



# NEW AMERICA FOUNDATION FEDERAL EDUCATION BUDGET PROJECT

## The Bush Education Budget Legacy

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### EXECUTIVE SUMMARY

Next week, President George W. Bush will submit his eighth and final budget request to the Congress. How has he fared with respect to education budget proposals thus far? Answer: although President Bush made the No Child Left Behind Act, which deals with elementary and secondary education, the hallmark of his education policy, from a federal education budget standpoint, the Bush administration's most lasting legacy thus far is in higher education. The New America Foundation's Federal Education Budget Project evaluated all the Bush administration's past budget requests and finds that the Bush administration has had relatively little success in enacting its elementary and secondary education budget proposals, but has seen enacted nearly all of its higher education budget proposals, including a major increase in Pell Grant program funding.

#### Key Findings:

- For higher education policy, President Bush successfully used the budget and appropriations process to advance significant reforms. Congress enacted virtually all of the President's higher education budget proposals, including recently shifting more than \$20 billion in taxpayer subsidies from federal student loan providers to increased student financial aid, particularly in the form of larger Pell Grants.
- Funding for key federal elementary and secondary education programs increased significantly during President Bush's tenure in office. In nominal terms, No Child Left Behind Act Title I grant funding is \$5.1 billion higher (59 percent) in 2008 than in 2001. Funding for state special education grants under the Individuals with Disabilities Education Act is \$4.6 billion (73 percent) higher than in 2001.
- However, with the exception of budget proposals directly linked to the No Child Left Behind Act, President Bush's efforts to drive elementary and secondary education policy changes through the budget and appropriations process, such as his school voucher and high school reform proposals, have been largely unsuccessful. Further, Congress has ignored nearly all of the President's proposals to eliminate funding for many small, categorical elementary and secondary education programs.

On February 4, 2008, President George W. Bush will submit his eighth and final budget request to Congress. When he first took office, President Bush promised that bipartisan education reform, particularly with respect to K-12 education, would be the cornerstone of his administration. He has used his annual budget requests to propose major changes in both federal education funding levels and other education policies. How have these proposals fared?

The New America Foundation's Federal Education Budget Project examined the Bush administration's education budget requests from 2002 through 2008 and found that President Bush's record in shaping education policy and funding through the annual budget and appropriations processes has been decidedly mixed.

President Bush has been highly successful in advancing higher education reforms through his budget requests. Congress adopted nearly all of the significant higher education funding and policy proposals included in the President’s budget requests from 2002 through 2008.\* Key higher education reforms include: a substantial increase in Pell Grants provided through entitlement-like funding; reductions in subsidies paid to federal student loan providers; and a large increase in loan forgiveness to encourage qualified college graduates to become math, science, and special education teachers.

President Bush made K-12 education reform the centerpiece of his domestic policy agenda, and his administration has advanced significant changes in K-12 education policy through the reauthorization of federal education legislation—in particular the Elementary and Secondary Education Act, as reauthorized by the No Child Left Behind Act of 2001 (NCLB), and the Individuals with Disabilities Education Act (IDEA). However, President Bush has had much less success advancing K-12 education reforms through the federal budget and appropriations process. Specifically, while the administration’s annual budget requests repeatedly proposed new K-12 voucher and high school reform programs, few of these proposals have been enacted.

The administration did succeed in funding several revamped or new programs through the budget and appropriations process, including Reading First and the Teacher Incentive Fund. The administration also secured funding for the Title I School Improvement Grants program, and it succeeded in increasing funding for K-12 education programs that reflect its priorities, including NCLB’s Title I program and the IDEA special education program. Congress not only approved but exceeded the funding increases the President proposed for these programs in the aggregate. Congress also increased funding for smaller programs highlighted in several of the President’s budget requests, such as the Advanced Placement and Math and Science Partnership programs, though often at a lower level than proposed.

Congress adopted some of the administration’s tax benefit proposals for education, but it did not adopt most others, such as a tax credit for families with children who transfer from low-performing K-12 public schools to private schools. Finally, the administration failed to convince Congress to act on most of its budget recommendations to eliminate over 60 separate education programs, although Congress did agree to eliminate or consolidate 11 programs and to reduce funding for a small number of other programs.

## HIGHER EDUCATION

Nearly all of the higher education proposals put forth in President Bush’s budget requests from 2002 through 2008 have been enacted into law.

Proposal	Accomplished	Partially Accomplished	Not Accomplished
Student Loan Subsidy Cuts	√		
Increased Loan Forgiveness for Math, Science, and Special Education Teachers	√		
Higher Pell Grants for Academic Achievement, Math and Science	√		
Mandatory Pell Grant Funding	√		
Increase Student Loan Borrowing Limits		√	

\* All years refer to fiscal years. All funding figures are in nominal terms and are not adjusted for inflation, unless otherwise noted. All funding numbers are from the administration’s budget requests and the Department of Education.

