

Fiscal Year 2012 Budget
Summary and Background Information

TABLE OF CONTENTS

	Page
I. SUMMARY OF THE 2012 BUDGET	1
II. THE 2012 EDUCATION BUDGET BY PROGRAM AREA.....	14
A. ELEMENTARY AND SECONDARY EDUCATION	14
Overview	14
Race to the Top.....	16
Investing in Innovation Fund (i3).....	16
Early Learning Challenge Fund	17
College- and Career-Ready Students.....	17
School Turnaround Grants	18
Assessing Achievement	19
Excellent Instructional Teams.....	20
Effective Teaching and Learning for a Complete Education	21
Troops-to-Teachers.....	22
College Pathways and Accelerated Learning	23
Promise Neighborhoods.....	23
Successful, Safe, and Healthy Students.....	24
21 st Century Community Learning Centers	24
Expanding Educational Options.....	25
Magnet Schools Assistance Program	26
Fund for the Improvement of Education.....	26
English Learner Education	26
Title I State Agency Programs.....	27
Homeless Children and Youth Education	27
Rural Education.....	28
Indian Student Education	28
Native Hawaiian Student Education.....	29
Alaska Native Student Education	29
Comprehensive Centers.....	29
Impact Aid	30
Training and Advisory Services (Title IV of the Civil Rights Act)	31
Supplemental Education Grants (Compact of Free Association Amendments Act).....	31
B. SPECIAL EDUCATION AND REHABILITATIVE SERVICES	32
Overview	32
Special Education State Grants.....	33
Grants to States	33
Preschool Grants.....	34
Grants for Infants and Families.....	34

SPECIAL EDUCATION AND REHABILITATIVE SERVICES, continued:

	Page
Special Education National Activities.....	34
State Personnel Development.....	34
Technical Assistance and Dissemination.....	35
Personnel Preparation.....	35
Parent Information Centers	35
Technology and Media Services.....	35
Other Special Education Activities.....	36
Special Olympics Education Programs.....	36
Mentoring for Individuals with Intellectual Disabilities	36
PROMISE: Promoting Readiness of Minors in SSI	36
Rehabilitation Services and Disability Research.....	37
Vocational Rehabilitation (VR) State Grants.....	37
Client Assistance State Grants.....	37
Training.....	37
National Activities to Improve Rehabilitation Services	38
Independent Living.....	38
Protection and Advocacy of Individual Rights (PAIR)	39
National Institute on Disability and Rehabilitation Research	39
Access Through Cloud Computing.....	39
Helen Keller National Center for Deaf-Blind Youths and Adults.....	39
Assistive Technology.....	40
Workforce Innovation Fund	40
Special Institutions for Persons with Disabilities	41
American Printing House.....	41
National Technical Institute for the Deaf	41
Gallaudet University	41
C. CAREER, TECHNICAL, AND ADULT EDUCATION.....	42
Overview.....	42
Career and Technical Education	42
Adult Education (Adult Basic and Literacy Education)	43
State Grants for Training of Incarcerated Individuals	44
D. STUDENT FINANCIAL ASSISTANCE.....	45
Overview.....	45
Student Aid Summary Tables.....	47
Tax Benefits for Postsecondary Students.....	49
Pell Grants	50
Supplemental Educational Opportunity Grants.....	51
Work-Study	51

STUDENT FINANCIAL ASSISTANCE, continued:

	Page
Perkins Loans	52
College Completion Incentive Grants	52
Academic Competitiveness Grants/SMART Grants	53
TEACH Grants	54
Presidential Teaching Fellows	54
Federal Family Education Loans and Direct Loans.....	55
E. HIGHER EDUCATION PROGRAMS	58
Overview	58
Title III: Aid for Institutional Development	59
Aid for Hispanic-Serving Institutions	61
Hawkins Centers of Excellence	62
International Education and Foreign Language Studies.....	62
Fund for the Improvement of Postsecondary Education (FIPSE).....	62
Tribally Controlled Postsecondary Career and Technical Institutions.....	63
Special Programs for Migrant Students	63
Federal TRIO Programs	64
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP).....	64
Scholarships and Fellowships	65
Child Care Access Means Parents in School.....	65
GPRA Data/HEA Program Evaluation	65
Academic Facilities.....	66
Howard University	66
F. INSTITUTE OF EDUCATION SCIENCES.....	67
Overview	67
Research, Development, and Dissemination	67
Statistics.....	67
Regional Educational Laboratories	68
Assessment.....	68
Research in Special Education.....	68
Statewide Data Systems	69
Special Education Studies and Evaluations.....	69
III. PROGRAMS PROPOSED FOR CONSOLIDATION OR ELIMINATION.....	70

	Page
IV. DEPARTMENTAL MANAGEMENT	80
History and Background	80
Salaries and Expenses Overview	82
Department Employment	83
Program Administration	85
Student Aid Administration	86
Office for Civil Rights	86
Office of the Inspector General	87
 APPENDICES	 88
Summary of Discretionary Funds, Fiscal Years	
Mandatory Funding in the Department of Education	
Summary of Mandatory Funds, Fiscal Years	
Advance Appropriations for Department of Education	
Total Expenditures for Elementary and Secondary Education in the United States	
Detailed Budget Table by Program	

**For further information on the Department and its activities,
visit us at www.ed.gov, or call 1-800-USA-LEARN**

If we want to win the future— if we want innovation to produce jobs in America and not overseas—then we also have to win the race to educate our kids.

*President Barack Obama
January 25, 2011*

I. SUMMARY OF THE 2012 BUDGET

During his first two years in office, President Obama has combined unprecedented support for America's students and schools during tough economic times with extraordinary leadership in promoting transformational reforms at all levels of our education system. The American Recovery and Reinvestment Act of 2009 (Recovery Act) delivered nearly \$100 billion to States and school districts to help address budget shortfalls and meet the needs of schools and students in the midst of the most severe economic recession since the Great Depression. This funding helped save or create an estimated 400,000 jobs, including 325,000 education jobs. The Education Jobs Fund, passed in late summer of 2010, is helping cash-strapped States and districts keep tens of thousands of teachers in the classroom during the 2010-2011 school year.

At the same time, President Obama recognized the need to not just recover from yesterday's economic recession, but to take bold action to ensure America's success in tomorrow's global economic competition. This is why the President used \$4 billion in Recovery Act funds to create the Race to the Top program, an initiative he has described as "the most meaningful reform of our public schools in a generation." Race to the Top helped support more than 40 States in raising their standards for teaching and learning, and has brought together State and local leaders—Democratic and Republican—to work collaboratively to implement their best ideas for improving their schools.

Now President Obama is seeking to build on the success of Race to the Top by focusing on core reforms and flexibility in exchange for results in his proposal for reauthorizing the Elementary and Secondary Education Act (ESEA). In March 2010, the Administration released *A Blueprint for Reform*, which proposed changes in the ESEA intended to help give all children the world-class education that they deserve and that America needs to ensure our future economic prosperity. It does this not just by tinkering with existing law, but by re-envisioning the Federal role in education to support more flexible, innovative, locally driven approaches to teaching and learning that make better, more productive use of existing resources. As President Obama said in his 2011 State of the Union address, "this is our generation's Sputnik moment," and we can no longer afford to invest in the status quo in education.

The *Blueprint* envisions a smaller Federal role focused on key priorities aimed at improving educational outcomes for all students, including (1) recognizing and rewarding student academic growth and school progress; (2) ensuring that students complete high school prepared for college and a career, based on rigorous, State-developed standards; (3) putting a great teacher in every classroom and a great principal in every school; and (4) focusing intensive support and interventions on our lowest-performing schools that serve our neediest students and communities, including the "dropout factories" that account for one-half of the estimated 1 million students who leave school each year without a high school diploma. Together, these changes support the goal of ensuring that, by 2020, the United States will once again have the highest proportion of college graduates in the world—a key goal not only for restoring and increasing our economic prosperity, but also for securing the more equal, fair, and just society envisioned by our Nation's founders.

President Obama also delivered a significant down payment on his promise to make postsecondary education more affordable and help more Americans earn a college degree when he signed into law the Student Aid and Fiscal Responsibility Act (SAFRA) as part of the Health Care and Education Reconciliation Act of 2010. This historic legislation ended decades of Federal subsidies to banks and other institutions that made guaranteed loans to postsecondary students and, according to the Congressional Budget Office, saved an estimated \$67 billion over 10 years that was re-directed to improving college affordability and reducing the deficit. SAFRA invested more than \$40 billion to help Pell Grants keep pace with rising college costs, expanded the income-based student loan repayment program to reduce the burden of loan repayment for college graduates, provided \$2 billion in new funding to community colleges to expand career training opportunities, and supported minority-serving institutions which currently enroll nearly 60 percent of all minority undergraduate students. In December 2010, the President also signed into law an extension of the American Opportunity Tax Credit, which in fiscal year 2012 will provide an estimated \$7.1 billion in tax relief to students and families with postsecondary expenses.

The President's 2012 request for the Department of Education builds on this record of achievement and reform and reflects the critical importance of education to America's families and future.

The Administration is requesting \$48.8 billion in non-Pell Grant discretionary appropriations for the Department of Education, an increase of \$2.0 billion, or 4.3 percent, over the 2011 Continuing Resolution (CR) level.

The 3-year table below displays the Department's discretionary request without Pell Grants, as well as the net discretionary request for the Pell Grant program (assuming enactment of the Pell Grant Protection Act, a set of cost-reduction and savings proposals).

Department of Education Discretionary Appropriations

(in billions of dollars)

	<u>2010</u>	<u>2011</u> <u>CR Level</u>	<u>2012</u> <u>Request</u>	<u>Change</u>
Discretionary (w/o Pell Grants)	\$46.6	\$46.8	\$48.8	+\$2.0
Pell Grants (net discretionary request)	<u>\$17.5</u>	<u>\$23.2</u>	<u>\$28.6</u>	<u>+\$5.4</u>
Totals (may not add due to rounding)	\$64.1	\$69.9	\$77.4	+\$7.5

The 2012 request for education would (1) sustain State and local reform momentum by providing significant competitive funding for key initiatives like Race to the Top, while maintaining critical formula programs for at-risk students; (2) support the aggressive consolidation and restructuring of Federal education programs to emphasize fewer priorities and provide greater flexibility for local innovation; (3) eliminate ineffective programs and earmarked

activities not aligned with reform priorities; and (4) expand investments aimed at improving college access and success.

The request also reflects considerable evidence that the Administration's education reforms are leading to significant change across America. For example, 46 States and the District of Columbia prepared comprehensive Race to the Top applications, 139 applicants for the Teacher Incentive Fund demonstrated a willingness to take on the challenge of reforming teacher evaluation and compensation systems, and the Investing in Innovation (i3) program generated 1,700 applications proposing a wide range of innovative and entrepreneurial strategies for improving our education system.

Moreover, this momentum for reform has already generated concrete results, with 41 States and the District of Columbia adopting State-developed, rigorous, common college- and career-ready standards in reading/language arts and mathematics; 44 States and the District of Columbia participating in Race to the Top Assessment Grant consortia that will develop a new generation of assessments aligned with college- and career-ready standards; and 34 States changing laws or policies to support promising reforms.

While the 2012 request demonstrates the President's commitment to making the critical investments in education needed to ensure our future economic prosperity, it also shows his determination to reduce the overall Federal budget deficit. For example, the President's budget would help offset increases in the 2012 request by eliminating 13 programs for a savings of \$147 million. These proposed eliminations build on \$360 million in savings from four program terminations enacted in 2010. The request also redirects funding from less effective programs to programs that will maximize results for students under a new framework for the ESEA.

The 2012 request also includes a Pell Grant Protection Act that responds to growth in the demand for Pell Grants by protecting the maximum grant level, while proposing tough changes in postsecondary grant and student loan programs in order to ensure the long-term viability of this bedrock student aid program. The Pell Grant Protection Act would end the availability of a second Pell grant in the same award year, eliminate the interest subsidy for graduate and professional student loans, and allow students whose debt is split between Department of Education contractors and Federal Family Education Loan (FFEL) lenders to convert their FFEL debt. Eliminating "two Pell" would save an estimated \$7.6 billion in fiscal year 2011 and 2012 discretionary funding, while the proposed mandatory savings from changes in the student loan programs would total an estimated \$4.3 billion in 2012 (\$4.0 billion in outlays). Concurrent with the release of the 2012 budget, the Department also is announcing administrative actions to implement enhanced income verification procedures for student aid applicants as part of improvements in the processing of the Free Application for Federal Student Aid (FAFSA).

The overall 2012 budget request for the Department of Education is organized around the following priorities:

REWARDING EXCELLENCE AND PROMOTING INNOVATION

The Recovery Act provided the down payment needed to change the culture of America's education system by rewarding excellence and promoting innovation. The early results have been extraordinary, with States and school districts breaking ground in the areas of common college- and career-ready academic standards, teacher evaluation, and tackling the lowest-performing schools, and 1,700 educational entrepreneurs seeking to test or expand their ideas for improving outcomes in the classroom. The 2012 President's budget for education would continue to build on the revolutionary investments launched by the Recovery Act.

- \$900 million for Race to the Top awards to encourage local leaders to work together to develop comprehensive plans involving ambitious reforms designed to produce rapid educational change and improvement. The 2012 request would focus on supporting district-level plans addressing the four assurances in the Recovery Act—the implementation of more rigorous standards and assessments, improving teacher equity and effectiveness, using data to improve instruction, and turning around low-performing schools—while also emphasizing cost-effective reforms that improve student achievement in a time of tight budgets. Local communities would be challenged to develop reform plans ensuring that all students, including students with disabilities and English learners, reach college- and career-ready standards. Recognizing the unique needs of rural communities, the Department would structure the competition to ensure that rural districts are able to compete for funding in a competition that reflects their needs and priorities.
- \$300 million for Title I Rewards to provide financial and other rewards to staff and students in high-poverty LEAs and schools that are making the most progress in improving student achievement, closing achievement gaps, and turning around low-performing schools.
- \$300 million for the Investing in Innovation (i3) program to develop, evaluate, and scale up promising and effective models and interventions with the potential to improve educational outcomes for hundreds of thousands of students. The request includes priorities for science, technology, engineering, and mathematics (STEM) education and early learning, as well as an overall focus on increasing productivity to achieve better student outcomes. The Department would structure i3 competitions to ensure geographical diversity in the communities served by recipients, including funding applications from providers and other entities proposing evidence-based approaches to address the unique needs and priorities of rural districts and schools.
- \$90 million for a new Advanced Research Projects Agency: Education (ARPA-ED) initiative, including \$50 million in discretionary funding and \$40 million in mandatory funds, that would pursue breakthrough developments in educational technology and learning systems, support systems for educators, and tools that improve educational outcomes.
- Pay for Success, a new multi-agency authority, modeled on the “social impact bonds” concept, which would promote innovative strategies for delivery of public services at lower cost to taxpayers than under traditional Federal grant programs because funds would be awarded only in exchange for successful outcomes. In the Department of Education, potential Pay for Success projects could be funded through i3, Adult Education, the Fund for the Improvement of Postsecondary Education, the Workforce Innovation Fund, and PROMISE: Promoting Readiness of Minors in SSI (Supplemental Security Income).

- \$372 million for Expanding Educational Options to support the creation and expansion of effective charter schools, other effective autonomous public schools, and comprehensive systems of public school choice. The new authority would consolidate 5 existing programs into two separate grant competitions: Supporting Effective Charter Schools Grants and Promoting Public School Choice Grants. The 2012 request includes \$110 million for Magnet Schools Assistance, an increase of \$10 million, or 10 percent, over the 2011 CR level.

GREAT TEACHERS AND LEADERS IN EVERY SCHOOL

A key goal of the Administration's ESEA reauthorization plan is to create incentives and supports to help States, LEAs, and schools recruit, prepare, support, reward, and retain effective teachers and school leaders, with a priority on improving the effectiveness of teachers and leaders in our lowest-performing schools. The 2012 request includes a wide range of key investments and new resources to help accomplish the Secretary's goal of "getting great teachers into our classrooms and great principals into our schools."

- \$3.25 billion for the Excellent Instructional Teams initiative, which would consolidate nine programs that focus on teaching and school leadership into three new programs better designed to help States and LEAs promote and enhance the education profession and increase the effectiveness of teachers, principals, and other school leaders in improving learning for all students, including students with disabilities and English learners. In addition, a national activities authority would, among other things, support innovative efforts to attract and recruit the next generation of effective teachers for our neediest schools through the teacher recruitment (TEACH) campaign.
 - \$2.5 billion for the Effective Teachers and Leaders program, which would provide State formula grants to help States and LEAs carry out strategies to recruit, develop, retain, and reward effective teachers and principals who meet local needs. Key activities would include (1) the design and implementation of rigorous and fair teacher evaluation systems that are aligned with professional development opportunities and (2) ensuring the equitable distribution of effective teachers and leaders.
 - \$500 million for the Teacher and Leader Innovation Fund to significantly increase funding for State and local efforts to support ambitious reforms—including innovative compensation systems—to better identify, reward, retain, and advance effective teachers, principals, and school leadership teams in high-need schools.
 - \$250 million for Teacher and Leader Pathways to expand high-quality traditional and alternative pathways into teaching, with an emphasis on recruiting, preparing, and placing promising teacher candidates for high-need (including rural) schools, subject areas, and fields. The program also would support the recruitment, preparation, and retention of effective principals and school leadership teams who are able to turn around persistently low-performing schools, as well as State- and district-level leaders who are able to lead transformational change in their States and LEAs. The Pathways proposal also includes an \$80 million set-aside to help prepare 10,000 new STEM teachers over the next two years.

- \$185 million in mandatory funding for a new Presidential Teaching Fellows program, which would make formula grants to States to provide scholarships of up to \$10,000 to talented individuals who attend high-performing teacher preparation programs and who commit to teaching for at least 3 years in a high-need school. Eligible States would agree to measure the effectiveness of their teacher preparation programs, based in part on the academic growth of the students their graduates teach; hold these programs accountable for results; and upgrade licensure and certification standards.
- \$40 million for a new Hawkins Centers of Excellence program, which would support partnerships to improve and expand teacher preparation programs at minority-serving institutions, increase the number of effective teachers produced by these institutions, and add to the research base on effective teacher preparation models that strengthen the pipeline for preparing an effective and diverse teaching force.
- \$835 million for the Effective Teaching and Learning for a Complete Education initiative, which would consolidate 15 programs that focus on improving instruction in various subjects into 3 new programs better structured to support educators in delivering instruction designed to help all students, including students with disabilities and English learners, reach college- and career-ready standards. While providing continued focus on literacy and STEM, this initiative recognizes the importance of providing every student with a well-rounded education. These new programs also support the use of technology and interdisciplinary approaches that lead to more effective instruction.
 - \$383 million for a new Effective Teaching and Learning: Literacy program, an increase of \$20 million over the 2010 appropriation for current literacy programs, that would support the development and implementation of comprehensive, evidence-based State and local efforts to provide high-quality literacy programs aligned with college- and career-ready English language arts standards. These programs would be designed to address the need to comprehensively strengthen instruction and to increase student achievement in high-need LEAs and schools for students from preschool through grade 12, with LEAs able to focus funds on the areas of their greatest need.
 - \$206 million for the new Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics program, an increase of \$26 million, or 14 percent, over the 2011 CR level for the current Mathematics and Science Partnerships program, to support the transition to college- and career-ready standards by helping States improve teaching and learning in science, technology, engineering and mathematics (STEM). Funds would be used to support State development of comprehensive, evidence-based plans that align Federal, State, and local resources to provide high-quality STEM instruction, as well as for subgrants to high-need LEAs to support comprehensive STEM instruction in the grades and schools with the greatest local needs.
 - \$246 million for the new Effective Teaching and Learning for a Well-Rounded Education program, an increase of \$20 million, or nearly 9 percent over the 2011 CR level for current programs, to provide grants to States, high-need LEAs, and nonprofit partners to strengthen the teaching and learning of the arts, foreign languages, history, government, economics and financial literacy, environmental education, physical education, health education, and other subjects.

MEETING THE FULL RANGE OF STUDENT NEEDS

The Administration's ESEA reauthorization plan recognizes that the children and young people most at risk for academic failure too often attend schools and live in communities that fall short in meeting their basic needs. The 2012 request includes a total of \$1.8 billion to support comprehensive services, safe school climates, student health and well-being, full-service community schools, and expanded school schedules to accommodate both additional learning opportunities and access to comprehensive services outside the traditional school day.

- \$150 million for Promise Neighborhoods, an increase of \$140 million over the 2011 CR level, to provide grants for comprehensive approaches to meeting the full range of student needs, drawing on the contributions of schools, community-based organizations, local agencies, foundations, and private businesses. Grantees would develop and implement a continuum of services, family supports, and comprehensive education reforms to improve the educational and life outcomes for children and youth in high-need communities.
- \$1.3 billion for a reauthorized 21ST Century Community Learning Centers program, an increase of \$100 million over the 2011 CR level, for grants to projects that provide students with additional time for academic and enrichment activities—including before- and after-school, summer school, and expanded learning time programs involving the redesign and extension of the school day, week, or year—as well as to programs that support full-service community schools that coordinate access to comprehensive services.
- \$365 million for Successful, Safe, and Healthy Students, a new competitive grant program to carry out strategies designed to improve the physical and mental health of students, nutrition education, healthy eating, and physical fitness, while collecting and reporting better information on school climate and student safety.

SUPPORTING EARLY LEARNING

The Administration is committed to an early learning strategy that supports a continuum of learning in the early years from birth through third grade. Significant evidence from research and evaluation demonstrates that high-quality early learning programs and services are among the most cost-effective investments in improving health, social-emotional, and cognitive outcomes; increasing school readiness across a range of domains; and closing and even preventing achievement gaps. In addition to the Promise Neighborhoods program described above, the following investments in early learning would help prepare children to thrive in and graduate from school ready to succeed in college and a career:

- \$350 million for the Early Learning Challenge Fund, a new program that would challenge States to establish model systems of early learning for children, from birth to kindergarten entry, that promote high standards of quality and a focus on outcomes across settings to ensure that more children enter school ready to succeed.
- \$489 million for the Grants for Infants and Families program under the Individuals with Disabilities Education Act (IDEA), an increase of \$50 million, or 11 percent, over the 2011 CR level, to help States implement statewide systems of early intervention services for infants and toddlers with disabilities and their families.

- \$374 million for IDEA Preschool Grants to help States make a free appropriate public education in the least restrictive environment available to all children with disabilities ages 3 through 5 to help ensure that young children with disabilities succeed in school.

IMPROVING STEM EDUCATION

The 2012 request would continue to support President Obama's focus on improving STEM education by (1) increasing STEM literacy so that all students can master challenging content and think critically in science, technology, engineering, and mathematics fields; (2) improving the quality of math and science teaching so American students are no longer outperformed by those in other nations; and (3) expanding STEM education and career opportunities for underrepresented groups. Key activities include:

- \$206 million to improve the teaching and learning of STEM subjects aligned with college- and career-ready standards through the Effective Teaching and Learning: STEM program. This proposed program, which would receive an increase of \$26 million, or 14 percent, over the current Mathematics and Science Partnerships program, would support professional development for STEM teachers; implementation of high-quality assessments and instructional materials; and improved systems for linking student data on assessments with instructional supports such as lesson plans and intervention strategies.
- A priority for STEM projects under the Investing in Innovation (i3) program, which makes awards to develop, validate, and scale up innovative programs, practices, and strategies that have evidence of effectiveness in improving educational outcomes for students.
- \$80 million under the proposed Teacher and Leader Pathways program to help prepare 10,000 new STEM teachers over the next 2 years as part of the Administration's goal to recruit and prepare 100,000 effective STEM teachers over the next 10 years.

ALL STUDENTS COLLEGE- AND CAREER-READY

The Administration's ESEA reauthorization proposal is based on high expectations and accountability for all student groups to ensure that all students, including poor and minority students, graduate from high school college- and career-ready. To help States and LEAs close longstanding achievement gaps between poor and minority students and their more advantaged peers, the 2012 request would provide significant resources to improve services to students from low-income families, students with disabilities, and English Learners.

- \$14.8 billion for a reauthorized and strengthened Title I, Part A College- and Career-Ready Students program to (1) support statewide accountability systems linked to college- and career-ready standards and assessments intended to ensure that all students graduate high school ready for college and a career, (2) measure schools based on progress towards this goal, (3) reward schools and LEAs making significant progress and closing achievement gaps, and (4) carry out rigorous interventions in the lowest-performing schools. In particular, the 2012 request includes \$300 million for a new Title I Rewards authority that would provide financial and other rewards for LEAs and schools that are reaching annual performance targets, significantly increasing academic achievement for all students, and closing achievement gaps. LEAs that successfully turn around their lowest-performing schools also would be eligible for rewards.

- \$600 million for the School Turnaround Grants program, an increase of \$54 million, or 10 percent, for formula grants to States, which would make competitive grants to LEAs to support the implementation of rigorous interventions in their persistently lowest-performing schools as identified under the College- and Career-Ready Students program.
- \$420 million for a reauthorized Assessing Achievement program, an increase of \$9 million over the 2011 CR level, for formula and competitive grants to help States improve the quality of their assessment systems as they transition to assessments aligned to college- and career-ready standards, including assessments in subjects such as science and history that are necessary to provide all students with a well-rounded education. In particular, improved assessments would accurately measure student academic growth; more reliably measure student achievement and teacher and school effectiveness; help teachers tailor instruction to student needs; and provide better information to students and their families.
- \$11.7 billion for Special Education Grants to States, an increase of \$200 million, to continue paying a significant share of State and local costs of improving educational outcomes for children with disabilities. The request would provide an estimated average of \$1,765 per student for about 6.6 million children ages 3 through 21.
- \$750 million for a reauthorized English Learner Education program that would provide grants to help States and LEAs meet the needs of the growing population of English Learners and ensure that these students reach the same college- and career-ready goals for reading and mathematics as other students. Under the reauthorization proposal, States would be required to improve their systems for identifying and serving English Learners and to evaluate the effectiveness of local English language instructional programs to support program improvement. The request also includes competitive grant funds to develop innovative programs, identify promising practices, conduct evaluations, and scale up effective instructional practices.
- \$445 million for Title I Migrant Education and Neglected and Delinquent State agency programs to help meet the educational needs of approximately 537,000 children of migrant agricultural workers and to help an estimated 132,000 neglected and delinquent students return to and complete school and obtain employment after they are released from State institutions.

PROTECTING PELL GRANTS AND EXPANDING ACCESS TO STUDENT AID

College- and career-readiness is the new standard for K-12 education—and the centerpiece of the Administration’s proposal to reauthorize the ESEA—because most students will need some postsecondary education to compete successfully for jobs in the technology-enabled, globally competitive, 21st century American economy. To help students and their families pay for postsecondary education, the 2012 budget for education includes a combination of discretionary and mandatory funding that would make available \$167 billion in new grants, loans, and work-study assistance—an increase of \$37.6 billion, or 29 percent, over the amount available in 2009—to help nearly 16 million students and their families pay for college.

The foundation of need-based Federal assistance to postsecondary students and their families is the Pell Grant program, which has experienced rapid growth in both benefits to students and

costs to taxpayers in recent years. In 2012, the Pell Grant program will provide more than \$36 billion in grant aid to over 9.6 million needy postsecondary students, reflecting a doubling of grant assistance over the past 3 years.

This increase reflects a number of factors, but is primarily attributable to growing demand for Pell Grants. In addition, Pell Grant costs have grown in recent years due to an expansion of benefits to students and other legislative changes. For example, since fiscal year 2007 the Pell Grant maximum award has risen from \$4,310 to \$5,550, an increase of \$1,240, or 29 percent. Also, while student aid applicants previously could earn no more than \$20,000 in annual household income to qualify automatically for the maximum \$5,550 Pell Grant, in 2008 this threshold was raised to \$30,000, sharply increasing the percentage of Pell Grant applicants who qualify for the maximum award. In 2012, the Department projects that more than 75 percent of Pell recipients will be eligible to receive the maximum grant of \$5,550. Finally, the “two Pell” provision, under which a student may receive up to two Pell Grants in one academic year, has proven far more costly than expected.

To protect the maximum Pell grant level, while responsibly ensuring the long-term sustainability of the program, the Administration is proposing a Pell Grant Protection Act. This proposal includes tough changes to student aid programs that would generate savings which would be appropriated back to Pell Grants as additional mandatory funds, thus reducing the need for future discretionary annual appropriations. Over 10 years, these changes would reduce future appropriation needs by \$104 billion. Proposed changes include the following:

- Eliminate the “two Pell” benefit, which allows qualifying students to receive two Pell Grants in a single award year. This benefit, which began in July 2009, is estimated to add nearly \$8 billion to Pell Grant costs in fiscal years 2011 and 2012. The Pell Grant Protection Act would suspend the “two Pell” benefit at the beginning of the 2011-2012 award year. The Department of Education will continue to examine whether there are other measures that could help students complete their degrees more quickly in a fiscally responsible way.
- End the in-school interest subsidy for graduate and professional student loans to save an estimated \$2.2 billion (\$1.0 billion in outlays) in 2012 and nearly \$33 billion over the next 10 years. Experts believe that this costly subsidy is not well targeted to borrowers who are likely to struggle to repay their loans after leaving school, since graduate students generally are in specialized and often higher-paying fields and thus have less need for subsidized student loans. In addition, other recent changes in loan repayment options, such as the expansion of income-based repayment under SAFRA, already provide benefits to those who otherwise might have trouble repaying their student loans.
- Allow borrowers with debt split between the Department of Education and FFEL lenders to convert their existing FFEL debt to the Department to save an estimated \$2.1 billion in fiscal year 2012. Borrowers would be able to simplify their repayment process while also qualifying for a benefit of up to 2 percent of their loan balances.
- Expand and modernize the Perkins Loans program to increase benefits for students and institutions while saving an estimated \$8.6 billion (\$7.4 billion in outlays) over 10 years. The expanded program would support Perkins Loans at up to 2,700 additional postsecondary education institutions, reaching over 3 million students at full implementation.

PROMOTING COLLEGE ACCESS AND COMPLETION

In addition to helping students and families pay for college, the 2012 request includes funds to help disadvantaged students enroll in and complete postsecondary education.

- \$150 million for the Fund for the Improvement of Postsecondary Education to support a new “First in the World” competition, modeled on the Investing in Innovation (i3) program, which would promote and test innovative strategies for improving college access, postsecondary education quality, and postsecondary completion.
- \$50 million in mandatory funding for a new College Completion Incentive Grants program, rising to \$300 million in 2013, that would (1) encourage colleges to help students enroll in school and finish their studies with a degree or certificate and (2) reward institutions that produce successful outcomes.
- \$86 million for College Pathways and Accelerated Learning, a new authority under the Administration’s ESEA reauthorization proposal designed to increase graduation rates and prepare students for college matriculation and success by providing college-level and other accelerated courses and instruction in high-poverty middle and high schools, including Advanced Placement/International Baccalaureate (AP/IB) courses, dual-enrollment programs, and “early college high schools.”
- \$920 million for Federal TRIO programs, an increase of \$67 million in discretionary funding to expand support for services to help disadvantaged students enroll in and complete college.
- \$323 million for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) to help an estimated 756,000 middle and high school students prepare for and enroll in college.
- \$485 million in discretionary funding for the Aid for Institutional Development programs, for a total of \$651 million in combined discretionary and mandatory funds in 2012, to maintain support for ongoing efforts to improve the academic programs and administrative and fundraising capabilities of institutions that enroll a large proportion of minority and disadvantaged students.
- \$117 million in discretionary funding for Developing Hispanic-Serving Institutions, for a total of \$239 million in combined discretionary and mandatory funds in 2012 for Aid for Hispanic-Serving Institutions, to help ensure that Hispanic students, half of whom enroll in Hispanic-serving institutions, have access to high quality postsecondary education.

IMPROVING OUTCOMES FOR ADULT LEARNERS

The 2012 request includes funding for a variety of programs targeting adult learners—including career and technical education, adult basic and literacy education, and vocational rehabilitation and independent living programs—that provide essential support for State and local activities to help millions of Americans navigate the ever-changing job market and overcome the career challenges created by the combination of global competition and the economic recession.

