

What I sent to

DOL -

Jimmy

**Economic and Educational Opportunities Committee
Merger Hearing Q&As**

I am sorry to have to be here today and to have to spend time discussing these proposals to consolidate or eliminate the Department of Education. Improving education in the nation is a vital national concern. We should not be wasting time talking about how to rearrange boxes on an organization chart. We should be focusing on what we can do to help children and schools and communities.

What does your proposal really do to help children? Isn't it just rearranging boxes and cutting spending for education?

The proposal to consolidate the Departments of Education and Labor is based on the premise that the work of the Departments overlaps significantly. But, in reality, the vast majority of the staff and budget of DOL have nothing to do with education.

Of DOL's \$34 billion budget, two-thirds of its budget goes to unemployment insurance, pensions and other programs totally unrelated to training. Only about \$7 billion is for employment and training.

Of DOL's 17,600 staff, less than 2,000 work on employment and training issues. The remainder work on issues such as worker health and safety, enforcement of minimum wage and hour laws, and labor statistics.

Given this very small overlap, how can consolidation make sense?

Consolidating the Department of Education into a Department of Education and Employment sends important signals about what we as a nation think about education. It sends the signal that we are de-emphasizing education. It sends the signal that education's only role is training in narrow workplace skills. It sends the signal that we do not believe that education is essential to the development of a person's life-- their knowledge, creativity, and civic values. At a time when education is so critically important to our nation's future, are these the signals we should be sending?

The proposed Department of Education and Employment would have a heavily regulatory focus. Of the three Undersecretaries in the proposed new Department, two -- the Undersecretary for Workforce Policy and the Undersecretary for Civil Rights -- would focus primarily on enforcement and regulation.

The Department of Education has been making great strides in reducing regulations and developing flexible partnerships with states and communities. Wouldn't including education in a Department that focuses primarily on regulation and enforcement undermine these efforts?

Mr. Gunderson, you have proposed a consolidation of Education and Labor because of the overlap you see in their education and training programs and your desire to create a more coherent education and training policy. But what of other areas where there is overlap. For example, the Department of Interior runs the Indian Education programs. The Department of Defense administers schools for the children of our armed services personnel. The National Science Foundation runs math and science programs. The Department of Agriculture runs the School Lunch programs. How did you decide what should be consolidated? Why weren't these other programs, agencies and Departments included?

Right now, the Department of Education is the smallest Cabinet Department and even has fewer employees than many agencies such as OPM and NASA. It is also the most efficient -- with only one employee for every \$6 million in budget authority. And its accountable -- when people have concerns about education they know where to turn and can get answers.

When education was part of the old Department of Health, Education and Welfare, people complained that the Secretary of HEW couldn't devote much attention to education, that decisions couldn't get made, and that there was a lack of coherence and responsiveness that impeded State and local educators. These concerns are one reason the Department of Education was created.

Doesn't consolidation just create a mega-bureaucracy that would have these same problems -- a Department that is larger, less efficient, and less responsive?

Mr. Gunderson, you have claimed that your proposal would create billions of dollars in administrative savings over a seven year period.

Are you aware that the Secretary of Education has testified that his staff -- working closely with your staff and following the assumptions of your proposal -- could identify only \$19 million a year in administrative savings from the consolidation. That savings would come from combining of the offices of the two Secretaries and the various Assistant Secretaries.

And, the Department of Education doesn't have much administrative costs to cut -- only about \$600 million or two percent of its budget is devoted to administration.

Wouldn't the additional savings you project have to come from cutting programs?

WHY DOES AMERICA NEED A U.S. DEPARTMENT OF EDUCATION?

You cannot prepare for the future by cutting education today. Education, like monetary policy, defense and justice, is a national priority. Education is integral to the economic growth of the whole country -- not just a single community, state or region -- and it is the key to our international competitiveness.

Getting rid of the U.S. Department of Education is like getting rid of the Defense Department during the Cold War. In these rapidly changing times, education is the ticket to self-sufficiency, getting a job, and being a productive citizen. Cutting education now is wrong for children, wrong for families, and wrong for America's future.

Eliminating the U.S. Department of Education is out of step with mainstream America. By an almost four to one margin, the public consistently supports having a cabinet-level department of education. In a May 10, Time/CNN poll, 77 percent of Americans said the department should not be eliminated. Some critics are trying to politicize public education, breaking with longstanding bipartisan support at the national level for improving local schools and making college available to deserving students.

WHAT DOES THE DEPARTMENT DO?

The U.S. Department of Education provides national leadership in tackling the real, critical education problems facing American students and families. The department respects the American tradition of local and state control of education, but this tradition does not diminish the need for education to be a national priority addressed by a cabinet-level department.

The U.S. Department of Education:

- helps one out of two American students attend college through financial aid.
- offers extra help to schools to rigorously teach the basics and advanced skills to 10 million students who don't read and write well.
- promotes parental involvement in learning.
- provides resources to local communities to raise standards of achievement, discipline, and teacher quality.
- serves as a clearinghouse and conducts research on good ideas and how to get technology into the classroom -- a task that schools and states alone could not afford.
- ensures non-discrimination in the schools.
- assists schools and communities in preparing young people to make the transition from school to work by encouraging partnerships among schools, businesses and community colleges.

MAKING A BETTER, MORE EFFICIENT DEPARTMENT

The Clinton Administration is cutting education bureaucracy by eliminating programs that don't work, and consolidating programs to make them more efficient. (68 programs in 1996). The U.S. Department of Education administrative costs are now about two cents out of every dollar -- focused primarily on accountability and quality control. The department has 30 percent fewer employees now than when it was part of the former HEW, and we are planning to further reduce the number of employees by 10 percent.