### **Reductions in Subsidies to Private Lenders**

President Bush proposed reductions in federal subsidies paid to private lenders making Stafford student loans in his budget requests for 2005, 2006, and 2008. Among other things, the administration requested that Congress eliminate an outdated policy guaranteeing student loan providers a 9.5 percent rate of return on certain college loans, require lenders to share a greater percentage of the losses when a borrower defaults, and reduce interest rate subsidies.<sup>1</sup> Congress adopted nearly all of the proposed subsidy reductions in the Deficit Reduction Act of 2005 and the College Access and Cost Reduction Act of 2007.<sup>2</sup>

### **Increased Loan Forgiveness for Math, Science, and Special Education Teachers**

The President's budget requests for 2002 through 2005 proposed expanding an existing program to forgive federal student loans for highly qualified secondary school math and science teachers and elementary school special education teachers who work in communities with high poverty rates. Congress adopted the proposed increase in loan forgiveness from \$5,000 to \$17,500 temporarily in 2005 and made the policy permanent in 2006.<sup>3</sup>

### **Pell Grant Increases**

In its 2006 budget request, the administration proposed increasing Pell Grant awards for students who complete a rigorous academic program in high school and for students pursuing a postsecondary degree in math or science. Under the Deficit Reduction Act of 2005, Congress established programs similar to those proposed while providing significantly more funding than the modest amounts (\$33 million and \$50 million, respectively, for the two programs) originally requested.<sup>4</sup> The Academic Competitiveness Grants (ACG) program provides scholarship aid to eligible first- and second-year college students who have completed rigorous academic high school programs (\$750 for the first year of college, \$1,350 for the second). The SMART Grants program provides up to \$4,000 a year to eligible third- and fourth-year college students pursuing math or science degrees. Congress provided \$4.5 billion for the two programs for 2006 through 2010. President Bush proposed increasing the ACG grant award amount by 50 percent in his 2008 budget request, but Congress did not adopt the proposal.

### **Mandatory Funding of Pell Grants**

The President's 2006 and 2008 budget requests included major proposals to provide mandatory funding for the Pell Grant program, which serves some 5 million students annually. The 2006 budget request proposed increasing the maximum individual Pell Grant (\$4,050) by \$100 a year for five years through supplemental, mandatory funding. (Mandatory funding is provided outside of the annual appropriations process and is the source of funding for entitlement programs such as Social Security.) The 2008 request called for an additional mandatory funding boost of \$550 to the maximum Pell Grant that year, rising to an additional \$1,350 over five years.

In 2007, Congress passed the College Cost Reduction and Access Act (CCRA), which provides the first ever mandatory funding stream for Pell Grants.<sup>5</sup> Under CCRA, the maximum individual Pell Grant will increase by \$490 above the regular appropriations level in 2008, and by \$1,090 by 2013. With the base Pell Grant for 2008 set at \$4,241, the combined maximum grant for 2008 will be \$4,731. This represents a \$981 boost in the maximum Pell Grant since President Bush first assumed office.

### **Raising Student Loan Borrowing Limits**

In his 2005 and 2006 budget requests, President Bush proposed raising the amount of Stafford loans available to undergraduates. For 2005, he proposed increasing the borrowing limits for first-year students from \$2,625 to \$3,000; for 2006, he proposed increasing the limits from \$2,625 to \$3,500 for first-year students and from \$3,500 to \$4,500 for second-year students. His 2006 budget request also included a proposed increase in the borrowing limits for graduate students from \$10,000 to \$12,000.

Congress did not enact the President’s 2005 request. Under the Deficit Reduction Act of 2005, it adopted his proposed 2006 loan limit increase for both graduates and undergraduates. Congress did not adopt the President’s 2008 budget request for a \$2,000 increase in the undergraduate loan limit of \$5,500 for second- and third-year students.