- \$1.0 billion for Career and Technical Education (CTE) State Grants to support continued improvement and upgrading of CTE programs as part of a strategy for creating career pathways at the secondary and postsecondary levels to help students enter the workplace ready for successful careers.
- \$635 million for Adult Basic and Literacy Education State Grants, an increase of \$6.8 million over the 2011 CR level, to help adults without a high school diploma or equivalent to become literate and obtain the knowledge and skills necessary for postsecondary education, employment, and self-sufficiency. Eight percent of these funds would be used for the Workforce Innovation Fund (WIF), a joint initiative of the Departments of Education and Labor to improve Workforce Investment Act programs by testing and validating innovative approaches to service delivery. An additional \$30 million contribution to the WIF is included in the Rehabilitation Services and Disability Research account.
- \$23 million for Adult Education National Leadership Activities, an increase of \$12 million over the 2011 CR level, to support (1) a new impact evaluation of “college bridge programs” that help adult learners transition from adult basic education to postsecondary education and training and (2) the development of comprehensive technology infrastructure for adult education programs.
- \$3.1 billion for Vocational Rehabilitation (VR) State Grants to help States and tribal governments to increase the participation of individuals with disabilities in the workforce. The requested \$56.3 million increase includes funds that would be made available from the consolidation of other small VR-related programs offering services that can be provided to the same population under the much larger VR State Grants program. The VR consolidation proposal includes a change in the VR State Grants formula to ensure that all States receive at least the same level of funding as prior to the consolidation.
- \$104 million for a new Grants for Independent Living program that would consolidate the Independent Living State Grants and Centers for Independent Living programs and provide formula grants to States to support the provision of independent living services through centers for independent living.
- \$111 million for the National Institute for Disability and Rehabilitation Research to support a broad portfolio of research and development, capacity-building, and knowledge translation activities designed to improve the lives of and services provided to individuals with disabilities.
- \$10 million for a new Access through Cloud Computing initiative, which would be administered by the National Institute on Disability and Rehabilitation Research, to improve access to the Internet and technology for all individuals with disabilities.

IDENTIFYING EFFECTIVE PRACTICES AND INCREASING TRANSPARENCY

The Administration is seeking a total of \$760.5 million, an increase of \$101.5 million over the 2011 CR level, to support the Department of Education's longstanding role in sponsoring education research and development activities, gathering and making available to researchers and the public a wide range of data on our education system, and measuring the performance of American students through a rigorous assessment program in a variety of academic subjects. The 2012 request includes the following:

- \$260 million for Research, Development, and Dissemination, an increase of \$60.2 million over the 2011 CR level, or 30 percent, to sustain and expand much-needed investments in research in order to generate solutions to critical problems in education. The increase would support new awards under existing programs of research and development as well as evaluations of interventions to increase college access and completion and the Promise Neighborhoods program.
- \$117 million for Statistics, an increase of \$8.5 million over the 2011 CR level, or almost 8 percent, to provide continued support for the collection, analysis, and dissemination of education-related statistics and to fund a new, first-time National Center for Education Statistics study of sub-baccalaureate education and training for adults.
- \$144 million for Assessment, an increase of \$5 million over the 2011 CR level, to support the National Assessment of Educational Progress (NAEP), the only nationally representative and continuing assessment of what American students know and can do. Funds would be used for administration of a grade 12 economics assessment and a long-term trend assessment in 2012, as well as preparation for assessments in future years and continued analysis of prior assessments.
- \$100 million for Statewide Data Systems, an increase of \$41.8 million over the 2011 CR level, or nearly 72 percent, to help States improve the availability and use of data on student learning, teacher performance, and college- and career-readiness through the development of enhanced data systems that report on student progress from early childhood to participation in postsecondary education and the workforce.

II. THE 2012 EDUCATION BUDGET BY PROGRAM AREA

A. ELEMENTARY AND SECONDARY EDUCATION

Overview

The 2012 request for elementary and secondary education programs supports the Administration's comprehensive plan for reauthorizing the Elementary and Secondary Education Act (ESEA), as outlined in *A Blueprint for Reform: The Reauthorization of the Elementary and Secondary Education Act* released in March 2010 and available on the Department of Education website at <http://www2.ed.gov/policy/elsec/leg/blueprint/blueprint.pdf>.

The reauthorization plan reflects a fundamental rethinking of the Federal role in elementary and secondary education to support innovative approaches to teaching and learning that make better, more productive use of existing resources. Maintaining the status quo in education is not an option; instead, we must reform our schools to address stubborn achievement gaps and inspire our children to excel so that by 2020 America once again leads the world in college completion.

To accomplish these goals, the 2012 request would invest in a reformed ESEA focused on raising standards, encouraging innovation, and rewarding success, while allowing States and districts more flexibility to invest resources where they will have the greatest impact. In particular, the request funds programs that encourage State and local innovation, including a \$900 million investment in the Race to the Top program, which has already motivated States to reform their laws and make new plans to better support educational improvement and innovation, and the 2012 request would open the Race to the Top competition to school districts. The 2012 budget also includes \$300 million for a new round of grants under the Investing in Innovation (i3) fund to provide incentives for the development and expansion of innovative strategies and practices that have been shown to be effective in improving educational outcomes for students.

The \$14.8 billion request for the College- and Career-Ready Students program, which would replace Title I Grants to LEAs, also would emphasize rewarding success through a proposed \$300 million Title I Rewards program that would reward high-poverty schools or LEAs that are making significant progress in improving student outcomes and closing achievement gaps.

The 2012 budget would help launch a new approach to early learning through the \$350 million Early Learning Challenge Fund, which would make competitive grants to challenge States to establish model systems of early learning for children, from birth to kindergarten entry, that promote high standards of quality and a focus on outcomes across settings to ensure that more children enter school ready to succeed.

In addition, the Administration's reauthorization plan would consolidate 38 existing authorities into 11 new programs that would give communities more choices in implementing activities and using rigorous evidence to fund what works. Competitive grants would support a focus on programs that are achieving successful results, while safeguards would be put in place to ensure that geographic location does not dictate results. In particular, programs will be structured to ensure that rural communities have a fair chance to compete successfully. The following table shows the ESEA and related programs that would be consolidated under the Administration's 2012 request:

ESEA REAUTHORIZATION CONSOLIDATION CROSSWALK		
New Authority	Consolidated Programs	
Effective Teachers and Leaders	Improving Teacher Quality State Grants Ready to Teach	
Teacher and Leader Innovation Fund	Advanced Credentialing Teacher Incentive Fund	
Teacher and Leader Pathways	School Leadership Teach for America Teacher Quality Partnership Teachers for a Competitive Tomorrow Transition to Teaching	
Effective Teaching and Learning for a Complete Education	Effective Teaching and Learning: Literacy	Striving Readers Literacy through School Libraries National Writing Project Reading is Fundamental Ready-to-Learn Television Even Start
	Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics	Mathematics and Science Partnerships
	Effective Teaching and Learning for a Well-Rounded Education	Teaching American History Academies for American History and Civics Civic Education Close-Up Fellowships Excellence in Economic Education Foreign Language Assistance Arts in Education
	National Activities	Educational Technology State Grants <i>(Note: Each program would include a focus on educational technology.)</i>
College Pathways and Accelerated Learning	Advanced Placement High School Graduation Initiative Javits Gifted and Talented Education	
Successful, Safe, and Healthy Students	Alcohol Abuse Reduction Elementary and Secondary School Counseling Foundations for Learning Mental Health Integration in Schools Physical Education Program Safe and Drug-Free Schools and Communities National Activities	
Expanding Educational Options	Charter Schools Grants Credit Enhancement for Charter School Facilities Parental Information and Resource Centers Smaller Learning Communities Voluntary Public School Choice	

Race to the Top

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$900.0

This program, modeled after the Race to the Top program authorized by the Recovery Act, would be included in the reauthorized ESEA. The purpose of the program would be to create incentives for comprehensive State and local reforms and innovations designed to produce significant improvements in student achievement, high school graduation rates, and college enrollment rates, and to significant reductions in achievement gaps. The program also would encourage the broad identification, dissemination, adoption, and use of effective policies and practices and the cessation of ineffective ones. The 2012 request also includes an emphasis on increasing educational productivity in a time of tight budgets through the implementation of reforms that improve student outcomes while saving money.

Under the reauthorized program, the Department would have the authority to conduct both State- and district-level Race to the Top competitions. The 2012 request would be focused on supporting district-level plans addressing the implementation of more rigorous standards and assessments, improving teacher equity and effectiveness, using data to improve instruction, and turning around low-performing schools. The district-level competition would challenge local communities to develop reform plans that meet the needs of all students, including students with disabilities and English learners, and would be structured to reflect the needs of rural communities and ensure that rural districts are able to compete for funds.

Investing in Innovation Fund (i3)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$300.0

The request would support a newly authorized ESEA program, modeled after the i3 program authorized by the Recovery Act, that would make grants to develop and validate promising practices, strategies, or programs with potential to improve student outcomes but for which efficacy has not yet been systematically studied. Grants also would support expansion of innovative practices, strategies, or programs that have been proven effective in improving student outcomes. The Department would include a priority for projects in science, technology, engineering, and mathematics, and competitions would be structured to ensure that applicants proposing to serve rural districts and schools are able to compete successfully for i3 funding. Funds could also support a productivity prize competition that would reward States or LEAs that achieve real savings through cost-cutting or improvements in efficiency while also improving effectiveness, the new “Pay for Success” authority (modeled on the social impact bonds concept), technical assistance, dissemination, and other national activities.

Early Learning Challenge Fund

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$350.0

The request would fund the first year of the Early Learning Challenge Fund under the reauthorized Elementary and Secondary Education Act. These funds would support competitive grants to States to establish model systems of early learning for children, from birth to kindergarten entry, that promote high standards of quality and a focus on outcomes across settings to ensure that more children enter school ready to succeed. The new program is a central component of the President’s early learning agenda and would complement, coordinate, and streamline existing and proposed Federal and State early learning investments in Head Start and Early Head Start, home visitation, the Child Care Development Fund, and the IDEA.

College- and Career-Ready Students

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$14,492.4	\$14,492.4	\$14,792.4

The request supports the Administration’s reauthorization plan for Title I, Part A of the ESEA (currently Title I Grants to LEAs), which would include changes in the areas of standards and assessments, accountability and support for schools and LEAs, and teacher and leader effectiveness. States would adopt statewide standards that build toward college- and career-readiness (CCR) and implement high-quality assessments that are aligned with these CCR standards and capable of measuring individual student growth toward CCR. These new standards and assessments would give families and communities the information they need to determine whether their students are on track to college- and career-readiness and to evaluate their schools’ effectiveness.

The reauthorization proposal would replace the adequate yearly progress (AYP) measure in current law, which is based primarily on a single, static snapshot of student proficiency on academic assessments, with a broader, more accurate measure of school performance that looks at student achievement, student growth, and school progress. Performance targets would be aligned with the objective of ensuring that by 2020 all students are graduating or on track to graduate from high school ready for college and a career.

The schools, districts, and States that are successful in reaching performance targets, significantly increasing student performance for all students, closing achievement gaps, or turning around the lowest-performing schools (at the district and State levels) would be eligible for rewards under the proposed Title I Rewards authority, which could include financial rewards for the staff and students in high-poverty schools and flexibility for LEAs and schools in the use of ESEA funds. The 2012 request includes \$300 million for Title I Rewards.

States would differentiate school improvement assistance across schools and, in a shift from current law, local officials would have flexibility to determine the appropriate improvement and support strategies for most schools.

First, States and LEAs would be required to implement one of four rigorous school turnaround models in the lowest-performing 5 percent of schools in each State. Second, States and LEAs would implement research-based, locally determined strategies in schools that fall between the fifth and tenth percentiles in performance. And third, in schools that are not closing significant, persistent achievement gaps, LEAs would be required to implement data-driven interventions—which could include expanded learning time, supplemental educational services, or other strategies—to support those students who are farthest behind and help close those achievement gaps.

The Administration’s reauthorization proposal also would require States to develop definitions of “effective” and “highly effective” teachers and principals that would be used in the development of State and local teacher and principal evaluation systems. In addition, both States and LEAs would be required to develop meaningful plans to achieve the equitable distribution of effective teachers and leaders. LEAs would use up to 20 percent of their Title I, Part A allocations to implement effective school improvement strategies and carry out strategies designed to ensure the equitable distribution of effective teachers and school leaders.

Finally, the ESEA proposal would strengthen Title I “comparability” requirements to ensure that the high-poverty schools in each LEA receive State and local funding (for personnel and relevant non-personnel expenditures) comparable to those received by the LEA’s low-poverty schools. States would be required to measure and report on resource disparities and to develop a plan to reduce those disparities.

School Turnaround Grants

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$545.6	\$545.6	\$600.0

The reauthorized School Turnaround Grants (currently School Improvement Grants) program would play a critical role in the new Title I statewide accountability systems that would be created under the Administration’s ESEA reauthorization plan by providing significant resources for LEAs to implement rigorous school intervention models in their lowest-performing schools. While States and LEAs would have new flexibility under the reauthorized ESEA to develop their own improvement strategies and interventions for most schools, they would be required to implement specific, meaningful intervention models in their very lowest-performing schools.

States would receive formula grants and would subgrant most funds to LEAs and their partners to implement fully and effectively the Turnaround model, the Restart model, School Closure, or the Transformation model in identified schools (the same four models currently required for persistently lowest-achieving schools under the School Improvement Grants program). LEAs would receive 3-year awards totaling up to \$6 million for each identified school and would be eligible for 2 additional years of funding to support a school's ongoing improvement if the school is showing progress. With the exception of the closure model, each of these models allows

flexibility for locally designed plans that recognize and meet a broad range of student needs and local circumstances.

States would be permitted to reserve a portion of their allocations to build their capacity to improve low-performing schools, including by developing and implementing effective school quality review teams to assist schools in identifying school needs and in supporting school improvement, and by reviewing and ensuring the effectiveness of external partners. The Department also would be authorized to reserve funds for national activities designed to enhance State, district, and nonprofit capacity to turn around low-performing LEAs and schools. Most funds requested for 2012 would be used to pay for the third year of grants expected to be awarded in 2010; the proposed \$54.4 million increase would allow States and LEAs to serve additional schools.

Assessing Achievement
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
State Grants.....	\$400.0	\$400.0	\$400.0
Enhanced Assessment Instruments.....	<u>10.7</u>	<u>10.7</u>	<u>20.0</u>
 Total	 410.7	 410.7	 420.0

The request for Assessing Achievement (currently State Assessments) would provide funding to assist States in developing and implementing assessments aligned with college- and career-ready (CCR) standards. Formula and competitive funds would support continued implementation of the assessments currently required by the ESEA, as well as the transition to CCR-based standards and assessments that would capture a fuller picture of what students know and are able to do. Grantees also could use funds to develop and implement CCR standards and assessments in other subjects, such as science and history, needed to ensure that all students receive a well-rounded education.

Excellent Instructional Teams
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Effective Teachers and Leaders			
State Grants.....	—	—	\$2,500.0
Improving Teacher Quality State Grants	\$2,947.7	\$2,947.7	—
Teacher and Leader Innovation Fund	—	—	500.0
Teacher Incentive Fund	400.0	400.0	—
Advanced Credentialing	10.6	10.6	—
Teacher and Leader Pathways	—	—	250.0
Transition to Teaching.....	43.7	43.7	—
Teacher Quality Partnership.....	43.0	43.0	—
Teachers for a Competitive Tomorrow			
Baccalaureate STEM and			
Foreign Languages.....	1.1	1.1	—
Masters STEM and Foreign Languages .	1.1	1.1	—
Teach for America.....	18.0	18.0	—
School Leadership	<u>29.2</u>	<u>29.2</u>	<u>—</u>
Total	3,494.5	3,494.5	3,250.0

The proposed Excellent Instructional Teams initiative would have 3 components: (1) the Effective Teachers and Leaders State Grants program, (2) the Teacher and Leader Innovation Fund, and (3) the Teacher and Leader Pathways program.

Effective Teachers and Leaders State Grants would provide formula grants to States and districts to support the Administration's ESEA reauthorization proposal, which would require States to develop definitions of "effective" and "highly effective" teachers and principals that would be used in the development of State and local teacher and principal evaluation systems. In addition, both States and LEAs would be required to develop meaningful plans to achieve the equitable distribution of effective teachers and leaders. States and LEAs would have flexibility in how they use formula grant funds, but would be accountable for improving their teacher and principal evaluation systems and for ensuring that low-income and minority students have equitable access to teachers and principals who are effective at raising student achievement.

The Teacher and Leader Innovation Fund would make competitive awards to States and LEAs willing to implement bold approaches to improving the effectiveness of the education workforce in high-need schools and districts by creating the conditions needed to identify, reward, retain, and advance effective teachers, principals, and school leadership teams in those schools, and enabling schools to build the strongest teams possible.

The Teacher and Leader Pathways program would support the creation or expansion of high-quality pathways, including university- and LEA-based regular and alternative routes, into the teaching profession, and the recruitment, preparation, and retention of effective principals and school leadership teams that are able to turn around low-performing schools.

This integrated approach would be more effective than the current array of largely disconnected programs in supporting State and local efforts to: (1) promote and enhance the teaching profession; (2) recruit, prepare, develop, reward, and retain effective and highly effective teachers, principals, and other school leaders and foster excellent instructional teams, especially in high-need local educational agencies, schools, fields, and subjects; (3) ensure the equitable distribution of effective and highly effective teachers and principals; (4) increase the effectiveness of teachers and principals; (5) improve the preparation of teachers and principals, by developing, supporting, and expanding high-performing pathways to becoming a teacher or principal; (6) strengthen teacher and principal evaluation systems; (7) ensure that teachers have the knowledge, skills, data, support, and collaborative opportunities needed to be effective in the classroom; and (8) improve the management of the education workforce in States and local educational agencies.

Effective Teaching and Learning for a Complete Education

(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Effective Teaching and Learning: Literacy....	—	—	\$383.3
Striving Readers	\$200.0	\$250.0	—
Even Start	66.5	66.5	—
Literacy Through School Libraries.....	19.1	19.1	—
National Writing Project.....	25.6	25.6	—
Reading Is Fundamental	24.8	24.8	—
Ready-To-Learn Television	27.3	27.3	—
Effective Teaching and Learning: STEM	—	—	206.0
Mathematics and Science Partnerships	180.5	180.5	—
Effective Teaching and Learning for a Well-Rounded Education.....	—	—	246.1
Excellence in Economic Education.....	1.4	1.4	—
Teaching American History	119.0	119.0	—
Arts in Education.....	40.0	40.0	—
Foreign Language Assistance.....	26.9	26.9	—
Academics for American History and Civics .	1.8	1.8	—
Close Up Fellowships.....	1.9	1.9	—
Civic Education			
We the People.....	21.6	21.6	—
Cooperative Education Exchange	<u>13.4</u>	<u>13.4</u>	<u>—</u>
Total	769.9	819.9	835.5

The Effective Teaching and Learning for a Complete Education initiative would address the need to strengthen instruction and raise student achievement across the core academic content areas, especially in high-need LEAs, by replacing a patchwork of 15 programs and funding streams in current law with three comprehensive, coherent programs that provide increased flexibility for States and LEAs to design, develop, and implement strategies that best meet the needs of their students, including students disabilities and English learners. The initiative also

would support State and local efforts to use technology and interdisciplinary approaches to improve academic instruction, promote innovation, and expand the use of evidence-based practices. Finally, while continuing to emphasize literacy and STEM, this initiative recognizes the importance of providing every student with a well-rounded education

The Effective Teaching and Learning: Literacy program would provide competitive State literacy grants to State educational agencies (SEAs) alone or in partnership with other entities (such as nonprofit organizations and institutions of higher education) in order to support comprehensive State and local efforts aimed at improving literacy instruction, especially in high-need schools for children and youth from preschool through grade 12. The program would build on the progress the Department seeks to achieve with 2010 funds for the revised Striving Readers program, which replaces reading programs segmented by grade level with a more comprehensive authorization. The program would strengthen education for literacy by ensuring that all the elements of a comprehensive literacy program are embedded in State and local strategies, by strengthening performance expectations, and by supporting the identification and scaling-up of innovative methods of teaching reading, writing, and language arts.

The Effective Teaching and Learning: STEM program would provide competitive grants to SEAs, alone or in partnership with other entities, to improve the teaching and learning of STEM subjects, especially in high-need schools. Funds could be used to (1) provide professional development for STEM teachers; (2) implement high-quality curricula, assessments, and instructional materials; and (3) create or improve systems for linking student data on assessments with instructional supports such as lesson plans and intervention strategies. The program would support the identification and scaling-up of innovative methods of teaching science, technology, engineering, and mathematics.

The Effective Teaching and Learning for a Well-Rounded Education program would support competitive grants to high-need local educational agencies, alone or in partnership with SEAs or other entities, to develop and expand innovative practices to improve teaching and learning in the arts, health education, physical education, foreign languages, civics and government, history, geography, environmental education, economics and financial literacy, and other subjects.

The Department would reserve funds under the Effective Teaching and Learning for a Complete Education authority to support a range of national activities, including identification of effective programs and best practices, development of high-quality educational and professional-development content, technical assistance, and dissemination. In addition, funds would be used to strengthen the use of technology across the core academic content areas. Finally, national activities funds could be used to support efforts by public telecommunications agencies, such as the Public Broadcasting Service and the Corporation for Public Broadcasting, and other entities to create high-quality educational content for children.

Troops-to-Teachers

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$14.4	\$14.4	—

The Troops-to-Teachers program helps to improve public education by recruiting, preparing, and supporting members of the military as teachers in high-poverty schools. By statute, the

Department transfers the appropriation for the program to the Department of Defense (DOD), which provides financial assistance to participants and helps them to assess training, become certified, and obtain teaching positions. For 2012, the program would be funded directly from the DOD appropriation, which will simplify and streamline program management. The Department of Education will continue to work closely with DOD during the transition. In addition, the new Excellent Instructional Teams programs will promote the adoption of alternative routes to teacher certification, including alternative routes that reach out to nontraditional teaching candidates, such as current and former service members.

College Pathways and Accelerated Learning
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
College Pathways and Accelerated Learning	—	—	\$86.0
High School Graduation Initiative	\$50.0	\$50.0	—
Advanced Placement	45.8	45.8	—
Javits Gifted and Talented Education	<u>7.5</u>	<u>7.5</u>	<u>—</u>
 Total	 103.3	 103.3	 86.0

This program would help increase graduation rates and preparation for college matriculation and success by supporting college-level and other accelerated courses and instruction, including gifted and talented programs, in high-poverty schools. Grantees would implement such strategies as expanding the availability of Advanced Placement/International Baccalaureate (AP/IB) courses, dual-enrollment programs that allow students to take college-level courses and earn college credit while in high school, and “early college high schools” that allow students to earn a high school degree and an Associate’s degree or 2 years of college credit simultaneously. The program would fund accelerated learning opportunities for students across the performance spectrum, including those who exceed proficiency standards, in high-poverty elementary schools. Grants also would support projects that re-engage out-of-school youth or students who are not on track to graduate.

Promise Neighborhoods

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$10.0	\$10.0	\$150.0

This initiative would support the second cohort of implementation grants to eligible nonprofit organizations, institutions of higher education, and Indian tribes for the development and implementation of plans for comprehensive neighborhood projects modeled after the Harlem Children’s Zone. These projects would be designed to combat the effects of poverty and improve education and life outcomes, from birth through college to career, for children and youth within a distressed geographic area. The core belief behind the initiative is that providing both effective, achievement-oriented schools and strong systems of support to children and youth in poverty will offer them the best hope for overcoming poverty and building a better life. Applicants would demonstrate their ability to sustain the Promise Neighborhood once the Federal grants end through effective partnerships with schools, nonprofit organizations,

foundations, and local and State agencies. The Department also will encourage grantees to coordinate their efforts with programs and services provided by other Federal agencies, including the Departments of Housing and Urban Development, Health and Human Services, and Justice.

Successful, Safe, and Healthy Students
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Successful, Safe, and Healthy Students.....	—	—	\$365.0
Safe and Drug-Free Schools and Communities National Activities	\$191.3	\$191.3	—
Elementary and Secondary School Counseling	55.0	55.0	—
Physical Education Program	79.0	79.0	—
Foundations for Learning	1.0	1.0	—
Mental Health Integration in Schools.....	5.9	5.9	—
Alcohol Abuse Reduction	<u>32.7</u>	<u>32.7</u>	<u>—</u>
 Total	 365.0	 365.0	 365.0

Under this proposed consolidation of several existing, narrowly targeted programs, the Department would award grants to increase the capacity of States, districts, and schools to create safe, healthy, and drug-free environments in a comprehensive manner, so that students are able to focus on learning and teachers on teaching. Further, it would provide increased flexibility for States and local educational agencies to design strategies that best reflect the needs of their students and communities, including programs to (1) improve school climate by reducing drug use, alcohol use, bullying, harassment, or violence; (2) improve students’ physical health and well-being through comprehensive services that improve student nutrition, physical activity, and fitness; and (3) improve student’s mental health and well-being through expanded access to comprehensive services, such as counseling, health, mental health, and social services.

The new program would also include a national activities authority, under which the Department would reserve funds for school emergency preparedness initiatives; comprehensive, community-wide “Safe Schools/Healthy Students” drug and violence prevention projects; a truancy prevention initiative; drug prevention and campus safety programs at institutions of higher education; and emergency response services to LEAs and IHEs under Project SERV (School Emergency Response to Violence).

21st Century Community Learning Centers

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$1,166.2	\$1,166.2	\$1,266.2

The Administration’s reauthorization proposal for 21st Century Community Learning Centers would support before- and after-school programs, summer enrichment programs, summer

school programs, expanded-learning-time programs, and full-service community schools. All local projects would provide additional time for students, including students with the greatest academic needs and those who are meeting State academic achievement standards, to participate in (1) academic activities that are aligned with the instruction those students receive during the regular school day and are targeted to their academic needs; and (2) enrichment and other activities that complement the academic program. Projects could also provide teachers the time they need to collaborate, plan, and engage in professional development within and across grades and subjects. This enhanced flexibility would allow communities to determine the best strategies for enabling their students and teachers to get the time and support they need.

The \$100 million increase proposed for 2012 would support the broader range of programs and strategies proposed under reauthorization and enable grantees to provide higher-quality programming to students and their families.

Expanding Educational Options
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Expanding Educational Options	—	—	\$372.0
Charter Schools Grants.....	\$256.0	\$256.0	—
Voluntary Public School Choice	25.8	25.8	—
Parental Information and Resource Centers	39.3	39.3	—
Smaller Learning Communities	<u>88.0</u>	<u>88.0</u>	<u>—</u>
 Total	 409.1	 409.1	 372.0

The proposed Expanding Educational Options initiative includes three separate authorizations: (1) Supporting Effective Charter Schools grants; (2) Promoting Public School Choice grants; and (3) the Magnet Schools Assistance program. The Supporting Effective Charter Schools grants program would support competitive grants to State educational agencies (SEAs), charter school authorizers, charter management organizations (CMOs), local educational agencies (LEAs), and other nonprofit organizations to start or expand effective charter and other autonomous public schools. Funds would also be available for competitive grants for charter schools facilities programs. The Promoting Public School Choice grants program would support competitive grants to LEAs, individually or in a consortium, and to SEAs in partnership with one or more high-need LEAs, to develop and implement a comprehensive choice program that increases the range of high-quality educational options available to students and improves the academic achievement of students attending low-performing schools. The Magnet Schools Assistance program would support competitive grants to LEAs implementing a court-ordered or federally approved desegregation plan for the support of high-quality magnet schools, with an emphasis on raising student academic achievement and reducing minority group isolation. The new programs would also include a national activities authority under which the Department would reserve funds to support research, data collection, technical assistance to grantees, and dissemination activities.

Magnet Schools Assistance Program

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$100.0	\$100.0	\$110.0

The request would provide \$107.8 million for new and continuations awards to local educational agencies to operate magnet schools that are part of a court-ordered or court-approved desegregation plan to eliminate, reduce, or prevent minority group isolation in elementary and secondary schools while strengthening students’ knowledge of academic subjects. Magnet schools address their desegregation goals by providing a special curriculum that attracts a diverse student population and fosters education reform. The Administration’s reauthorization proposal would expand and improve options for students and increase diversity by placing a greater emphasis on funding magnet school programs (particularly whole-school programs) or models that have a record of effectiveness in raising student achievement and reducing racial isolation. The Department would reserve about \$2.2 million for evaluation and dissemination activities.

Fund for the Improvement of Education

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$125.5	\$136.2	\$63.0

The Fund for the Improvement of Education (FIE) supports nationally significant programs to improve the quality of elementary and secondary education at the State and local levels and help all students meet challenging State academic achievement standards. The request includes \$50 million in discretionary funding to support activities of the Advanced Research Projects Agency-Education (ARPA-ED), a new initiative modeled after similar research programs in the Department of Defense and Department of Energy that would pursue breakthrough developments in educational technology and learning systems, support systems for educators, and educational tools. The Administration is seeking an additional \$40 million in mandatory funding in 2012 from the Wireless Innovation Fund for ARPA-ED to support the improvement of early childhood through postsecondary education.

Other funded activities would include \$5 million for a Data Quality Initiative that helps ensure that program management decisions are based on sound information, \$1 million for continuation costs for an education facilities clearinghouse, and \$7 million for new initiatives. The decrease from the 2011 CR level reflects the elimination of one-time earmarks and directives.

English Learner Education

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$750.0	\$750.0	\$750.0

Currently authorized under Title III of the ESEA, this program awards formula grants to States based on each State’s share of the Nation’s English Learners (ELs) and recent immigrant

students. Grants help States design and implement statewide activities to meet the educational needs of their ELs. The Administration’s reauthorization proposal supports strengthened professional development for educators, improved accountability, and the development and implementation of innovative and effective programs. The proposal also would strengthen the conditions governing States’ receipt of formula funds and would authorize more funds for competitive grants in order to support the development and implementation of high-quality programs for ELs, including dual-language and transitional bilingual programs.

Title I State Agency Programs
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Migrant Education	\$394.8	\$394.8	\$394.8
Neglected and Delinquent	<u>50.4</u>	<u>50.4</u>	<u>50.4</u>
 Total	 445.2	 445.2	 445.2

Migrant Education State Grants provide formula-based assistance in meeting the special educational needs of approximately 247,000 children of migrant agricultural workers by helping States identify and pay the higher costs often associated with serving those children. The Department also uses a portion of funding to improve inter- and intra-State coordination of migrant education activities, including State exchange of migrant student data records through the Migrant Student Record Exchange System. The Administration’s reauthorization proposal would change the State allocation formula so that it better reflects shifts in State counts of migrant students, improve the targeting of services to high-need migrant students, and require States to track and report on the academic achievement of migrant students.

The Title I Neglected and Delinquent program provides formula grants to States in order to support education services for neglected and delinquent children and youth in local and State-run institutions, attending community day programs, and in correctional facilities. The request would help an estimated 132,000 neglected and delinquent students return to and complete school and obtain employment after they are released from State institutions.

Homeless Children and Youth Education

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$65.4	\$65.4	\$65.4

This program provides formula grants to States, which subgrant most funds to local educational agencies for services that help homeless children enroll in, attend, and succeed in school. In addition to academic instruction, the program helps ensure access for these children to preschool programs, special education, and gifted and talented programs. The Administration’s reauthorization proposal would improve the funding formula so it better reflects shifts in State counts of homeless students and targets funds where they are most needed. The proposal also would require States to track and report on the academic achievement of homeless students.

Rural Education

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$174.9	\$174.9	\$174.9

The Rural Education Achievement program (REAP) authorizes two programs to assist rural school districts in carrying out activities to help improve the quality of teaching and learning in their schools. The Small, Rural School Achievement program provides formula funds to rural school districts that serve small numbers of students, and the Rural and Low-Income School program provides funds to rural school districts that serve concentrations of poor students, regardless of the district's size. Funds appropriated for REAP are divided equally between these two programs. The request would maintain support for rural, often geographically isolated, districts that face significant challenges in meeting ESEA requirements. The Administration's reauthorization proposal would address technical problems with the current authority and align the authorized activities with national priorities.