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WHY AMERICA NEEDS A U.S. DEPARTMENT OF EDUCATION

Education is critical to our nation's future. America's economic competitiveness and national security depend on having an educated workforce that can compete in the new "Information Age." In this decade, 89% of the jobs being created require some form of post-secondary training -- and virtually all require a high school diploma. In order to maintain our military preparedness, 90% of new recruits in the Armed Forces must be high school graduates.

States and local communities have responsibility for their schools. However, education is also a national priority.

There has been an important federal role in education for over one-hundred years -- from supporting the establishment of the land grant college system in the 1860s to the GI bill after World War II. Today, the Department of Education continues to address areas of critical national concern.

Access to Higher Education. As college becomes more and more expensive for average Americans, the Department provides 75% of all the student aid available to help students pay for post-secondary education. It gives Pell Grants to nearly 4 million post-secondary students a year. The federal student loan programs provide loans to pay for college to about 6.5 million students and their families every year. The Federal Work Study program provides part-time on-campus jobs to 700,000 students each year.

These programs make a difference. In the last 20 years, college enrollment has tripled and college is no longer a preserve of the affluent. And, those who graduate from college earn almost twice those who only have a high school degree.

Helping Local Communities and Schools Meet the Needs of Their Students. Every community in the nation deserves schools that are safe and drug free, that have high standards for students, that have well-trained teachers and that involve families in their children's education. And, many communities have children who are poor or disabled and need extra help. The Department of Education is a partner with states and communities to help ensure that all children have the opportunity to learn to high standards in safe schools. Under Goals 2000, School to Work and other new federal education programs, the federal government does not dictate to communities what to do; the Department of Education is a partner in helping communities achieve their own goals.

These programs make a difference. Student performance in math and science is on the rise. Many more students, especially minority students, are taking advanced placement exams. The achievement gap between white and African-American students has narrowed. Many more students with disabilities are staying in school and getting a job when they graduate.

A Clearinghouse of Good Ideas and a Catalyst for Solutions. In every state and community educators, families and researchers are learning about effective ways of teaching and learning. There is exciting new technology to help students learn. The Department of Education supports many of these efforts and helps other communities learn about what

works. For example, the Department's educational resources information center (ERIC) helps more than 500,000 people each year to learn about the most recent research on how to improve their schools.

A National Voice for Education. The Department is a voice for excellence and high standards. In the past, the Department helped spur education reform around the nation. Today, the Secretary of Education can keep the debate focused on the essentials -- high standards, economic success, responsible citizenship, and supporting the basic civil rights of Americans who want to get an education.



UNITED STATES DEPARTMENT OF EDUCATION
THE SECRETARY

For Immediate Release
May 10, 1995

Contact: Kathryn Kahler
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**HOUSE BUDGET COMMITTEE PLAN TO SHUT DOWN ED
IS "RECKLESS AND FOOLHARDY," RILEY SAYS**

Statement by Secretary Richard W. Riley:

The House Republicans' budget resolution calling for the elimination of the U.S. Department of Education is reckless and foolhardy at best. In a time when this country should be investing in education to maintain our economic competitiveness, the committee's proposal offers no real solution for Americans who are concerned about deficit reduction and the education and futures of their children.

The U.S. Department of Education's role is clear and sound, and I will stand by it. We serve Americans from all walks of life by providing one out of two American college students with federal financial aid; by supporting local schools' efforts to strengthen the teaching of basic and advanced skills for 10 million of this country's most disadvantaged students; and by providing information about what works in education to schools and communities in every state to make education better for their students. These are exactly the areas that the House wants to slash.

I frankly find it hard to believe that some members of the House of Representatives want to use the education of this country's children to fund tax cuts for the wealthiest Americans. It is clear that the future strength of our nation lies in the education of our citizens and on how well prepared they are to meet the challenges of the 21st century. The Information Age is upon us. This no time to walk away from our children and education.

In a January Wall Street Journal poll, 80 percent of Americans said they believe a federal Department of Education is necessary. Why isn't the House Budget Committee listening?

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Public Support for Education and the Department

The public views the education system and educational reform as critical if we are to prosper as a nation.

- Eighty-four percent agree that our nation's ability to compete in the global economy is directly affected by the quality of our education system. Chilton, 1993.
- Fully 95 percent of respondents believe that it is urgent that the U.S. adopt school reforms to make the labor force more competitive, and 81 percent think that to produce a more skilled labor force will require "changing the present education system in major ways." Harris, 1992
- The Council on Competitiveness rates improving K through 12 education as the number one priority for boosting U.S. competitiveness; 91 percent of its members say this should be the top priority for U.S. policy for the next five years. COC, 1994

The public has expressed willingness to invest more money in educational reform.

- Even members of the public who favor a balanced budget amendment oppose cutting education spending. When supporters of a balanced budget amendment (81 percent of those surveyed) were asked if they would favor such an amendment if "balancing the federal budget required cuts in spending on education," only 22 percent said they would continue to support such an amendment; 59 percent would oppose it. CBS/NY Times, 1994

The public has expressed support for the U.S. Department of Education.

- Fully 80 percent of Americans think the federal Department of Education is necessary and 70 percent say it is "very necessary." NBC/WJSJ, 1995
- Over three-fourths of the public (77 percent) oppose eliminating the Department of Education to cut the deficit. Public opposition to eliminating the Department was indeed higher than that for reducing cost of living adjustments in Social Security and eliminating the Departments of Energy and Commerce. The same percentage (77 percent) reject cuts to student loans and other education programs to reduce federal spending. Yankelovich Partners, 1995

SOURCES

CBS/NY Times, 1994 CBS News/New York Times, Republican Contract Issues Poll, December 1994.