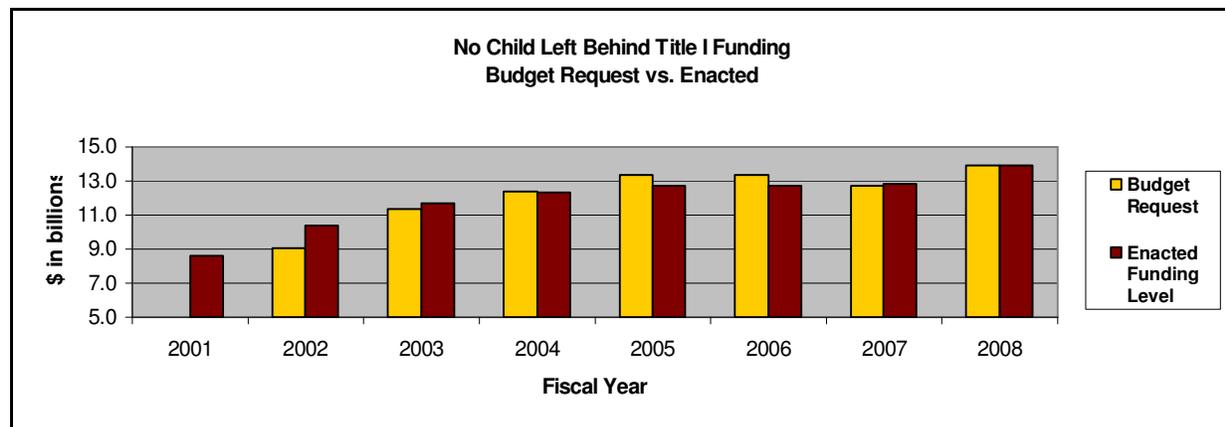
## K-12 PROGRAM FUNDING

President Bush leaves behind a legacy of significant increases in funding for NCLB’s Title I program and the Individuals with Disabilities Education Act special education program, most of which were initiated by Congress in the early years of his administration. In some years, Congress provided more funding for the two programs than President Bush requested, and in other years it provided less. Funding for other elementary and secondary education programs decreased by more than \$1 billion from 2002 to 2008.

Proposal	Accomplished	Partially Accomplished	Not Accomplished
No Child Left Behind Funding Level (NCLB)	√		
Special Education (IDEA) Funding Level	√		

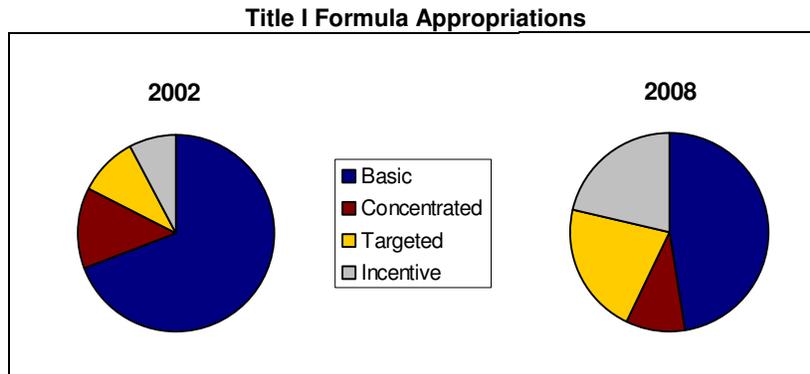
### NCLB Title I Grants Funding

The Title I program for disadvantaged students is funded at \$13.9 billion for 2008. This represents a 59 percent increase from the 2001 level of \$8.8 billion. Over half of this increase was initiated in 2002 and 2003 and linked to the passage of the No Child Left Behind Act. In those years, Congress enacted large NCLB funding increases over and above what President Bush proposed. The Title I appropriation level, however, remained roughly the same from 2004 through 2007, as President Bush either requested little change in Title I funding or requested funding increases that Congress did not enact. Title I funding rose again in 2008 when the President requested and Congress approved a significant increase. Since 2002, the program has received \$86.6 billion in the aggregate, essentially the same amount (\$86.1 billion) put forth in the President’s budget requests.



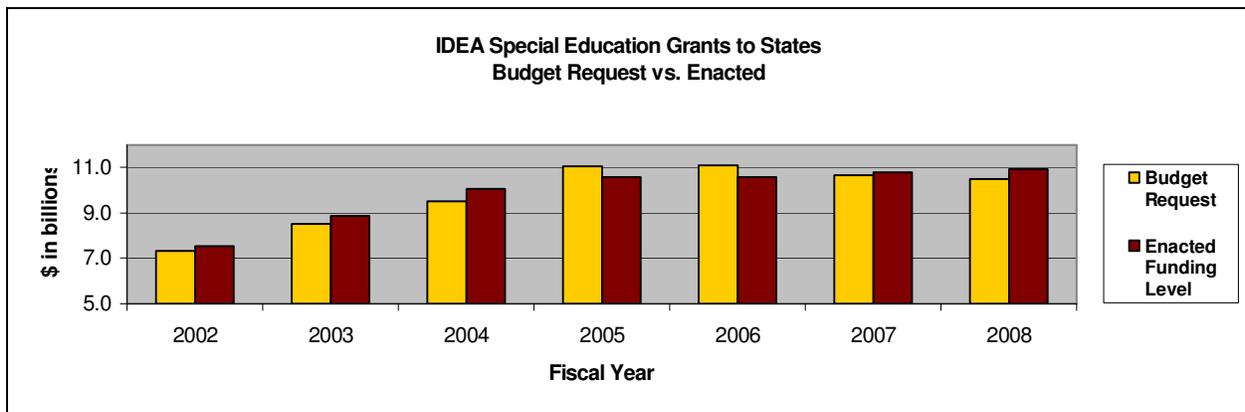
In addition to requesting more Title I funding, President Bush proposed targeting those increases to school districts with the largest concentrations of poor children. Title I funding is distributed through four formulas: the Basic Grant, Concentration Grant, Targeted Assistance Grant, and Education Finance Incentive Grant formulas. The Basic and Concentration Grant formulas provide the same amount of funding per poor child in each school district, while Targeted and Education Finance Incentive Grants provide more money per child for districts with higher poverty rates. In fact, the Education Finance