Indian Student Education
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Grants to Local Educational Agencies.....	\$104.3	\$104.3	\$104.3
Special Programs for Indian Children.....	19.1	19.1	19.1
National Activities.....	<u>3.9</u>	<u>3.9</u>	<u>3.9</u>
 Total	 127.3	 127.3	 127.3

Indian Student Education programs supplement the efforts of State and local educational agencies and Indian tribes to improve educational opportunities for Indian children. The programs link these efforts to broader educational reforms underway in States and localities in order to ensure that Indian students benefit from those reforms and achieve to the same challenging academic standards as other students. The Administration's reauthorization proposal would simplify the process of identifying eligible Indian students and would give grantees additional flexibility to conduct programs that can improve the achievement of Indian students, including language immersion and language restoration programs and activities aligned with the Administration's broader ESEA reauthorization priorities.

Grants to Local Educational Agencies provide formula grants to public schools and schools supported by the Department of the Interior's Bureau of Indian Education for activities to improve the educational achievement of Indian students. Special Programs for Indian Children includes (1) \$8.2 million in competitive grants for the American Indian Teacher Corps and the American Indian Administrator Corps to support training of Indians to become teachers and administrators in schools that serve concentrations of Indian children, and (2) \$10.7 million for competitive demonstration grants to improve educational opportunities for Indian children in such areas as early childhood education and college preparation.

The request also provides \$3.9 million for National Activities, which funds research, evaluation, and data collection designed to fill gaps in our understanding of the educational status and needs of Indians and to identify educational practices that are effective with Indian students.

Native Hawaiian Student Education

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$34.3	\$34.3	\$34.3

This program supports the provision of supplemental education services to the Native Hawaiian population by awarding competitive grants to eligible applicants for a variety of authorized activities in such areas as teacher training, family-based education, gifted and talented education, special education, higher education, and community-based education learning centers. The reauthorized program would promote greater alignment of these activities with the Administration’s broader education reform goals. The program also supports the activities of the Native Hawaiian Education Council, which helps coordinate the educational and related services and programs available to Native Hawaiians. The request would discontinue support for the HEA Giugni Memorial Archives earmark, authorized under Title VIII, Part Z of the Higher Education Act, and other earmarks in the annual appropriations act.

Alaska Native Student Education

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$33.3	\$33.3	\$33.3

The Alaska Native Education Equity program supports supplemental educational programs and services to Alaska Natives by awarding competitive grants to eligible applicants for a variety of authorized activities, including the development and implementation of curricula and educational programs, professional development activities for educators, the development and operation of home instruction programs that help ensure the active involvement of parents in their children’s education, family literacy services, student enrichment programs in science and mathematics, and dropout prevention programs. The reauthorized program would promote greater alignment of these activities with the Administration’s broader education reform goals and would eliminate the program’s statutory earmarks.

Comprehensive Centers

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$56.3	\$56.3	\$56.3

The Comprehensive Centers provide intensive technical assistance to increase the capacity of State educational agencies (SEAs) to help districts and schools implement ESEA programs and requirements and meet State targets for student achievement. The current system includes 16 regional centers that work with SEAs within specified geographic regions to help them implement ESEA school improvement measures and objectives. In addition, 5 content centers

provide in-depth, specialized support in key areas, with separate centers focusing on (1) assessment and accountability; (2) instruction; (3) teacher quality; (4) innovation and improvement; and (5) high schools. Each content center pulls together resources and expertise to provide analyses, information, and materials in its focus area for use by the network of regional centers, SEAs, and other clients. In 2011, the Department is providing the existing centers with a seventh year of funding in order to allow adequate time to assess the educational needs in the regions and plan a new competition that is aligned with the current ESEA priorities. The request would support first-year awards to a new set of grantees.

Impact Aid
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Payments for Federally Connected Children:			
Basic Support Payments	\$1,138.0	\$1,138.0	\$1,138.0
Payments for Children with Disabilities	48.6	48.6	48.6
Facilities Maintenance	4.9	4.9	4.9
Construction	17.5	17.5	17.5
Payments for Federal Property	<u>67.2</u>	<u>67.2</u>	<u>67.2</u>
Total	1,276.2	1,276.2	1,276.2

The Impact Aid program provides financial support to school districts affected by Federal activities. The property on which certain children live is exempt from local property taxes, denying districts access to the primary local source of revenue used by most communities to finance education. Impact Aid helps to replace the lost local revenue that would otherwise be available to districts to pay for the education of these children.

The \$1.1 billion request for Basic Support Payments would provide formula grants for both regular Basic Support Payments and Basic Support Payments for Heavily Impacted LEAs. The \$48.6 million request for Payments for Children with Disabilities would provide formula grants to help eligible districts meet their obligations under the Individuals with Disabilities Education Act to provide a free appropriate public education for federally connected children with disabilities. The Department of Education owns and maintains 21 school facilities that serve large numbers of military dependents. The \$4.9 million request for Facilities Maintenance would fund essential repair and maintenance of these facilities and allow the Department to continue to transfer schools to local school districts. The entire \$17.5 million proposed for Construction would be used for competitive grants. Unlike the formula grants component of the current authorization, the competitive grants would be targeted to the LEAs with the greatest need and provide sufficient assistance to enable those LEAs to make major repairs and renovations. The \$67.2 million request for Payments for Federal Property would provide formula-based payments to districts that generally have lost 10 percent or more of their taxable property to the Federal Government.

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

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$7.0	\$7.0	\$7.0

This program supports 10 regional Equity Assistance Centers, selected competitively, that provide services to school districts on issues related to discrimination based on race, gender, and national origin. Typical activities include disseminating information on successful practices and legal requirements related to nondiscrimination, providing training to educators to develop their skills in specific areas, such as in the identification of bias in instructional materials, and technical assistance on selection of instructional materials. The request would support continuation awards for Equity Assistance Center grantees, as well as the annual administration of a customer satisfaction survey and an analysis of its results.

Supplemental Education Grants (Compact of Free Association Amendments Act)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$17.7	\$17.7	\$17.7

The request would maintain support for Supplemental Education Grants to the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI), as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under this program, the Department transfers funds and provides recommendations on the uses of those funds to the Department of the Interior, which makes grants to the FSM and RMI for educational services that augment the general operations of the educational systems of the two entities.

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

B. SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Overview

The Administration is committed to providing Americans with disabilities the opportunities and services they need to succeed in school, in the workplace, and in the community. The 2012 request funds a wide range of programs that can improve educational, employment, and independent living outcomes for people with disabilities.

The \$12.9 billion request for Special Education programs focuses on improving educational and early intervention outcomes for children with disabilities. For the Grants to States program, the Administration is requesting \$11.7 billion, an increase of \$200 million over the 2011 CR level, to maintain the Federal contribution toward meeting the excess cost of special education at approximately 17 percent of the national average per pupil expenditure (APPE), and provide an estimated average of \$1,765 per student for about 6.6 million children ages 3 through 21. Funding for the Preschool Grants program would be maintained at its 2011 CR level. Funding for the Grants for Infants and Families program would increase by \$50 million above the 2011 CR level.

The \$249.5 million request for Special Education National Activities would maintain level funding for most technical assistance, dissemination, training, and other activities that assist States, local educational agencies, parents, and others in improving results for children with disabilities. The proposed reduction of \$10.7 million for the Technology and Media Services program reflects the elimination of earmarked activities.

The request also includes funding for two new Special Education programs, \$5.0 million for a Mentoring for Individuals with Intellectual Disabilities proposal, which would support activities to increase the participation of people with intellectual disabilities in social relationships and other aspects of community life, including education and employment, and \$30 million for PROMISE: Promoting Readiness of Minors in SSI, which would fund State-level pilots to improve the educational, health, and employment outcomes for children with disabilities who are recipients of Supplemental Security Income payments and their families.

For Rehabilitation Services and Disability Research, the budget provides \$3.5 billion to support comprehensive and coordinated vocational rehabilitation and independent living services for individuals with disabilities through research, training, demonstration, technical assistance, evaluation, and direct service programs. The \$3.1 billion request for the Vocational Rehabilitation (VR) State Grants program includes the consolidation of the smaller VR-related programs under the Rehabilitation Act in order to reduce duplication of effort and administrative costs, streamline program administration at the Federal and local level, and improve accountability. A total of \$56.3 million would be made available to the VR State Grants program from the consolidation of employment-related programs.

The budget also provides \$103.7 million for a consolidated Grants for Independent Living program that would replace the Independent Living State Grants and Centers for Independent Living programs and would provide formula grants to States to support the provision of independent living services through centers for independent living. Under the proposed consolidation, each State would receive an amount that is equal to the combined amount received in fiscal year 2011 from the two programs.

In addition, a new \$8 million National Activities to Improve Rehabilitation Services program would replace Demonstration and Training programs and consolidate the resources previously provided under the Evaluation and Program Improvement programs. An increase of \$1.2 million is requested for the National Institute on Disability and Rehabilitation Research (NIDRR) to support its ongoing programs of research and development and evaluation. An additional \$10 million for NIDRR would support a Cloud Computing initiative that would seek to improve technology access for individuals with disabilities by providing accommodations on-demand.

The Administration also is requesting \$30 million for an interagency Workforce Innovation Fund that would be used in combination with other funding provided by the Departments of Education and Labor. Funds would be used to encourage innovation and support projects to identify and validate effective strategies for improving the delivery of services and outcomes for beneficiaries under programs authorized by the Workforce Investment Act, including individuals with significant disabilities.

Special Education State Grants

Grants to States

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$11,505.2	\$11,505.2	\$11,705.2
Estimated average Federal share per child	\$1,736	\$1,735	\$1,765

The Grants to States program, which is authorized under the Individuals with Disabilities Education Act (IDEA), makes formula grants that help States pay the additional costs of providing special education and related services to children with disabilities aged 3 through 21 years. The requested increase of \$200 million, or 1.7 percent, over the 2011 CR level, would maintain the Federal contribution toward meeting the excess cost of special education at about 17 percent of the national average per pupil expenditure and provide a per-child average of \$1,765 for an estimated 6,614,000 children with disabilities.

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

The request includes \$29.0 million that would be reserved for technical assistance to improve the capacity of States to meet the data collection requirements of the IDEA.

Preschool Grants

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$374.1	\$374.1	\$374.1

This program provides formula grants to help States make a free appropriate public education available to all children with disabilities ages 3 through 5. The request would provide an estimated \$511 per child for approximately 732,000 children to supplement funds provided under the Grants to States program and help to ensure that young children with disabilities are ready to learn when they enter school.

Grants for Infants and Families

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$439.4	\$439.4	\$489.4

This program provides formula grants to help States implement statewide systems of early intervention services for infants and toddlers with disabilities and their families, so that State and local agencies identify and serve children with disabilities early in life when interventions can be most effective in improving educational outcomes. The request would increase the average State allocation by \$1 million, enabling States to provide high quality early intervention services to approximately 360,000 infants and toddlers with disabilities and their families.

Special Education National Activities

Special Education National Activities programs support State efforts to improve early intervention and educational results for children with disabilities. The total request for National Activities is \$249.5 million.

State Personnel Development

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$48.0	\$48.0	\$48.0

This program provides competitive grants to help States reform and enhance their systems for personnel preparation and professional development in the areas of early intervention, educational, and transition services in order to improve results for children with disabilities. The request would support about 24 new and 23 continuation awards to State educational agencies to improve the knowledge and skills of special education and regular education teachers serving children with disabilities and help recruit and retain highly qualified personnel providing services to children with disabilities.

Technical Assistance and Dissemination

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$49.5	\$49.5	\$49.5

This program funds competitive grants for technical assistance and dissemination of materials based on knowledge gained through research and practice. The request, which is in addition to the separate \$29 million set-aside under the Grants to States program to help States meet data collection requirements, includes about \$8.4 million for new technical assistance, dissemination, and model projects, and \$41.1 million for continuation projects.

Personnel Preparation

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$90.7	\$90.7	\$90.7

This program helps ensure that there are adequate numbers of personnel with the skills and knowledge necessary to help children with disabilities succeed educationally. Program activities focus both on meeting the demand for personnel to serve children with disabilities and improving the qualifications of these personnel, with particular emphasis on incorporating knowledge gained from research and practice into training programs. The Department is required to support training for leadership personnel and personnel who work with children with low-incidence disabilities, at least one activity in the broadly defined area of personnel development, and enhanced support for beginning special educators. The request would provide \$23.0 million for new competitive grants and \$67.7 million for continuation awards.

Parent Information Centers

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$28.0	\$28.0	\$28.0

Parent Information Centers provide parents with the training and information they need to work with professionals in meeting the early intervention and special education needs of their children with disabilities. The request would support new competitive grants and continuation awards for about 102 centers as well as awards to provide technical assistance to the centers.

Technology and Media Services

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$44.0	\$44.0	\$33.3

This program makes competitive awards for research, development, and other activities that promote the use of technology, including universal design features, in providing special education and early intervention services. Funds also support media-related activities, such as

providing video description and captioning of films and television for use in classrooms for individuals with visual and hearing impairments and increasing the availability of books in accessible formats for individuals with visual impairments and other print disabilities. The request, a decrease of \$10.7 million from the 2011 CR level, eliminates funding for earmarks while ensuring that sufficient funds are available to support competitive grants for projects that will enhance the availability of technology and accessible educational materials for students with disabilities.

Other Special Education Activities

Special Olympics Education Programs

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$8.1	\$8.1	\$8.1

This program supports the expansion of Special Olympics and the design and implementation of Special Olympics education programs. The request includes funds to support Project UNIFY, an education program designed to develop teamwork skills and increase awareness and social acceptance of individuals with intellectual disabilities.

Mentoring for Individuals with Intellectual Disabilities

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$5.0

This new program would support competitive grants for projects that conduct mentoring activities to increase the participation of people with intellectual disabilities in social relationships and other aspects of community life, including education and employment.

PROMISE: Promoting Readiness of Minors in SSI

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$30.0

This new program would fund pilot demonstration programs in selected States to improve the coordination and increase the use of existing services for which children receiving Supplemental Security Income (SSI) payments and their families are eligible, such as those available through the IDEA, Vocational Rehabilitation, Medicaid’s care coordination services, Job Corps, Head Start, and Workforce Investment Act programs. The goal of the program is to improve outcomes of children who receive SSI, including their physical and emotional health and educational attainment and employment, as well as to provide improved services and support for the families of SSI recipients, including education and job training for parents.

Rehabilitation Services and Disability Research

Vocational Rehabilitation (VR) State Grants

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$3,084.7	\$3,084.7	\$3,141.0

This program, funded through a combination of mandatory and discretionary appropriations, provides formula grants to State VR agencies to help individuals with disabilities become gainfully employed. A wide range of services are provided each year to over 1 million individuals with disabilities, including vocational evaluation, counseling and guidance, work adjustment, diagnosis and treatment of physical and mental impairments, education and vocational training, job placement, and post-employment services. States that are unable to serve all eligible individuals with disabilities who apply must give priority to individuals with the most significant disabilities. Services are provided according to an individualized plan for employment. In 2010, the VR program helped over 171,000 individuals with disabilities—92 percent with significant disabilities—achieve employment outcomes.

The request for the VR State Grants program reflects the Administration's proposal to consolidate the funds of the smaller VR-related programs and eliminate their separate funding authorities under the Rehabilitation Act in order to reduce duplication of effort and administrative costs, streamline program administration at the Federal and local level, and improve accountability. A total of \$56.3 million would be made available to the VR State Grants program from the consolidation of employment-related programs, including Supported Employment State Grants, Projects with Industry, and Migrant and Seasonal Farmworkers, and the funds currently provided to State VR agencies to support in-service training for agency personnel under the Training program. The request also includes \$37.4 million for grants to Indian tribes.

Client Assistance State Grants

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$12.3	\$12.3	\$12.3

This program makes formula grants to States for activities to inform and advise clients of benefits available to them under the Rehabilitation Act, to assist them in their relationships with service providers, and to ensure the protection of their rights under the Act. The request would support advocacy services for approximately 64,400 individuals with disabilities.

Training

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$37.8	\$37.8	\$33.3

The Training program makes competitive grants to State and other public or nonprofit agencies and organizations, including institutions of higher education, to help ensure that personnel with

adequate skills are available to provide rehabilitation services to persons with disabilities. The request includes a net reduction of \$4.5 million from the 2011 CR level, reflecting the consolidation of \$5.7 million for the In-Service Training program with the VR State Grants program and an increase of \$1.2 million to the Training program for two training activities previously supported under Demonstration and Training programs.

National Activities to Improve Rehabilitation Services

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$8.0

This new program would support national activities that improve the administration and effectiveness of programs and services authorized under the Rehabilitation Act or further the purposes of the Act in promoting the employment and independence of individuals with disabilities in the community. Funds would support technical assistance and projects designed to improve program performance and the delivery of vocational rehabilitation and independent living services.

Independent Living
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Grants for Independent Living	—	—	\$103.7
State Grants.....	\$23.5	\$23.5	—
Centers	80.3	80.3	—
Services for Older Blind Individuals.....	<u>34.2</u>	<u>34.2</u>	<u>34.2</u>
Total	137.9	137.9	137.9

The independent living programs provide services to individuals with disabilities to maximize their independence and productivity and to help them integrate into the mainstream of American society. The budget includes \$103.7 million for a new Grants for Independent Living program that would replace the Independent Living State Grants and Centers for Independent Living programs. The consolidated program would provide formula grants to States to support the provision of independent living services through centers for independent living and hold States accountable for implementing effective service systems. Under the proposed consolidation, a State would receive an amount that is equal to the combined amount the State received in fiscal year 2011 from the two programs.

The formula-based Services for Older Blind Individuals program assists individuals aged 55 or older whose severe visual impairments make competitive employment difficult to obtain, but for whom independent living goals are feasible. The request would directly support 77 designated State units under the Grants for Independent Living program and 56 grantees under the Services for Older Blind Individuals program.

Protection and Advocacy of Individual Rights (PAIR)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$18.1	\$18.1	\$18.1

This formula grant program funds systems in each State to protect and advocate for the legal and human rights of individuals with disabilities, helping them to pursue legal and administrative remedies to secure their rights under Federal law. The PAIR systems also provide information on, and referrals to, programs and services for individuals with disabilities. The request would support advocacy services to approximately 59,000 individuals with disabilities.

National Institute on Disability and Rehabilitation Research

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$109.2	\$109.2	\$110.5

The National Institute on Disability and Rehabilitation Research (NIDRR) helps improve the lives of persons of all ages with disabilities through a comprehensive and coordinated program of research, demonstration projects, and related activities, including training of persons who provide rehabilitation services or conduct rehabilitation research. NIDRR awards discretionary grants that support Rehabilitation Engineering Research Centers; Rehabilitation Research and Training Centers; Model Systems projects for Spinal Cord Injury, Traumatic Brain Injury (TBI), and Burn Injury; field-initiated research and development projects; and a wide range of additional research, demonstration, and training projects that address diverse issues in rehabilitation, including ways to improve educational, employment, and independent living opportunities for persons with disabilities. The request would fund continuation awards as well as \$18.8 million for new grant activities, including new awards in two of the Model Systems programs, TBI and Burn Injury.

Access Through Cloud Computing

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$10.0

This proposed program would support research and development aimed at giving individuals with disabilities who use technology access any time, any place to needed accommodations that are stored remotely. This NIDRR-directed project would develop on-demand accessibility features and services and establish needed standards to facilitate implementation.

Helen Keller National Center for Deaf-Blind Youths and Adults

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$9.2	\$9.2	\$9.2

This program serves individuals who are deaf-blind, their families, and service providers through a national headquarters center with a residential training and rehabilitation facility and a network of 10 regional offices that provide referral, counseling, training, and technical assistance. At the request level, the Center would provide direct services for approximately 98 clients in its residential training and rehabilitation program and serve an estimated 1,700 individuals, 500 families, and 900 agencies through its regional offices.

Assistive Technology

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$31.0	\$31.0	\$31.0

Assistive Technology (AT) programs support grants to States to increase access to and funding for assistive technology devices and services for individuals with disabilities of all ages. The request includes \$25.7 million for the AT State grant program, \$4.3 million for the Protection and Advocacy for Assistive Technology program, and \$1.0 million for technical assistance required under the AT Act's National Activities authority.

Workforce Innovation Fund

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$30.0

These funds would be used in combination with other funds requested under the Adult Education State Grants program and various Department of Labor programs for an inter-agency Workforce Innovation Fund that would encourage innovation and support projects to identify and validate effective strategies for improving the delivery of services and outcomes for beneficiaries under programs authorized by the Workforce Investment Act, including individuals with significant disabilities.

Special Institutions for Persons with Disabilities
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
American Printing House for the Blind (APH)	\$24.6	\$24.6	\$24.6
National Technical Institute for the Deaf (NTID).....	68.4	68.4	65.0
Gallaudet University	<u>123.0</u>	<u>123.0</u>	<u>118.0</u>
Total	216.0	216.0	207.6

The American Printing House for the Blind manufactures and distributes specially adapted educational materials for students who are visually impaired, offers advisory services for consumers and educational agencies, and conducts applied research related to the development of new products. At the request level, APH would provide free educational materials to approximately 60,350 persons with visual impairments at an average per student allotment of \$319, continue funding for initiatives to improve its technical assistance and outreach services, and support a variety of new and continuing research projects.

The National Technical Institute for the Deaf provides postsecondary technical education and training for students who are deaf as well as graduate education and interpreter training for persons who are deaf or hearing. NTID also conducts research and provides training related to the education and employment of individuals who are deaf. The request would support education and training for approximately 1,263 undergraduate and technical students, 111 graduate students, and 147 interpreters for persons who are deaf. The request would maintain the 2011 CR level for operations and reduce construction funding to \$2.0 million for the purpose of establishing a deferred maintenance account.

Gallaudet University offers undergraduate, continuing education, and graduate programs for persons who are deaf and hearing. Gallaudet also maintains and operates the Kendall Demonstration Elementary School and Model Secondary School for the Deaf (MSSD). The request provides \$118.0 million for operations, including funds for the Endowment Grant program. The \$5 million decrease reflects the completion of previously funded construction projects. The request would help Gallaudet serve an estimated 2,142 undergraduate and graduate students and 280 elementary and secondary education students in the 2011-12 school year.

C. CAREER, TECHNICAL, AND ADULT EDUCATION

Overview

Programs in the Career, Technical, and Adult Education account provide formula grants to States to support State and community efforts to improve career and technical education, adult education and literacy systems, educational services for incarcerated individuals, and competitive grants and contracts for evaluation, performance measurement and improvement, technical assistance, research and development, innovative programs, and other national activities.

Career and Technical Education (BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Career and Technical Education			
State Grants	\$1,160.9	\$1,160.9	\$1,000.0
Tech Prep Education State Grants.....	102.9	102.9	—
National Programs	<u>7.9</u>	<u>7.9</u>	<u>7.9</u>
Total	1,271.7	1,271.7	1,007.9

Funds for the Career and Technical Education (CTE) State Grants program would support continued improvement and upgrading of CTE programs as part of a strategy for improving high school education and preparing high school students to enter the workplace or pursue postsecondary education. In addition, the program provides funding for postsecondary CTE programs to assist institutions of higher education in improving the quality of their CTE offerings, giving students the opportunity to pursue career-oriented training at the postsecondary level. The request, including the Tech Prep consolidation, is \$264 million below the 2011 annualized CR level and reflects a decision to maintain fiscal discipline by placing a priority on funding for programs that are the most aligned with the President's education reform agenda or that show evidence of strong performance. However, the Administration plans to work with Congress during the upcoming reauthorization of the Perkins Act in 2013 to strengthen the program and improve its alignment with the education reform efforts at the core of the Elementary and Secondary Education Act (ESEA), as proposed for reauthorization, to make the Perkins Act a strong vehicle for supporting the President's 2020 college completion goal and the Department's secondary school agenda.

Career and Technical Education National Programs support the National Career and Technical Education Research Center, projects to improve the quality of the performance data States collect and report to the Department, and activities to strengthen CTE programs in secondary schools and community colleges.

The Tech Prep State Grants program is proposed for consolidation because the CTE State Grants program requires the development of programs similar to Tech Prep in the overall context of State CTE activities.

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

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Adult Basic and Literacy Education			
State Grants.....	\$628.2	\$628.2	\$635.0
National Leadership Activities	<u>11.3</u>	<u>11.3</u>	<u>23.3</u>
Total	639.6	639.6	658.3

Adult Basic and Literacy Education State Grants assist adults without a high school diploma or equivalent to become literate and obtain the knowledge and skills necessary for postsecondary education, employment, and economic self-sufficiency. The request is \$6.8 million above the 2011 annualized CR level and includes \$50.8 million to support a Workforce Innovation Fund (WIF). The Departments of Education and Labor would administer the WIF, which would also include funding from the Rehabilitation Services and Disability Research account and Labor's job training programs. The Departments will work together to award competitive grants that encourage innovation and identify and validate effective strategies for improving the delivery of services and outcomes for all beneficiaries under the programs authorized by the Workforce Investment Act. This investment would create strong incentives for change that, if scaled up, could improve the effectiveness of the workforce preparation and training system.

The forthcoming reauthorization of the Adult Education and Family Literacy Act (AEFLA), Title II of Workforce Investment Act (WIA), provides the opportunity to better align the Adult Education program with Federal job training programs and the postsecondary education system. The Administration's proposal for reauthorization would streamline service delivery, require rigorous content standards and aligned assessments, ensure that workforce and adult education providers engage with employers, strengthen accountability requirements, and promote innovative programs that support the use of career pathways models.

The request for State Grants includes \$75.0 million for the English Literacy/Civics Education set-aside, equal to the 2011 annualized CR level, to help States and communities provide English Learner adults with expanded access to high-quality English literacy programs linked to civics education. The \$12 million increase proposed for National Leadership Activities would provide \$6.0 million for a new impact evaluation of "college bridge programs" that assist adult learners in transitioning from adult basic education to postsecondary education and training and \$6.0 million for the development of a comprehensive technology infrastructure for adult learners and adult educators. The remaining funds would continue to support activities intended to increase the literacy and workforce skills of our Nation's native-born adult population, as well as the growing need to address the English language acquisition, literacy, and workforce skills gaps of the immigrant population.

State Grants for Training of Incarcerated Individuals

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$17.2	\$17.2	\$17.2

This program helps State correctional education agencies assist and encourage eligible incarcerated individuals to acquire postsecondary education, counseling, and vocational training. In 2010, nearly 224,000 individuals in State correctional facilities were eligible to participate in this program.

D. STUDENT FINANCIAL ASSISTANCE

Overview

Providing students and their families with grant and loan assistance to help pay for postsecondary education is a core element of the effort to ensure that by 2020 America once again has the highest proportion of college graduates in the world. More specifically, the 2012 request would ensure that Pell Grants will be available to all eligible students through a combination of mandatory savings to offset rising Pell demand and changes in the Pell program that would reduce current and future costs. Proposed mandatory savings include the elimination of interest subsidies for graduate student loans and providing an opportunity for students with multiple loan servicers to convert their student debt to a single loan holder, while the elimination of the “two Pell” provision, which effectively made many students eligible for two Pell Grants in a single award year, would achieve significant cost savings. The 2012 request also would expand the Perkins Loans program and simplify access to student financial aid.

In addition, the 2012 budget includes a new College Completion Incentive Grants program that would make grants to States to encourage colleges to help students enroll in school and finish their studies with a degree or certificate and to reward institutions that produce successful outcomes. Finally, a new Presidential Teaching Fellows program would support K-12 education by recruiting and preparing talented students for the teaching profession through top-tier teacher preparation programs.

The Federal government has greatly increased investment in college student aid in the past few years. In addition to higher Pell Grant awards and low-interest student loans, the Recovery Act created the new American Opportunity Tax Credit (AOTC), which will provide an estimated \$7.1 billion in tax relief in fiscal year 2012. The Department estimates that the combination of Federal postsecondary student aid and selected tax benefits will grow to \$181 billion in fiscal year 2012, up from \$140 billion in fiscal year 2009, an increase of \$41 billion, or nearly 30 percent.

Federal Postsecondary Student Aid Soars

Federal Assistance to College Students	Fiscal Year		Change	
	2009	2012	Dollars	Percent
Total Aid Available	\$129.3 billion	\$166.9 billion	\$37.6 billion	29%
Selected Tax Benefits	\$10.5 billion	\$14.2 billion	\$3.7 billion	35%

Note: Reflects estimates of tax expenditures and preliminary estimated budget effects of the “Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010”.

The Administration’s budget would provide \$41.2 billion in Pell Grant funding to support awards to nearly 9.6 million students during the 2012-2013 award year while maintaining a maximum Pell award of \$5,550. The \$41.2 billion total includes \$28.6 billion in discretionary funding and \$12.6 billion in mandatory funding. However, in response to recent rapid and unsustainable growth in Pell Grant costs, the Administration is proposing a Pell Grant Protection Act that would make changes in student grant and loan programs that would restore financial stability to the Pell Grants program and ensure that it will continue providing significant grant assistance aid to those students with greatest need.

First, the Administration proposes to eliminate the “two Pell” provision, which allows qualifying students to receive two Pell Grants in a single award year. This benefit has proven to be extraordinarily costly—up to 10 times the initial estimates—and has not yet shown any evidence of accelerating students’ college completion time. Second, the Pell Grant Protection Act includes changes in the student loan programs to generate mandatory savings that would be used to offset Pell Grant costs, including the elimination of in-school interest subsidies for graduate and professional student loans and a new option for loan conversion. Many, if not most, graduate students are in specialized and often higher-paying fields and thus have less need for subsidized student loans; these students also may benefit from participation in one of several repayment and loan forgiveness plans once they have completed their educations. Moreover, student aid experts have repeatedly noted that providing these subsidies has no effect on encouraging students to pursue graduate education. Eliminating interest subsidies for graduate and professional students would save an estimated \$2.2 billion (\$1.0 billion in outlays) in fiscal year 2012 and \$32.9 billion (\$29.3 billion in outlays) over the next 10 years. Allowing borrowers to simplify their debt repayment by converting debt held by multiple lenders to one holder (which will send one bill), while also receiving a benefit of up to 2 percent of their loan balances, would save an estimated \$2.1 billion in fiscal year 2012.

The Administration also supports an expanded, modernized Perkins Loan program that, beginning July 1, 2012, would provide \$8.5 billion in new loan volume annually—eight and a half times the current Perkins volume. The expanded program would support Perkins Loans at up to 2,700 additional postsecondary education institutions, reaching over 3 million students at full implementation. The new program would provide an additional source of flexible loan dollars for institutions, allowing more students to forgo costly private-label loans and credit-card borrowing. The new formula also would reward institutions with solid college completion outcomes. Overall, this proposal would save \$8.6 billion (\$7.4 billion in outlays) over 10 years.

The proposed Presidential Teaching Fellows program, which would replace the current TEACH Grants program, would provide formula grants to States to fund scholarships for students attending “high-performing” teacher preparation programs. This new program would provide scholarships of up to \$10,000 to cover the cost of program participation for the final year of a Fellow’s teacher preparation program (either through an undergraduate or post-graduate program). By limiting eligibility to teacher preparation programs that have been proven successful, and to students who are further advanced in their program of study, the Presidential Teaching Fellows program will be targeted to students who have a greater likelihood of not only entering and remaining in the teaching profession but also of becoming effective teachers.

The Administration continues to seek new, innovative ways of rewarding institutions of higher education that are able to produce good outcomes for all of their students, and particularly their low-income students. The proposed College Completion Incentive Grants program would provide incentives for States to measure and reward efforts by their higher education institutions to produce strong results for low-income students, including graduation and employment.