- Chilton, 1993 Chilton Research, Education Excellence Partnership press release, "Highlights of Baseline Assessment Study for Education Excellence Partnership on Promoting Public Awareness and Education Reform," September 30, 1993.
- COC, 1994 Council on Competitiveness, Competitiveness Index 1994, July 1994.
- Harris, 1992 L. Harris, "The Public Takes Reform to Heart," Agenda, Winter 1992.
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- Yankelovich, 1995 Yankelovich Partners, May 14, 1995.

EDUCATION AND TRAINING

Why shouldn't the Departments of Education and Labor be merged?

The Departments of Education and Labor should not be merged because:

- 1) **Their missions are different.** ED's mission is education; DOL focuses on a variety of worker issues including workplace safety, unemployment compensation, and training, mainly for adults. The vast majority of the staff and budget of Labor has nothing to do with education. Mine-safety inspectors and elementary schools have nothing in common.
- 2) **Education and training are not the same thing,** and their purposes are best served if the distinction is preserved.
- 3) **In the search for efficiency and effectiveness, merging the two Departments would be counterproductive** by making a mega-bureaucracy with most functions unrelated.

These three reasons are discussed separately below.

- 1) *The missions of the Departments of Education and Labor are very different and both very important.*

In the arena of training, where there is commonality, education and training policy and programs should be closely coordinated. In fact, the Administration itself has moved in this direction through its School-to-Work initiative and in the Administration's new proposals for youth and adult workforce training.

However, most of what the Department of Labor does is unrelated to training.

- For example, of DOL's \$34 billion budget, only about \$7 billion is for the administration of employment and training programs.
- Two-thirds of DOL's budget goes to unemployment insurance, pensions and other programs totally unrelated to education and training.
- Of DOL's 17,000 staff, less than 2,000 work on employment and training issues. The remainder work on worker health and safety, enforcement of minimum wage and hour laws, laws relating to conditions in and changing needs of the workplace, labor statistics, and income-maintenance programs mentioned above.

The Department of Education's goals and the populations it serves are far broader than those of workplace training.

- The main mission of the Department of Education is to ensure educational excellence and equity. Department priorities focus on building a solid base of academics and other knowledge and skills for learners of all ages. While of course this should improve

worker performance in the long run, training in narrow workplace skills is not ED's mission.

- Of ED's \$31 billion budget, by far the biggest expenditures are for programs to improve access and achievement among educationally disadvantaged populations from the primary through the postsecondary levels. The Department focuses on students in educational institutions and settings across the country.

All of our major international competitors have separate Departments, Ministries, or Councils of Education (and among all developed nations, to our knowledge only Australia has combined the functions of Labor and Education; the consolidation was accompanied by a substantial budget increase, not a reduction).

In summary, consolidation of the two U.S. departments would merge two organizations with very different missions and would symbolically de-emphasize the importance of education at a time when educational improvement is critical for the United States.

2) *There is a fundamental difference between education and training.*

Education is defined as the development of a person's knowledge, skill, mind, and character. It involves expanding the mind; in essence, education is learning to learn. Education is a foundation not only for work, but for all aspects of life.

Training, on the other hand is "to instruct so as to make proficient or qualified."¹ Training prepares a person for a specific job.

Not only are education and training not the same thing, in some cases they may conflict.

- For example, an employer may have an immediate need for someone trained as a machine tool operator. Because education and training are expensive, there is a strong short-term incentive to train as narrowly and quickly as possible. Yet in the long run, the best employee--the one who helps the employer increase productivity, the one who eventually becomes an excellent team leader and idea generator--may well be the person who learned to analyze problems and communicate with others through a sound and broad basic education, not the person with the ability to run the machine according to the training manual. **Merging education and training will make it more likely that the short-term incentives will win out over the longer term good of both the economy and the individual.**

Through education, we promote human development as well as economic development. In a democratic society, our purpose in investing in education goes beyond the need to turn out productive workers. Societies can instill in their citizens certain facts and skills so that they can

¹ Webster's New World Dictionary of the American Language

be economically productive--but that isn't our vision of a good society or an educated citizenry. Through education, we believe we can foster personal growth, creativity, and qualities like responsibility and mutual respect that are required for a democratic society and self-sufficiency.

3) *Consolidating all of education and labor programs in one Department likely would produce limited savings, if any, and would decrease efficiency and effectiveness.*

You don't need to create a mega-Department to integrate overlapping programs or to coordinate programs with related purposes when most of the functions are unrelated (e.g., OSHA enforcement in Labor vs. research on how to improve student math achievement in Education). Integration and coordination are underway.

- **In the few areas where ED and DOL programs are closely related today, such as in the School-to-Work area, we are already coordinating very closely and effectively.**
- **Further, as part of the GI Bill for America's Workers, the Administration has proposed integrating some 70 programs into a few flexible state grants for education and training for youth and adults, with very close coordination between the two federal agencies and their partners in states and communities around the country.**
- **We believe that examining all programs for effectiveness--integrating or eliminating those that are duplicative and coordinating others that are related--can result in increased efficiency and effectiveness. (Of course, many of the programs on the GAO list are widely recognized not to be "training" programs and not to be duplicative; for example, Even Start family literacy and the Targeted Jobs Tax Credit.)**

The proposal to merge the two Departments, on the other hand, could create a megabureaucracy that would actually decrease accountability and efficiency.