Incentive Grant is the most targeted of all the formulas, albeit by a small amount. All of the increases in Title I funding since 2002 have gone to Targeted and Incentive grants, while funding for Basic grants has actually declined, reflecting the President’s requests.



**Special Education (IDEA) Funding**

Grants to states for educating children with disabilities, IDEA’s Part B program, also increased largely in line with the Bush administration’s budget requests. The President proposed funding increases in 2002 through 2005. Congress exceeded these requests for every year except 2005. Since 2006, however, President Bush has proposed either level or reduced IDEA funding. Congress continued to fund the program at approximately the 2005 level, with slight increases in 2007 and 2008. In the aggregate, the President requested \$68.7 billion for IDEA Part B special education grants for 2002 through 2008, and Congress appropriated \$69.4 billion, or about \$600 million above the total requested.



**TEACHER PROGRAMS**

President Bush proposed several new programs aimed at improving teacher quality and preparation, only one of which—the Improving Teacher Quality State Grants Program—was fully funded. Congress approved the Teacher Incentive Fund, a key budget proposal to provide performance-based compensation for teachers, but funded it at a much lower level than the President requested. Congress has not acted on the President’s numerous proposals for an Adjunct Teacher Corps.

Proposal	Accomplished	Partially Accomplished	Not Accomplished
Improving Teacher Quality State Grants (program consolidation)	√		
Teacher Incentive Fund		√	
Adjunct Teacher Corps			√

### **State Grants for Improving Teacher Quality**

President Bush's 2002 budget request proposed folding existing programs, including the Class Size Reduction Program and the Eisenhower Professional Development Program, into a new formula grant program to develop high-quality teachers.<sup>6</sup> The request included a 17 percent increase in funding for teacher development. Congress funded the consolidated Improving Teacher Quality State Grants Program authorized under NCLB at the requested level.<sup>7</sup>

### **Teacher Incentive Fund**

The 2006 budget request proposed new federal funding for performance-based teacher and principal compensation systems in high-need schools.<sup>8</sup> President Bush requested \$500 million for a Teacher Incentive Fund—\$450 million in formula grants to states and \$50 million in competitive grants. Congress appropriated \$99 million in 2006 for competitive grants to states, school districts, and non-profits that implement compensation systems based on student achievement and classroom evaluations.<sup>9</sup> Funding was increased to \$200 million in 2007 as per the President's request, but Congress scaled it back to \$97 million in 2008.

### **Adjunct Teacher Corps**

The administration's budget requests for 2005, 2006, 2007, and 2008 proposed the creation of an Adjunct Teacher Corps (at a cost of between \$25 million and \$40 million annually) to help high schools hire non-teaching professionals with subject-matter expertise as assistant teachers. Congress has not acted on the repeated requests.

## **K-12 School Choice**

President Bush's annual budget requests have all included grant and tax proposals for school choice programs. Only one of the President's voucher initiatives put forth in a budget request—the District of Columbia School Choice Incentive Program—was enacted.

Proposal	Accomplished	Partially Accomplished	Not Accomplished
D.C. School Choice Incentive Program	√		
Charter School Per-Pupil Facilities Aid	√		
Charter Schools Homestead Fund			√
Choice Incentive Fund			√
America's Opportunity Scholarships			√
Promise Scholarships			√

### **District of Columbia Public School Choice Incentive Program**

This District of Columbia school voucher program provides scholarships to low-income students living in the District to attend private schools.<sup>10</sup> The proposal was funded under the District of Columbia School Choice Incentive Act of 2003.<sup>11</sup> The DC voucher program's \$15 million in annual funding for the program is provided through the District of Columbia Appropriations bill rather than that of the U.S. Department of Education.<sup>12</sup>

### **Charter School Per-Pupil Facilities Aid Program**

Included in the 2004 budget request, this new charter school facilities program provides matching grants to states that aid in the construction of charter school facilities.<sup>13</sup> The President initially requested \$20 million for this program, most of which was funded in 2004.<sup>14</sup> Congress has funded the program at the President's lower requested levels since 2004.