Student Aid Summary Tables

<u>Budget Authority (\$ in millions)</u>	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Pell Grants			
Discretionary funding.....	\$17,495.0	\$23,162.0 ¹	\$28,600.1
Mandatory funding	<u>5,299.8</u>	<u>18,718.2¹</u>	<u>12,556.0</u>
Subtotal, Pell Grants	<u>22,794.8</u>	<u>41, 880.2</u>	<u>41,156.1</u>
Supplemental Educational Opportunity Grants...	757.5	757.5	757.5
Work-Study	980.5	980.5	980.5
Leveraging Educational Assistance			
Partnerships	63.9 ²	63.9 ²	— ²
Academic Competitiveness Grants	1,897.0 ³	561.0 ³	— ³
Iraq and Afghanistan Service Grants.....	0.02	0.2	0.2
TEACH Grants.....	26.8 ⁴	22.2 ⁴	14.1 ⁴
Presidential Teaching Fellows.....	—	—	185
Federal Family Education Loans.....	-9,104.0 ⁵	-24,492.9 ⁵	-2,109.4 ⁵
Federal Direct Loans.....	-11,215.8	-26,783.5 ⁶	-27,222.7 ⁶
Perkins Loans	<u>—</u>	<u>—</u>	<u>-1,240.8⁷</u>
Total	6,200.7 ⁸	-7,010.9 ⁸	12,520.5 ⁸

¹ Amounts appropriated for Pell Grants for 2011 include an additional mandatory appropriation of \$13.5 billion from the Student Aid and Fiscal Responsibility Act (P.L. 111-152). Request in 2012 includes additional mandatory funding of approximately \$7.7 billion received from savings in the student loan programs and appropriated to the Pell program account.

² Includes \$33.9 million in 2010 and 2011 for Special LEAP or Grants for Access and Persistence, which was created by the Higher Education Opportunity Act of 2008 and will replace Special LEAP after a 2-year transition period during which States may choose to participate in either program. The budget proposes elimination of this program in 2012.

³ The amount for 2010 reflects availability of 2009 delayed funding and a deferral of \$561 million to 2011; the amount for 2011 reflects the amount deferred from FY 2010. The program is expected to sunset after June 30, 2011.

⁴ Amounts for 2010 and 2011 include new loan subsidy and upward re-estimate, and exclude downward re-estimates. The downward re-estimate for 2010 was \$153 million; the downward re-estimate for 2011 is \$5.97 billion. Amount for 2012 reflects new loan subsidy. The budget proposes elimination of this program at the end of the 2011-2012 academic year.

⁵ Budget authority requested for FFEL does not include the Liquidating account. The 2010 amount includes a net downward re-estimate of \$7.4 billion primarily related to revised economic assumptions. The 2011 amount includes a net downward re-estimate of \$24.5 billion primarily related to revised interest rates. The 2012 amount includes a net modification of \$409 million as a result of the proposed debt conversion policy. (Re-estimates and modifications reflect the impact of changes on an outstanding FFEL portfolio of over \$416 billion.)

⁶ The 2010 amount includes a net downward re-estimate of \$2.6 billion primarily related to revised interest rates. The 2011 amount includes a net downward re-estimate of \$5.7 billion, primarily related to revised interest rates. (Re-estimates and modifications reflect the impact of changes on an outstanding Direct Loan portfolio of nearly \$221 billion.)

⁷ Amounts in 2010 and 2011 reflect cancellations of current Perkins Loans; amount for 2012 reflects proposal to shift Perkins Loan to a mandatory credit program.

⁸ The 2012 Budget also includes a proposal to create a College Completion Incentive Grants program. This program is anticipated to provide \$50 million to States in 2012 to help encourage positive outcomes for low-income students in higher education.

Aid Available to Students (\$ in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Pell Grants	\$36,514.6	\$35,772.9	\$36,072.9
Supplemental Educational Opportunity Grants...	958.8	958.8	958.8
Work-Study	1,170.8	1,170.8	1,170.8
Leveraging Educational Assistance			
Partnerships	161.6 ¹	161.6 ¹	— ¹
Academic Competitiveness Grants	548.0	—	—
SMART Grants.....	384.0	—	—
Iraq and Afghanistan Service Grants.....	0.2	0.2	0.2
Presidential Teaching Fellows.....	—	—	134
New Student Loans:			
Federal Family Education Loans ²	19,617.5	—	—
Federal Direct Loans	84,703.5	116,097.8	124,317.9
Perkins Loans	970.7	970.7	4,227.6
TEACH Grants	<u>108.7</u>	<u>131.4</u>	<u>67.8</u>
Subtotal, Student Loans	105,400.4 ³	117,199.9 ³	128,613.3 ³
Total ⁴	145,138.4 ⁵	155,264.2 ⁵	166,950.0 ⁵

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

² This program ended on June 30, 2010, as stipulated in the Student Aid and Fiscal Responsibility Act (P.L. 111-152). All new loans as of July 1, 2010 are originated in the Federal Direct Loan Program.

³ In addition, consolidation loans for existing borrowers will total \$17.2 billion in 2010, \$19.5 billion in 2011, and \$22.7 billion in 2012.

⁴ The 2012 Budget also includes a proposal to create a College Completion Incentive Grants program. This program is anticipated to provide 25 grants to States in 2012, to help encourage positive outcomes for low-income students in higher education.

⁵ Shows total aid generated by Department programs, including Federal Family Education Loan capital, Perkins Loan capital from institutional revolving funds, statutory, institutional and State matching funds.

Number of Student Aid Awards
(in thousands)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Pell Grants	8,873.0	9,413.0	9,614.0
Supplemental Educational Opportunity Grants...	1,339.1	1,339.1	1,339.1
Work-Study	713.0	713.0	713.0
Leveraging Educational Assistance			
Partnerships	161.6 ¹	161.6 ¹	—
Academic Competitiveness Grants	786.0	—	—
SMART Grants.....	150.0	—	—
Iraq and Afghanistan Service Grants ²	—	—	—
Presidential Teaching Fellows	—	—	13
New Student Loans: ³			
Federal Family Education Loans	5,220.4	—	—
Federal Direct Loans	16,646.2	23,728.2	25,123.5
Perkins Loans	493.2	493.2	2,148.2
TEACH Grants	<u>36.7</u>	<u>44.3</u>	<u>25.1</u>
<u>Total awards</u>	<u>34,419.2</u>	<u>35,892.4</u>	<u>38,975.9</u>

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

² Less than 1,000 recipients in each year.

³ In addition, consolidation loans for existing borrowers will total 494,000 in 2010, 538,000 in 2011, and 609,000 in 2012.

Number of Postsecondary Students Aided by Department Programs

Unduplicated Count (in thousands).....	13,825	15,248	15,976
--	--------	--------	--------

Tax Benefits for Postsecondary Students and Their Families

In addition to the Department of Education's grant, loan, and work-study programs, significant support for postsecondary students and their families is available through tax credits and deductions for higher education expenses, including tuition and fees. For example, in fiscal year 2012, students and families will claim an estimated \$7.1 billion for the American Opportunity Tax Credit—which provides a credit equaling 100 percent of the first \$2,000 of tuition and fees, and 25 percent of remaining expenses, up to a total credit of \$2,500—and another \$5.5 billion under the Lifetime Learning tax credit, which allows a credit of up to \$2,000 for undergraduate and graduate tuition and fees. Additionally, another \$1.5 billion will be claimed in above-the-line deductions for interest paid on postsecondary student loans. (Note: AOTC and interest-deduction amounts reflect estimates of tax expenditures and preliminary estimated budget effects of the "Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010".)

Pell Grants

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions			
Discretionary	\$17,495.0	\$23,162.0	\$28,600.1
Mandatory	5,299.8	5,218.2	4,895.0
Definite mandatory funding.....	<u>—</u>	<u>13,500.0</u>	<u>7,661.0</u>
Total	22,794.8	41,880.2	41,156.1
Program costs (\$ in millions)	36,559.0	35,820.0	36,121.0
Aid available (\$ in millions).....	36,514.6	35,772.9	36,072.9
Recipients (in thousands).....	8,873	9,413	9,614
Maximum grant (in whole \$)			
Discretionary	\$4,860	\$4,860	\$4,860
Mandatory add-on	<u>690</u>	<u>690</u>	<u>690</u>
Total	5,550	5,550	5,550
Average grant (in whole \$)	4,115	3,800	3,752

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

The request would provide \$36.1 billion in Pell Grant awards to nearly 9.6 million students during the 2012-2013 award year, with a maximum award of \$5,550. In response to the unsustainably high costs of the Pell Grant program as currently structured, the Administration is proposing a range of measures, known collectively as the Pell Grant Protection Act, to reform program operations and funding. This proposal includes provisions to both decrease Pell costs—such as by eliminating students' ability to get a second Pell grant in an award year, which would save \$7.6 billion in fiscal year 2012—and to find new sources of funding to reduce discretionary funding costs. The source of this funding would be appropriated savings from eliminating the payment of interest subsidies for graduate student loans and from offering borrowers the option of converting their FFEL debt to the Department. These proposals would generate an estimated additional \$4.3 billion in savings in fiscal year 2012 that would be used to offset Pell costs and help ensure the long-term financial stability of the Pell Grant program.

In addition, the Administration would continue its effort to simplify and improve the current cumbersome process for applying for student aid by requiring Pell Grant applicants to use tax data from the Internal Revenue Service to populate the income section of the Free Application for Federal Student Aid (FAFSA). This change would save money by preventing over-awards of Pell Grant based on inaccurately reported student and family income data. Taken together, the proposed elimination of a second Pell grant and the income verification policies would decrease Pell Grant costs by \$25.3 billion through 2016.

Campus-Based Programs

Grants under the Supplemental Educational Opportunity Grant, Work-Study, and Perkins Loan programs, or the “campus-based” programs, are made directly to participating institutions, which have considerable flexibility to package awards to best meet the needs of their students. The restructuring of the Perkins Loan program under the 2012 budget would provide an additional \$7.5 billion to schools for loans to students compared to the current Perkins program.

Supplemental Educational Opportunity Grants

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$757.5	\$757.5	\$757.5
Aid available (\$ in millions).....	958.8	958.8	958.8
Recipients (in thousands).....	1,339	1,339	1,339
Average award (in whole \$).....	\$716	\$716	\$716

This program provides grant assistance of up to \$4,000 per academic year to undergraduate students with demonstrated financial need. The \$757 million request would leverage \$202 million in institutional matching funds to make available a total of \$959 million in grants to an estimated 1.3 million recipients. Program funds are allocated to institutions according to a statutory formula and require a 25 percent institutional match. Awards are determined at the discretion of institutional financial aid administrators, although schools are required to give priority to Pell Grant recipients and students with the lowest expected family contributions.

Work-Study

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$980.5	\$980.5	\$980.5
Aid available (\$ in millions).....	1,170.8	1,170.8	1,170.8
Recipients (in thousands).....	713	713	713
Average award (in whole \$).....	\$1,642	\$1,642	\$1,642

The Work-Study program provides grants to participating institutions to pay up to 75 percent of the wages of eligible undergraduate and graduate students working part-time to help pay their college costs. The school or other eligible employer provides the balance of the student’s wages. At the request level, 713,000 students would receive a total of nearly \$1.2 billion in award year 2012-13. Funds are allocated to institutions according to a statutory formula, and individual award amounts to students are determined at the discretion of institutional financial aid administrators.

Perkins Loans

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	-\$1,240.8
Aid available (\$ in millions).....	\$970.7	\$970.7	4,227.6
Recipients (in thousands).....	493	493	2,148
Average award (in whole \$).....	\$1,968	\$1,968	\$1,968

The Perkins Loans program provides long-term, low-interest loans to undergraduate and graduate students with demonstrated financial need at roughly 1,700 institutions. Total assets of over \$8 billion represent over 40 years of Federal capital contributions, institutional matching funds, repayments on previous loans, and Federal reimbursements for loan cancellations. Perkins Loan borrowers pay no interest during in-school, grace, and deferment periods and are charged 5 percent interest during the principal repayment period. Annual borrowing limits are \$5,500 for undergraduate students and \$8,000 for graduate and professional students.

The Administration supports action designed to create an expanded, modernized Perkins Loan program providing \$8.5 billion in new loan volume annually—eight and a half times the current annual Perkins volume—and, at full implementation reaching over 3 million students at as many as 2,700 additional postsecondary education institutions. Instead of being serviced by the colleges, loans would be serviced by the Department of Education along with other Federal loans. The loans would have the same 6.8 percent interest rate as Unsubsidized Stafford Loans and the same allowed loan amounts (both undergraduate and graduate) as the current Perkins program. To make loans available to more students, interest on the loans would accrue while students are in school. Overall, this proposal will save an estimated \$8.6 billion over 10 years.

College Completion Incentive Grants

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$50.0
Aid available (\$ in millions).....	—	—	50.0
Recipients (States).....	—	—	25
Average grant (in whole \$)	—	—	\$2,000

The proposed College Completion Incentive Grants program is designed to target Federal student aid dollars effectively and efficiently while providing better information to parents and students to promote transparency and help them choose wisely among their postsecondary options. The program would make grants to States, which would then provide payments to schools as a positive incentive to encourage better outcomes for students. Participating States would be required to align high school graduation requirements with participating institutions' expectations for academic preparation, create stronger articulation agreements, facilitate transfers, and match Federal funds or provide their own performance-based funding for institutions. States also would set goals for increasing the number of students completing college and for closing gaps among different student groups. All postsecondary institutions in a State would be eligible for the program; participation by public institutions would be mandatory. The size of awards to individual institutions would be linked to measured outcomes.

Academic Competitiveness Grants/SMART Grants

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$1,010.0	—	—
FY 2010 amount deferred from FY 2009	887.0	—	—
FY 2011 amount deferred from FY 2010	—	<u>\$561.0</u>	<u>—</u>
Total	<u>1,897.0</u>	561.0	—

Academic Competitiveness Grants

Recipients.....	786,000	—	—
Aid available to students (in millions)	\$548	—	—
Maximum grant (in whole \$)			
First-year student.....	\$750	—	—
Second-year student.....	\$1,300	—	—
Average grant (in whole \$).....	\$697	—	—

SMART Grants

Recipients.....	150,000	—	—
Aid available to students (in millions)	\$384	—	—
Maximum grant (in whole \$).....	\$4,000	—	—
Average grant (in whole \$).....	\$2,560	—	—

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

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

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

The ACG/SMART program sunsets at the end of academic year 2010-2011; accordingly, no new appropriations are provided or requested for fiscal year 2011.

TEACH Grants/Presidential Teaching Fellows

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
<u>TEACH Grants</u>			
BA in millions	\$26.8 ¹	\$22.2 ¹	\$14.1 ¹
Recipients.....	36,650	44,285	25,082
Aid available to students (in millions)	\$108.7	\$131.4	\$67.8
Maximum grant (in whole \$).....	\$4,000	\$4,000	\$4,000
Average grant (in whole \$).....	\$2,966	\$2,966	\$2,703
<u>Presidential Teaching Fellows</u>			
BA in millions	—	—	\$185.0
Number of State formula grants.....	—	—	35-56
Total aid available (in millions).....	—	—	\$136.0
Minimum State award (in \$000s)	—	—	\$600
Average State award (in \$000s).....	—	—	\$3,362
Number of Presidential Teaching Fellows	—	—	13,357

¹ Amounts for 2010 and 2011 include new loan subsidy and upward re-estimate, and exclude downward re-estimates. The downward re-estimate for 2010 was \$153 million; the downward re-estimate for 2011 is \$5.97 million. Amount for 2012 reflects new loan subsidy.

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

For budget and financial management purposes, this program is operated as a loan program with 100 percent forgiveness of outstanding principal and interest upon completion of a student's service requirement. The Administration currently estimates approximately 75 percent of participating students will not complete the required service and thus will have their grants converted to Direct Unsubsidized Stafford Loans. Consistent with the requirements of the Credit Reform Act of 1990, budget authority for this program reflects the estimated net present value of all future non-administrative Federal costs associated with awards in a fiscal year.

The 2012 budget proposes overhauling the TEACH Grant program and replacing it with the new Presidential Teaching Fellows program, which is specifically focused on ensuring that recipients enter, remain, and thrive in the field of teaching. Under this proposal, States would receive funds to award scholarships of up to \$10,000 to talented individuals attending their most effective teacher preparation programs, based in part on the academic growth of the students their graduates teach. Fellows would use their scholarships to pay for their final year of either a traditional teacher preparation or alternative route program. After graduation Fellows would be required to teach for at least 3 years in a high-need school or high-need subject. To receive

funds, States would commit to holding the least effective teacher preparation programs accountable for results and upgrading licensure and certification standards, and would be eligible to set aside additional funding to provide recognition and portable certification to effective classroom teachers. The purpose of targeting the funding in this way is to increase the likelihood that recipients will be committed to becoming teachers with the skills and knowledge it takes to succeed in the classroom and more likely to fulfill their service obligation.

Federal Family Education Loans and Direct Loans (in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Federal Family Education Loans			
New Loan Subsidies (BA)	-\$1,701.4 ¹	—	-\$1,700.4
Net Modification of Existing Loans	—	—	-409.0 ²
Net Re-estimate of Prior Loans	<u>-7,402.6³</u>	<u>-\$24,492.9³</u>	<u>—</u>
Total, FFEL Program BA	-9,104.0	-24,492.9	-2,109.4
Direct Loans			
New Loan Subsidy (BA)	-8,632.6 ³	-21,094.2 ³	-27,222.7 ³
Net Modification of Existing Loans	—	—	—
Net Re-estimate of Prior Loans	<u>-2,583.2⁴</u>	<u>-5,689.3⁴</u>	<u>—</u>
Total, New Budget Authority	-11,215.8	-26,783.5	-27,222.7
Total, Student Loans (BA)	-20,319.8	-51,276.4	-29,322.1

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

² Under Credit Reform, costs or savings related to the impact of policy changes on existing loans are reflected in the current year. The amount of 2012 FFEL modification reflects the impact of the debt conversion policy proposal.

³ Total includes amount for Consolidation Loans.

⁴ Under Credit Reform, the subsidy amounts needed for active loan cohorts are re-estimated annually in both Direct Loans and FFEL to account for changes in long-term projections. Re-estimates and modifications reflect the impact of changes on outstanding portfolios of over \$416 billion for FFEL and nearly \$221 billion for Direct Loans.

New loan volume (in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Federal Family Education Loans	\$19,617.5	—	—
Direct Loans	<u>84,703.5</u>	<u>\$116,097.8</u>	<u>\$124,317.8</u>
Total	104,321.0 ¹	116,097.8 ¹	124,317.8 ¹

Number of new loans (in thousands)

Federal Family Education Loans	5,220	—	—
Direct Loans	<u>16,647</u>	<u>23,728</u>	<u>25,124</u>
Total	21,867 ¹	23,728 ¹	25,124 ¹

¹ In addition, Consolidation Loans for existing borrowers will total \$17.2 billion and 494,000 loans in 2010, \$19.5 billion and 538,000 loans in 2011, and \$22.7 billion and 609,000 loans in 2012.

The Department of Education currently operates two major student loan programs: the Federal Family Education Loan (FFEL) program and the William D. Ford Federal Direct Loan (Direct Loan) program. SAFRA eliminated the authorization to originate new FFEL loans after June 30, 2010; all new loans are originated in the Direct Loan program. The FFEL program made loan capital available to students and their families through private lenders. State and private nonprofit guaranty agencies administer the Federal guarantee protecting FFEL lenders against losses related to borrower default. These agencies also collect on defaulted loans and provide other services to lenders.

Under the Direct Loan program, the Federal Government uses Treasury funds to provide loan capital directly to schools, which then disburse loan funds to students.

Basic Loan Program Components

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

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

Ensuring Continued Access to Student Loans

In response to significant disruptions in the credit markets and concern over access to FFEL program loans, the Ensuring Continued Access to Student Loans Act (ECASLA) of 2008 provided the Department of Education with authority to purchase student loans to support new originations during the 2008-2009 academic year. Using this authority, which was subsequently extended through the end of the 2009-2010 academic year, the Department established several programs to ensure the availability of student loans, including a Loan Participation Interest program, a Loan Purchase program, and an Asset-Backed Commercial Paper Conduit. The authority to purchase new loans using ECASLA authority expired after the 2009-2010 academic year.

2012 Budget Request

Debt Conversion

Providing students with easy access to financial aid in college is a key component to the goal of leading the world in the proportion of college graduates by 2020. However, once students are out of school, the process for students to repay any loans taken out while in school should be just as simple. While the FFEL program ended on June 30, 2010, over 6 million student loan borrowers have student loans in both the FFEL and Direct Loan programs. The repayment process for these borrowers involves complicated record-keeping and making payments to multiple student loan holders, putting these students at greater risk for default due solely to the administrative complexity of the repayment process. To assist these borrowers and simplify their repayment process, the 2012 request would allow them to convert existing FFEL debt to the Department of Education. Terms and conditions of the borrower's loans would not change, and borrowers would not have to consolidate their loans to participate. Borrowers that choose to convert will receive a benefit of up to 2 percent of their loan balance.

Eliminate Graduate Student Interest Subsidy

Currently, graduate students are eligible to borrow up to \$8,500 per academic year for a Subsidized Stafford loan. The Administration proposes to eliminate the payment of in-school interest subsidies on these graduate student loans, both as a cost-saving measure and in recognition of reduced repayment burden resulting from previous action taken by Congress—such as the new Income-Based Repayment program, and the Public Sector Loan Forgiveness and other loan forgiveness programs. In addition, graduate students often study in specialized, higher-paying fields and thus are less in need of subsidized loans. Moreover, student aid experts have repeatedly noted that providing these subsidies has no effect on encouraging students to pursue graduate education. The estimated \$2.2 billion (\$1.0 billion in outlays) in savings resulting from this proposal in 2012 would be redirected to the Pell Grant program to help students with the greatest need for assistance in paying college costs.

E. HIGHER EDUCATION PROGRAMS

Overview

The Administration's 2012 request includes \$2.3 billion for Higher Education Programs to help achieve the President's goal of significantly increasing the percentage of Americans with postsecondary degrees or industry-recognized certificates.

A key priority for 2012 is a \$150 million request for the Fund for the Improvement of Postsecondary Education (FIPSE) to support the "First in the World" competition. This proposal, which would be modeled after the i3 program for K-12 education, would provide incentives and rewards for innovation and building evidence of what works to reduce costs and improve outcomes in postsecondary education. First in the World would help meet the Administration's goal of the United States having the highest proportion of college graduates in the world by 2020.

Another priority is a \$40 million request for first-time funding for the Hawkins Centers of Excellence program to increase the talent pool of effective minority educators by expanding and reforming teacher education programs at minority-serving institutions (MSIs). Supporting the preparation of effective teachers for high-need schools is a key strategy for closing the achievement gap between minority students and their white peers.

To help close gaps in college enrollment and degree attainment between minority and low-income students and other students, the request provides \$484.8 million in discretionary funding for the Aid for Institutional Development programs, the same as the 2011 CR level. The request would strengthen institutions of higher education that serve high proportions of minority and disadvantaged students, including Historically Black Colleges and Universities (HBCUs) and Historically Black Graduate Institutions (HBGIs), by improving their academic programs, institutional capacity, and student supports. The budget also provides \$117.4 million for the Developing Hispanic-serving Institutions program.

The request also would provide \$920.1 million, a \$67 million increase over the 2011 CR level, to support college preparation and completion activities for participants in the Federal TRIO Programs, as well as \$323.2 million to serve an estimated 756,000 middle and high school students preparing for college through Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). These programs, together with the \$150 million in mandatory funds provided through the College Access Challenge Grants program, provide significant investments designed to increase college access and completion for low-income students.

In addition, the request includes \$125.9 million for the International Education and Foreign Language Studies programs, which help meet the Nation's security and economic needs through the development of expertise in foreign languages and area and international studies. The budget also would fund \$40.7 million for merit- and need-based scholarships and fellowships to postsecondary students under Graduate Assistance in Areas of National Need (GAANN) programs.

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

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Strengthening Institutions.....	\$84.0	\$84.0	\$84.0
Strengthening Tribally Controlled Colleges and Universities.....	30.2	30.2	30.2
Strengthening Tribally Controlled Colleges and Universities (mandatory).....	30.0 ¹	30.0 ¹	30.0 ¹
Strengthening Alaska Native and Native Hawaiian-serving Institutions.....	15.1	15.1	15.1
Strengthening Alaska Native and Native Hawaiian-serving Institutions (mandatory).....	15.0 ¹	15.0 ¹	15.0 ¹
Strengthening Historically Black Colleges and Universities.....	266.6	266.6	266.6
Strengthening Historically Black Colleges and Universities (mandatory).....	85.0 ¹	85.0 ¹	85.0 ¹
Strengthening Historically Black Graduate Institutions.....	61.4	61.4	61.4
Master's Degree Programs at HBCUs and PBIs (mandatory)	11.5 ²	11.5 ²	11.5 ²
Strengthening Predominantly Black Institutions.....	10.8	10.8	10.8
Strengthening Predominantly Black Institutions (mandatory).....	15.0 ¹	15.0 ¹	15.0 ¹
Strengthening Asian American and Native American Pacific Islander-serving Institutions.....	3.6	3.6	3.6
Strengthening Asian American and Native American Pacific Islander-serving Institutions (mandatory).....	5.0 ¹	5.0 ¹	5.0 ¹
Strengthening Native American-serving nontribal institutions.....	3.6	3.6	3.6
Strengthening Native American-serving nontribal institutions (mandatory).....	5.0 ¹	5.0 ¹	5.0 ¹
Minority Science and Engineering Improvement.....	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>
Total.....	651.3	651.3	651.3
Discretionary.....	484.8	484.8	484.8
Mandatory.....	166.5	166.5	166.5

¹ These funds are not part of the fiscal year 2012 budget request, but are mandatory appropriations provided under the Student Aid and Fiscal Responsibility Act (SAFRA) within the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152).

² These funds are mandatory appropriations provided under Title VIII, Part AA, Section 897 of the HEA.

The request for Title III maintains support for institutions that serve large percentages of minority and disadvantaged students. Title III funding, which is awarded both competitively and by a

formula that directs aid to specified institutions, helps provide equal educational opportunity and strong academic programs for these students and enhances the financial stability of the institutions that serve them. Funds may be used to plan, develop, and implement activities that support faculty development; funds and administrative management; development and improvement of academic programs; joint use of libraries and laboratories; construction, maintenance, and renovation of instructional facilities; student services; and endowment funds.

Strengthening Institutions supports institutions that provide educational opportunities to low-income and minority students. This funding level would support 195 non-competing continuation grants and would enable the Department to award 22 new individual development grants.

Strengthening Tribally Controlled Colleges and Universities (TCCUs) supports 32 Tribal Colleges and Universities located primarily in remote areas not served by other postsecondary education institutions. These institutions offer a broad range of degree and vocational certificate programs to students for whom these educational opportunities would otherwise be geographically and culturally inaccessible. TCCUs also would benefit from \$30 million in mandatory funds provided by SAFRA in fiscal year 2012.

Strengthening Alaska Native and Native Hawaiian-serving Institutions program supports institutions with undergraduate enrollments that are at least 20 percent Alaska Native, and at least 10 percent Native Hawaiian students, respectively. The request would fund 22 non-competing continuation grants and 2 new individual development and renovation grants for these institutions, which typically are located in remote areas not served by other institutions. The Department also will use \$15 million in fiscal year 2012 mandatory funds to award 8 new 2-year renovation grants and 3 non-competing continuation grants.

Strengthening Historically Black Colleges and Universities supports any accredited, legally authorized HBCU that was established prior to 1964 and whose principal mission was, and is, the education of Black Americans. Fiscal year 2012 funding would support 96 HBCUs.

Strengthening Historically Black Graduate Institutions supports 24 institutions with schools of law, medical schools, or other graduate programs. In 2012, SAFRA would provide \$85 million in mandatory funding for HBCUs.

Predominantly Black Institutions are primarily urban and rural 2-year colleges that have an enrollment of undergraduate students that is at least 40 percent Black Americans and that serve at least 50 percent low-income or first-generation college students. The request would support a third year of funding for 23 PBI grantees. In addition, SAFRA makes available \$15 million in mandatory funds in 2012 for continuation grants for 25 PBIs.

Strengthening Asian American and Native American Pacific Islander-serving Institutions supports institutions with undergraduate enrollments that are at least 10 percent Asian American and Native American Pacific Islander. This funding level would support 10 non-competing continuation grants for institutions serving this diverse population. In addition, SAFRA will make available mandatory funding of \$5 million to support 10 non-competing continuation awards for these institutions.

Strengthening Native American-serving Nontribal Institutions supports institutions that are not designated as TCCUs, yet enroll at least 10 percent Native American students and serve at least 50 percent low-income students. The discretionary request would support 9 non-competing continuation awards and an additional \$5 million in mandatory funds provided by SAFRA will support 11 non-competing continuation grants.

The Minority Science and Engineering Improvement program would fund 15 new competitive and 36 non-competing continuation grants that support improvement in science and engineering education at predominantly minority institutions and increase the participation of underrepresented ethnic minorities, particularly minority women, in scientific and technological careers.

Aid for Hispanic-Serving Institutions
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Developing Hispanic-Serving Institutions	\$117.4	\$117.4	\$117.4
Mandatory Developing Hispanic-Serving Institutions.....	\$100.0 ¹	\$100.0 ¹	\$100.0 ¹
Promoting Postbaccalaureate Opportunities for Hispanic Americans (discretionary)	10.5	10.5	10.5
(mandatory).....	<u>11.5²</u>	<u>11.5²</u>	<u>11.5²</u>
Total	239.4	239.4	239.4
Discretionary	127.9	127.9	127.9
Mandatory	111.5	111.5	111.5

¹ These funds are not part of the fiscal year 2012 budget request, but are mandatory appropriations provided under the Student Aid and Fiscal Responsibility Act (SAFRA) within the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152).

² These funds are mandatory appropriations provided under Title VIII, Part AA, Section 898 of the HEA.

The Developing Hispanic-Serving Institutions (HSIs) program funds competitive grants to expand and enhance the academic quality, institutional management, fiscal stability, and self-sufficiency of colleges and universities that enroll large percentages of Hispanic students. In 2012, \$117.4 million in discretionary funding would support 36 new awards and 159 non-competing continuation awards, while \$100 million in mandatory funds would support 97 new awards under the HIS Science, Technology, Engineering, and Mathematics (STEM) and Articulation program.

The Promoting Postbaccalaureate Opportunities for Hispanic Americans program provides funds to eligible HSIs that offer a postbaccalaureate certificate or postbaccalaureate degree-granting program. The program is designed to help Hispanic Americans gain entry into and succeed in graduate study, a level of education in which they are underrepresented. In 2012, discretionary funding would support 20 non-competing continuation awards, while \$11.5 million in mandatory funding would support an additional 22 non-competing continuation awards.

Hawkins Centers of Excellence

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	—	—	\$40.0

The Hawkins Centers of Excellence program is designed to increase the number of effective minority educators by expanding and reforming teacher education programs at minority-serving institutions (MSIs). This newly funded program would make competitive awards of at least \$500,000 annually for up to 5 years to eligible institutions of higher education to establish Centers of Excellence in teacher education. Increasing the number of effective minority teachers for high-need schools is a key strategy for closing the achievement gap between minority students and their white peers.

International Education and Foreign Language Studies (IEFLS)

(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Domestic programs	\$108.4	\$108.4	\$108.4
Overseas programs	15.6	15.6	15.6
Institute for International Public Policy.....	<u>1.9</u>	<u>1.9</u>	<u>1.9</u>
Total	125.9	125.9	125.9

The 14 International Education and Foreign Language Studies programs support comprehensive language and area study centers within the United States, research and curriculum development, opportunities for American scholars to study abroad, and activities to increase the number of underrepresented minorities in international service. In addition to promoting general understanding of the peoples of other countries, the Department's international programs also serve important economic, diplomatic, defense, and other national security interests. The Administration intends to use funding more strategically in 2012 by focusing on activities in institutions serving underrepresented populations and providing more opportunities for teacher training.

