



DEPARTMENT OF EDUCATION

Since 2001, the Administration:

- Reformed K–12 education through the No Child Left Behind Act, which is raising academic standards for students, improving accountability in schools and States, and expanding parental choice. No Child Left Behind funding has increased 34 percent since 2001;
- Aligned the Individuals with Disabilities Education Act with No Child Left Behind accountability systems to improve the quality of education for students with disabilities and ensure that all students achieve high academic standards;
- Reformed the Federal student aid programs to make them more cost efficient and targeted additional aid to the neediest students, including 5.2 million Pell Grant recipients in 2006; and
- Assessed 89 programs using the Program Assessment Rating Tool and used the results to guide budget decisions and programmatic reforms.

The President's 2008 Budget:

- Proposes reauthorization of the landmark No Child Left Behind Act;
- Provides a \$1.7 billion increase for schools in low-income communities, including a \$1.2 billion increase for the core Title I program and \$500 million for schools in need of improvement;
- Requests \$300 million to enable low-income students in low-performing schools to transfer to a public or private school of their choice or receive intensive supplemental services;
- Increases the Pell Grant maximum award from \$4,050 to \$5,400 over five years, to help over 5.4 million low-income students access quality higher education each year; and
- Exercises spending restraint by terminating 43 low-priority or non-performing programs and redirecting funds to priorities that will deliver better results for students and families.

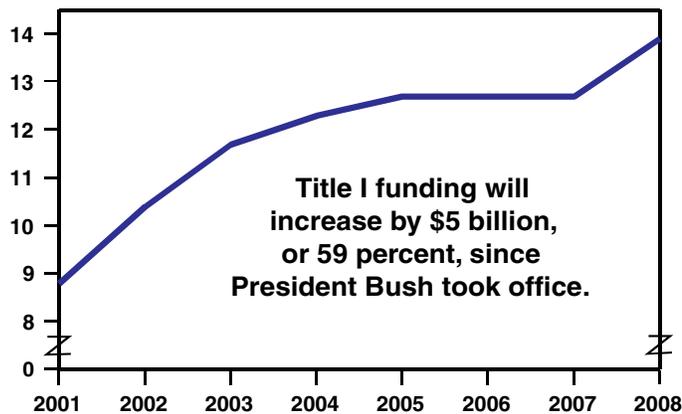
FOCUSING ON THE NATION'S PRIORITIES

Reauthorizing the No Child Left Behind Act

The central goal of the 2001 No Child Left Behind Act (NCLB) is for all students to read and do math at grade level or above by 2014. NCLB refocused Federal education programs on the principles of stronger accountability for results, more choices for parents and students, greater flexibility for States and school districts, and the use of proven instructional methods. NCLB is moving education in the right direction. Test scores are rising, and in most States, the learning gap between poor and non-poor students, and between black, Hispanic, and white students, is starting to close. In 2007, President Bush will work with the Congress to reauthorize NCLB while maintaining the Act's core principles. Highlights of the President's plan include the following:

Title I Funding Increases

Budget authority in billions of dollars



Source: Department of Education.

The 2008 Budget proposes a \$1.2 billion increase for Title I, the cornerstone NCLB program. With this increase, Title I will have increased by 59 percent since 2001.

Helping Schools in Need of Improvement. The Budget provides \$500 million that, along with over \$500 million reserved from Title I, will help improve schools that have not met their NCLB student achievement goals for at least two years, with a particular focus on schools that have been low-performing for five years or more. This funding will ensure that States and school districts have the capacity to turn around the schools that need the most help.

Enhancing Opportunities for Parental Choice. While the Administration expects most schools in need of improvement to turn around and meet their NCLB goals, some schools will not be able to do so quickly. The President's Budget includes \$300 million for two new programs to offer educational alternatives to low-income students in

low-performing schools. Schools that have been low performing for five years or more will be required to offer Promise Scholarships, and competitive grants will be available to communities willing to launch Opportunity Scholarships to further expand parents' options. These scholarships will help parents cover some of the cost of attending the public or private school of their choice or the cost of intensive supplemental educational services, such as tutoring.

Reforming High Schools and Improving College Readiness. NCLB provides an important framework for transforming high schools in order to prepare students for college and the workplace. However, less than 10 percent of NCLB funds go to high schools, limiting the law's current impact. The Budget provides \$13.9 billion for Title I, a \$1.2 billion increase, which devotes new funds to high schools in proportion to the number of low-income students they educate, while also increasing funding for elementary schools. In addition, the Administration proposes to add two tests in two new high school grades, including an assessment of college readiness. Together with the existing tests in reading and math in grades 3–8 and once in high school, these assessments will help parents and teachers know how their schools are performing across all grades and how well students are being prepared for success after graduation. The Budget provides \$412 million for these State assessments.

Ensuring our Future Competitiveness. To remain competitive in the global economy, every high school graduate needs strong analytical skills in mathematics and science. In support of this objective, the Budget provides a \$365 million increase for math and science education programs as part of the President's American Competitiveness Initiative (ACI). ACI includes an array of research and education programs that focus on improving the Nation's long-term economic competitiveness. A \$250 million Math Now proposal would support a new math program to help elementary school teachers prepare students for rigorous coursework and a new middle school program to identify and provide targeted services to boost achievement of middle school students who are not proficient in math. Other ACI investments include a \$90 million increase for the Advanced Placement program to train 70,000 teachers over five years, with a focus on math and science, and \$25 million for an Adjunct Teacher Corps to help recruit 30,000 professionals, especially professionals from technological fields, over the next eight years to teach in high-need schools.