### **Charter School Construction Loan Guarantees**

In its 2002 budget request, the Bush administration asked for \$150 million to expand a Clinton-era charter schools facilities pilot program. The proposed Charter Schools Homestead Fund, now the Credit Enhancement for Charter School Facilities program, guarantees loans for the construction, leasing, and purchasing of charter school facilities.<sup>15</sup> Congress increased funding for the program from \$25 million in 2001 to \$37.3 million in 2004, and funding has remained at approximately the same level since.

### **Choice Incentive Fund**

The 2003 budget request first proposed \$50 million for a new Choice Demonstration Fund that would support research into creating new school choice options for parents.<sup>16</sup> The administration repeated the request in four subsequent budget requests. Congress rejected the Choice Demonstration Fund each time, leading the administration to give up on the proposal in 2008.

### **America's Opportunity Scholarships**

In his 2007 budget request, President Bush proposed the "America's Opportunity Scholarship" program to enable students in Title I schools undergoing restructuring to transfer to private schools, receive supplemental services such as tutoring, or attend special after-school or summer programs.<sup>17</sup> Although the program was modeled on a similar federal program in the District of Columbia, Congress did not act on the President's proposal.

### **Promise Scholarships**

In its 2008 budget request, the administration proposed \$250 million for Promise Scholarships, a new initiative that would provide students in long-term low-performing schools with approximately \$4,000 each to attend a private school, public school in another district, or purchase supplemental education services.<sup>18</sup> Congress has not acted upon the proposal.

## **EARLY EDUCATION**

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The Bush administration succeeded in getting Congress to enact its signature early education programs, Reading First and Early Reading First, but these programs suffered a setback when Congress dramatically cut their funding in 2008. The administration's proposals to alter Head Start and transfer some of its funding into a series of block grants were not enacted.

Proposal	Accomplished	Partially Accomplished	Not Accomplished
Reading First/Early Reading First		√	
Head Start Block Grant			√

### **Reading First**

In its 2002 budget request, the administration proposed replacing the \$286 million Reading Excellence Program with a new \$1 billion formula grant to states to implement the research-based Reading First program.<sup>19</sup> The proposal also included a separate \$75 million pre-kindergarten component, Early Reading First.<sup>20</sup> Congress enacted both programs in 2002 as part of NCLB at near the requested funding levels, and increased funding for both through 2007. Congress cut the 2008 appropriation for Reading First, however, by 62 percent to \$393 million because of fallout from investigations into conflicts of interest in the program. It maintained Early Reading First funding at \$116 million.<sup>21</sup>

### **Head Start**

The 2005 and 2006 budget requests for the Department of Health and Human Services sought to set aside a portion of Head Start funding to support block grants that states could combine with other federal and state programs to support early education. Congress considered, but did not adopt the proposals.<sup>22</sup>

## **OTHER K-12 PROPOSALS**

The Bush administration also sought funding for programs to improve math and science education and refocus federal high school programs on strengthening curricular rigor. While Congress partially adopted some of the math and science proposals, it has largely ignored the administration's high school reform policy requests.

Proposal	Accomplished	Partially Accomplished	Not Accomplished
Title I School Improvement Grants	√		
Striving Readers		√	
Advanced Placement		√	
Math & Science Initiatives		√	
High School Reform			√

### **Title I School Improvement Grants**

The President's 2007 budget included a request for first-time funding of the NCLB Title I School Improvement Grant program to support reform efforts in low-performing schools. (Up to this point, schools were using limited leftover Title I funds for school improvement activities.) Congress funded the program at \$125 million in 2007 and boosted funding substantially to \$491 million in 2008.

### **Striving Readers Program**

The administration proposed funding for a Striving Readers Program in 2005 to support research-based literacy programs at the middle school and high school levels.<sup>23</sup> Congress initially funded the program at \$25 million and increased funding to \$30 million in 2006, \$32 million in 2007, and \$35 million in 2008—substantially less than the administration's requested \$100 million annual appropriation.

### **Advanced Placement Program**

In each of his budget requests from 2005 to 2008, the President proposed increased funding for the Advance Placement (AP) Program that helps to train teachers and expand opportunities for students to take AP and International Baccalaureate courses. Congress increased AP funding from \$23.5 million in 2004 to \$43.5 million in 2008—considerably less than the \$122 million proposed in the administration’s two most recent budget requests.