Fund for the Improvement of Postsecondary Education (FIPSE)

(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
First in the World.....	—	—	\$122.8
Comprehensive Program	\$27.4	\$20.1	—
International Consortia	10.3	12.4	8.0
Special Focus Competitions.....	—	4.8	—
Earmarks	101.5	—	—
Other programs.....	19.3	19.3	17.8
Unallocated.....	—	101.5	—
Other	<u>0.9</u>	<u>1.4</u>	<u>1.4</u>
Total	159.4	159.4	150.0

FIPSE awards competitive grants to support exemplary, locally developed projects that are models for innovative reform and improvement in postsecondary education. The 2012 request would provide almost \$123 million for the first year of the First in the World initiative, which would apply the lessons of the successful Investing in Innovation (i3) program to the challenge of improving college completion, particularly for minority and low-income students. First in the World would provide “venture capital” to encourage innovation approaches to improving college completion, research support to build the evidence of effectiveness needed to identify successful strategies, and resources to scale up and disseminate strategies we already know are successful.

The overall request represents a decrease of \$9.4 million because of the elimination of funding for earmarks and other small programs funded but not authorized under FIPSE, but an increase of \$93 million in the amount available for competitive grants compared to the 2011 CR level.

Tribally Controlled Postsecondary Career and Technical Institutions

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$8.2	\$8.2	\$8.2

The request would fund awards to the two tribally controlled postsecondary career and technical institutions that meet the program’s eligibility requirements—United Tribes Technical College and Navajo Technical College—to fund instructional and student support services, as well as institutional support and capital expenditures.

Special Programs for Migrant Students

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$36.7	\$36.7	\$36.7

Special Programs for Migrant Students include the High School Equivalency Program (HEP), which funds competitively selected projects to help low-income migrant and seasonal farm workers gain high school diplomas or equivalency certificates, and the College Assistance Migrant Program (CAMP), which makes competitive grants to provide stipends and special services, such as tutoring and counseling, to migrant students who are in their first year of college. The 2012 request would support approximately 46 HEP projects and 40 CAMP projects, as well as outreach, technical assistance and professional development activities.

Federal TRIO Programs
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Talent Search	\$141.6	\$142.1	\$142.1
Upward Bound	257.2	257.5	324.9
Veterans Upward Bound	13.6	13.6	13.6
Upward Bound Math-Science	34.9	35.0	35.0
Educational Opportunity Centers	46.7	47.0	47.0
Student Support Services	302.5	301.2	300.6
McNair Postbaccalaureate Achievement.....	47.5	47.4	47.5
Staff Training	3.6	3.6	3.6
Evaluation	1.5	1.5	1.5
Administration/Peer Review	4.0	4.3	4.3
Upward Bound (mandatory)	<u>57.0¹</u>	<u>57.0¹</u>	<u>—²</u>
<u>Total</u>	910.1	910.1	920.1

¹ Mandatory funds are made available by section 402C(g) of the Higher Education Act of 1965, as amended.

² The authorization for mandatory funds expires September 30, 2011.

The request for an additional \$67 million in discretionary funding for TRIO, which represents a \$10 million increase over the 2011 CR combined discretionary and mandatory funding level, would enable the Department to increase its support for the Upward Bound program, which will conduct a new competition in fiscal year 2012. The overall request would provide funding for approximately 2,988 TRIO projects serving middle school, high school, and college students and adults while also supporting Staff Training grants, evaluation, and administration for the TRIO programs.

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

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$323.2	\$323.2	\$323.2

GEAR UP provides funds to States and partnerships for early college preparation and awareness activities to help low-income elementary and secondary school students prepare for and pursue postsecondary education. Several features of GEAR UP, including targeting entire grades of students, partnering with local organizations and businesses, and matching Federal funds with local contributions, allow projects to serve large numbers of students. The request maintains funding at the 2011 CR level and would serve approximately 756,000 middle and high school students in fiscal year 2012.

Scholarships and Fellowships
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Graduate Assistance in Areas of National Need (GAANN).....	\$31.0	\$31.0	\$40.7
Thurgood Marshall Legal Educational Opportunity	3.0	3.0	3.0

GAANN provides fellowships, through competitive grants to postsecondary institutions, to graduate students with superior ability and high financial need studying in areas of national need. Participating graduate schools must provide assurances that they will seek talented students from traditionally underrepresented backgrounds. The 2012 request includes the consolidation of funding from the Javits fellowship program and would support 909 fellowships.

The Thurgood Marshall Legal Educational Opportunity program provides low-income, minority, or disadvantaged secondary school and college students with the information, preparation, and financial assistance they need to gain access to and complete law school study and win admission to law practice. The Administration is proposing that the funds for this program be awarded competitively in 2012.

Child Care Access Means Parents in School

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$16.0	\$16.0	\$16.0

This competitive grant program supports the participation of low-income parents in postsecondary education through campus-based childcare services. Grants made to institutions of higher education must be used to supplement childcare services or start a new program, not to supplant funds for current childcare services. The program gives priority to institutions that leverage local or institutional resources and employ a sliding fee scale. The 2012 request would support 137 existing projects.

GPRA Data/HEA Program Evaluation

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$0.6	\$0.6	\$0.6

The request would support the collection and analysis of performance data and the evaluation of Higher Education Act programs that either lack funding set-asides to conduct these activities or where such set-asides are not sufficient to cover the costs of the activities.

Academic Facilities
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
HBCU Capital Financing Program.....	\$20.6	\$20.6	\$20.6
CHAFL Federal Administration.....	0.5	0.5	0.5

These programs support the construction, reconstruction, and renovation of academic facilities at institutions of higher education. The request for the HBCU Capital Financing Program would support the management and servicing of loan guarantees on previously issued loans, and includes \$20.2 million in loan subsidy that would allow the program to guarantee \$368.0 million in loans in 2012. Funds also would be used to continue technical assistance services to help HBCUs to increase their fiscal stability and improve their access to capital markets. The Administration is seeking legislative authority to change the pooled escrow requirement and to raise the current limits on total loan authority and the authority for loans to public versus private HBCUs.

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

Howard University
(BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Howard University Hospital	\$28.9	\$28.9	\$28.9
General Support.....	<u>206.0</u>	<u>206.0</u>	<u>206.0</u>
Total	235.0	235.0	235.0

The 2012 request would maintain support for Howard University's academic programs, research programs, construction activities, and the Howard University Hospital. Howard University has played a historic role in providing access to postsecondary educational opportunities for students from traditionally underrepresented backgrounds, especially African-Americans. The request includes \$3.6 million for Howard University's endowment. The direct Federal appropriation accounts for approximately 45 percent of Howard University's operating costs.

F. INSTITUTE OF EDUCATION SCIENCES

Overview

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

For 2012, the Administration is seeking \$760.5 million for IES activities, an increase of \$101.5 million over the 2011 CR level. This request would enable IES to award up to \$40 million in new research and development grants in early learning and elementary, secondary, and postsecondary education and to initiate several new evaluations of interventions to improve college enrollment, persistence, and completion and an evaluation of the Promise Neighborhoods program.

The request also would maintain the Administration's commitment to supporting high quality statistics and assessment programs and to help States improve the quality of longitudinal student data systems. Finally, the request would be used to award new contracts for the Regional Educational Laboratories (REL) program to expand and strengthen the Department's technical assistance to States and districts.

Research, Development, and Dissemination

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$200.2	\$200.2	\$260.4

The request includes an increase of \$60.2 million over the 2011 CR level, or 30 percent, to support critical investments in education research, development, dissemination, and evaluation that provide parents, teachers, and schools with evidence-based information on effective educational practice. The request would fund additional awards under existing programs of research and development in areas where our knowledge of learning and instruction is inadequate. New funding also would support, as part of the Administration's government-wide initiative to strengthen program evaluation, evaluations of efforts to expand college access and completion and the Promise Neighborhoods program.

Statistics

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$108.5	\$108.5	\$117.0

The Department's statistics programs—operated primarily through competitively awarded contracts administered by the National Center for Education Statistics (NCES)—provide general statistics about trends in education, collect data to monitor reform and measure educational progress, and inform the IES research agenda. The 2012 request, which includes an increase of \$8.5 million over the 2011 CR level, would support the collection, analysis, and dissemination of education-related statistics in response both to legislative requirements and to the particular needs of data providers, data users, and educational researchers. The increase would allow NCES to undertake its first study of sub-baccalaureate education and training for adults (training that provides workplace certifications and licenses), provide fall testing for the Early Childhood Longitudinal Study to study summer learning loss, and develop enhanced reporting and data tools that will improve access to and usability of NCES data.

Regional Educational Laboratories (REL)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$70.7	\$70.7	\$69.7

The requested funds would be used to award new 5-year REL contracts that would continue the important work of the RELs in providing a bridge between education research and practice. Key priorities include providing technical assistance on performing data analysis functions, evaluating programs, and using data from State longitudinal data systems for research and evaluation that addresses important issues of policy and practice. The \$1 million decrease proposed for 2012 reflects the completion of funding for the program evaluation.

Assessment

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$138.8	\$138.8	\$143.8

The request would fund the ongoing National Assessment of Educational Progress (NAEP) and the National Assessment Governing Board. NAEP measures and reports on the status of and trends in student learning over time, on a subject-by-subject basis, and makes objective information on student performance available to policymakers, educators, parents, and the public. NAEP is the only nationally representative and continuing assessment of what American students know and can do, and it has become a key measure of our Nation's educational performance. NAEP activities are conducted through competitively awarded contracts.

At the request level, the Department plans to conduct a 2012 grade 12 economics assessment and a long-term trend assessment that follows the progress of reading and mathematics achievement for the Nation's 9-, 12-, and 17-year-old students. The request also would fund preparations for future assessments and for continued analysis and reporting of assessments conducted prior to 2012, as well as a special study on the meaning of NAEP score gains.

Research in Special Education

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$71.1	\$71.1	\$58.1

This program supports discretionary grants and contracts for research to address gaps in scientific knowledge in order to improve special education and early intervention services for infants, toddlers, and children with disabilities. The requested funds would support new programs of research on families of children with disabilities and technology for special education, as well as ongoing programs of research, including research intended to improve the developmental outcomes and school readiness of infants, toddlers, and young children with disabilities; to improve educational outcomes in core subject areas for children with disabilities; and to improve social and behavioral outcomes. The 2012 request would allow the Department to fund all research grant applications that meet IES research quality standards.

Statewide Data Systems

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$58.3	\$58.3	\$100.0

This program supports competitive awards to State educational agencies to foster the design, development, and implementation of longitudinal data systems that enable States to use data on student learning, teacher performance, and college- and career-readiness to enhance the provision of education and close achievement gaps. Most of the funding requested would support new awards to States that would allow them to continue to expand and improve their data systems, including linkages between elementary, secondary, postsecondary, and workforce data systems. In addition, up to \$15 million would be used for awards to public or private agencies and organizations to support activities to improve data coordination, quality, and use at the local, State, and national levels.

Special Education Studies and Evaluations

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
BA in millions	\$11.5	\$11.5	\$11.5

This program supports competitive grants, contracts, and cooperative agreements to assess the implementation of the Individuals with Disabilities Education Act and the effectiveness of State and local efforts to provide special education and early intervention programs and services to infants, toddlers, and children with disabilities. The request would support a new study of outcomes from preschool special education and provide continued support for studies of transition and learning outcomes for students with disabilities and promising teacher preparation for teachers of students with disabilities. Funds also would be used for the required national assessment of activities supported with Federal special education funds and other ongoing studies and evaluations of special education.

III. PROGRAMS PROPOSED FOR CONSOLIDATION OR ELIMINATION

The current Elementary and Secondary Education Act (ESEA) authorizes numerous programs with similar purposes, creating fragmented and inefficient funding streams that too often lead to a greater focus on complying with program requirements rather than improving student outcomes. Rather than running a large number of separate grant competitions and monitoring compliance, the Administration's reauthorization proposal would consolidate 38 existing ESEA programs into 11 new authorities that would allow the Department to direct funding to proven or promising practices while providing greater flexibility, support, and technical assistance to grantees. Similarly, as part of a proposal to reauthorize the Workforce Investment Act (WIA), the Administration's 2012 request includes proposals for consolidating 9 programs authorized under the Rehabilitation Act into 3 programs. The proposed consolidations would reduce duplication and administrative costs and improve program management, accountability, and the provision of rehabilitation and independent living services.

In addition, the 2012 request reflects the Administration's commitment to ending programs that national evaluations indicate are ineffective, duplicative of other authorities, poorly structured to accomplish their objectives, or do not reflect current needs and priorities.

The discretionary program eliminations table shown below is followed by a brief summary of each program, in alphabetical order, that would be consolidated or eliminated under the 2012 request.

Discretionary Program Eliminations by Funding Level

Program (2011 CR BA in millions)

Leveraging Educational Assistance Partnerships.....	\$63.9
Byrd Honors Scholarships.....	42.0
College Textbook Rental Pilot Initiative	10.0
Exchanges with Historic Whaling and Trading Partners	8.8
Centers of Excellence for Veteran Student Success	6.0
Loan Repayment for Civil Legal Assistance Attorneys	5.0
Recreational Programs	2.5
Women's Educational Equity.....	2.4
Underground Railroad Program	1.9
Erma Byrd Scholarship Program.....	1.5
B.J. Stupak Olympic Scholarships.....	1.0
Training for Realtime Writers.....	1.0
Off-Campus Community Service.....	<u>.8</u>
Total	\$146.8

Programs Proposed for Consolidation or Elimination in Fiscal Year 2012

(2011 CR BA in millions)

Academies for American History and Civics \$1.9

This program, which makes 3 or 4 awards annually to support workshops for teachers and students in the areas of history and civics, is too small to have an impact on history and civics achievement nationally. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

Advanced Credentialing \$10.6

This program, which supports the development and implementation of advanced credentials based on the content expertise of master teachers, would be consolidated into the proposed Teacher and Leader Innovation Fund.

Advanced Placement \$45.8

This program supports State and local efforts to increase access to Advanced Placement and International Baccalaureate classes and tests for low-income students. Such activities would be supported under the proposed College Pathways and Accelerated Learning authority.

Alcohol Abuse Reduction \$32.7

This program supports projects to reduce alcohol abuse in secondary schools, an activity that could be funded under the proposed Successful, Safe, and Healthy Students program.

Arts in Education \$40.0

This program supports noncompetitive awards to VSA Arts, a national organization that sponsors programs to encourage the involvement of, and foster greater awareness of the need for, arts programs for persons with disabilities, and to the John F. Kennedy Center for the Performing Arts for its arts education programs for children and youth, as well as competitive grants for the development of model arts education programs and for professional development for arts educators. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

B.J. Stupak Olympic Scholarships \$1.0

This program, which provides financial assistance to Olympic athletes who are pursuing a postsecondary degree, duplicates other programs that provide assistance to students to increase access to college. Athletes can receive grant, work-study, and loan assistance through the Department's postsecondary student aid programs.

Byrd Honors Scholarships \$42.0

This program, which supports merit-based scholarships to high school students through formula grants to States, duplicates other programs that provide assistance to students to increase college access. Students can receive grant, work-study, and loan assistance through the Department's postsecondary student aid programs.

Centers of Excellence for Veteran Student Success \$6.0

This program provides grants to institutions of higher education to encourage model programs to support veteran student success in postsecondary education by coordinating services to address the academic, financial, physical, and social needs of veteran students. The Administration believes that this program duplicates services available under other programs such as Veterans Upward Bound and that limited Federal resources should be focused on building evidence of what works to improve postsecondary success under the First in the World initiative in the Fund for the Improvement of Postsecondary Education.

Program Consolidations and Eliminations, continued (2011 CR BA in millions)

Charter Schools Grants..... \$256.0

This program makes competitive grants to State educational agencies and charter schools to support the planning, design, initial implementation, and dissemination of information regarding charter schools. A portion of the funding supports State efforts to assist charter schools in obtaining facilities. The proposed Expanding Educational Options authority would continue and expand support for charter and other autonomous public schools.

Civic Education \$35.0

This program provides a non-competitive award to the Center for Civic Education to conduct We the People, a program to improve the quality of civics and government education, as well as non-competitive and competitive awards for the Cooperative Education Exchange, a program to improve civic and economic education through exchange programs. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

Close Up Fellowships..... \$1.9

This program provides a non-competitive award to the Close Up Foundation to support fellowships to low-income students and their teachers participating in Close Up visits to Washington, DC and other activities. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

College Textbook Rental Pilot Initiative \$10.0

This program provides grants to institutions of higher education to initiate pilot projects that expand the services of bookstores to provide the option for students to rent course materials in order to achieve savings for students. The Administration believes that program has achieved its objective and that limited Federal resources should be focused on building evidence of what works to improve postsecondary success under the First in the World initiative to be supported in the Fund for the Improvement of Postsecondary Education.

Credit Enhancement for Charter School Facilities \$8.3

This program, currently funded through the Charter Schools appropriation, provides assistance to help charter schools meet their facility needs. The new Expanding Educational Options authority would continue to make available such assistance.

Demonstration and Training programs.....\$11.6

This program, which supports competitive grants or contracts to expand and improve the provision of rehabilitation and other services authorized under the Rehabilitation Act, would be replaced with a new National Activities to Improve Rehabilitation Services program that would support projects designed to improve program performance and the delivery of vocational rehabilitation services, including technical assistance. In addition, the training activities under this program would be consolidated with the Training program.

Demonstration Projects to Support Postsecondary Faculty, Staff, and
Administrators in Educating Students with Disabilities..... \$6.8

These funds support model projects that enhance the quality of higher education for students with disabilities by making discretionary grants of up to 3 years in duration to institutions of higher education to provide technical assistance and professional development for faculty and administrators. In place of this program, the Administration is requesting increased funding for the Fund for the Improvement of Postsecondary Education, which can support projects to improve college access and completion for individuals with disabilities.

Program Consolidations and Eliminations, continued (2011 CR BA in millions)

Educational Technology State Grants \$100.0

This program supports State, district, and school efforts to integrate technology into curricula in order to improve teaching and learning. These efforts would continue across various ESEA programs, including the Effective Teaching and Learning for a Complete Education programs.

Elementary and Secondary School Counseling..... \$55.0

This program makes competitive grants to assist local educational agencies in developing or expanding elementary and secondary school counseling programs. These activities could be supported under the proposed Successful, Safe, and Healthy Students program.

Erma Byrd Scholarship Program..... \$1.5

This program, funded under the Fund for the Improvement of Postsecondary Education, provides scholarships to individuals pursuing a course of study that will lead to a career in industrial health and safety occupations, including mine safety. This program is narrowly focused and is not specifically authorized under the HEA. In addition, this program duplicates other programs that provide assistance to students to increase college access, such as the Department's postsecondary student grant and loan programs.

Evaluation \$1.2

These funds are used to evaluate the impact and effectiveness of programs authorized by the Rehabilitation Act. Under the request, short-term descriptive studies and program performance activities currently conducted under the Evaluation program would be conducted under the new National Activities to Improve Rehabilitation Services program and the National Institute for Disability and Rehabilitation Research (NIDRR) would assume responsibility for conducting rigorous program evaluations and multi-year studies of programs authorized under the Rehabilitation Act. The Rehabilitation Services Administration would continue to play a major role in identifying evaluation and research needs related to the programs it administers and would work collaboratively with NIDRR in the development of evaluation proposals.

Even Start \$66.5

This program, which supports projects to improve educational opportunities for children and their parents in low-income areas by integrating early childhood education, adult education, and parenting education into "family literacy" programs, would be consolidated into the proposed Effective Teaching and Learning: Literacy authority, in part due to evaluation findings that children and adults participating in Even Start generally make no greater literacy gains than non-participants.

Excellence in Economic Education..... \$1.4

This program makes a competitive award to a national nonprofit education organization to promote economic and financial literacy among students in kindergarten through grade 12. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

Exchanges with Historic Whaling and Trading Partners \$8.8

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

Program Consolidations and Eliminations, continued (2011 CR BA in millions)

Foreign Language Assistance..... \$26.9

These funds support competitive grants to local educational agencies (LEAs), State educational agencies (SEAs), and LEAs in partnership with institutions of higher education (IHEs) to establish or expand foreign language study in elementary and secondary schools. Similar activities would be supported through the new Effective Teaching and Learning for a Well-Rounded Education authority.

Foundations for Learning \$1.0

This program makes competitive grants to local educational agencies, local councils, community-based organizations, and other public or nonprofit entities to enhance young children's development and school readiness. Similar activities could be supported under the proposed Successful, Safe, and Healthy Students program.

High School Graduation Initiative \$50.0

This program provides assistance to help schools implement comprehensive efforts to increase high school graduation rates. Such activities would be supported under the proposed College Pathways and Accelerated Learning authority, as well as by other reauthorized programs such as Title I College- and Career-Ready Students and School Turnaround Grants.

Improving Teacher Quality State Grants \$2,947.7

This program, which provides funds to States and LEAs to develop and support a high-quality teaching force through activities that are grounded in scientifically based research, would be replaced by the proposed Effective Teachers and Leaders State Grants program, which would emphasize the identification of effective teachers and leaders and improving access to such teachers and leaders across high- and low-poverty schools.

Independent Living Centers \$80.3

This program provides competitive grants for consumer-controlled, community-based, cross-disability, nonresidential, private nonprofit agencies that are designed and operated within a local community by individuals with disabilities and provide an array of independent living services. This program would be consolidated into a single new formula grants program, Grants for Independent Living, which would support State-level activities and subgrants to independent living centers. This consolidation would reduce program duplication, give States more control over their independent living programs, and increase accountability for implementing effective service systems and improving services in areas with unmet needs.

Independent Living State Grants..... \$23.5

This program makes formula grants to States that are used to provide independent living services and to support independent living centers and State planning efforts. This program would be consolidated into a single new formula grants program, Grants for Independent Living, which would support State-level activities and subgrants to independent living centers. The consolidation would reduce program duplication, give States more control over their independent living programs, and increase accountability for implementing effective service systems and improving services in areas with unmet needs.

Javits Fellowships..... \$9.7

This program provides fellowships to students of superior ability who are pursuing doctoral degrees in the arts, humanities, and social sciences at institutions of higher education. This program would be consolidated with the Graduate Assistance for Areas of National Need program, which provides support for graduate fellowships in areas of national need.

Program Consolidations and Eliminations, continued (2011 CR BA in millions)

Javits Gifted and Talented Education..... \$7.5

These funds support research, demonstration projects, and other activities designed to help elementary and secondary schools meet the needs of gifted and talented students. Such activities would be supported under the proposed College Pathways and Accelerated Learning authority.

Leveraging Educational Assistance Partnerships..... \$63.9

This program has accomplished its objective of stimulating all States to establish need-based postsecondary student grant programs, and Federal incentives for such aid are no longer required. State grant levels have expanded greatly over the years, and most States significantly exceed the statutory matching requirements. State matching funds in academic year 2007-2008, for example, totaled nearly \$1 billion or more than \$950 million over the level generated by a dollar-for-dollar match.

Literacy Through School Libraries..... \$19.1

This program helps school districts improve literacy skills by providing students with increased access to up-to-date school library materials and professionally certified school library media specialists. The proposed Effective Teaching and Learning: Literacy authority would make funding available to support such activities.

Loan Repayment for Civil Legal Assistance Attorneys \$5.0

This program, first funded in FY 2010, provides up to \$40,000 in loan forgiveness to individuals who enter and continue employment as civil legal assistance attorneys. This new program is unnecessary since civil legal service attorneys already qualify for loan forgiveness benefits under the Public Service Loan Forgiveness provisions of the William D. Ford Direct Student Loan program. In addition, the Department has found loan forgiveness programs funded through discretionary funds to be inequitable, given the likelihood that available funding will not be sufficient to fund awards to all eligible recipients.

Mathematics and Science Partnerships \$180.5

This program, which supports State and local efforts to improve students' academic achievement in mathematics and science by promoting strong teaching skills for elementary and secondary school teachers, would be replaced by the proposed Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics (STEM) program. The new program would support professional development for STEM teachers, implementation of high-quality curricula, assessments, and instructional materials, and creation or improvement of systems for linking student data on assessments with instructional supports such as lesson plans and intervention strategies.

Mental Health Integration in Schools..... \$5.9

This program makes competitive grants to State educational agencies, local educational agencies, and Indian tribes to increase student access to mental health services by supporting programs that link school systems with the local mental health system. The proposed Successful, Safe, and Healthy Students program would support activities to improve the mental health of students.

Migrant and Seasonal Farm Workers..... \$2.2

This program makes comprehensive vocational rehabilitation (VR) services available to migrant and seasonal farmworkers with disabilities, with the goal of increasing employment opportunities for them. To eliminate duplication and administrative inefficiencies, this program would be consolidated with the VR State Grants program. Consolidation would allow a stronger Federal focus on increasing the employment opportunities for all eligible individuals, including migrant and seasonal farmworkers with disabilities.

Program Consolidations and Eliminations, continued (2011 CR BA in millions)**Model Transition Programs for Students with Intellectual Disabilities**

Into Higher Education..... \$11.0

This program supports competitive grants awarded to institutions of higher education or consortia of such institutions to create or expand model comprehensive transition and postsecondary programs for students with intellectual disabilities. In place of this program, the Administration is requesting increased funding for the Fund for the Improvement of Postsecondary Education, which can support projects to improve college access and completion for individuals with disabilities.

National Writing Project..... \$25.6

This program makes a non-competitive award to the non-profit National Writing Project organization to support the effective teaching of writing in grades K-16. The National Writing Project would be able to compete for continued funding under the proposed Effective Teaching and Learning: Literacy authority.

Off-Campus Community Service \$0.8

This program provides grants to institutions of higher education to support work study payments to students engaged in off-campus community service activities. This program duplicates the Federal Work Study program, has minimal impact because of its size, and results in unnecessary administrative costs.

Parental Information and Resource Centers \$39.3

This program makes competitive awards to provide training, information, and support to State educational agencies (SEAs), local educational agencies (LEAs), and other organizations in carrying out parent education and family involvement activities. The proposed Expanding Educational Options program would continue to support such activities.

Physical Education Program \$79.0

This program makes grants to local educational agencies and community-based organizations to pay for initiating, expanding, and improving physical education programs for students in kindergarten through 12th grade, activities that would continue to be supported under the proposed Successful, Safe, and Healthy Students program.

Program Improvement \$0.9

These funds are used to support projects designed to increase the Department's capacity for providing technical assistance to State VR agencies and other grantees. Technical assistance and program improvement activities currently supported under this program would be conducted under a new consolidated National Activities to Improve Rehabilitation Services program.

Projects with Industry \$19.2

This program creates and expands job and career opportunities for individuals with disabilities in the competitive labor market by engaging the participation of business and industry in the rehabilitation process. Grantees provide job development, job placement, and career development services, and, to the extent appropriate, training services to assist individuals with disabilities to obtain or advance in employment in the competitive labor market. This program would be consolidated with the Vocational Rehabilitation State Grants program, which already provides similar services to the same target population as Projects with Industry.

Reading is Fundamental/Inexpensive Book Distribution \$24.8

This program makes a noncompetitive award to the Reading is Fundamental (RIF) organization to support local nonprofit groups and volunteer organizations that serve low-income children through book distribution and reading motivation activities. RIF would be able to compete for continued funding under the proposed Effective Teaching and Learning: Literacy authority.

Program Consolidations and Eliminations, continued (2011 CR BA in millions)

Ready-to-Learn Television \$27.3

This program makes competitive awards to support the development and distribution of educational television and video programming and related outreach materials for preschool and elementary school children and their parents that are designed to improve school readiness and academic achievement. Competitive funding for such activities could be available under two new broader programs, Effective Teaching and Learning: Literacy and Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics (STEM).

Recreational Programs \$2.5

This program makes competitive awards that support recreation and related activities for individual with disabilities to aid in their employment, mobility, independence, socialization, and community integration. The Administration strongly supports helping individuals with disabilities become full and active members in society, but believes that recreational programs would be appropriately financed by State and local agencies and the private sector.

Safe and Drug-Free Schools and Communities National Activities..... \$191.3

This program supports competitive grants and other discretionary activities to foster a safe, secure, and drug-free learning environment, facilitate emergency management and preparedness, and prevent drug use and violence by students at all educational levels. The proposed Successful, Safe, and Healthy Students program would continue to make available funding for such activities.

School Leadership \$29.2

This program supports competitive grants to assist high-need local educational agencies (LEAs) in recruiting, preparing, and retaining principals and assistant principals. The proposed Teacher and Leader Pathways program would support similar activities.

Smaller Learning Communities \$88.0

This program makes competitive grants to local educational agencies to create smaller, more personalized learning environments in large schools. The new Expanding Educational Options authority would make available competitive funding for such activities.

Striving Readers \$250.0

This program, which was expanded in the 2010 appropriations act, supports efforts to improve the literacy skills, including pre-literacy skills, reading, and writing, of students from birth through grade 12. Similar activities would be a key focus of the new Effective Teaching and Learning: Literacy authority.

Supported Employment State grants..... \$29.2

This formula grant program provides supplemental funds to State VR agencies for providing supported employment services for individuals with the most significant disabilities participating in the VR State Grants program. This program would be consolidated with the VR State Grants program, as it has accomplished its goal and State VR agencies recognize supported employment as an integral part of the VR State Grants program and a viable employment option for individuals with the most significant disabilities.

Teach for America..... \$18.0

This program makes a non-competitive award to Teach for America, Inc., which recruits, selects, trains, and supports recent college graduates who commit to serve as teachers in high-need schools and LEAs for at least 2 years. TFA would be able to compete for continued funding under the proposed Teacher and Leader Pathways authority.

Program Consolidations and Eliminations, continued (2011 CR BA in millions)

Teacher Incentive Fund \$400.0

This program makes competitive awards to improve student achievement by increasing teacher and principal effectiveness; reform teacher and principal compensation systems so that teachers and principals are rewarded for gains in student achievement; increase the number of effective teachers teaching low-income, minority, and disadvantaged students in hard-to-staff subjects; and create sustainable performance-based compensation systems. These activities would continue to be supported through the proposed Teacher and Leader Innovation Fund.

Teachers for a Competitive Tomorrow \$2.2

This small program includes two activities that could be supported under the proposed Teacher and Leader Pathways program. The Baccalaureate STEM and foreign language teacher training component provides competitive grants for programs that provide courses of study in STEM and critical foreign languages that are integrated with teacher education and lead to a baccalaureate degree in the primary subject matter with a concurrent teacher certification. The Master's STEM and foreign language teacher training component provides competitive grants for 2- or 3- year part-time master's degree programs in STEM or critical foreign languages that lead to a 1-year master's degree in teaching that results in teacher certification.

Teacher Quality Partnership..... \$43.0

This program, which supports the development and implementation of model teacher preparation and teaching residency programs to improve the quality of teaching in high-need schools and early childhood education programs, would be consolidated into the proposed Teacher and Leader Pathways authority.

Teaching American History \$119.0

This program supports competitive grants to local educational agencies to promote the teaching of traditional American history in elementary and secondary schools as a separate academic subject. Similar activities would be supported through the new Effective Teaching and Learning for a Well-Rounded Education authority.

Tech Prep Education State Grants..... \$102.9

This program provides support for developing structural links between secondary and postsecondary institutions that integrate academic and career and technical education. No separate authority is needed for such activities, which may be funded through the Career and Technical Education (CTE) State Grants program within the larger context of career and technical education programs within the State. The 2012 request would consolidate Tech Prep funding into CTE State Grants.

Training for Realtime Writers..... \$1.0

This program promotes training and placement of individuals as realtime writers. This program is narrowly focused and the Administration believes limited Federal should be focused on building evidence of what works to improve postsecondary success under the First in the World initiative in the Fund for the Improvement of Postsecondary Education.

Transition to Teaching..... \$43.7

This program supports competitive grants to develop and implement comprehensive approaches to training, placing, and supporting teacher candidates through alternative routes to teacher certification or licensure. The proposed Teacher and Leader Pathways authority would make available significantly greater resources for such activities.