President Bush and Secretary Spellings visit with a teacher and students at Parkland Magnet Middle School for Aerospace Technology, April 18, 2006, in Rockville, Maryland.

Providing Access to and Raising Quality in College Education

Access to quality postsecondary education for America's students is crucial to U.S. economic prosperity. In 2008, the Federal Government will provide nearly \$91 billion in financial aid to 10.4 million students to help pay for college. In September 2006, the Secretary's Commission on the Future of Higher Education offered recommendations to improve the Nation's postsecondary education system. It called for more resources, student aid system reforms, and greater accountability and transparency. The Budget includes several reforms that are aligned with the Commission's recommendations, including the following:

Increasing Need-based Grant Aid. The Pell Grant program remains the single largest source of grant aid, helping 5.2 million students in 2006. The Budget increases the maximum Pell award from \$4,050 to \$5,400 over five years. The Administration also proposes to increase Academic Competitiveness Grants for high achieving, low-income students.

Ensuring Accountability and Transparency in Higher Education. Taxpayers, parents, and students lack clear and comprehensive information on the outcomes of their investments in higher education. The Budget provides \$25 million for a pilot initiative for collecting and analyzing student data to measure outcomes such as graduation rates and academic performance. The pilot would assess the feasibility of implementing a system that would safeguard privacy of individual data.

Restraining Federal Spending

Reforming the Student Aid System. The Deficit Reduction Act of 2006 included several important reforms to help make the Federal student loan programs more efficient while increasing benefits to students. The President's Budget builds on these reforms by reducing Government subsidies to lenders and guaranty agencies that are higher than necessary while still ensuring that all eligible students receive loans, and eliminating the poorly targeted Perkins Loan and Supplemental Educational Opportunity Grant programs. Savings from these reforms will allow the Administration to

increase grant and loan aid, such as larger Pell Grants and Academic Competitiveness Grants, in a better targeted, fiscally responsible manner. With these reforms, the Administration remains committed to making both the direct and guaranteed student loan programs more efficient, in order to continue the mutually beneficial competition that has led to better services for students and schools and lower costs in both programs.

Terminating and Reducing Discretionary Programs. The Budget proposes to terminate 43 programs, including many that the Program Assessment Rating Tool has shown to be ineffective or unable to demonstrate results. These terminations will save \$2.2 billion, all of which will be redirected toward priority programs, including programs that support the reauthorization of NCLB.

Department of Education
(In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
Spending			
Discretionary Budget Authority:			
No Child Left Behind Act Reauthorization			
Title I Grants to LEAs	12,713	12,713	13,910
School Improvement Grants	—	—	500
Reading First/ Early Reading First.....	1,132	1,122	1,136
Striving Readers.....	30	32	100
American Competitiveness Initiative	32	32	397
Teacher Quality State Grants	2,887	2,887	2,787
Teacher Incentive Fund.....	99	4	199
Safe and Drug Free Schools programs	488	524	324
IDEA Part B State Grants ¹	10,583	10,492	10,492
Career and Technical Education State Grants ²	1,182	1,182	600
Adult Education	573	573	573
Federal Student Aid:			
Pell Grants—Discretionary Funding, Legislative proposal.....	13,045	12,607	13,223
<i>Pell Grants—Mandatory Funding</i> <i>(non-add, Legislative proposal)</i>	—	—	2,216
Supplemental Educational Opportunity Grants.....	771	771	—
Federal Work-Study	980	980	980

Department of Education—Continued
(In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
Higher Education:			
TRIO programs	828	828	828
GEAR UP	303	303	303
National Security Language Initiative	—	—	35
Historically Black College and Graduate Institutions	296	296	296
Hispanic Serving Institutions.....	95	95	95
All other.....	10,516	10,545	9,218
Total, Discretionary budget authority ³	56,553	55,985	55,995
<i>Memorandum: Budget authority from enacted supplementals</i>	<i>1,885</i>	<i>179</i>	<i>—</i>
Total, Discretionary outlays	58,264	58,933	54,971
Mandatory Outlays:			
Federal Direct Student Loans, Legislative proposal	6,258	4,310	466
Federal Family Education Loans, Legislative proposal	26,307	1,399	-222
Academic Competitiveness Grants.....	44	867	843
All other	2,574	2,551	2,565
Total, Mandatory outlays	35,183	9,127	3,652
Total, Outlays	93,447	68,060	58,623
Credit activity			
Direct Loan Disbursements:			
Federal Direct Student Loans (FDSL).....	12,387	13,153	14,306
FDSL Consolidation.....	19,647	4,523	4,943
Historically Black College and University Capital Financing.....	42	170	249
Total, Direct Loan disbursements.....	32,076	17,846	19,781
Guaranteed Loan Disbursements:			
Family Federal Education Loans (FFEL)	45,821	50,436	56,024
FFEL Consolidation	72,036	27,021	31,862
Total, Guaranteed loan disbursements	117,857	77,457	87,886

¹ Program level. Budget authority is \$11 million less than program level in 2006 and \$791 million less than program level in 2008.

² Program level. Budget authority is \$791 million more than program level in 2008.

³ Program level. Budget authority is \$9 million less than program level in 2006 rather than \$11 million noted above, due to rounding. The Deficit Reduction Act of 2005 moved Section 458 Federal Student Aid funds for administrative expenses from the mandatory to the discretionary side of the budget in 2007. For comparability purposes, this change is also reflected in 2006.