- **Bigger isn't necessarily better. For a time, Education was an office within a larger department. This was not an efficient arrangement and involved more employees.**
- **The country has more of a focus on education with a separate Cabinet-level agency. Since 1980, the National Education Goals have been adopted and the country has narrowed the gap between minority and majority student achievement. Test scores are generally up, and dropout rates are down. Citizens across the country have become increasingly aware of the need to improve education in America.**

Massive reorganization would distract attention from the important task of improving education. There is considerable enthusiasm and energy in states, communities, and schools today to make educational improvements and to take advantage of the resources of reform consistent with Goals 2000, ESEA, and the School-to-Work Opportunities Act. For example, in a sample of 8 states, 4 times as many communities applied for Goals 2000 funds to build local partnerships and start school reforms as there is money available. Reorganizing today at the federal level could well set back the clock in all of those areas. Maintaining a spotlight on education will facilitate the country's progress in this central area.

The Department of Education: Highlights of Mike Smith's May 23, 1995 Testimony

[Greeting]

Good Afternoon, Chairman Horn, Representative Maloney, members of the Committee. I am joined today by Don Wurtz, Chief Financial Officer of the Department and former Director of Financial Integrity Issues at the General Accounting Office.

[Introduction]

Thank you for the opportunity to speak with you today. I will take this opportunity to do 3 things: (1) speak to the record of the Department; (2) discuss the changes we are making to serve the American people more effectively; and (3) talk about the future of the Department.

The federal government has a particular obligation to undertake activities that are clearly national in scope. People with more education are more likely to vote and less likely to be on welfare; they tend to live more satisfying lives and to contribute to their communities. Federal involvement in education supports our democracy and our economy. These are not just state and local interests; they are national interests. In pursuing that national interest, the U.S. Department of Education acts in partnership to support and encourage states, districts, and schools; education remains a state and local responsibility.

Our mission at the U.S. Department of Education is to ensure equal access to education and promote educational excellence.

[Public Support for the Department]

Recent polls show the public's strong support for the Department and its mission.

- In a poll released just last week, over three-fourths of the public (77 percent) oppose eliminating the U.S. Department of Education to cut the deficit. The same percentage (77 percent) reject cuts to student loans and other education programs to reduce federal spending (*Time/CNN*, May 1995) (Chart 1).

[The Department's Contribution]

But, we are often asked, what do we do at the U.S. Department of Education?

- We provide approximately 60 percent of the nation's student aid, about \$32.5 billion. Every year, Pell Grants assist 4 million low-income students, loans help 6.5 million low and middle income students; Federal Work Study aids 700,000 students each year.

- Through the Title I program, we direct \$7 billion to more than 6 million children every year in our highest poverty schools, to strengthen the teaching of basic and advanced skills. Between 1960 and the late 1980's, the achievement of children from disadvantaged communities rose, closing the performance gap between disadvantaged students and their more advantaged peers by one-third to one-half.
- We provide nearly \$3 billion a year to help communities meet the needs of over 5 million children and youths with disabilities to prepare them for independent living, further education, and employment.
- Through research, evaluation, and technical assistance, the Department helps people identify what works in improving schools and children's performance.
- We provide a national voice for education, a voice for excellence and progress. For example, every single Department Secretary, Republican and Democrat, has spoken out strongly for higher standards for student achievement and has encouraged education reform.

Recently, through the initiative of Secretary Riley, over 120 organizations have come together in a "Family Involvement Partnership for Learning" to support the American family, the foundation of a solid education. This initiative has been accomplished without creating a single new program.

Just yesterday, to extend partnership, the Secretary [*joined by Representative Tom Davis,*] launched a reading and writing initiative, to encourage parents, other adults, and older students to read with younger children. Secretary Riley spoke to me enthusiastically about Beach Tree Elementary School, which he and Congressman Davis visited yesterday.

[The Effects of the Department]

What effect has the Department had over the last 15 years? While we cannot attribute a direct cause and effect relationship, I am encouraged by the progress American education has made since the Department was created in 1980. While U.S. education can certainly do better, there have been a lot of success stories; education has turned the corner.

Students are taking tougher courses (Chart 2):

- By 1992, the proportion of high school graduates taking the core curriculum recommended in *A Nation at Risk* had increased to 47 percent, up from 13 percent in 1982.
- In addition, participation in the advanced placement program has increased dramatically (Chart 3).

- More high school students are taking worthwhile math and science instruction as a result of state, district, and school standard-setting. *The New York Times* (May 9, 1995) reports that tougher graduation requirements in New York City public schools are spurring thousands more high school students to take and pass college-preparatory mathematics and science courses.
- Student achievement is up, particularly in math and science (Chart 4).
- Dropout rates have declined (Chart 5).
- Postsecondary enrollment and attainment have increased to record levels.

For those who are surprised by these facts, I would point out that American business and American workers have regained their status as the most productive in the world, an impossible accomplishment without a more educated workforce. Indeed, in this century, educational increases in the workforce have accounted for almost one-third of the growth in the nation's wealth. We have a long way to go, but we should be proud of our nation's schools, public and private.

[Size of the Department]

As for the Department itself, we are a small department with low administrative costs, and we plan on getting smaller.

- With 5,131 FTE, we already have a significantly smaller staff than the 7,700 employed in 1979 by HEW and 6 related agencies to administer education programs.
- Our administrative costs account for only 2 percent of our budget.
- We have the smallest ratio of employees to total budget in the government: 1 employee for every \$6 million in our budget—funds that provide services for states, schools, and students.
- We plan on reducing our staff even further, to less than 4,700 FTE (about 9 percent), a savings of \$100 million over 5 years.

[Our Progress in Reinvention]

Now I'd like to give you a few highlights of what we've been doing to improve our management. We have used strategic planning, consistent with the Government Performance and Results Act,

to guide our efforts.