Program Consolidations and Eliminations, continued (2011 CR BA in millions)

Underground Railroad Program \$1.9

This program supports competitive grants to non-profit organizations to house, display, interpret, and provide information to schools, institutions of higher education, and the public regarding artifacts and other materials relating to the history of the Underground Railroad. This was not intended to be a permanent Federal responsibility. Federal funds previously provided have enabled a number of grantees to make progress in securing private support to create endowments. Funding may also be available under competitions conducted by the Institute of Museum and Library Services.

Voluntary Public School Choice \$25.8

This program makes competitive grants to State and local educational agencies to implement programs that provide students, particularly students who attend low-performing schools, with expanded public school choice options. The proposed Expanding Educational Options initiative, in particular the promoting Public School Choice grants program, would continue to support such activities.

Women's Educational Equity..... \$2.4

This program makes competitive awards to a variety of public and private organizations, agencies, and institutions to promote gender equity in education through projects involving the design and implementation of gender-equity policies and practices, with a priority on projects aimed at improving the achievement of women and girls in science and mathematics. The Administration is proposing to eliminate funding for this small, narrowly targeted program in favor of funding for broader programs that can provide continued educational support for girls and women.

IV. DEPARTMENTAL MANAGEMENT

History and Background

Congress established the Department of Education as a Cabinet level agency in 1980. Today, the Department operates programs that touch on every area and level of education. The Department's elementary and secondary programs annually serve approximately 14,000 school districts and 60 million students attending more than 98,000 public schools and 29,000 private schools. Department programs also provide grant, loan, and work-study assistance to nearly 16 million postsecondary students.

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

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

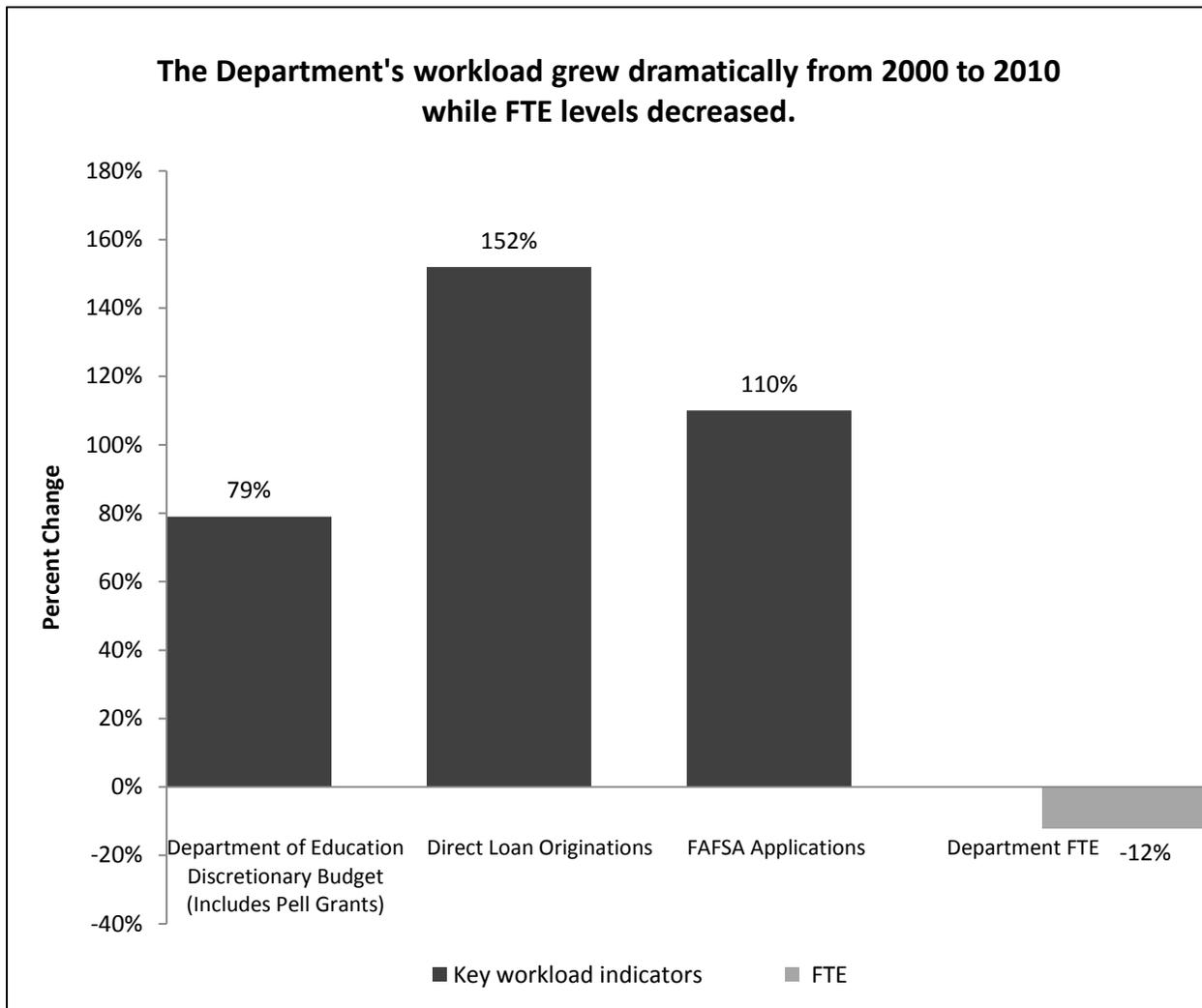
Key programs administered by the Department include Title I of ESEA, which under the President's 2012 request would deliver \$14.8 billion to help 20 million students in high poverty schools make progress toward State college- and career-ready standards; Individuals with Disabilities Education Act Part B Grants to States, which would provide \$11.7 billion to help States and school districts meet the special educational needs of students with disabilities; Federal Pell Grants, which would make available \$36 billion in need-based grant assistance to students enrolled in postsecondary institutions; and the postsecondary student loan programs, which would help provide roughly \$124 billion a year in low-interest, new direct loans to help students and families pay for college.

The Department's programs and responsibilities have grown substantially over the past decade. There have been fundamental education reforms such as the No Child Left Behind Act of 2001 and the Recovery Act, which authorized the Race to the Top and Investing in Innovation Funds. There also has been postsecondary student aid legislation, such as the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA), which ensured uninterrupted access by students to federal student loans throughout the recent financial crisis, and the Student Aid and Fiscal Responsibility Act (SAFRA), which ended Federal subsidies to private lenders and expanded overall postsecondary student aid opportunities.

Internal administration has also become more complex. Laws and Presidential directives such as Homeland Security Presidential Directive 12 and the Federal Information Security Management Act of 2002, have required significant resources to address physical and information security technology issues. There has been an enhanced focus from the Office of Management and Budget on prudent financial management through instruments such as OMB Circular A-123 on internal controls. Finally, the Department has needed to devote more

resources to information technology management (e.g., OMB Exhibits A-53 on IT investment portfolio and A-300 on the management of capital assets). Contracts to perform routine tasks such as processing applications for student aid (FAFSA) and loan originations have increased with the demand for college student aid.

Despite the dramatic increase in its workload over the past decade, the Department has been able to hold its administrative expenses down by reducing headcount and improving its acquisition and financial management. The following chart compares the cumulative percentage increases, from 2000 to 2010, of the Department's discretionary budget, Direct Loan originations, and FAFSA applications, with the Department's total full-time equivalent (FTE) usage.



Salaries and Expenses Overview

Departmental Management (BA in millions)

	<u>2010</u>	<u>2011 CR</u>	<u>2012 Request</u>
Program Administration.....	\$456.2 ¹	\$456.2 ¹	\$479.0 ¹
Office for Civil Rights.....	103.0	103.0	107.8
Office of the Inspector General	60.1	60.1	67.2
Student Aid Administration	806.4 ²	870.4 ²	1,095.4 ²
Other.....	<u>10.8³</u>	<u>9.9³</u>	<u>9.9³</u>
Total.....	1,436.5	1,499.6	1,759.3

Full-time equivalent employment (FTE)

Program Administration.....	2,024	2,134	2,142
Office for Civil Rights.....	584	614	626
Office of the Inspector General	289	293	323
Student Aid Administration	1,113	1,291	1,311
Other.....	303	203	203
Subtotal.....	4,040	4,352	4,422
Recovery Act.....	65	31	29
Education Jobs Fund	—	7	—
Total	4,105 ⁴	4,390 ⁴	4,451 ⁴

¹ Includes \$8.2 million in 2010, \$8.2 million in 2011, and \$2.7 million in 2012 for Building Modernization.

² Excludes \$123.6 million in 2010, \$208.9 million in 2011, and \$246.8 million in 2012 in Mandatory funds.

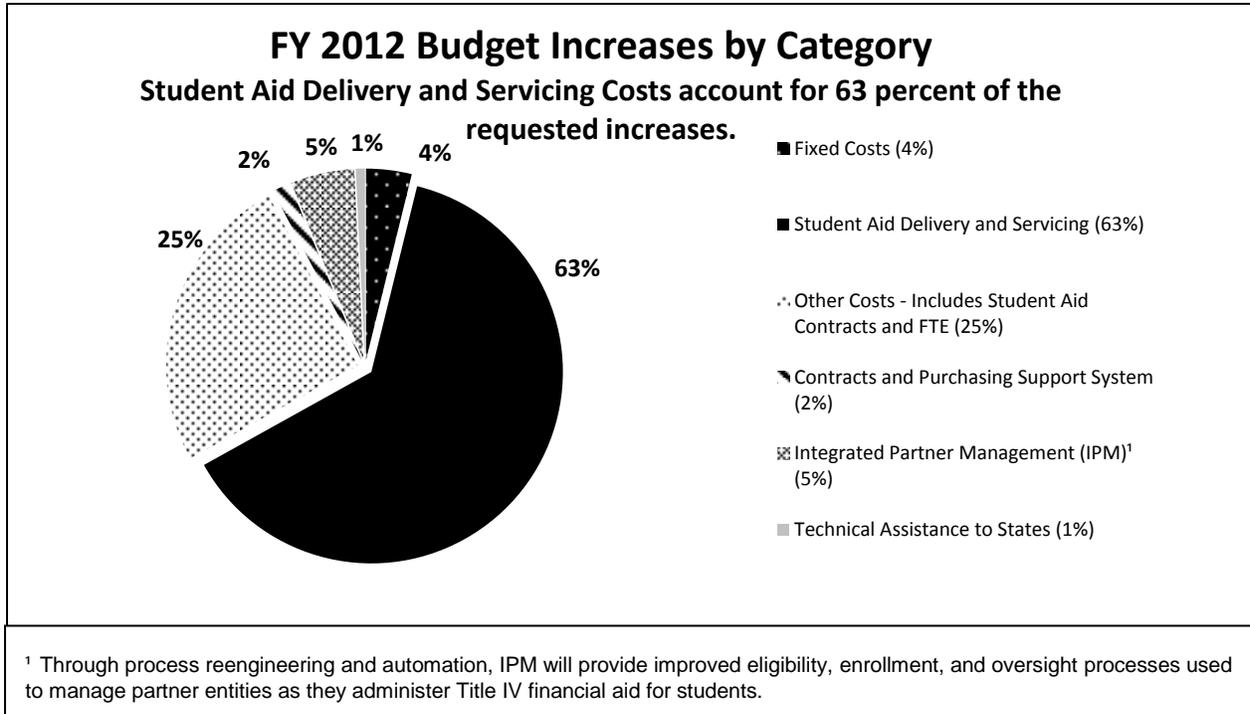
³ Includes small Federal Credit Administration accounts and S&E activities in program accounts.

⁴ Actual FTE usage in 2010; target for 2011 and 2012.

The 2012 budget request for Salaries and Expenses (S&E) will pay the costs of staff, overhead, contracts, and other activities needed to administer and monitor the Department's educational assistance programs. The Department of Education has the smallest staff of the 15 Cabinet agencies, but its program budget and administrative workload have grown in recent years. Its discretionary budget alone is the third largest, behind only the Department of Defense and the Department of Health and Human Services. In addition, the Department makes over \$120 billion in new loans annually, so that only 1 percent of its yearly budget is used for administration. Yet, when adjusted for inflation, the Department of Education's S&E budget is not significantly higher than it was 10 years ago, and FTE has declined by 12 percent.

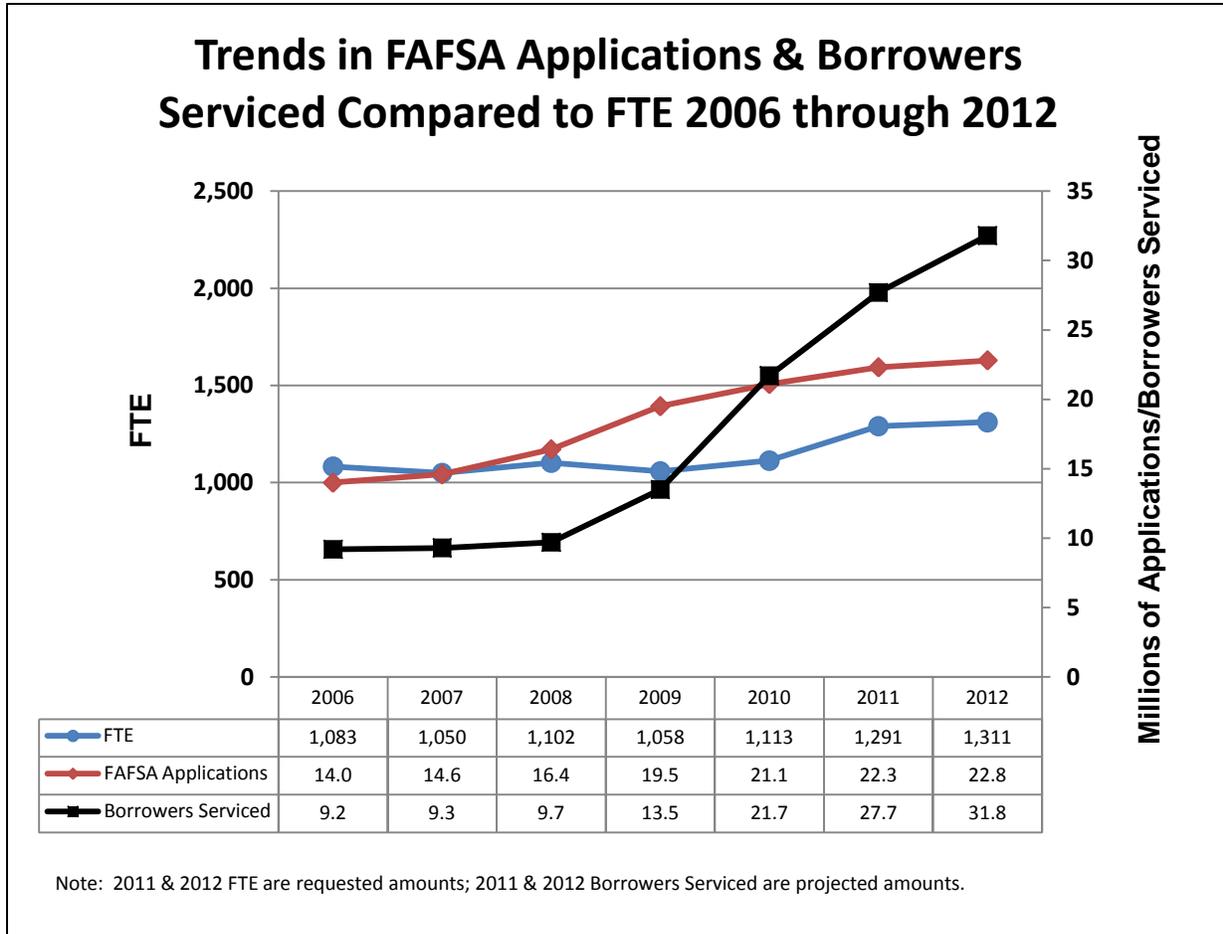
The Department is requesting \$1.759 billion for its S&E budget in 2012, an increase of \$260 million over the 2011 Continuing Resolution level. This includes \$622 million for payroll costs and \$1.137 billion in non-payroll costs. The Department's S&E budget also includes \$247 million in mandatory funding in 2012 to pay for Not-For-Profit servicing costs.

The requested \$260 million increase is focused mainly on servicing and other student aid systems costs necessary to achieve approximately \$67 billion in savings over the next ten years, according to CBO estimates, by transitioning all federal student loan originations to the Direct Loan Program. The Department is also requesting additional FTE to manage the increased Direct Loan volume and to increase its program oversight in response to OIG and GAO audit reports. In addition, the Department is requesting essential funding for fixed cost increases such as rent and guard services, improving its acquisition system, and providing technical assistance to States. The following chart provides a breakout of the requested increase showing that 63 percent of the administrative funding increase is related to student aid delivery and servicing.



Department Employment

The 2012 request includes funding for 4,422 FTE, a net increase of 70 FTE from the 2011 Continuing Resolution level of 4,352 FTE. In addition, 29 FTE will be funded by Recovery Act funds in 2012; the 2011 Continuing Resolution level includes 31 FTE funded by Recovery Act funds and 7 FTE funded by the Education Jobs Fund. The following chart shows that the Department has restrained its FTE increases despite significant increased programmatic responsibilities created by ECASLA and SAFRA. In the past 5 years, FAFSA applications have risen over 50 percent and the number of borrowers serviced has more than doubled while the Department's Student Aid Administration FTE has only risen 3 percent.



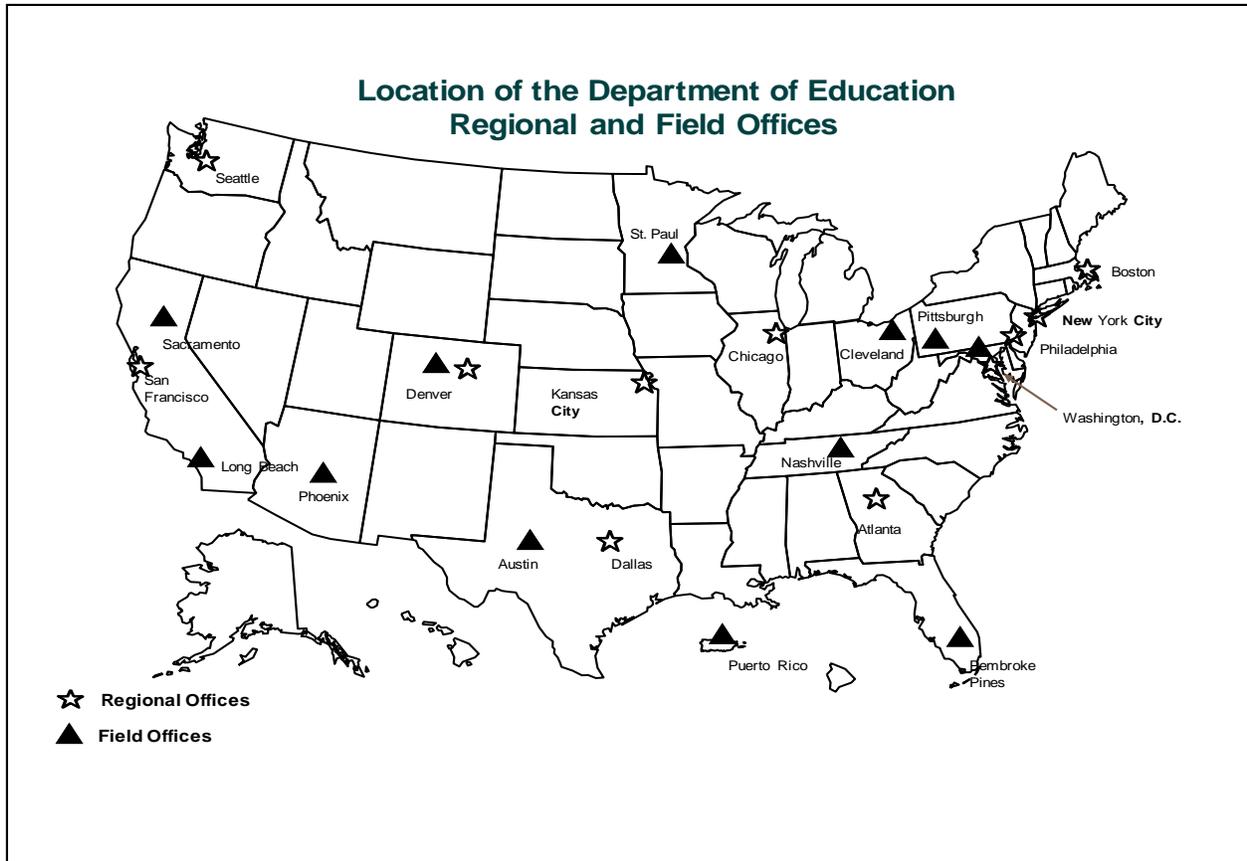
The 2012 request includes an additional 20 FTE for Federal Student Aid primarily due to additional oversight and compliance responsibilities of the additional servicing contracts.

In addition to the student aid increases, the Department is seeking eight new FTE to achieve other high priority performance goals. Efforts include providing technical assistance to States to help achieve education reform; enhancing and increasing the Department's program evaluations; and administering the new Workforce Innovation Fund, in conjunction with the Department of Labor.

The 2012 Budget also provides 12 FTE for the Office for Civil Rights to ensure successful management of OCR's enforcement programs, priorities and complaint resolution. In fiscal year 2010, OCR received 6,933 complaints, a 9 percent increase from fiscal year 2009—the largest number of complaints ever received by the agency.

The Department also is requesting 30 additional FTE for the Office of Inspector General. Additional auditors and investigators are needed to perform a larger number of audits and to conduct broader investigations as OIG's responsibilities grow to cover Recovery Act, Race to the Top, and Investing in Innovation programs, as well as increased oversight of guaranty agencies, Direct Loans, and distance education. The additional auditors and investigators, supported by additional Information Technology Audits and Computer Crime Investigations staff, will allow OIG to expand reviews of student loan programs.

As shown in the following chart, staff is divided among the Washington, D.C. headquarters, 11 regional offices, and 12 field offices. Most regional and field office staff are in Federal Student Aid (FSA), the Office of the Inspector General (OIG), and the Office for Civil Rights (OCR). The FSA regional office personnel conduct reviews of lenders, institutions, and guaranty agencies participating in the student financial aid programs, and perform debt collection activities on defaulted student loans. OIG staff conduct audits and investigations of Department programs and operations. OCR investigates civil rights complaints and conducts civil rights compliance reviews.



Program Administration

The Program Administration account provides administrative support for most programs and offices in the Department. The 2012 request totals \$479 million, an increase of \$22.8 million from the 2011 CR level. The request includes \$300.6 million for personnel compensation and benefits to support 2,142 FTE, an increase of \$627,000 and 8 FTE from the 2011 CR level.

Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology, contractual services, equipment, supplies, and other services. The total request for non-personnel activities in 2012 is \$178.4 million, an increase of \$22.2 million from the 2011 CR level. The increase is primarily for technical assistance to States, rental payments, increased spending for physical security for buildings and IT security, continuing operations and enhancements of EDCAPS, the Department's core financial system, and continuing operations

of EDUCATE, the Department's centralized information technology network and telecommunications projects.

Student Aid Administration

The Student Aid Administration account provides funds to administer the Federal student financial assistance programs authorized under Title IV of the Higher Education Act (HEA) of 1965, as amended. The Title IV programs, which provide funds to help students and families pay for the cost of education beyond high school, collectively represent the Nation's largest source of financial aid for postsecondary students. This account administers a range of functions across the student aid lifecycle, including: education for students and families about the process for obtaining aid; processing millions of student financial aid applications; disbursing billions of dollars in aid; insuring billings of dollars in existing loans; and servicing tens of millions of loans.

Ensuring the smooth operation of the complex array of financial transactions and participants involved in the student financial aid programs—and safeguarding the interests of both students and Federal taxpayers—is one of the Department's greatest management challenges and one of its highest administrative priorities. Primary responsibility for administering the Federal student financial assistance programs rests with Federal Student Aid (FSA) and the Office of Postsecondary Education (OPE).

During the 2009-2010 award year, Federal Student Aid delivered or supported the delivery of approximately \$142 billion in grant, work-study, and loan assistance to almost 12.8 million postsecondary students and their families. These students attended approximately 6,200 active institutions of postsecondary education accredited by dozens of agencies. Students received loans from approximately 2,900 lenders with 33 agencies.

The enactment of SAFRA ended the origination of new loans under the FFEL program and required all new loans to be originated through the Direct Loan (DL) program and serviced by the Department of Education effective July 1, 2010. Although all new lending will be through the DL program, lenders and guaranty agencies continue to service and collect outstanding loans from the FFEL portfolio. In addition, SAFRA authorized mandatory budget authority to support loan servicing performed by Not-For-Profit servicers. The Department has contracted with both For-Profit and Not-For-Profit servicers. In 2012, FSA also will continue to focus on meeting the growing demands of originating and servicing Direct Loans and loans purchased under ECASLA.

The Student Aid Administration account represents 62 percent of the Department's total discretionary administrative budget. The 2012 request would provide \$1.1 billion to administer student aid programs, an increase of \$225 million from the 2011 CR level, to fund increased student aid delivery and servicing costs.

Office for Civil Rights

The Department's Office for Civil Rights (OCR) investigates discrimination complaints, conducts compliance reviews, monitors corrective action plans, and provides technical assistance on civil rights issues. The 2012 request for OCR is \$107.8 million, an increase of \$4.7 million over the 2011 CR level. About \$81 million of the OCR budget is for staff pay and benefits for its 626 FTE; the remaining \$27 million covers overhead costs as well as computer equipment, data analysis and reporting activities, travel, staff training, and other contractual services. The

number of civil rights complaints received by the Department has increased from 5,894 in 2007 to an estimated 7,000 in 2011.

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

Office of the Inspector General

The Office of the Inspector General (OIG) conducts audits and investigations of the Department's programs and activities to help ensure accountability for taxpayer-provided funds and to identify management improvements. The 2012 request for the OIG is \$67.2 million, an increase of \$7.1 million over the 2011 CR level. Approximately 68 percent of this amount, or \$46 million, is for personnel compensation and benefits to support a staffing level of 323 FTE.

The non-personnel request of \$21.2 million includes \$2.1 million to contract for the mandated annual audit of the Department's financial statements. The scope of the audit will include the examination and analysis of account balances, review of applicable financial systems, and evaluation of internal controls and compliance with significant laws and regulations. Additionally, the non-personnel request includes \$1.5 million to support planned oversight of a representative sample of the Department's information technology systems; focus additional investigative effort on intrusions and unauthorized use of Department systems; and continue to develop the ability to perform predictive analytics, which will be used to identify whether potential anomalies are fraudulent activity.

APPENDICES

Tables:

- Summary of Discretionary Funds
- Mandatory Funding in the Department of Education
- Summary of Mandatory Funds
- Advance Appropriations for Department of Education
- Total Expenditures for Elementary and Secondary Education in the United States
- Detailed Budget Table by Program

DEPARTMENT OF EDUCATION
Summary of Discretionary Funds, FY 2008 - FY 2012 President's Budget
(in thousands of dollars)

	2008 Appropriation	2009 Appropriation	Recovery Act	2010 Appropriation	2011 CR Annualized	2012 President's Budget	Change from FY 2011 - FY 2012	
							Amount	Percent
Elementary/Secondary Education (K-12)								
Elementary and Secondary Education (ESEA)								
Race to the Top	0	0	4,350,000	0	0	900,000	900,000	---
Investing in innovation	0	0	650,000	0	0	300,000	300,000	---
College- and career-ready students (Title I grants)	13,898,875	14,492,401	10,000,000	14,492,401	14,492,401	14,792,401	300,000	2.1%
School turnaround grants	491,265	545,633	3,000,000	545,633	545,633	600,000	54,367	10.0%
Early learning challenge fund	0	0	0	0	0	350,000	350,000	---
Effective teaching and learning: literacy	0	0	0	0	0	383,348	383,348	---
Effective teaching and learning: science, technology, engineering, and mathematics	0	0	0	0	0	206,046	206,046	---
Effective teaching and learning for a well-rounded education	0	0	0	0	0	246,084	246,084	---
College pathways and accelerated learning	0	0	0	0	0	86,000	86,000	---
Assessing achievement	408,732	410,732	0	410,732	410,732	420,000	9,268	2.3%
Effective teachers and leaders State grants	0	0	0	0	0	2,500,000	2,500,000	---
Teacher and leader innovation fund	0	0	0	0	0	500,000	500,000	---
Teacher and leader pathways	0	0	0	0	0	250,000	250,000	---
Expanding educational options	0	0	0	0	0	372,000	372,000	---
Magnet schools assistance	104,829	104,829	0	100,000	100,000	110,000	10,000	10.0%
Promise Neighborhoods	0	0	0	10,000	10,000	150,000	140,000	1400.0%
Successful, safe and healthy students	0	0	0	0	0	364,966	364,966	---
21st century community learning centers	1,081,166	1,131,166	0	1,166,166	1,166,166	1,266,166	100,000	8.6%
English Learner Education	700,395	730,000	0	750,000	750,000	750,000	0	0.0%
Impact Aid	1,240,717	1,265,718	100,000	1,276,183	1,276,183	1,276,183	0	0.0%
Other ESEA ¹	6,506,141	6,148,589	850,000	6,151,979	6,212,679	877,992	(5,334,687)	-85.9%
Subtotal, ESEA	24,432,121	24,829,068	18,950,000	24,903,094	24,963,794	26,701,186	1,737,392	7.0%
Special Education (IDEA)								
Grants to States (Part B)	10,947,511	11,505,211	11,300,000	11,505,211	11,505,211	11,705,211	200,000	1.7%
Other IDEA	1,034,382	1,066,371	900,000	1,073,729	1,073,729	1,113,045	39,316	3.7%
Subtotal, IDEA	11,981,893	12,571,582	12,200,000	12,578,940	12,578,940	12,818,256	239,316	1.9%
Subtotal, ESEA and IDEA	36,414,014	37,400,650	31,150,000	37,482,034	37,542,734	39,519,442	1,976,708	5.3%
State Fiscal Stabilization Fund	0	0	48,600,000	0	0	0	0	---
Career and technical education State grants	1,160,911	1,160,911	0	1,160,911	1,160,911	1,000,000	(160,911)	-13.9%
Other K-12	360,952	379,490	170,000	391,561	391,561	258,639	(132,922)	-33.9%
Subtotal, Elementary/Secondary Education	37,935,877	38,941,051	79,920,000	39,034,506	39,095,206	40,778,081	1,682,875	4.3%
Postsecondary Education								
Federal Pell grants (net)	14,215,000	17,288,000	15,640,000	17,495,000	23,162,000	28,600,059	5,438,059	23.5%
Other student financial assistance	1,866,136	981,973	200,000	1,801,809	1,801,809	1,737,957	(63,852)	-3.5%
TRIO	828,178	848,089	0	853,089	853,089	920,089	67,000	7.9%
Other postsecondary education	1,579,370	1,623,066	0	1,783,806	1,783,806	1,738,326	(45,480)	-2.5%
Subtotal, Postsecondary Education	18,488,684	20,741,128	15,840,000	21,933,704	27,600,704	32,996,431	5,395,727	19.5%
Other Discretionary								
Research, development, and dissemination	159,696	167,196	0	200,196	200,196	260,413	60,217	30.1%
Statistics	88,449	98,521	0	108,521	108,521	117,021	8,500	7.8%
National assessment	98,121	130,121	0	130,121	130,121	135,121	5,000	3.8%
Statewide data systems	48,293	65,000	250,000	58,250	58,250	100,000	41,750	71.7%
Departmental management	1,247,578	1,338,249	74,000	1,407,679	1,489,679	1,749,415	259,736	17.4%
Other programs and activities	1,144,769	1,164,933	680,000	1,261,879	1,261,879	1,263,909	2,030	0.2%
Subtotal, Other Discretionary	2,786,907	2,964,020	1,004,000	3,166,646	3,248,646	3,625,879	377,233	11.6%
TOTAL, ED DISCRETIONARY FUNDS	59,211,468	62,646,199	96,764,000	64,134,856	69,944,556	77,400,391	7,455,835	10.7%
TOTAL, ED DISCRETIONARY WITHOUT PELL	44,996,468	45,358,199	81,124,000	46,639,856	46,782,556	48,800,332	2,017,776	4.3%

¹ "Other ESEA" includes programs funded in 2008-2011 that are proposed for consolidation in 2012.

