will reduce the complexity of federal student aid products and services, providing students, parents, schools, lenders and guaranty agencies with 24-7 access and enhanced self-service functionality. These improvements also will maintain full Department compliance with laws and regulations governing federal student aid programs.

Table 12. Measures on selected indicators for delivering federal student aid

	Baseline (’06)	Targets					
		’07	’08	’09	’10	’11	’12
Direct administrative unit costs ^a for origination and disbursement of student aid (total cost per transaction)	\$4.24	\$4.25	\$4.15	\$4.00	\$4.00	\$4.00	\$4.00
Customer service level on the American Customer Satisfaction Index for the Free Application for Federal Student Aid (FAFSA) on the Web ^b	80	82	83	84	85	85	85
Pell grant improper payments rate	3.48%	3.48%	3.48%	3.41%	3.35%	3.28%	3.28%
Direct Loan recovery rate ^c	19.0%	19.5%	19.75%	20%	20.25%	20.5%	20.75%
FFEL recovery rate	19.3%	19.5%	19.5%	19.75%	20%	20.25%	20.5%

^aUnit costs are derived from the Department’s Activity-Based Management program using direct administrative costs. They do not include administrative overhead or investment/development costs.

^bBased upon annual American Customer Satisfaction Index scores obtained through the CFI Group.

^cThe recovery rate equals the sum of collections on defaulted loans divided by the outstanding default portfolio at the end of the previous year.

Goal 3, Objective 3: Prepare adult learners and individuals with disabilities for higher education, employment, and productive lives.

Bureau of Labor Statistics projections indicate that 90 percent of the fastest-growing jobs will require education beyond high school and 40 percent of all new jobs will require at least an associate's degree. As new jobs require increasing levels of proficiency in reading and mathematics, problem solving, teamwork, and communication skills, more adults without a bachelor's degree will need both access to basic education programs and admission to community college certificate and degree programs. The role of adult education as a bridge to further education and training is central to the Department's vision. As part of the Secretary's higher education initiatives, the Department will work to transform adult education programs to include transition services that enable graduates to prepare for, enter, and succeed in postsecondary education. This ongoing process will require new forms of instruction, improved services, and collaborative relationships with other agencies and organizations.

Individuals with disabilities continue to experience high rates of unemployment and underemployment. Vocational rehabilitation (VR) plays a key role in helping these individuals prepare for, obtain, and maintain employment and lead productive lives. The Department will continue to support and monitor research leading to the development of interventions that support health and physical function, participation in and integration into the community, and employment of individuals with disabilities. The Department will work with states to identify practices that improve outcomes, to provide resources and technical assistance to enhance service effectiveness, and to increase the economic self-sufficiency of individuals with disabilities. Complementing the work of state VR agencies, the Department will increase access to new and recycled assistive technology that gives students and employees with disabilities a greater competitive edge in a knowledge-based economy. Furthermore, the Department will work toward increasingly successful transitions of students with disabilities to employment and higher education.

Strategy 1. Fund a national initiative that will develop expertise in providing support and outreach to state and local education systems to improve outcomes for out-of-school youth. Research suggests that more adult education providers need to partner with community and four-year colleges, education policymakers, and employers to certify that out-of-school youths have obtained the skills they need to succeed in college. The Department will support "GED + College Readiness" to identify and support demonstration sites that help out-of-school youths obtain general equivalency diploma credentials, thus providing expanded secondary education services that promote college readiness.

Strategy 2. Support a project to develop career pathway demonstration models in local sites, extending current secondary-postsecondary models to the adult basic education system. The emerging career pathways models (a coherent, articulated sequence of rigorous academic and technical course work leading to an associate's degree, industry-recognized certificate, or bachelor's degree) show great promise for

adult students who lack the foundational skills to enter the workforce or the two-year college system. The development, implementation, and maintenance of pathway partnerships among adult basic education providers, postsecondary institutions, and the private sector will lead to increased access to postsecondary opportunities for low-skilled adults.

Strategy 3. Implement a system used to monitor state VR agencies to improve performance. The Department will implement a new monitoring protocol that will emphasize the use of data and technical assistance to improve state VR agency performance. Monitoring will be linked closely to goals set forth in state plans. The Department will use this process to align monitoring findings and other data with discretionary grant investments to test and evaluate models that can be implemented by states to increase successful outcomes.