- **First, we are streamlining our programs to save taxpayers' money, a total of at least \$16.7 billion by 2000.**

Overall, in our FY 1995 and 1996 budgets, we have proposed eliminating 59 education programs and consolidating 27 others. This reduces the number of our programs by over one-third, for a savings of \$4.6 billion by 2000. We will shortly propose further reductions.

In the student loan program over the next 5 years, we will save \$12 billion through accelerating the Direct Loan program to 100 percent of new loan volume by 1997-98 (Chart 6). Moreover:

We have decreased the student aid default rate from a peak of 22 percent to 15 percent, and we intend to keep driving it down even further (Chart 7).

We have also increased our student loan collection efforts, cutting in half the cost of defaulted loans to the taxpayer (Chart 8).

The Direct Loan program is a source of savings, simplification, and increased private sector involvement (Chart 9). The program's customers—schools and students—have been extremely enthusiastic in their support of the new, more efficient program. For example, 92 percent of Direct Loan institutions surveyed express their satisfaction.

- **Second, we are cutting regulations as part of President Clinton's regulatory reinvention initiative, under the Vice President's leadership.**

Today we eliminated 88 of those regulations—399 pages in all. That's 30 percent of our total regulations. We will shortly be announcing dozens of other regulations targeted for elimination, reinvention, and simplification.

- **Third, we are providing more flexibility to states, districts, schools, and families.**

For example, Oregon is the first state to participate in Ed-Flex, a new 6-state demonstration authority under Goals 2000 that provides an unprecedented opportunity to encourage innovation along with performance accountability. Officials in the Ed-Flex states, not the federal government, decide on waiver requests.

New waiver authority in the Improving America's Schools Act has encouraged communities such as Palm Beach County, Florida and the Metropolitan District of Decatur Township, Indiana to request and receive waivers in Title I and other elementary and

secondary programs.

[The Future of the Department]

Finally, I would like to speak about the future of the Department itself. The U.S. Department of Education has a limited but crucial role. We are a national voice for education, a partner in state and local reform efforts, a provider of access for over 6 million postsecondary students, and a leader in addressing issues of national concern.

A number of people in Congress and elsewhere advocate abolishing the Department and sending its programs to a variety of other agencies or merging it with another department.

- These moves would save little, if any, money in administrative costs and may end up costing more, through duplicated, uncoordinated efforts if programs are split and scattered or in increased bureaucracy if a merger takes place.
- Moreover, for states, local governments, postsecondary institutions, and other customers, these proposals would cause confusion, leaving them uncertain about where to go for information and assistance, or else swamping them in a newly-created mega-bureaucracy.
- Finally, either of the proposed changes would send a signal that the U.S. is turning its back on education at a critical time in its history.

To quote Secretary Riley, "It is clear that the future strength of our nation lies in the education of our citizens and in how well prepared they are to meet the challenges of the 21st century. This is not the time to walk away from our children and (their) education."

Thank you. I'll be happy to answer any questions you may have.



U.S. Department of Education

How We Help America Learn:

A Summary of Major Activities

May 1995

Overview

Education is the largest, most broadly-based enterprise in America. Nearly 70 million Americans are involved in education as students or teachers from pre-school education through postdoctoral research. In an era of international economic competition and increasing use of technology, education is more important than ever. The link between education and our economic competitiveness is clear. In 1992, the average annual earnings for those with a college degree were almost twice those of people with only a high school diploma, and more than two-and-a-half times greater than those who had not graduated from high school. In this decade, 89 percent of the jobs being created require some form of post-secondary training — and virtually all require a high school diploma.

Education is a national priority, but a state responsibility under local control. The nation spends about \$500 billion a year on education at the elementary, secondary, and postsecondary levels. State, local, and private expenditures account for about 92 percent of this spending, while the federal government contributes about eight percent. Although a small share of the national investment in education, the federal contribution helps about one out of two students pay for their postsecondary education and about four out of five disadvantaged elementary and secondary school students get extra help to learn the basics.

The responsibilities of the U.S. Department of Education generally fall into six important areas: (1) providing

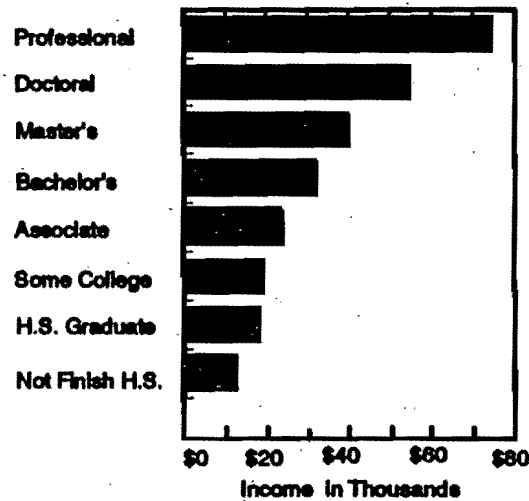
national leadership and building partnerships to address critical issues in American education; (2) serving as a national clearinghouse of good ideas; (3) helping families pay for college; (4) helping local communities and schools meet the most pressing needs of their students; (5) preparing students for employment in a changing economy; and (6) ensuring non-discrimination. In addition, the Department is improving its management in order to serve its customers more effectively.

The Department's elementary and secondary programs serve 15,000 local school districts and almost 50 million students attending over 100,000 schools. Its student financial aid programs help about seven million students annually attend college.

The U.S. Department of Education currently administers about \$33 billion, or about 2 percent of all federal spending. The Department's elementary and secondary education programs annually serve 15,000 local school districts and almost 50 million students attending more than 84,000 public schools and more than 24,000 private schools. Department programs also provide grant, loan, and work-study assistance to approximately seven million postsecondary students each year, which is about one out of every two college students. Over the past 20 years, the

Department's student financial aid programs have helped approximately 40 million students attend college. An additional four million adults receive assistance annually to become literate and upgrade their skills.