Mandatory Funding in the Department of Education

Most of the Department's 150-plus programs are funded through discretionary appropriation acts enacted each fiscal year. However, there are many education programs—some of them large—that are funded directly through their authorizing statutes. For many budgeting purposes, these programs are classified as mandatory.

The Direct Loan program is the largest mandatory program in the Department. The Direct Loan program will make an estimated \$120 billion in loans to postsecondary students and their families in fiscal year 2011. However, the appropriation for these loans is not \$120 billion. Instead, under the Credit Reform Act, the appropriation is the amount necessary to subsidize the loan volume for the life of the cohort of loans made in the fiscal year, and the subsidy costs are discounted using a net present value calculation. In 2011, these subsidy costs include the government's cost of obtaining \$120 billion, defraying the in-school interest for needy undergraduates, an allowance for defaults, and other factors. These are offset by collections of fees, interest, and principal repayments. In some years, after reflecting the time value of money or the "reestimate" of prior year loans required by the Credit Reform Act, the estimated receipts exceed the cost of the subsidizing the loans.

When added together with other mandatory programs, the negative appropriation amounts for student loans in some years produce Department totals that appear to understate the annual appropriations for discretionary and mandatory programs. In 2010, 2011, and 2012, the mandatory appropriation total for the Department is projected to be negative.

Other mandatory programs include the 2010 Education Jobs Fund, Vocational Rehabilitation State Grants, a portion of Pell Grants, and a variety of smaller programs and activities. Also, in 2012, proposed mandatory savings will be used to offset Pell grant costs that are classified as discretionary.

The table that follows summarizes the appropriations for mandatory programs.

DEPARTMENT OF EDUCATION
 Summary of Mandatory Funds, FY 2010 - 2012 President's Budget
 (in thousands of dollars)

	2010 Appropriation	2011	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
				Amount	Percent
Elementary/Secondary Education					
Education Jobs Fund	10,000,000	0	0	0	---
Advanced research project agency-Education (ARPA-ED)	0	0	40,000	40,000	---
Subtotal, Elementary/Secondary Education	10,000,000	0	40,000	40,000	---
Rehabilitative Services					
Vocational rehabilitation State grants:					
(a) Grants to States	3,041,797	3,047,247	3,103,529	56,282	1.8%
(b) Grants to Indians	42,899	37,449	37,449	0	0.0%
<i>(Discretionary CPIU adjustment)</i>	0	0	(19,266)	(19,266)	---
Subtotal, Rehabilitative Services	3,084,696	3,084,696	3,121,712	37,016	1.2%
Federal Student Aid					
Federal Pell grants:					
Mandatory Pell grants	5,299,816	5,218,184	4,895,000	(323,184)	-6.2%
SAFRA funding	0	13,500,000	0	(13,500,000)	-100.0%
Additional funding from student loan savings	0	0	7,661,000	7,661,000	---
Subtotal	5,299,816	18,718,184	12,556,000	(6,162,184)	-32.9%
Iraq and Afghanistan service grants	15	182	211	29	15.9%
College completion incentive grants	0	0	50,000	50,000	---
Academic Competitiveness	1,336,000	561,000	0	(561,000)	-100.0%
Teacher Education Assistance	26,838	22,178	199,149	176,971	798.0%
Federal Direct Student Loans Program Account	3,481,859	2,781,709	0	(2,781,709)	-100.0%
Federal Family Education Loans Program Account	4,274,364	177,001	283,031	106,030	59.9%
Federal Family Education Loans Liquidating Account	(261,950)	(221,028)	(147,659)	73,369	-33.2%
Health Education Assistance Loans Liquidating Account	0	0	(8,000)	(8,000)	---
Subtotal, Federal Student Aid	14,156,942	22,039,226	12,932,732	(9,106,494)	-41.3%
Other Postsecondary Education					
Aid for institutional development	166,500	166,500	166,500	0	0.0%
Aid for Hispanic-serving institutions	111,500	111,500	111,500	0	0.0%
Upward Bound	57,000	57,000	0	(57,000)	-100.0%
College access challenge grants program	150,000	150,000	150,000	0	0.0%
Higher education facilities loans accounts	(22,798)	77,324	(17,591)	(94,915)	-122.7%
Subtotal, Other Postsecondary Education	462,202	562,324	410,409	(151,915)	-27.0%
Student Aid Administration					
Technical assistance to institutions of higher education	50,000	0	0	0	---
Additional payments to loan servicers for job retention	25,000	25,000	0	(25,000)	-100.0%
Not-for-profit servicers	48,553	183,872	246,826	62,954	34.2%
Subtotal, Student Aid Administration	123,553	208,872	246,826	37,954	18.2%
Other Mandatory					
Contributions	296	870	0	(870)	-100.0%
General fund receipts	(29,028,763)	(49,657,207)	(26,128,679)	23,528,528	-47.4%
Other mandatory accounts	10,074	9,219	0	(9,219)	-100.0%
Subtotal, Other Mandatory	(29,018,393)	(49,647,118)	(26,128,679)	23,518,439	-47.4%
TOTAL, ED MANDATORY FUNDS	(1,191,000)	(23,752,000)	(9,377,000)	14,375,000	-60.5%

ADVANCE APPROPRIATIONS FOR DEPARTMENT OF EDUCATION

(dollars in thousands)

<u>Account/Program</u>	<u>2008 Appropriation</u>	<u>2009 Appropriation</u>	<u>2010 Appropriation</u>	<u>2011 CR</u>	<u>2012 Request</u>	<u>Change from FY 2011 Amount</u>	<u>Percent</u>
Accelerating Achievement and Ensuring Equity¹							
College- and career-ready students: ²							
Basic grants	633,827	2,946,721	3,448,145	3,448,145	3,787,442	339,297	9.8%
Concentration grants	1,365,031	1,365,031	1,365,031	1,365,031	1,365,031	0	0.0%
Targeted grants	2,967,949	3,264,712	3,014,000	3,014,000	3,264,712	250,712	8.3%
Education finance incentive grants	2,967,949	3,264,712	3,014,000	3,014,000	3,264,712	250,712	8.3%
Total	7,934,756	10,841,176	10,841,176	10,841,176	11,681,897	840,721	7.8%
Education Improvement Programs³							
Improving teacher quality State grants ⁴	1,435,000	1,681,441	1,681,441	1,681,441	0	-1,681,441	-100.0%
Special Education							
IDEA Grants to States	6,856,444	8,592,383	8,592,383	8,592,383	9,433,103	840,720	9.8%
Career, Technical, and Adult Education							
Career and technical education State grants	791,000	791,000	791,000	791,000	791,000	0	0.0%
TOTAL, Advance appropriations	17,017,200	21,906,000	21,906,000	21,906,000	21,906,000	0	0.0%

¹ Formerly Education for the Disadvantaged.

² Formerly Title I Grants to Local Educational Agencies.

³ Formerly School Improvement Programs.

⁴ Moved to Innovation and Instructional Teams in FY 2011, but no advance appropriations are requested in that account.

Advance appropriations are appropriations that become available for obligation in the fiscal year following appropriation. For example, advance appropriations for the Department of Education in the FY 2010 appropriations act became available October 1, 2010, the start of FY 2011. All advances in ED are appropriated for formula-allocated State grant programs. State grant programs generally allocate funds to States on July 1, but programs with advance appropriations obligate some of their appropriation on July 1, and the remainder – the advance portion – on October 1, three months later. Both portions support programs in the same school year.

The FY 2012 President's budget requests the same total for ED advance appropriations as in the previous two years, but the amount is redistributed. As a result, advances in the President's FY 2012 Budget Request would be in three accounts instead of four .

"Appropriations" for ED in any year may differ from the "budget authority" for that year. The difference is largely due to the effect of advance appropriations, since an increase in advances will result in an equal change in budget authority in the subsequent year. Advance appropriations provided in 2008 for 2009 equalled \$17.0 billion. The 2009 advance appropriations provided for 2010 equalled \$21.9 billion, \$4.9 billion higher. This increase explains the \$4.9 billion difference between 2009 budget authority and 2009 appropriations.

**TOTAL EXPENDITURES FOR
ELEMENTARY AND SECONDARY EDUCATION IN THE U.S.¹**
(dollars in billions)

<u>Source of Funds by Level</u>	<u>2009-2010²</u>		<u>2010-2011²</u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Dollars</u>	<u>Percent</u>
Federal ³	\$66.0	10.1%	\$71.0	10.8%
State	287.0	44.2	288.0	43.6
Local	237.0	36.4	240.0	36.3
All Other	<u>60.0</u>	<u>9.3</u>	<u>62.0</u>	<u>9.3</u>
Total	650.0	100.0	662.0	100.0

¹ Data revised from previously published figures.

² Projected.

³ Includes expenditures of all Federal agencies.

NOTES: Data above may vary from data reported in other surveys of education funding. Differences can be accounted for primarily by differences among the reports in any of the following: measures of funding used, e.g., budget authority vs. expenditures; the definition of education used; agencies and institutions reporting the data; and basis of dollars reported, e.g., current vs. constant dollars. (Table prepared February 2011).

Because of rounding, detail does not add to totals.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)		Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
Office, Account, Program and Activity						Amount	Percent
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION (OESE)							
Accelerating Achievement and Ensuring Equity							
1. College- and career-ready students (ESEA I-A):							
(a) Basic grants (section 1124)							
	Annual appropriation	D	3,149,801	3,149,801	2,810,504	(339,297)	-10.8%
	Advance for succeeding fiscal year	D	3,448,145	3,448,145	3,787,442	339,297	9.8%
	Subtotal		6,597,946	6,597,946	6,597,946	0	0.0%
(b) Concentration grants (section 1124A)							
	Annual appropriation	D	0	0	0	0	---
	Advance for succeeding fiscal year	D	1,365,031	1,365,031	1,365,031	0	0.0%
	Subtotal		1,365,031	1,365,031	1,365,031	0	0.0%
(c) Targeted grants (section 1125)							
	Annual appropriation	D	250,712	250,712	0	(250,712)	-100.0%
	Advance for succeeding fiscal year	D	3,014,000	3,014,000	3,264,712	250,712	8.3%
	Subtotal		3,264,712	3,264,712	3,264,712	0	0.0%
(d) Education finance incentive grants (section 1125A)							
	Annual appropriation	D	250,712	250,712	0	(250,712)	-100.0%
	Advance for succeeding fiscal year	D	3,014,000	3,014,000	3,264,712	250,712	8.3%
	Subtotal		3,264,712	3,264,712	3,264,712	0	0.0%
(e) Title I rewards (proposed legislation)							
	Subtotal	D	0	0	300,000	300,000	---
	Annual appropriation	D	14,492,401	14,492,401	14,792,401	300,000	2.1%
	Advance for succeeding fiscal year	D	3,651,225	3,651,225	3,110,504	(540,721)	-14.8%
	Advance for succeeding fiscal year	D	10,841,176	10,841,176	11,681,897	840,721	7.8%
2. School turnaround grants (ESEA section 1003(g))							
	Subtotal	D	545,633	545,633	600,000	54,367	10.0%
3. Evaluation (ESEA sections 1501 and 1503)							
	Subtotal	D	9,167	9,167	0	(9,167)	-100.0%
4. Early learning challenge fund (proposed legislation)							
	Subtotal	D	0	0	350,000	350,000	---
5. State agency programs:							
(a) Migrant student education (ESEA I-C)							
	Subtotal	D	394,771	394,771	394,771	0	0.0%
(b) Neglected and delinquent children and youth education (ESEA I-D)							
	Subtotal	D	50,427	50,427	50,427	0	0.0%
	Subtotal		445,198	445,198	445,198	0	0.0%

NOTES: -Category Codes are as follows: D = discretionary program; M = mandatory program.

-The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

-Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2012 or that are shown as consolidated in 2012 are proposed under new authorizing legislation.

-Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.

-Account totals and programs shown within accounts for fiscal years 2010 and 2011 have been adjusted to be comparable to the fiscal year 2012 request.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)		Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
Office, Account, Program and Activity						Amount	Percent
Accelerating Achievement and Ensuring Equity (continued)							
6. Homeless children and youth education (MVHAA Title VII-B)		D	65,427	65,427	65,427	0	0.0%
Total, Appropriation		D	15,557,826	15,557,826	16,253,026	695,200	4.5%
Total, Budget authority		D	15,557,826	15,557,826	15,412,305	(145,521)	-0.9%
Current ¹			4,716,650	4,716,650	4,571,129	(145,521)	-3.1%
Prior year's advance			10,841,176	10,841,176	10,841,176	0	0.0%
Impact Aid							
1. Payments for federally connected children:							
(a) Basic support payments (ESEA VIII, section 8003(b))		D	1,138,000	1,138,000	1,138,000	0	0.0%
(b) Payments for children with disabilities (ESEA VIII, section 8003(d))		D	48,602	48,602	48,602	0	0.0%
2. Facilities maintenance (ESEA VIII, section 8008)		D	4,864	4,864	4,864	0	0.0%
3. Construction (ESEA VIII, section 8007)		D	17,509	17,509	17,509	0	0.0%
4. Payments for Federal property (ESEA VIII, section 8002)		D	67,208	67,208	67,208	0	0.0%
Total		D	1,276,183	1,276,183	1,276,183	0	0.0%

NOTES: Category Codes are as follows: D = discretionary program; M = mandatory program.

-The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

-Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2012 or that are shown as consolidated in 2012 are proposed under new authorizing legislation.

-Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.

-Account totals and programs shown within accounts for fiscal years 2010 and 2011 have been adjusted to be comparable to the fiscal year 2012 request.

¹ Excludes advance appropriations that become available on October 1 of the following fiscal year. Advance appropriations are \$10,841,176 thousand in fiscal years 2010 and under the 2011 CR, and \$11,681,897 thousand in the fiscal year 2012 President's Budget.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)							
Office, Account, Program and Activity	Category Code	2010	2011 CR	2012	2012 President's Budget Compared to 2011 CR		
		Appropriation	Annualized	President's Budget	Amount	Percent	
Education Improvement Programs							
1. Effective teaching and learning for a complete education:							
(a) Effective teaching and learning: Literacy:							
(1) Effective teaching and learning: Literacy (proposed legislation)	D	0	0	383,348	383,348	---	
(2) Striving readers (ESEA I-E, section 1502) ¹	D	200,000	250,000	0	(250,000)	-100.0%	
(3) Even start (ESEA I-B-3)	D	66,454	66,454	0	(66,454)	-100.0%	
(4) Literacy through school libraries (ESEA I-B-4)	D	19,145	19,145	0	(19,145)	-100.0%	
(5) National writing project (ESEA II-C-2)	D	25,646	25,646	0	(25,646)	-100.0%	
(6) Reading is fundamental/Inexpensive book distribution (ESEA V-D, subpart 5)	D	24,803	24,803	0	(24,803)	-100.0%	
(7) Ready-to-learn television (ESEA II-D-3)	D	27,300	27,300	0	(27,300)	-100.0%	
Subtotal		363,348	413,348	383,348	(30,000)	-7.3%	
(b) Effective teaching and learning: Science, technology, engineering, and mathematics:							
(1) Effective teaching and learning: Science, technology, engineering, and mathematics (proposed legislation)	D	0	0	206,046	206,046	---	
(2) Mathematics and science partnerships (ESEA II, Part B)	D	180,478	180,478	0	(180,478)	-100.0%	
Subtotal		180,478	180,478	206,046	25,568	14.2%	
(c) Effective teaching and learning for a well-rounded education:							
(1) Effective teaching and learning for a well-rounded education (proposed legislation)	D	0	0	246,084	246,084	---	
(2) Excellence in economic education (ESEA V-D, subpart 13)	D	1,447	1,447	0	(1,447)	-100.0%	
(3) Teaching American history (ESEA II-C-4)	D	118,952	118,952	0	(118,952)	-100.0%	
(4) Arts in education (ESEA V-D, subpart 15)	D	40,000	40,000	0	(40,000)	-100.0%	
(5) Foreign language assistance (ESEA V-D, subpart 9)	D	26,928	26,928	0	(26,928)	-100.0%	
(6) Academies for American history and civics (American History and Civics Education Act and ESEA-V-D)	D	1,815	1,815	0	(1,815)	-100.0%	
(7) Close Up fellowships (ESEA section 1504)	D	1,942	1,942	0	(1,942)	-100.0%	
(8) Civic education (ESEA II, Part C-3):							
(a) We the People (section 2344)	D	21,617	21,617	0	(21,617)	-100.0%	
(b) Cooperative education exchange (section 2345)	D	13,383	13,383	0	(13,383)	-100.0%	
Subtotal		226,084	226,084	246,084	20,000	8.8%	
(d) Educational technology State grants (ESEA II-D-1 and 2)							
	D	100,000	100,000	0	(100,000)	-100.0%	
Subtotal, Effective teaching and learning for a complete education		869,910	919,910	835,478	(84,432)	-9.2%	
2. College pathways and accelerated learning:							
(a) College pathways and accelerated learning (proposed legislation)							
	D	0	0	86,000	86,000	---	
(b) High school graduation initiative (ESEA I-H)							
	D	50,000	50,000	0	(50,000)	-100.0%	
(c) Advanced placement (ESEA I-G)							
	D	45,840	45,840	0	(45,840)	-100.0%	
(d) Javits gifted and talented education (ESEA V-D, subpart 6)							
	D	7,463	7,463	0	(7,463)	-100.0%	
Subtotal		103,303	103,303	86,000	(17,303)	-16.7%	

NOTES: -Category Codes are as follows: D = discretionary program; M = mandatory program.

-The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

-Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2012 or that are shown as consolidated in 2012 are proposed under new authorizing legislation.

-Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.

-Account totals and programs shown within accounts for fiscal years 2010 and 2011 have been adjusted to be comparable to the fiscal year 2012 request.

¹ FY 2010 level reflects a rescission of \$50,000 thousand under P.L. 111-226.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
Education Improvement Programs (continued)						
3. Assessing achievement (ESEA VI-A-1)	D	410,732	410,732	420,000	9,268	2.3%
4. Training and advisory services (CRA IV)	D	6,989	6,989	6,989	0	0.0%
5. Rural education (ESEA VI-B)	D	174,882	174,882	174,882	0	0.0%
6. Supplemental education grants (Compact of Free Association Act)	D	17,687	17,687	17,687	0	0.0%
7. Comprehensive centers (ETAA section 203)	D	56,313	56,313	56,313	0	0.0%
8. Native Hawaiian student education (ESEA VII-B and HEA VIII-Z)	D	34,315	34,315	34,315	0	0.0%
9. Alaska Native student education (ESEA VII-C)	D	33,315	33,315	33,315	0	0.0%
Subtotal		1,707,446	1,757,446	1,664,979	(92,467)	-5.3%
Total ¹	D	1,707,446	1,757,446	1,664,979	(92,467)	-5.3%
Indian Student Education (ESEA VII)						
1. Grants to local educational agencies (Part A-1)	D	104,331	104,331	104,331	0	0.0%
2. Special programs for Indian children (Part A-2)	D	19,060	19,060	19,060	0	0.0%
3. National activities (Part A-3)	D	3,891	3,891	3,891	0	0.0%
Total	D	127,282	127,282	127,282	0	0.0%
Education Jobs Fund (P.L. 111-226)						
	M	10,000,000	0	0	0	---
TOTAL APPROPRIATION, OESE						
Discretionary	D	28,668,737	18,718,737	19,321,470	602,733	3.2%
Mandatory	M	10,000,000	0	0	0	---
TOTAL BUDGET AUTHORITY, OESE						
Discretionary	D	28,668,737	18,718,737	18,480,749	(237,988)	-1.3%
Mandatory	M	10,000,000	0	0	0	---

NOTES: -Category Codes are as follows: D = discretionary program; M = mandatory program.

-The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

-Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2012 or that are shown as consolidated in 2012 are proposed under new authorizing legislation.

-Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.

-Account totals and programs shown within accounts for fiscal years 2010 and 2011 have been adjusted to be comparable to the fiscal year 2012 request.

¹ Adjusted for comparability. Excludes \$1,681,441 thousand appropriated in fiscal year 2010 and under the 2011 CR level in this account for Improving Teacher Quality State Grants. That program is in the Innovation and Instructional Teams account in FY 2012; the associated FY 2012 advances are in the Accelerating Achievement and Ensuring Equity account (\$840,721 thousand) and the Special Education account (\$840,720 thousand).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
OFFICE OF INNOVATION AND IMPROVEMENT (OII)						
<i>Innovation and Instructional Teams</i>						
1. Race to the Top (proposed legislation)	D	0	0	900,000	900,000	---
2. Investing in innovation (proposed legislation)	D	0	0	300,000	300,000	---
3. Excellent instructional teams:						
(a) Effective teachers and leaders:						
(1) Effective teachers and leaders State grants (proposed legislation)	D	0	0	2,500,000	2,500,000	---
(2) Improving teacher quality State grants (ESEA II-A)						
Annual appropriation	D	1,266,308	1,266,308	0	(1,266,308)	-100.0%
Advance for succeeding fiscal year	D	1,681,441	1,681,441	0	(1,681,441)	-100.0%
Subtotal		2,947,749	2,947,749	2,500,000	(447,749)	-15.2%
(b) Teacher and leader innovation fund:						
(1) Teacher and leader innovation fund (proposed legislation)	D	0	0	500,000	500,000	---
(2) Teacher incentive fund (ESEA V-D-1)	D	400,000	400,000	0	(400,000)	-100.0%
(3) Advanced credentialing (ESEA section 2151(c))	D	10,649	10,649	0	(10,649)	-100.0%
Subtotal	D	410,649	410,649	500,000	89,351	21.8%
(c) Teacher and leader pathways:						
(1) Teacher and leader pathways (proposed legislation)	D	0	0	250,000	250,000	---
(2) Transition to teaching (ESEA II-C-1-B)	D	43,707	43,707	0	(43,707)	-100.0%
(3) Teacher quality partnership (HEA II-A)	D	43,000	43,000	0	(43,000)	-100.0%
(4) Teachers for a competitive tomorrow (America COMPETES Act VI-A-1):						
(a) Baccalaureate STEM and foreign language teacher training (Sec. 6113)	D	1,092	1,092	0	(1,092)	-100.0%
(b) Masters STEM and foreign language teacher training (Sec. 6114)	D	1,092	1,092	0	(1,092)	-100.0%
(6) Teach for America (HEA VIII-F)	D	18,000	18,000	0	(18,000)	-100.0%
(7) School leadership (ESEA section 2151(b))	D	29,220	29,220	0	(29,220)	-100.0%
Subtotal	D	136,111	136,111	250,000	113,889	83.7%
Subtotal	D	3,494,509	3,494,509	3,250,000	(244,509)	-7.0%

NOTES: -Category Codes are as follows: D = discretionary program; M = mandatory program.

-The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

-Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2012 or that are shown as consolidated in 2012 are proposed under new authorizing legislation.

-Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.

-Account totals and programs shown within accounts for fiscal years 2010 and 2011 have been adjusted to be comparable to the fiscal year 2012 request.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)							
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR		
					Amount	Percent	
Innovation and Instructional Teams (continued)							
4. Expanding educational options:							
(a) Expanding educational options (proposed legislation)	D	0	0	372,000	372,000	---	
(b) Charter schools grants (ESEA V-B-1) ¹	D	256,031	256,031	0	(256,031)	-100.0%	
(c) Credit enhancement for charter school facilities (ESEA Title V-B-2) ¹	D	0	0	0	0	---	
(d) Voluntary public school choice (ESEA V-B-3)	D	25,819	25,819	0	(25,819)	-100.0%	
(e) Parental information and resource centers (ESEA V-D-16)	D	39,254	39,254	0	(39,254)	-100.0%	
(f) Smaller learning communities (ESEA V-D-4)	D	88,000	88,000	0	(88,000)	-100.0%	
Subtotal	D	409,104	409,104	372,000	(37,104)	-9.1%	
5. Magnet schools assistance (ESEA V-C)	D	100,000	100,000	110,000	10,000	10.0%	
6. Fund for the improvement of education:							
(a) Programs of national significance (ESEA V-D-1) ²	D	125,461	136,161	13,000	(123,161)	-90.5%	
(b) Advanced research projects agency-Education (ARPA-ED) (ESEA V-D-1)	D	0	0	50,000	50,000	---	
(c) Mandatory advanced research projects agency-Education (ARPA-ED) (proposed legislation)	M	0	0	40,000	40,000	---	
7. Exchanges with historic whaling and trading partners (ESEA V-D-12)	D	8,754	8,754	0	(8,754)	-100.0%	
8. Women's educational equity (ESEA V-D-21)	D	2,423	2,423	0	(2,423)	-100.0%	
9. Troops-to-teachers (ESEA II-C-1-A) ³	D	14,389	14,389	0	(14,389)	-100.0%	
Total, Appropriation ⁴		4,154,640	4,165,340	5,035,000	869,660	20.9%	
Total, Budget authority		4,154,640	4,165,340	6,716,441	2,551,101	61.2%	
Current ⁴		2,473,199	2,483,899	5,035,000	2,551,101	102.7%	
Prior year's advance		1,681,441	1,681,441	1,681,441	0	0.0%	
TOTAL APPROPRIATION, OII		4,154,640	4,165,340	5,035,000	869,660	20.9%	
Discretionary	D	4,154,640	4,165,340	4,995,000	829,660	19.9%	
Mandatory	M	0	0	40,000	40,000	---	
TOTAL BUDGET AUTHORITY, OII		4,154,640	4,165,340	6,716,441	2,551,101	61.2%	
Discretionary	D	4,154,640	4,165,340	6,676,441	2,511,101	60.3%	
Mandatory	M	0	0	40,000	40,000	---	

NOTES: -Category Codes are as follows: D = discretionary program; M = mandatory program.

-The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

-Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2012 or that are shown as consolidated in 2012 are proposed under new authorizing legislation.

-Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.

-Account totals and programs shown within accounts for fiscal years 2010 and 2011 have been adjusted to be comparable to the fiscal year 2012 request.

¹ From the amount appropriated for Charter Schools in FY 2010, appropriations language permitted the Secretary to use up to \$23,082 thousand for Charter School Facilities Incentive Grants and Credit Enhancement for Charter School Facilities. This authority is continued by the FY 2011 CR.

² Adjusted for comparability. Excludes \$10,000 thousand from the Fund for the Improvement of Education/Programs of National Significance that was appropriated in FY 2010 for Promise Neighborhoods, which is in the Safe Schools and Citizenship Education account in FY 2012 (proposed as the Supporting Student Success account). In, 2011, includes \$10,700 thousand that was appropriated for Ready to Teach in FY 2010 and was rescinded under P.L. 111-226. The 2011 CR provides funds at the pre-rescission level.

³ This program is expected to be transferred to the Department of Defense in fiscal year 2012.

⁴ Adjusted for comparability. Includes advance appropriations of \$1,681,441 thousand in fiscal years 2010 and in the 2011 CR that become available on October 1 of the following fiscal year. Advance appropriations shown in this account are associated with Improving Teacher Quality State grants and were appropriated in the School Improvement Programs account (proposed in FY 2012 as the Education Improvement Programs account).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
OFFICE OF SAFE AND DRUG-FREE SCHOOLS (OSDFS)						
Supporting Student Success						
1. Promise Neighborhoods (ESEA V-D, subpart 1) ¹	D	10,000	10,000	150,000	140,000	1400.0%
2. Successful, safe, and healthy students:						
(a) Successful, safe, and healthy students (proposed legislation)	D	0	0	364,966	364,966	---
(b) Safe and drug-free schools and communities national activities (ESEA IV-A, Subpart 2, sections 4121 and 4122) ²	D	191,341	191,341	0	(191,341)	-100.0%
(c) Elementary and secondary school counseling (ESEA V-D, subpart 2)	D	55,000	55,000	0	(55,000)	-100.0%
(d) Physical education program (ESEA V-D, subpart 10)	D	79,000	79,000	0	(79,000)	-100.0%
(e) Foundations for learning (ESEA V-D, subpart 14, section 5542) ¹	D	1,000	1,000	0	(1,000)	-100.0%
(f) Mental health integration in schools (ESEA V-D, subpart 14, section 5541) ¹	D	5,913	5,913	0	(5,913)	-100.0%
(g) Alcohol abuse reduction (ESEA IV-A, Subpart 2, section 4129)	D	32,712	32,712	0	(32,712)	-100.0%
Subtotal		364,966	364,966	364,966	0	0.0%
3. 21st century community learning centers (ESEA IV-B)	D	1,166,166	1,166,166	1,266,166	100,000	8.6%
Total	D	1,541,132	1,541,132	1,781,132	240,000	15.6%
TOTAL, OSDFS		1,541,132	1,541,132	1,781,132	240,000	15.6%
OFFICE OF ENGLISH LANGUAGE ACQUISITION						
English Learner Education (ESEA III, Part A)	D	750,000	750,000	750,000	0	0.0%
TOTAL, OELA		750,000	750,000	750,000	0	0.0%

NOTES: -Category Codes are as follows: D = discretionary program; M = mandatory program.
 -The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).
 -Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2012 or that are shown as consolidated in 2012 are proposed under new authorizing legislation.
 -Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.
 -Account totals and programs shown within accounts for fiscal years 2010 and 2011 have been adjusted to be comparable to the fiscal year 2012 request.

¹ Adjusted for comparability. FY 2010 funds were appropriated in the Innovation and Improvement account (proposed in FY 2012 as the Innovation and Instructional Teams account) under the Fund for the Improvement of Education/Programs of National Significance.