Strategy 4. Strengthen technical assistance to state VR agencies through improved use of data, dissemination of information, and solidified partnerships. The Department will: improve the collection, analysis, and display of data to assist states in identifying areas in need of performance improvement; expand the quality and timeliness of technical assistance through the use of information technology, a team of subject experts, and other available resources; create strategic public/private partnerships with employers and other organizations to increase the availability of resources that assist individuals with disabilities to achieve employment; continue to strengthen relationships with federal partners to coordinate services; connect local and national employers to VR professionals to improve training and job placement; and expand the national network of assistive technology reuse to increase access to assistive technology for enhanced employment opportunities.

Table 13. Measures regarding preparation of adult learners and individuals with disabilities for postsecondary education or training or employment

	Baseline ('05) (%)	Targets (%)					
		'07	'08	'09	'10	'11	'12
State VR agencies that meet the employment outcome standard for the VR State Grants program ^a	71	71	73	73	74	74	75
Adults served by the Adult Education—Basic Grants to States program with high school completion goal who earn a high school diploma or recognized equivalent	51	52	53	54	55	56	57
Adults served by the Adult Education—Basic Grants to States program with a goal to enter postsecondary education or training	34	37	39	41	43	45	47

who enroll in a postsecondary education or training program							
Adults served by the Adult Education—Basic Grants to States program with an employment goal who obtain a job within 3 months of exiting the program	37	41	41	42	42	43	43

Sources: State vocational rehabilitation agency data submitted to the Department’s Rehabilitation Services Administration; Adult Education Annual Performance Report and Grantee Performance Reports.

^aA state vocational rehabilitation agency meets the standard if at least 55.8 percent of individuals who have received services achieve an employment outcome.

CROSS-GOAL STRATEGY ON MANAGEMENT

The Department of Education will carry out its mission and reach its goals through a commitment to excellent management practices. Through strong leadership, fiscal responsibility, and strategic deployment of human capital, the Department will ensure that all Americans have access to the quality programs and benefit from the successful outcomes outlined in this plan.

The Department will pursue the following objectives in support of the cross-goal management strategy.

Cross-goal Objective 1: Maintain and strengthen financial integrity and management and internal controls.

The Department must be a high-performing organization internally to achieve its national policy goals. From now through FY 2012, the Department will build upon a series of clean audit opinions to sustain high-quality financial oversight and identify and reduce risk in internal management activities. Achievement of targets on the measures in Table 14 will engender trust among Americans in the integrity of the Department's financial activities, support informed management and policy decision-making, and help achieve the broader goal of leaving no child behind.

Strategy 1. Implement risk mitigation activities to strengthen internal control and the quality of information used by managers. Beginning in FY 2007, the Department will build a database comprising internal controls and potential program and administrative risks. The Department's principal offices will track their progress on various risk management components, making it possible to identify and correct problems quickly. Enhanced business intelligence will lead to better management decisions, improved cost efficiencies, and more rigorous internal controls.

Strategy 2. Reengineer formula and discretionary grant management processes. The Department will analyze these processes to improve effectiveness and efficiency in awarding and monitoring grants. The Department aims for more balanced business workloads during the year, provision of more competitive grant funds to schools in advance of the school year, and better accounting for results in grants already awarded.

Strategy 3. Comply with information security requirements. The Department will centralize information technology security operations to bring the agency's security posture in compliance with the *Federal Information Security Management Act of 2002*. A security plan will be developed that focuses on designing and implementing a security architecture to complement the Department's Enterprise Architecture, ensuring that security controls are commensurate with the risk and magnitude of harm that may result from the loss, misuse, or unauthorized access to or modification of the system or its information.

Table 14. Measures related to financial integrity, management, and internal controls

	Baseline (‘06)	Targets					
		’07	’08	’09	’10	’11	’12
Maintain an unqualified (clean) audit opinion ^a	U	U	U	U	U	U	U
Acquire and maintain compliance with the <i>Federal Information Security Management Act of 2002</i>	NC	NC	C	C	C	C	C
Percentage of new discretionary grants awarded by June 30	40	60	70	80	90	90	90

Sources: Independent Auditors’ financial statement and audit reports; Office of Inspector General’s annual *Federal Information Security Management Act* audit; U.S. Department of Education’s Grant Administration and Payment System.