### **Math and Science Initiatives**

The administration’s budget requests have regularly proposed greater funding for K-12 math and science “competitiveness” programs. NCLB created a new Math and Science Partnership teacher training program, for which the administration has requested significant funding increases, and which Congress has partially met. However, Congress has not enacted the administration’s proposal to consolidate the two separate Math and Science Partnership programs – one at the Department of Education, the other at the National Science Foundation – into a single program run by the Department of Education.<sup>24</sup> Few of the administration’s other math and science proposals have been funded. The America COMPETES Act of 2007 included some new math and science programs that the administration first proposed in its 2007 budget request, such as the Math Now Program, but in 2008 Congress funded only one of these initiatives, the Teachers for a Competitive Tomorrow program, at \$2 million.<sup>25</sup>

### **Vocational Education and High School Reform**

The 2004 and 2005 budget requests proposed replacing federally-funded vocational education programs with secondary and technical education grants to states to increase academic rigor and student achievement in high school vocational education programs. The 2006 and 2007 budget requests proposed eliminating federal vocational education programs altogether, along with the GEAR UP and TRIO college access programs, and putting in their place a new High School Reform Initiative that would impose new accountability requirements on high schools. None of the reform proposals were adopted or seriously considered by Congress, and the 2008 budget request instead proposed increased Title I funding to enable high schools to receive a more equitable share of Title I funds.

## **EDUCATION TAX BENEFITS**

The President has proposed new tax benefits for college tuition expenses, K-12 teachers’ out-of-pocket expenses, and K-12 private school tuition. Congress adopted two of the administration’s proposals, but did not act on the others.

<b>Proposal</b>	<b>Accomplished</b>	<b>Partially Accomplished</b>	<b>Not Accomplished</b>
529 College Savings Exemption	√		
Classroom Income Tax Deduction		√	
Simplify Higher Education Tax Benefits			√
Refundable Tax Credit for K-12 Tuition			√

### **529 College Savings Plans Exemption**

The President’s budget request for 2002 proposed making all distributions used for higher education from 529 College Savings Plans exempt from federal taxation.<sup>26</sup> Congress adopted the proposal in 2001 and made it permanent in 2006.<sup>27</sup>

### **Teacher Classroom Expense Deduction**

The 2002 budget request proposed a \$400 federal income tax deduction for out-of-pocket classroom expenses for elementary and secondary school teachers.<sup>28</sup> Congress approved a \$250 deduction for 2002, extended in subsequent legislation through 2007.<sup>29</sup>

### **Simplification of Higher Education Tax Benefits**

The administration's 2005 budget request proposed simplifying the three main higher education tax benefits: the HOPE scholarship credit, the Lifetime Learning credit, and the deduction for higher education tuition expenses.<sup>30</sup> Each have different eligibility qualifications and provide different levels of benefits, creating a complex and confusing system of credits and deductions. Congress has not acted on this request.

### **Refundable Tax Credit for K-12 Tuition**

The President's budget requests for 2003 and 2004 included a proposed \$2,500 refundable tax credit to offset private K-12 school tuition for students who had attended a failing school.<sup>31</sup> Congress did not approve this proposal, and the administration dropped it in subsequent years.

## **PROGRAM ELIMINATIONS**

President Bush proposed eliminating approximately 40 education programs in his 2004 budget request, and has made similar proposals in subsequent years. Altogether, he has proposed the elimination of 66 individual programs, recommending that funds from ineffective programs be used to support larger programs such as NCLB Title I grants. Congress has taken little action to implement the President's recommendations.

<b>Selected Programs Proposed for Elimination</b>		
<b>Accomplished*</b>	<b>Partially Accomplished**</b>	<b>Not Accomplished***</b>
Perkins Loans Capital Contributions	Educational Technology State Grants	TRIO Programs
Preparing Tomorrow's Teachers to use Technology	Comprehensive School Reform	Supplemental Educational Opportunity Grants
State Grants for Community Service for Expelled or Suspended Students	Even Start	GEAR UP
	Safe and Drug-Free Schools and Communities State Grants	Tech-Prep State Grants
	Smaller Learning Communities	Perkins Loans Cancellations
		Leveraging Educational Assistance Partnerships
<small>*Eliminated  **Significant funding cut from 2002 to 2008  ***Still funded, 2008</small>		

As of the beginning of 2008, Congress has eliminated 11 education programs at the recommendation of President Bush. However, several were folded into other programs, and only seven were actually removed from the U.S. Department of Education. The budgets for the eliminated programs in the last year in which they were funded totaled \$266 million.<sup>32</sup>

Some of the programs the President proposed eliminating still receive funding, but at markedly reduced levels. The Even Start Program, for example, received \$250 million in 2002 through 2004, but only \$82 million in 2007 and \$66 million in 2008.