AVERAGE ANNUAL EARNINGS BY
LEVEL OF EDUCATION: 1992



Source: U.S. Bureau of the Census

The Department and its programs are administratively lean. The Department, as of March 1995, had fewer than 5,000 full time employees, making it the smallest cabinet agency, and it will be further streamlined to fewer than 4,750 employees by 1999. In contrast, a mid-size univer-

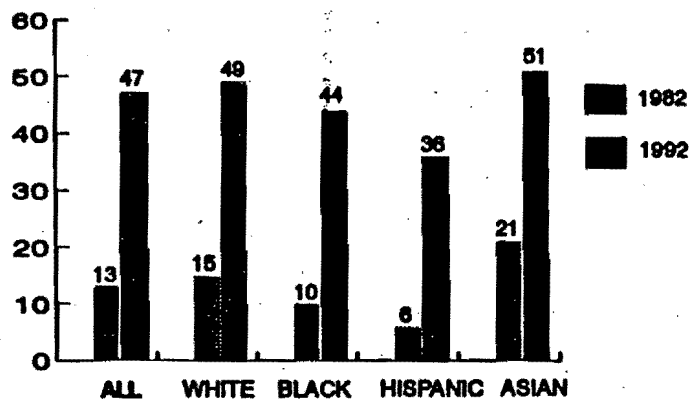
sity such as Princeton has approximately 4,700 total staff and 6,500 students. Department staffing has fallen significantly from the approximately 7,700 employed in 1979 by the former Office of Education and related agencies within the old Department of Health, Education, and Welfare. This has made the Department the most efficient of the 14 cabinet agencies, with only one employee for every \$6 million in budget authority.

I. National Leadership and Partnerships to Address Critical Issues in American Education

Various secretaries of education have highlighted contemporary education problems that need to be addressed across America. In 1983, former Secretary of Education Terrel Bell issued *A Nation At Risk*, which galvanized public concern about education when it warned that low student achievement levels were threatening the nation's international competitiveness. In response, many states and communities raised their high school graduation requirements and the proportion of high school graduates taking the core curriculum recommended in the report (four years of English, three years of social studies, three years of science, three years of math) more than tripled between 1982 and 1992.

In 1993, Secretary Richard Riley identified critical issues that need the nation's attention: improved safety and discipline, strengthened basic and advanced skills tied to challenging academic standards for every student, better teaching, greater parental involvement, greater connection

**INCREASE IN U.S. HIGH SCHOOL GRADUATES
TAKING THE NUMBER OF COURSES RECOMMENDED
IN A NATION AT RISK, BY RACE/
ETHNICITY: BETWEEN 1982 AND 1992***



Courses recommended in *A Nation at Risk*, including 4 units in English, 3 units in social studies, 3 units in science, and 3 units in math, where a unit represents a year-long course. Computer science was not included because few students took it in 1982.

Source: U.S. Department of Education, National Center for Education Statistics, 1994.

between school and work, better access for students to technology, and better access to financial aid for students to attend college and receive training.

Partnership building has included the creation of a national "Family Involvement Partnership for Learning." The Partnership is not a federal program, but rather a

long-term partnership with states, communities and more than 130 national organizations that represent parents, schools, employers and religious organizations. As part of their commitment to the partnership, more than 30 religious organizations representing 75 percent of all organized religious groups in America have pledged their support to helping families help their children learn.

II. A National Clearinghouse of Good Ideas

The original U.S. Department of Education was created in 1867 and collected information on schools and teaching that would help the states establish efficient school systems. This emphasis on promoting educational excellence by collecting and sharing information remains an important role.

In order to help state and local decision makers improve their schools, the Department shares the latest research findings and information on education with parents, teachers, school board members, policy makers, and the general public. For example, in 1994 the Department published *Strong Families, Strong Schools*, which summarizes 30 years of research on strengthening family involvement in education. The Department also funds 10 regional educational laboratories that develop materials and provide assistance to states and local educators based on the most recent knowledge about improving teaching and learning.

Since 1966, the Department's Educational Resources Information Center (ERIC) has distributed education information on subjects ranging from elementary and early childhood education, to education for disabled and gifted children, to rural and urban education. ERIC, the world's largest database on education, is available through libraries and is used by more than 500,000 people each year. ERIC information is also available by calling 1-800-LET-ERIC or via the Internet through the AskERIC Virtual Library (ericir.syr.edu or <http://ericir.syr.edu>) and through the AskERIC online question-answering service (askeric@ericir.syr.edu).

Hundreds of education resources are also featured in the U.S. Department of Education's Online Library (gopher.ed.gov or <http://www.ed.gov>). This Internet-based library is visited more than 17,000 times a week. The Department also hosts several online discussions, or "listservs," about education improvement.

The Department also holds monthly satellite town meetings to share effective ideas about solving current problems in education. Led by Secretary Riley and Deputy Secretary Kunin, these town meetings are broadcast to education, community, and business leaders and parents through hundreds of satellite down-links as well as on open access television channels in most major cities and the Discovery Channel, which reaches 60 million homes. The town meetings are supplemented by *Community Update*, a newsletter with a distribution of over 100,000 on promising solutions to education problems that

communities face. Communities can find out how to be a downlink site and receive materials helpful to local school improvement by calling 1-800-USA-LEARN.

Many of the nation's effective school improvement efforts have been based on research originally funded by federal education research programs.