Note: U = unqualified (clean); NC = non-compliant; C = compliant.

^aAn unqualified or clean audit opinion means that the Department’s financial statements present fairly the Department’s financial position in all material aspects, in conformity with accounting principles generally accepted in the United States.

Cross-goal Objective 2: Improve the strategic management of the Department's human capital.

Investment in the Department’s workforce remains a key element in creating a culture that promotes management excellence and accountability. Strategic management of human capital (i.e., the selection, development, training, and management of a high-quality workforce in compliance with merit system principles) is recognized as one of the cornerstone initiatives to improve program performance across the federal government. The Department will continue to implement an ongoing human capital management plan to ensure that skilled, high-performing employees are available and deployed appropriately.

Strategy 1. Improve performance culture. The Department will strengthen the employee performance appraisal system and related processes to foster a results-oriented, high-performing workforce. The performance management systems will differentiate among levels of performance, linking individual and organizational performance to the Department’s organizational goals and desired results. The Department will continue to offer management training in these areas and provide managers with the freedom to manage while also holding them accountable for results.

Strategy 2. Foster leadership and accountability. Department managers will demonstrate leadership competencies that cultivate a culture of accountability and inclusiveness and promote continuous learning and improvement. The Department will develop leaders who think strategically, inspire and motivate employees, and achieve results. Supervisory officials will be held accountable for managing employee

performance and dealing appropriately with poor performers. Succession management activities will develop competent leaders ready to lead the Department into the future.

Strategy 3. Close competency gaps in the workforce. The Department will continue efforts to identify and strengthen core competencies for mission-critical occupations. The Department will develop and implement strategies to close both skill and resource gaps while maintaining a diverse workforce.

Strategy 4. Improve the Department’s hiring process. While significant progress has been made, the Department must improve further to attain the 45-day hiring cycle goal set for the federal government. The Department aims to reduce the hiring cycle of non-Senior Executive Service employees (from the vacancy announcement closing date to the employment offer date) and use feedback from managers and applicants to increase process effectiveness and hire employees in a timely fashion. The Department will encourage managers to utilize all the tools at their disposal to recruit and hire highly qualified individuals.

Table 15. Measures related to the strategic management of the Department's human capital

	Baseline (year)	Targets					
		'07	'08	'09	'10	'11	'12
Percentage of employees believing that:							
<ul style="list-style-type: none"> Leaders generate high levels of motivation and commitment.^a 	28 ('06)	31	34	37	40	43	46
<ul style="list-style-type: none"> Managers review and evaluate the organization’s progress toward meeting its goals and objectives.^a 	53 ('06)	56	59	62	65	68	71
<ul style="list-style-type: none"> Steps are taken to deal with a poor performer who cannot or will not improve.^a 	25 ('06)	28	31	34	37	40	43
<ul style="list-style-type: none"> Department policies and programs promote 	46 ('06)	49	52	55	58	61	64

diversity in the workplace. ^a							
• They are held accountable for achieving results. ^a	81 ('06)	82	83	84	85	86	87
• The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals. ^a	67 ('06)	69	71	73	75	77	79
Average number of days to hire is at or below the OPM 45-day hiring model for non-Senior Executive Service employees. ^b	Not achieved (54 days was median for four quarters from July 2005–June 2006)	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Percentage of employees with performance standards in place within 30 days of start of current rating cycle.	79 ('05)	85	90	95	97	98	98
Percentage of employees who have ratings of record in the system within 30 days of close of rating cycle.	85 ('05)	90	95	99	100	100	100

Sources: Federal Human Capital Survey, annual Department employee surveys, and data from the Education Department Performance Appraisal System and the U.S. Department of the Interior's Federal Personnel/Payroll System.

^aThese metrics are based on the percentage of favorable responses to questions on the Federal Human Capital Survey. Departmentwide responses to the 2006 survey are used as the baseline.

^bThe Office of Personnel Management 45-day hiring model for non-Senior Executive Service employees tracks the hiring process from the date of vacancy announcement closing to the date a job offer is extended. It is measured in workdays, not calendar days. The average is based on the total number of hires made within a specified period of time (quarterly).

Cross-goal Objective 3: Achieve budget and performance integration to link funding decisions to results.