Congress reduced funding for several grant programs aimed at improving educational opportunities for the disadvantaged, as similar reforms now are often implemented with NCLB Title I funding. These include the Comprehensive School Reform, Smaller Learning Communities, and Educational Technology State Grant programs, which have lost significant funding since 2002.<sup>33</sup>

Congress also passed legislation discontinuing \$99 million in annual capital contributions to the federal Perkins Loan Program, as proposed by the President in his 2004 budget request.<sup>34</sup> The program provides loans through colleges and universities to students from low-income families. The federal government provides two-thirds of the capital for the loans and colleges provide the rest. Subsequent budget requests have proposed recalling \$1 billion in existing Perkins loan revolving federal funds, but Congress has not acted on that proposal.<sup>35</sup>

Most of the 66 programs President Bush proposed to eliminate in his various budget requests continue to function at their previous funding levels. Prominent among them are two higher education grant programs, the Leveraging Educational Assistance Partnership program (LEAP) and the Federal Supplemental Education Opportunity Grant program (SEOG). LEAP and SEOG continue to receive about the same amount of funding each year, around \$65 million and \$770 million, respectively.

The Bush administration also proposed eliminating the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), funded at \$303 million, and the TRIO Talent Search and TRIO Upward Bound programs, funded at \$828 million. The administration recommended that they be replaced with a new high school reform program. Congress, however, has continued to fund these programs, and in his budget request for 2008 the President changed his position and recommended continued funding for both programs.<sup>36</sup>

## **CONCLUSION**

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In his first year in office, Bush succeeded in advancing many of his K-12 education proposals through NCLB, the bipartisan reauthorization of the Elementary and Secondary Education Act of 1965. But his administration was not as successful in fine-tuning NCLB through the budget and appropriations process, and it failed to steer K-12 funding to many of its priority school choice and high school reform programs proposed in his budgets. While funding for Title I and IDEA grants has significantly increased, the policy impact of Bush's education budget requests will be most prominent in the area of higher education where over \$20 billion shifted away from lender subsidies and to increased student financial aid.

## ENDNOTES

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- <sup>1</sup> The 9.5 percent subsidy was proposed for elimination by President Bill Clinton in his 1998 budget request. Between 1998 and 2005, the federal government spent more than \$3.5 billion on the outdated 9.5 percent loan subsidy. Action was only taken after a Bush Administration whistleblower brought attention to the waste. See the New America Foundation's *Student Loan Scandals* event, September 18, 2006, available at [www.newamerica.net/events/2006/student\\_loan\\_scandals](http://www.newamerica.net/events/2006/student_loan_scandals).
- <sup>2</sup> U.S. Congress, Deficit Reduction Act of 2005, Public Law 109-171, February 8, 2006, [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109\\_cong\\_public\\_laws&docid=f:publ171.109.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_public_laws&docid=f:publ171.109.pdf); U.S. Congress, College Cost Reduction and Access Act of 2007, Public Law 110-84, September 27, 2007, [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110\\_cong\\_public\\_laws&docid=f:publ084.110.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_public_laws&docid=f:publ084.110.pdf).
- <sup>3</sup> The program was authorized for one year under the Taxpayer-Teacher Protection Act of 2005, and made permanent in 2006 as part of the Deficit Reduction Act of 2005.
- <sup>4</sup> U.S. Congress, Deficit Reduction Act of 2005, 155.
- <sup>5</sup> U.S. Congress, College Cost Reduction and Access Act of 2007, 2.
- <sup>6</sup> U.S. Department of Education, *FY 2002 Budget Summary*, <http://www.ed.gov/offices/OUS/Budget02/Summary/index.html>, 13.
- <sup>7</sup> The program was authorized under Title II, Part A of the No Child Left Behind Act of 2001.
- <sup>8</sup> U.S. Department of Education, *Fiscal Year 2006 Budget Summary*, <http://www.ed.gov/about/overview/budget/budget06/summary/index.html>, 23.
- <sup>9</sup> The program was authorized under Title V, Part D of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act of 2006.
- <sup>10</sup> U.S. Department of Education, *Fiscal Year 2004 Budget Summary*, <http://www.ed.gov/about/overview/budget/budget04/summary/index.html>, 21.
- <sup>11</sup> U.S. Congress, Making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2004, and for other purposes, Public Law 108-199, Division C, Sec. 3, January 23, 2004, [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108\\_cong\\_public\\_laws&docid=f:publ199.108.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108_cong_public_laws&docid=f:publ199.108.pdf).
- <sup>12</sup> U.S. Department of Education, "District of Columbia School Choice Incentive Program Funding Status," <http://www.ed.gov/programs/dcchoice/funding.html>.
- <sup>13</sup> The program was authorized under Title V, Part B, Subpart 1, Sec. 5205, of the No Child Left Behind Act of 2001.
- <sup>14</sup> U.S. Department of Education, *Fiscal Year 2004 Budget Summary*, 20.
- <sup>15</sup> U.S. Department of Education, *FY 2002 Budget Summary*, 17.
- <sup>16</sup> U.S. Department of Education, *Fiscal Year 2003 Budget Summary*, <http://www.ed.gov/about/overview/budget/budget03/summary/index.html>, 21.
- <sup>17</sup> U.S. Department of Education, *Fiscal Year 2007 Budget Summary*, <http://www.ed.gov/about/overview/budget/budget07/summary/index.html>, 28.
- <sup>18</sup> U.S. Department of Education, *Fiscal Year 2008 Budget Summary*, <http://www.ed.gov/about/overview/budget/budget08/summary/index.html>, 17.
- <sup>19</sup> U.S. Department of Education, *FY 2002 Budget Summary*, 11.
- <sup>20</sup> *Ibid.*
- <sup>21</sup> U.S. Government Accountability Office, *Reading First: States Report Improvements in Reading Instruction, but Additional Procedures Would Clarify Education's Role in Ensuring Proper Implementation by States*, Report 07-161, <http://www.gao.gov/new.items/d07161.pdf>.
- <sup>22</sup> U.S. Congress, Improving Head Start for School Readiness Act of 2007, Public Law 110-134, December 12, 2007, [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110\\_cong\\_public\\_laws&docid=f:publ134.110.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_public_laws&docid=f:publ134.110.pdf).
- <sup>23</sup> The program was allowed under provisions in Title I, Part E, Sec. 1502 of the No Child Left Behind Act of 2001, but the specific program was authorized in Title III of the Consolidated Appropriations Act of 2005.
- <sup>24</sup> American Institute of Physics, "Continued Opposition to Phasing Out NSF Math/Science Partnerships, *FYI: The AIP Bulletin of Science Policy News*, April 6, 2004, <http://physicist.org/fyi/2004/043.html>.
- <sup>25</sup> U.S. Congress, America Competes Act, Public Law 110-69, August 9, 2007, [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110\\_cong\\_public\\_laws&docid=f:publ069.110.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_public_laws&docid=f:publ069.110.pdf).
- <sup>26</sup> U.S. Department of Education, *FY 2002 Budget Summary*, 6.