A wide variety of competitive grant programs also support efforts by states, schools and school districts, community groups, and postsecondary institutions to develop and demonstrate proven innovative approaches to solving problems in the schools and improving the effectiveness of education. These programs range from very broad authorities such as the Fund for the Improvement of Education (FIE) and the Fund for the Improvement of Postsecondary Education (FIPSE), which sponsor innovation in elementary, secondary, and postsecondary education, to specific demonstrations of promising strategies of national importance such as the Charter Schools program, which provides seed money for the development of charter schools in states that have enacted charter school laws.

Ensuring that students have better access to technology is an important new focus of the Department's efforts to promote effective changes in educational practices. The new \$40 million Technology in Education program will

help schools make the transition to the information age by providing information, research, and assistance to educators and promoting partnerships that will link schools and communities with communications and software companies. The \$30 million Star Schools Program supports distance education technologies to help students in 5,000 schools learn to challenging academic standards.

The Department also supports research on effective educational practices for all students and monitors the performance of the American education system through the collection of statistics and evaluation data. For example, the Department supports long-term research and development through its university-based education research centers. Many of the nation's effective school improvement efforts have been based on research originally funded by federal education research programs.

The Department's National Center for Education Statistics annually publishes the primary reference volume on education in the nation—*The Digest of Education Statistics*—a comprehensive review of education statistics on elementary, secondary, postsecondary, and adult education. The Center also publishes *The Condition of Education*, an annual report that includes information on enrollment rates, dropout rates, trends in academic achievement, and education spending. The Department also funds the National Assessment of Educational Progress (NAEP), which for more than 20 years has served as "the Nation's Report Card." NAEP is the only nationally representative assessment of what our nation's

students know and can do and is the primary source of data on educational achievement in the core academic subjects. Since 1990, NAEP has also collected and published state-level data, which allows participating states to track how their students are performing, both over time and relative to other states.

The Department also has applied its growing understanding of effective policy and practice to evaluating and improving its own programs. For example, findings from assessments of vocational education and Chapter 1 have figured prominently in the reforms reflected in the reauthorizations of these programs.

III. Helping Families Pay for College

Approximately 45 percent of the Department's budget is devoted to postsecondary education, most of which is used for student financial aid. The history of federal financial assistance to college students goes back to the GI Bill of 1944, which served as the springboard to the middle class for millions of American servicemen and their families. More than 12.4 million veterans attended college on the GI Bill between 1944 and 1989. Millions more received federal assistance to pay college costs through the 1958 National Defense Student Loan program. Subsequently, the Higher Education Act—passed in 1965 and reauthorized half a dozen times since then—served as the framework for the current set of federal grant, loan, and work-study programs aimed at helping poor and

middle-class students of all ages pursue postsecondary education. Today, about 75 percent of all student financial aid in the nation is funded by the federal government.

The \$6.2 billion Pell Grant program makes grants averaging over \$1,500 to nearly four million postsecondary students annually. Most Pell recipients are from families earning less than \$20,000 a year.

The Department also operates two major student loan programs for which almost all students are eligible. The first is the new William D. Ford Direct Loan Program, which lends funds directly from the federal government to postsecondary students and provides a wide variety of repayment options, including income-contingent repayment. The direct loan program reduces bureaucracy and cuts out the middlemen in the student loan process while also providing more options and better service to students and postsecondary institutions. Along with changes in the older guaranteed loan program, direct lending is expected to save the taxpayers \$6.8 billion by the year 2000. It will also save students about \$2 billion through reduced interest rates over five years. The second major student loan program is the Federal Family Education Loan Program, which since 1965 has provided loan subsidies and guarantees against default on loans made to students by private lenders. Together, the loan programs currently make nearly \$26 billion in loans to about 6.5 million postsecondary students and their families.

The Department's campus-based aid programs give postsecondary institutions great flexibility in making

need-based financial assistance available to students. These programs include the low-interest Federal Perkins Loans Program; the Federal Supplemental Educational Opportunity Grant Program, which gives additional grant

Federal student financial aid programs have helped to make college affordable for middle- and low-income families and have contributed to dramatic growth in college enrollments at a time when education and training beyond high school are increasingly important to individual self-sufficiency and the nation's productivity. Between 1964 and 1993, college enrollment nearly tripled (from five million to 14 million), the percentage of high school graduates who go on to college increased by one-third (from 48 percent to 63 percent), and college enrollment rates for minority high school graduates increased by nearly two-thirds (from 39 percent to 62 percent). Federal support, particularly for low- and middle-income students, helped make this growth possible by easing the financial burden on families.

assistance to needy college students; and the Federal Work-Study Program, which supports mostly part-time on-campus jobs allowing 700,000 students to earn about \$1,000 annually. Each of these programs requires matching funds from participating institutions.

Because of concern about high default rates and inad-

equate loan collection in the student aid programs, Congress and the U.S. Department of Education have taken actions to reduce defaults—including management reforms and increased attention to weeding out unsound postsecondary institutions. As a result, default rates decreased from a high of 22 percent in 1991 to 15 percent in 1994. At the same time, the dollar value of defaults declined from \$3.6 billion in 1991 to \$2 billion in 1994. In addition, Department collections of defaulted student loans rose to \$500 million in 1994. Poor-performing institutions also are being dealt with: since 1994 the Department has eliminated over 600 postsecondary education institutions, primarily proprietary schools, from the student loan programs for persistent, excessive default rates.

IV. Helping Local Communities and Schools Meet the Needs of Their Students

The Department delivers almost \$13 billion to states and school districts for elementary and secondary education, primarily through formula-based grant programs designed to support improvements in basic and academic skills geared to challenging standards, school safety, parent involvement, and teacher quality, and to help states and school districts meet the special needs of schools and students.