Budget and performance integration is one of the five governmentwide management

initiatives in the President’s Management Agenda. It builds on the *Government Performance and Results Act of 1993 (GPRA)* and earlier efforts to link strategic program goals and performance measures to funding decisions. One aspect of this initiative is the Program Assessment Rating Tool (PART), which OMB uses to identify program strengths and weaknesses in order to inform program management and funding decisions and make programs more effective. Many Department programs are benefiting from the PART reviews performed to date.

With the release of the FY 2008 President’s budget, 89 programs will have undergone a PART review, representing 96 percent of the Department’s FY 2006 budget authority. Although 37 programs constituting 86 percent of Department budget authority have been rated adequate or higher in their PART reviews, four programs were found to be ineffective, and 48 programs could not be rated because their results could not be demonstrated.

Strategy 1. Hold people and programs accountable for budget and performance integration. The Department will use organizational assessments to set specific targets and milestones for all Principal Offices to hold them accountable for making progress toward the achievement of the Department’s objectives for budget and performance integration.

Strategy 2. Improve performance measurement and data collection. The Department has developed annual, long-term, and efficiency measures for nearly all programs, but valid and reliable data are not available for many of these measures. The new *EDFacts* data tool will make data reporting and analysis more efficient by providing a central source for K–12 education and performance data reported to the Department by state educational agencies and other grantees. The Department will continue to develop and implement data collection strategies for programs that cannot measure their performance currently.

Strategy 3. Use performance information to inform program management and performance. Even where data are available from administrative records, rigorous evaluations, or grantee reports, Department staff have not always used these data to inform practice. The Department will use performance information, including efficiency data, to target monitoring and technical assistance to programs and grants with the greatest need. In particular, the Department will use data to improve programs that lack evidence of effectiveness so that these programs can demonstrate better results in future PART reassessments.

Table 16. Measure for budget and performance integration

	Baseline (2006) (%)	Targets (%)					
		'07	'08	'09	'10	'11	'12
Proportion of Department program dollars in programs that demonstrate effectiveness in terms of outcomes, either on performance indicators or through	86	86	86	86	87	88	89

rigorous evaluations. ^a							
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Source: U.S. Department of Education, analysis of Program Assessment Rating Tool findings.

^aCalculation is based on dollars in Department programs with at least an adequate PART rating in the given year divided by dollars in all Department programs rated through that year.

Appendix: How the Department Developed the *Strategic Plan for Fiscal Years 2007-12* and Consulted with Congress and the Public to Create the Final Plan

In August 2006, Secretary Margaret Spellings authorized the creation of a Strategic Planning Committee (SPC) to revise the Department of Education's *Strategic Plan 2002-2007* as required by Title 5, Section 306 of the United States Code. Each principal office within the Department assigned a senior career service employee to serve on the committee, with the option to assign a second committee member who was either an administration appointee or senior career employee. The SPC convened frequently in goal-level subgroups to develop the specific language for goals, objectives and strategies. These subgroups also proposed the specific measures and targets for each goal and objective. The SPC then met several times in full committee to review and discuss subgroup proposals and amend and approve various stages of the plan. Committee deliberations benefited from many years of experience on education policy and practice, a full understanding of the Department's operations and responsibilities, and an awareness of the Secretary's policy priorities. The final plan reflects the influence of all these factors.

The SPC submitted a draft plan for full Department review by November 2006. Discussions with senior officials resulted in modest changes to the document's content but not to the structure of goals and objectives developed by the committee. By February 2007, the Department had provided a draft plan on its web site for review and comment by the public. Additionally, the Department notified the Office of Management and Budget (OMB), relevant Congressional committees, and numerous organizations with an interest in education policy of the plan's availability for review and comment.

During the three-week comment period, the Department received about a dozen comments from OMB and education advocacy groups encompassing the following subjects: professional development for teachers, school improvement initiatives, education for homeless children, the student financial aid application process, promotion of findings from scientifically based research in education, curricular rigor in high schools, and the role of school libraries in improving student achievement. All these comments were expressed cogently and effectively, but the Department believed in most cases that they were too specific for inclusion in a short planning document that emphasizes broad educational aspirations over the work of specific programs. The Department made slight alterations to the plan based upon the comments received, and it appreciates the attention and thoughtfulness of all responders in seeking to make this document relevant to the tasks of American education over the next six years.



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