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<sup>27</sup> The proposal was initially enacted as part of part of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16. It was made permanent in the Pension Protection Act of 2006, Public Law 109-250.

<sup>28</sup> U.S. Department of Education, *FY 2002 Budget Summary*, 5.

<sup>29</sup> The initial deduction was enacted as part of the Job Creation and Worker Assistance Act of 2002, Public Law 107-147. It was later extended through the Tax Relief and Health Care Act of 2006.

<sup>30</sup> U.S. Department of Education, *Fiscal Year 2005 Budget Summary*, <http://www.ed.gov/about/overview/budget/budget05/summary/index.html>, 51–52.

<sup>31</sup> U.S. Department of Education, *Fiscal Year 2003 Budget Summary*, 5.

<sup>32</sup> Successfully eliminated programs: 1) Federal Perkins Loans Capital Contributions (\$98.8 M); 2) Preparing Tomorrow's Teachers to Use Technology (\$62.5 M); 3) State Grants for Community Service for Expelled or Suspended Students (\$50 M); 4) Eisenhower Regional Math and Science Education Consortia\* (\$14.8 M); 5) Regional Technology in Education Consortia\* (\$9.9 M); 6) Occupational and Employment Information (\$9.3 M); 7) Community Technology Centers\* (\$5.0 M); 8) Literacy Programs for Prisoners (\$5.0 M); 9) Eisenhower National Clearinghouse for Math and Science Education\* (\$4.9 M); 10) Tech-Prep Demonstration (\$4.9 M); and 11) Loan Forgiveness for Child Care Providers (\$1.0 M). Note: The programs marked with an asterisk (\*) were replaced by the new Comprehensive Centers Program.

<sup>33</sup> Comprehensive School Reform (FY02: \$210 M – FY08: \$1.6 M); Smaller Learning Communities (FY02: \$142 M – FY08: \$80.1 M); Educational Technology State Grants (FY02: \$700 M – FY08: \$267.5 M).

<sup>34</sup> U.S. Department of Education, *Fiscal Year 2004 Budget Summary*, 48.

<sup>35</sup> U.S. Congress, College Cost Reduction and Access Act of 2007, 19.

<sup>36</sup> U.S. Department of Education, *Fiscal Year 2008 Budget Summary*, 64–65.