² FY 2010 amount for Safe and Drug-Free Schools and Communities National Activities includes \$8,212 thousand to cover the 2 years of remaining continuation costs of Character Education awards. FY 2011 is the final year of activity for these projects.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES (OSERS)						
Special Education						
1. State grants:						
(a) Grants to States (IDEA B-611)						
Annual appropriation	D	2,912,828	2,912,828	2,272,108	(640,720)	-22.0%
Advance for succeeding fiscal year	D	8,592,383	8,592,383	9,433,103	840,720	9.8%
Subtotal		11,505,211	11,505,211	11,705,211	200,000	1.7%
(b) Preschool grants (IDEA B-619)	D	374,099	374,099	374,099	0	0.0%
(c) Grants for infants and families (IDEA C)	D	439,427	439,427	489,427	50,000	11.4%
Subtotal, State grants		12,318,737	12,318,737	12,568,737	250,000	2.0%
2. National activities (IDEA D):						
(a) State personnel development (Subpart 1)	D	48,000	48,000	48,000	0	0.0%
(b) Technical assistance and dissemination (section 663)	D	49,549	49,549	49,549	0	0.0%
(c) Personnel preparation (section 662)	D	90,653	90,653	90,653	0	0.0%
(d) Parent information centers (sections 671-673)	D	28,028	28,028	28,028	0	0.0%
(e) Technology and media services (section 674)	D	43,973	43,973	33,289	(10,684)	-24.3%
Subtotal		260,203	260,203	249,519	(10,684)	-4.1%
3. Special Olympics education programs (Special Olympics Sport and Empowerment Act)	D	8,095	8,095	8,095	0	0.0%
4. Mentoring for individuals with intellectual disabilities (ESEA V-D-1)	D	0	0	5,000	5,000	---
5. PROMISE: Promoting Readiness of Minors in SSI (IDEA D-663)	D	0	0	30,000	30,000	---
Total, Appropriation	D	12,587,035	12,587,035	12,861,351	274,316	2.2%
Total, Budget authority	D	12,587,035	12,587,035	12,020,631	(566,404)	-4.5%
Current ¹		3,994,652	3,994,652	3,428,248	(566,404)	-14.2%
Prior year's advance		8,592,383	8,592,383	8,592,383	0	0.0%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

¹ Excludes advance appropriations that become available on October 1 of the following fiscal year. Advanced appropriations are \$8,592,383 thousand in fiscal year 2010 and under the 2011 CR level, and \$9,433,103 thousand at the fiscal year 2012 President's Budget level.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
Rehabilitation Services and Disability Research						
1. Vocational rehabilitation State grants:						
(a) Grants to States (RA Title I-A, sections 110 and 111)	M	3,041,797	3,047,247	3,103,529	56,282	1.8%
(b) Grants to Indians (RA Title I-C)	M	42,899	37,449	37,449	0	0.0%
Subtotal		3,084,696	3,084,696	3,140,978	56,282	1.8%
Discretionary modification to CPIU adjustment	D	0	0	(37,016)	(37,016)	---
Discretionary modification for consolidation	D	0	0	56,282	56,282	---
Mandatory baseline	M	3,084,696	3,084,696	3,121,712	37,016	1.2%
2. Client assistance State grants (RA section 112)	D	12,288	12,288	12,288	0	0.0%
3. Supported employment State grants (RA VI-B)	D	29,181	29,181	0	(29,181)	-100.0%
4. Migrant and seasonal farm workers (RA section 304)	D	2,239	2,239	0	(2,239)	-100.0%
5. Projects with industry (RA VI-A)	D	19,197	19,197	0	(19,197)	-100.0%
6. Training (RA section 302(a)-(g)(2), (h)-(i), 303(c)-(d))	D	37,766	37,766	33,251	(4,515)	-12.0%
7. National activities to improve rehabilitation services (RA section 303)	D	0	0	8,000	8,000	---
8. Demonstration and training programs (RA section 303)	D	11,601	11,601	0	(11,601)	-100.0%
9. Program improvement (RA section 12(a))	D	852	852	0	(852)	-100.0%
10. Evaluation (RA section 14)	D	1,217	1,217	0	(1,217)	-100.0%
12. Independent living (RA VII):						
(a) Grants for independent living (Chapter 1, Part B)	D	0	0	103,716	103,716	---
(b) State grants (Chapter 1, Part B)	D	23,450	23,450	0	(23,450)	-100.0%
(c) Centers (Chapter 1, Part C)	D	80,266	80,266	0	(80,266)	-100.0%
(d) Services for older blind individuals (Chapter 2)	D	34,151	34,151	34,151	0	0.0%
Subtotal		137,867	137,867	137,867	0	0.0%
13. Protection and advocacy of individual rights (RA section 509)	D	18,101	18,101	18,101	0	0.0%
14. Recreational programs (RA section 305)	D	2,474	2,474	0	(2,474)	-100.0%
15. National Institute on Disability and Rehabilitation Research (RA II)	D	109,241	109,241	110,485	1,244	1.1%
16. Access through cloud computing (RA II)	D	0	0	10,000	10,000	---
17. Helen Keller National Center for Deaf-Blind Youths and Adults (HKNCA)	D	9,181	9,181	9,181	0	0.0%
18. Assistive technology programs (ATA, sections 4, 5, and 6)	D	30,960	30,960	30,960	0	0.0%
19. Workforce innovation fund (proposed legislation)	D	0	0	30,000	30,000	---
Subtotal		422,165	422,165	400,133	(22,032)	-5.2%
Total		3,506,861	3,506,861	3,541,111	34,250	1.0%
Discretionary	D	422,165	422,165	419,399	(2,766)	-0.7%
Mandatory baseline	M	3,084,696	3,084,696	3,121,712	37,016	1.2%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
American Printing House for the Blind (20 U.S.C. 101 et seq.)	D	24,600	24,600	24,600	0	0.0%
National Technical Institute for the Deaf (EDA I-B and section 207)						
1. Operations	D	63,037	63,037	63,037	0	0.0%
2. Construction	D	5,400	5,400	2,000	(3,400)	-63.0%
Total	D	68,437	68,437	65,037	(3,400)	-5.0%
Gallaudet University (EDA I-A and section 207)						
1. Operations	D	118,000	118,000	118,000	0	0.0%
2. Construction	D	5,000	5,000	0	(5,000)	-100.0%
Total	D	123,000	123,000	118,000	(5,000)	-4.1%
TOTAL APPROPRIATION, OSERS		16,309,933	16,309,933	16,610,099	300,166	1.8%
Discretionary	D	13,225,237	13,225,237	13,488,387	263,150	2.0%
Mandatory	M	3,084,696	3,084,696	3,121,712	37,016	1.2%
TOTAL BUDGET AUTHORITY, OSERS		16,309,933	16,309,933	15,769,379	(540,554)	-3.3%
Discretionary	D	13,225,237	13,225,237	12,647,667	(577,570)	-4.4%
Mandatory	M	3,084,696	3,084,696	3,121,712	37,016	1.2%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)		Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
Office, Account, Program and Activity						Amount	Percent
OFFICE OF VOCATIONAL AND ADULT EDUCATION (OVAE)							
Career, Technical, and Adult Education							
1. Career and technical education (Carl D. Perkins CTEA):							
(a) State grants (Title I)							
	Annual appropriation	D	369,911	369,911	209,000	(160,911)	-43.5%
	Advance for succeeding fiscal year	D	791,000	791,000	791,000	0	0.0%
	Subtotal		1,160,911	1,160,911	1,000,000	(160,911)	-13.9%
	(b) National programs (section 114)	D	7,860	7,860	7,860	0	0.0%
	(c) Tech prep education State grants (Title II)	D	102,923	102,923	0	(102,923)	-100.0%
	Subtotal, Career and technical education		1,271,694	1,271,694	1,007,860	(263,834)	-20.7%
2. Adult education:							
	(a) Adult basic and literacy education State grants (AEFLA and WIA section 503)	D	628,221	628,221	635,000	6,779	1.1%
	(b) National leadership activities (AEFLA section 243)	D	11,346	11,346	23,346	12,000	105.8%
	Subtotal, Adult education		639,567	639,567	658,346	18,779	2.9%
	3. State grants for workplace and community transition training for incarcerated individuals (HE Amendments of 1998, VIII-D)	D	17,186	17,186	17,186	0	0.0%
	Total, Appropriation	D	1,928,447	1,928,447	1,683,392	(245,055)	-12.7%
	Total, Budget authority	D	1,928,447	1,928,447	1,683,392	(245,055)	-12.7%
	Current ¹		1,137,447	1,137,447	892,392	(245,055)	-21.5%
	Prior year's advance		791,000	791,000	791,000	0	0.0%
	TOTAL APPROPRIATION, OVAE		1,928,447	1,928,447	1,683,392	(245,055)	-12.7%
	TOTAL BUDGET AUTHORITY, OVAE		1,928,447	1,928,447	1,683,392	(245,055)	-12.7%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

¹ Excludes advance appropriations of \$791,000 thousand in fiscal years 2010, under the 2011 CR, and at the 2012 President's Budget level that become available on October 1 of the following fiscal year.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)		Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
Office, Account, Program and Activity						Amount	Percent
FEDERAL STUDENT AID (FSA)							
Student Financial Assistance							
1. Federal Pell grants (HEA IV-A-1):							
(a) Discretionary Pell grants	D	17,495,000	23,162,000	28,600,059	5,438,059	23.5%	
(b) Mandatory Pell grants	M	5,299,816	5,218,184	4,895,000	(323,184)	-6.2%	
(c) SAFRA funding	M	0	13,500,000	0	(13,500,000)	-100.0%	
(d) Additional funding from proposed savings in student loans programs ¹	M	0	0	7,661,000	7,661,000	---	
Subtotal		22,794,816	41,880,184	41,156,059	(724,125)	-1.7%	
Discretionary	D	17,495,000	23,162,000	28,600,059	5,438,059	23.5%	
Mandatory	M	5,299,816	18,718,184	12,556,000	(6,162,184)	-32.9%	
Federal Pell Grants Information							
Discretionary appropriation	D	17,495,000	23,162,000	28,600,059	5,438,059	23.5%	
Prior year surplus/(shortfall)	D	3,376,941	(10,723,059)	(5,035,059)	5,688,000	-53.0%	
Mandatory appropriation	M	5,299,816	5,218,184	4,895,000	(323,184)	-6.2%	
Prior year surplus/(shortfall)	M	(708,000)	(372,184)	0	372,184	-100.0%	
Mandatory funding to reduce discretionary need*	M	0	13,500,000	7,661,000	(5,839,000)	-43.3%	
Total resources		25,463,757	30,784,941	36,121,000	5,336,059	17.3%	
Current law discretionary program costs	D	31,595,000	34,391,000	35,426,000	1,035,000	3.0%	
Policy change, 2012 President's Budget	D	0	(3,417,000)	(4,200,000)	(783,000)	22.9%	
Total, discretionary program costs		31,595,000	30,974,000	31,226,000	252,000	0.8%	
Current law mandatory program costs	M	4,964,000	5,375,000	5,471,000	96,000	1.8%	
Policy change, 2012 President's Budget	M	0	(529,000)	(576,000)	(47,000)	8.9%	
Total, mandatory program costs		4,964,000	4,846,000	4,895,000	49,000	1.0%	
Total, program costs		36,559,000	35,820,000	36,121,000	301,000	0.8%	
Current Year Surplus/(Shortfall)	D	(10,723,059)	(5,035,059)	0	5,035,059	0.0%	
Current Year Surplus/(Shortfall)	M	(372,184)	0	0	0	---	
Total, surplus/(shortfall)		(11,095,243)	(5,035,059)	0	5,035,059	-100.0%	
Maximum award (in whole dollars)							
Base Award		4,860	4,860	4,860	0	0.0%	
Mandatory add-on		690	690	690	0	0.0%	
Total maximum award		5,550	5,550	5,550	0	0.0%	
Recipients (in thousands)		8,873	9,413	9,614	201	2.1%	
* SAFRA provided \$13,500,000 thousand of mandatory funds for FY 2011 to reduce discretionary needs. The President's 2012 Budget also includes a mandatory appropriation of \$7,661,000 thousand in FY 2012.							

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

¹ The President's 2012 Budget proposes the appropriation of mandatory savings from Student Loan programs into the Pell Grant program.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
Student Financial Assistance (continued)						
2. Campus-based programs:						
(a) Federal supplemental educational opportunity grants (HEA IV-A-3)	D	757,465	757,465	757,465	0	0.0%
(b) Federal work-study (HEA IV-C)	D	980,492	980,492	980,492	0	0.0%
(c) Federal Perkins loan cancellations (HEA IV-E)	D	0	0	0	0	---
Subtotal, Campus-based programs		1,737,957	1,737,957	1,737,957	0	0.0%
3. Leveraging educational assistance partnerships (HEA IV-A-4)	D	63,852	63,852	0	(63,852)	-100.0%
4. Iraq and Afghanistan service grants (HEA IV-A-10)	M	15	182	211	29	15.9%
5. College completion incentive grants (proposed legislation)	M	0	0	50,000	50,000	---
Total		24,596,640	43,682,175	42,944,227	(737,948)	-1.7%
Discretionary	D	19,296,809	24,963,809	30,338,016	5,374,207	21.5%
Mandatory	M	5,299,831	18,718,366	12,606,211	(6,112,155)	-32.7%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)		Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
Office, Account, Program and Activity						Amount	Percent
Academic Competitiveness (HEA IV, subpart 1, section 401A)							
1. Academic competitiveness and SMART grants		M	1,010,000	0	0	0	---
2. FY 2010 amount deferred from FY 2009		M	887,000	0	0	0	---
3. FY 2010 deferral to FY 2011		M	(561,000)	0	0	0	---
4. FY 2011 amount deferred from FY 2010		M	0	561,000	0	(561,000)	-100.0%
5. FY 2011 amount permanently reduced (non-add)		D	0	561,000	0	(561,000)	-100.0%
Total			1,336,000	561,000	0	(561,000)	-100.0%
Discretionary		D	0	0	0	0	---
Mandatory		M	1,336,000	561,000	0	(561,000)	-100.0%
Recipients (in thousands)			936	0	0	0	---
Teacher Education Assistance							
1. Presidential teaching fellows (proposed legislation)		M	0	0	185,000	185,000	---
2. TEACH Grants ((HEA IV-A, subpart 9):							
(a) New loan subsidy		M	14,710	21,680	14,149	(7,531)	-34.7%
(b) Upward reestimate of existing loans		M	12,128	498	0	(498)	-100.0%
(c) Downward reestimate of existing loans (non-add)		M	(153)	(5,971)	0	5,971	-100.0%
(d) Net reestimate of existing loans (non-add)		M	11,975	(5,473)	0	5,473	-100.0%
Subtotal			26,838	22,178	199,149	176,971	798.0%
Total		M	26,838	22,178	199,149	176,971	798.0%
Awards			108,712	131,360	67,798	(63,562)	-48.4%
Average award (in whole dollars)			\$3,000	\$3,000	\$2,700	(300)	-10.0%
Recipients (in thousands)			37	44	25	(19)	-43.2%
Federal Direct Student Loans Program Account (HEA IV-D)¹							
1. New loan subsidies (HEA IV-D)		M	0	0	0	0	---
2. New net loan subsidy (non-add)		M	(8,632,537)	(21,094,226)	(27,222,693)	(6,128,467)	29.1%
3. Upward reestimate of existing loans		M	3,481,859	2,781,709	0	(2,781,709)	-100.0%
4. Downward reestimate of existing loans (non-add)		M	(6,065,089)	(8,471,000)	0	8,471,000	-100.0%
5. Net reestimate of existing loans (non-add)		M	(2,583,230)	(5,689,291)	0	5,689,291	-100.0%
Subtotal, Federal Direct Student Loans Program Account			3,481,859	2,781,709	0	(2,781,709)	-100.0%
Subtotal, new net loan subsidies and net reestimate/modification (non-add)			(11,215,767)	(26,783,518)	(27,222,693)	(439,175)	1.6%
Total		M	3,481,859	2,781,709	0	(2,781,709)	-100.0%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

Details may not sum to totals due to rounding.

¹ Negative amounts are deposited in designated receipts accounts and are shown in General Fund Receipts.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
Federal Family Education Loans Program Account (HEA IV-B)^{1,2}						
1. New loan subsidies (HEA IV-B)	M	0	0	0	0	---
2. New net loan subsidies (non-add)	M	(1,701,415)	0	(1,700,406)	(1,700,406)	---
3. Upward reestimate of existing loans	M	4,274,364	177,001	0	(177,001)	-100.0%
4. Downward reestimate of existing loans (non-add)	M	(11,676,997)	(24,669,934)	0	24,669,934	-100.0%
5. Net reestimate of existing loans (non-add)	M	(7,402,633)	(24,492,933)	0	24,492,933	-100.0%
6. Upward modification of existing loans	M	0	0	283,031	283,031	---
7. Downward modification of existing loans (non-add)	M	0	0	(692,053)	(692,053)	---
8. Net modification of existing loans (non-add)	M	0	0	(409,022)	(409,022)	---
Total, FFEL Program Account	M	4,274,364	177,001	283,031	106,030	59.9%
Total, new net loan subsidies and net reestimate/modification (non-add)		(9,104,048)	(24,492,933)	(2,109,428)	22,383,505	-91.4%
Federal Family Education Loans Liquidating Account (HEA IV-B)²						
1. Pre-1992 student loans	M	(261,950)	(221,028)	(147,659)	73,369	-33.2%
Federal Perkins Loan Program^{2, 3}						
1. New loan subsidies (proposed legislation)	M	0	0	0	0	---
2. New net loan subsidies (non-add)	M	0	0	(1,240,798)	(1,240,798)	---
Total, Federal Perkins loan program amount		0	0	0	0	---
Health Education Assistance Loans Liquidating Account	M	0	0	0	0	---
TOTAL APPROPRIATION, FSA		33,453,751	47,003,035	43,278,748	(3,724,287)	-7.9%
Discretionary	D	19,296,809	24,963,809	30,338,016	5,374,207	21.5%
Mandatory	M	14,156,942	22,039,226	12,940,732	(9,098,494)	-41.3%
TOTAL BUDGET AUTHORITY, FSA		33,453,751	47,003,035	43,278,748	(3,724,287)	-7.9%
Discretionary	D	19,296,809	24,963,809	30,338,016	5,374,207	21.5%
Mandatory	M	14,156,942	22,039,226	12,940,732	(9,098,494)	-41.3%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

¹ Includes programs authorized under the Ensuring Continued Access to Student Loans Act of 2008.

² Negative amounts are deposited in designated receipts accounts and are shown in General Fund Receipts.

³ The FY 2012 Budget proposes to restructure Federal Perkins Loans as a mandatory credit program; funds supporting this programs under current law are shown in fiscal years 2010 and CR 2011 in the Student Financial Assistance account.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)		Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
Office, Account, Program and Activity						Amount	Percent
OFFICE OF POSTSECONDARY EDUCATION (OPE)							
Higher Education							
1. Aid for institutional development:							
(a) Strengthening institutions (HEA III-A, section 311)		D	84,000	84,000	84,000	0	0.0%
(b) Strengthening tribally controlled colleges and universities (HEA III-A, section 316)		D	30,169	30,169	30,169	0	0.0%
(c) Mandatory strengthening tribally controlled colleges and universities (HEA III-F, section 371)		M	30,000	30,000	30,000	0	0.0%
Subtotal			60,169	60,169	60,169	0	0.0%
(d) Strengthening Alaska Native and Native Hawaiian-serving institutions (HEA III-A, section 317)		D	15,084	15,084	15,084	0	0.0%
(e) Mandatory strengthening Alaska Native and Native Hawaiian-serving institutions (HEA III-F, section 371)		M	15,000	15,000	15,000	0	0.0%
Subtotal			30,084	30,084	30,084	0	0.0%
(f) Strengthening HBCUs (HEA III-B, section 323)		D	266,586	266,586	266,586	0	0.0%
(g) Mandatory strengthening HBCUs (HEA III-F, section 371)		M	85,000	85,000	85,000	0	0.0%
Subtotal			351,586	351,586	351,586	0	0.0%
(h) Strengthening historically Black graduate institutions (HEA III-B, section 326)		D	61,425	61,425	61,425	0	0.0%
(i) Masters degree programs at HBCUs and predominantly Black institutions (HEA VIII-AA, section 897)		M	11,500	11,500	11,500	0	0.0%
(j) Strengthening predominantly Black institutions (HEA III-A, section 318)		D	10,801	10,801	10,801	0	0.0%
(k) Mandatory strengthening predominantly Black institutions (HEA III-F, section 371)		M	15,000	15,000	15,000	0	0.0%
(l) Strengthening Asian American and Native American Pacific Islander-serving institutions (HEA III-A, section 320)		D	3,600	3,600	3,600	0	0.0%
(m) Mandatory strengthening Asian American and Native American Pacific Islander-serving institutions (HEA III-F, section 371)		M	5,000	5,000	5,000	0	0.0%
Subtotal			8,600	8,600	8,600	0	0.0%
(n) Strengthening Native American-serving nontribal institutions (HEA III-A, section 319)		D	3,600	3,600	3,600	0	0.0%
(o) Mandatory strengthening Native American-serving nontribal institutions (HEA III-F, section 371)		M	5,000	5,000	5,000	0	0.0%
Subtotal			8,600	8,600	8,600	0	0.0%
(p) Minority science and engineering improvement (HEA III-E-1)		D	9,503	9,503	9,503	0	0.0%
Subtotal, Aid for institutional development			651,268	651,268	651,268	0	0.0%
Discretionary		D	484,768	484,768	484,768	0	0.0%
Mandatory		M	166,500	166,500	166,500	0	0.0%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)					2012 President's Budget Compared to 2011 CR	
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	Amount	Percent
Higher Education (continued)						
2. Aid for Hispanic-serving institutions:						
(a) Developing Hispanic-serving institutions (HEA V-A)	D	117,429	117,429	117,429	0	0.0%
(b) Mandatory developing HSI STEM and articulation programs (HEA III-F, section 371(b)(2)(B))	M	100,000	100,000	100,000	0	0.0%
(c) Promoting postbaccalaureate opportunities for Hispanic Americans (HEA V-B, section 512)	D	10,500	10,500	10,500	0	0.0%
(d) Mandatory promoting postbaccalaureate opportunities for Hispanic Americans (HEA VIII-AA, section 898)	M	11,500	11,500	11,500	0	0.0%
Subtotal		239,429	239,429	239,429	0	0.0%
Discretionary	D	127,929	127,929	127,929	0	0.0%
Mandatory	M	111,500	111,500	111,500	0	0.0%
3. Other aid for institutions:						
(a) International education and foreign language studies:						
(1) Domestic programs (HEA VI-A and B)	D	108,360	108,360	108,360	0	0.0%
(2) Overseas programs (MECEA section 102(b)(6))	D	15,576	15,576	15,576	0	0.0%
(3) Institute for International Public Policy (HEA VI-C)	D	1,945	1,945	1,945	0	0.0%
Subtotal		125,881	125,881	125,881	0	0.0%
(b) Fund for the improvement of postsecondary education:						
(1) Fund for the improvement of postsecondary education (HEA VII-B)	D	140,153	140,153	150,000	9,847	7.0%
(2) Centers for excellence for veteran student success (HEA VIII-T)	D	6,000	6,000	0	(6,000)	-100.0%
(3) Erma Byrd scholarships (Department of Education Appropriation Act, section 515)	D	1,500	1,500	0	(1,500)	-100.0%
(4) College textbook rental pilot initiative (HEOA section 803)	D	10,000	10,000	0	(10,000)	-100.0%
(5) Training for realtime writers (HEA VIII-S)	D	1,000	1,000	0	(1,000)	-100.0%
(6) Off-campus community service program (HEA Title IV-C)	D	750	750	0	(750)	-100.0%
Subtotal		159,403	159,403	150,000	(9,403)	-5.9%
(c) Demonstration projects to support postsecondary faculty, staff, and administrators in educating students with disabilities (HEA VII-D-1)	D	6,755	6,755	0	(6,755)	-100.0%
(d) Model transition programs for students with intellectual disabilities into higher education (HEA VII-D-2)	D	11,000	11,000	0	(11,000)	-100.0%
(e) Tribally controlled postsecondary career and technical institutions (CTEA section 117)	D	8,162	8,162	8,162	0	0.0%
(f) Special programs for migrant students (HEA IV-A-5)	D	36,668	36,668	36,668	0	0.0%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
Higher Education (continued)						
4. Assistance for students:						
(a) Federal TRIO programs (HEA IV-A-2, Chapter 1)	D	853,089	853,089	920,089	67,000	7.9%
(b) Mandatory funds for Upward Bound (HEA 402C(g))	M	57,000	57,000	0	(57,000)	-100.0%
Subtotal		910,089	910,089	920,089	10,000	1.1%
(c) Gaining early awareness and readiness for undergraduate programs (GEAR UP) (HEA IV-A-2, Chapter 2)	D	323,212	323,212	323,212	0	0.0%
(d) Scholarships and fellowships:						
(1) Javits fellowships (HEA VII-A-1)	D	9,687	9,687	0	(9,687)	-100.0%
(2) Graduate assistance in areas of national need (HEA VII-A-2)	D	31,030	31,030	40,717	9,687	31.2%
(3) Thurgood Marshall legal educational opportunity program (HEA VII-A-3)	D	3,000	3,000	3,000	0	0.0%
(4) Byrd honors scholarships (HEA IV-A-6)	D	42,000	42,000	0	(42,000)	-100.0%
(5) B.J. Stupak Olympic scholarships (HE Amendments of 1992, section 1543)	D	977	977	0	(977)	-100.0%
(e) Child care access means parents in school (HEA IV-A-7)	D	16,034	16,034	16,034	0	0.0%
5. GPRA data/HEA program evaluation (Department of Education Appropriations Act)	D	609	609	609	0	0.0%
6. Underground railroad program (HE Amendments of 1998, VIII-H)	D	1,945	1,945	0	(1,945)	-100.0%
7. Loan repayment for civil legal assistance attorneys (HEA-IV-B, section 428L)	D	5,000	5,000	0	(5,000)	-100.0%
8. College access challenge grants program (HEA VII-E)	M	150,000	150,000	150,000	0	0.0%
9. Hawkins Centers of Excellence (HEA II-B-2)	D	0	0	40,000	40,000	---
Total		2,732,149	2,732,149	2,705,069	(27,080)	-1.0%
Discretionary	D	2,247,149	2,247,149	2,277,069	29,920	1.3%
Mandatory	M	485,000	485,000	428,000	(57,000)	-11.8%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)		Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
Office, Account, Program and Activity						Amount	Percent
Howard University							
1. General support (20 U.S.C. 121 et seq.)		D	206,031	206,031	206,031	0	0.0%
2. Howard University Hospital (20 U.S.C. 128)		D	28,946	28,946	28,946	0	0.0%
Total		D	234,977	234,977	234,977	0	0.0%
College Housing and Academic Facilities Loans Program Account (HEA section 121)							
1. Federal administration (FCRA section 505(e))		D	461	461	478	17	3.7%
2. Reestimate of existing loan subsidies		M	318	1,286	0	(1,286)	-100.0%
Total			779	1,747	478	(1,269)	-72.6%
Discretionary		D	461	461	478	17	3.7%
Mandatory		M	318	1,286	0	(1,286)	-100.0%
College Housing and Academic Facilities Loans Liquidating Account (HEA section 121)		M	(8,230)	(1,861)	(2,199)	(338)	18.2%
Historically Black College and University Capital Financing Program Account (HEA III-D)							
1. Federal administration (FCRA section 505(e))		D	354	354	354	0	0.0%
2. New loan subsidies		D	20,228	20,228	20,228	0	0.0%
3. Reestimate of existing loan subsidies		M	2,748	94,601	0	(94,601)	-100.0%
Total			23,330	115,183	20,582	(94,601)	-82.1%
Discretionary		D	20,582	20,582	20,582	0	0.0%
Mandatory		M	2,748	94,601	0	(94,601)	-100.0%
Higher Education Facilities Loans Liquidating Account (HEA section 121)		M	(909)	(1,098)	(574)	524	-47.7%
College Housing Loans Liquidating Account (HEA section 121)		M	(16,725)	(15,604)	(14,818)	786	-5.0%
TOTAL, OPE			2,965,371	3,065,493	2,943,515	(121,978)	-4.0%
Discretionary		D	2,503,169	2,503,169	2,533,106	29,937	1.2%
Mandatory		M	462,202	562,324	410,409	(151,915)	-27.0%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
INSTITUTE OF EDUCATION SCIENCES (IES)						
<i>Institute of Education Sciences</i>						
1. Research and statistics:						
(a) Research, development, and dissemination (ESRA I-A, B and D)	D	200,196	200,196	260,413	60,217	30.1%
(b) Statistics (ESRA I-C)	D	108,521	108,521	117,021	8,500	7.8%
2. Regional educational laboratories (ESRA section 174)	D	70,650	70,650	69,650	(1,000)	-1.4%
3. Assessment (NAEPAA):						
(a) National assessment (section 303)	D	130,121	130,121	135,121	5,000	3.8%
(b) National Assessment Governing Board (section 302)	D	8,723	8,723	8,723	0	0.0%
Subtotal		138,844	138,844	143,844	5,000	3.6%
4. Research in special education (ESRA I-E)	D	71,085	71,085	58,085	(13,000)	-18.3%
5. Statewide data systems (ETAA section 208)	D	58,250	58,250	100,000	41,750	71.7%
6. Special education studies and evaluations (IDEA, section 664)	D	11,460	11,460	11,460	0	0.0%
Total	D	659,006	659,006	760,473	101,467	15.4%
TOTAL, IES		659,006	659,006	760,473	101,467	15.4%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
DEPARTMENTAL MANAGEMENT						
Program Administration (DEOA)						
1. Salaries and expenses	D	448,000	448,000	476,327	28,327	6.3%
2. Building modernization	D	8,200	8,200	2,711	(5,489)	-66.9%
Total	D	456,200	456,200	479,038	22,838	5.0%
Student Aid Administration (HEA I-D and IV-D, section 458)						
1. Salaries and expenses ¹	D	452,763	594,036	725,104	131,068	22.1%
2. Servicing activities	D	335,639	276,366	370,314	93,948	34.0%
3. Technical assistance to institutions of higher education	M	50,000	0	0	0	---
4. Additional payments to loan servicers for job retention	M	25,000	25,000	0	(25,000)	-100.0%
5. Not-for-profit servicers	M	48,553	183,872	246,826	62,954	34.2%
Total		911,955	1,079,274	1,342,244	262,970	24.4%
Discretionary	D	788,402	870,402	1,095,418	225,016	25.9%
Mandatory	M	123,553	208,872	246,826	37,954	18.2%
Office for Civil Rights (DEOA, section 203)						
1. Salaries and expenses	D	103,024	103,024	107,772	4,748	4.6%
Office of the Inspector General (DEOA, section 212)						
1. Salaries and expenses	D	60,053	60,053	67,187	7,134	11.9%
TOTAL, DEPARTMENTAL MANAGEMENT		1,531,232	1,698,551	1,996,241	297,690	17.5%
Discretionary	D	1,407,679	1,489,679	1,749,415	259,736	17.4%
Mandatory	M	123,553	208,872	246,826	37,954	18.2%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).

¹ Does not reflect a transfer in FY 2010 of \$18,000 thousand from FY 2009 Federal Work-Study under the authority provided by Sec. 304 of P.L. 111-8. Reflects a rescission in FY 2010 of \$82,000 thousand under P.L. 111-226.

DEPARTMENT OF EDUCATION FISCAL YEAR 2012 PRESIDENT'S BUDGET

(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2010 Appropriation	2011 CR Annualized	2012 President's Budget	2012 President's Budget Compared to 2011 CR	
					Amount	Percent
Contributions (DEOA, section 421)	M	296	870	0	(870)	-100.0%
General Fund Receipts						
1. Perkins loan repayments	M	(28,000)	(28,000)	(28,000)	0	0.0%
2. Perkins Institutional fund recall (mandatory)	M	0	0	(384,000)	(384,000)	---
3. CHAFL downward reestimates of loan subsidies	M	0	0	0	0	---
4. FDSL downward reestimate of loan subsidies	M	(6,065,089)	(8,471,000)	0	8,471,000	-100.0%
5. FFEL downward reestimate of loan subsidies	M	(11,676,997)	(24,669,934)	0	24,669,934	-100.0%
6. FDSL downward modification/negative loan subsidies	M	(6,309,874)	(16,397,856)	(22,710,562)	(6,312,706)	38.5%
7. FFEL downward modification/negative loan subsidies	M	(4,712,304)	0	(2,392,459)	(2,392,459)	---
8. Perkins loan negative loan subsidies	M	0	0	(577,620)	(577,620)	---
9. TEACH downward reestimate of loan subsidies	M	(153)	(5,971)	0	5,971	-100.0%
10. TEACH downward modification/negative loan subsidies	M	(972)	0	0	0	---
11. CHAFL downward reestimate of loan subsidies	M	(92,374)	(23,446)	0	23,446	-100.0%
12. Proprietary receipts	M	0	0	0	0	---
13. General receipts, not otherwise specified	M	(143,000)	(61,000)	(36,038)	24,962	-40.9%
Total		(29,028,763)	(49,657,207)	(26,128,679)	23,528,528	-47.4%
Other Mandatory Accounts	M	10,074	9,219	0	(9,219)	-100.0%
APPROPRIATION TOTAL		45,448,856	23,030,556	39,431,332	16,400,776	71.2%
Discretionary funds (excluding Pell Grants)	D	46,639,856	46,782,556	48,800,332	2,017,776	4.3%
Mandatory funds	M	(1,191,000)	(23,752,000)	(9,369,000)	14,383,000	-60.6%
APPROPRIATION TOTAL		62,943,856	46,192,556	68,031,391	21,838,835	47.3%
Discretionary funds (including Pell Grants)	D	64,134,856	69,944,556	77,400,391	7,455,835	10.7%
Mandatory funds	M	(1,191,000)	(23,752,000)	(9,369,000)	14,383,000	-60.6%
BUDGET AUTHORITY TOTAL		62,943,856	46,192,556	68,031,391	21,838,835	47.3%
Discretionary funds	D	64,134,856	69,944,556	77,400,391	7,455,835	10.7%
Mandatory funds	M	(1,191,000)	(23,752,000)	(9,369,000)	14,383,000	-60.6%

NOTE: The FY 2011 level for appropriated funds is an annualized amount provided under the fourth Continuing Resolution (P.L. 111-322).