Just six authorities account for about 95 percent of the Department's funding to elementary and secondary education: the Goals 2000: Educate America Act, Title I of the

Elementary and Secondary Education Act (ESEA), the Dwight D. Eisenhower Professional Development program, the Safe and Drug-Free Schools and Communities program, Impact Aid, and Part B of the Individuals with Disabilities Education Act.

The Goals 2000: Educate America Act is the Department's flagship education program to help parents, teachers, and community leaders improve their own schools by raising academic standards; addressing safety, discipline and basic skills; attracting and training better teachers; and strengthening parent involvement. Funded at \$400 million in 1995, this program provides great flexibility to schools, school districts and states to develop and implement actions locally, based on their own challenging standards for every student. Funds may be used for a broad range of activities aimed at ensuring that teaching, discipline, use of technology, and assessments will help students reach challenging standards. Accountability is based on improved student learning.

The Department is administering the Goals 2000 initiative with little paperwork and with extensive flexibility: the state application form is four pages; there are no regulations; extensive waivers are available to assist states and school districts in implementing their school improvement efforts. As of April 1995, 47 states and eight territories had applied for and received first-year Goals 2000 funds to develop their state-wide reform plans.

The Improving America's Schools Act (IASA), passed by Congress in 1994, reauthorized the Elementary and

Secondary Education Act (ESEA), which at \$10 billion is the federal government's largest investment in elementary and secondary education. The ESEA addresses four key priorities: (1) ensuring access to a quality education for our most disadvantaged students so they can learn the basics and improve achievement geared to challenging academic standards; (2) achieving safe, disciplined, and drug-free schools; (3) ensuring that today's and tomorrow's teachers have the training and skills necessary to help all children reach challenging academic standards; and (4) assisting states by alleviating burdens caused by federal activities, such as federally owned land that provides no tax revenues.

The Title I program, established in 1965, directs about \$7 billion to helping more than six million disadvantaged children in more than 50,000 schools nationwide—about half of all the schools in the country. Most of the funds go to high-poverty schools where students score at much lower levels than their peers in low-poverty schools on achievement tests—levels that contribute greatly to high dropout rates, illiteracy, and poor employment prospects. High-poverty schools use Title I funds to help close this gap. As reauthorized in 1994, Title I emphasizes high academic standards and accelerated learning in the core academic subjects rather than the low expectations often found in remedial instruction. High-poverty schools are encouraged to develop schoolwide programs aimed at raising the basic and academic performance of all students, not just those eligible for Title I. Required federal testing has been replaced by locally- and state-designed

accountability. Moreover, for the first time, schools may seek waivers of statutory or regulatory provisions that may impede their efforts to improve student achievement and learning.

Among college-bound students, SAT scores increased across all race/ethnic groups from 1980 to 1993, with minority students earning the largest increases. For example, the average math score increased from 466 in 1980 to 478 in 1993 (a 12-point gain), recovering much of the ground lost during the 1970's. Dropout rates for 16- to 24-year-olds declined from 17 percent in 1967 to 11 percent in 1993, and the dropout rate for blacks fell even more dramatically, from 29 percent to 14 percent.

Minority students achieved substantial gains in science, math, and reading between the 1970's and 1992, reducing the gap between minority and white student achievement. For 9-year-olds, for example, the achievement gap between black and white students' scores on the National Assessment of Educational Progress narrowed by 32 percent in science, 18 percent in math, and 25 percent in reading.

While achievement of disadvantaged students has risen dramatically in the years since Title I was enacted, much more needs to be done to keep up with these changing times.

High-quality and well trained teachers are essential to any improvement of education. The Dwight D. Eisenhower Professional Development program supports locally-guided teacher training in the core academic subjects. The program distributes \$320 million to states and school districts to help ensure that teachers are prepared to teach to the high academic standards states are now developing. The focus will be on local principals, teachers, and parents deciding what professional development is needed to improve their schools. No longer will professional development rely on programs that lack depth, quality, and a sustained commitment to assist teachers in the development of their skills to significantly improve instructional practice.

The third major priority in ESEA, the Safe and Drug-Free Schools program, responds to the continuing crisis of violence and drugs in our schools by supporting comprehensive school- and community-based drug abuse and violence prevention programs. This \$500 million program gives school districts the flexibility to design their own programs to reflect local needs. Activities may include conflict resolution and peer mediation training, substance abuse prevention education, service learning, the purchase of metal detectors, and the hiring of security personnel.

The \$730 million Impact Aid Program is the major program assisting states and local communities impacted by federal activities, such as the presence of a military base or federal ownership of a significant proportion of local property. In these districts, the federal presence

reduces the local property tax base that ordinarily serves as a major source of school funding. Impact Aid is intended to help replace this lost revenue.

Like the Goals 2000: Educate America Act, the reauthorized ESEA couples flexibility with accountability for academic achievement. This new flexibility means less fragmented, categorical approaches, more school-wide approaches, fewer reporting requirements, and broad waiver authority. The emphasis is on effectiveness and efficiency, not paperwork.

Since the Individuals with Disabilities Education Act was enacted in 1975, students with disabilities have achieved substantial gains. While in 1975 more than one million children with disabilities were excluded from school, today all children with disabilities are in educational programs and the number of children placed in costly state institutions has decreased dramatically. High school graduation rates have increased significantly, and 57 percent of youth with disabilities are competitively employed within five years of graduation from high school.

The U.S. Department of Education also helps states and school districts meet their responsibility to provide a free appropriate public education for children with disabilities.

Two landmark federal court decisions in the early 1970's established the constitutional right of children with disabilities to equal educational opportunity. In 1975 a federal law, now known as the Individuals with Disabilities Education Act (IDEA), was enacted to provide a framework for appropriately serving these children as well as federal financial assistance to help pay for their education. Today the Department allocates nearly \$3 billion through three state formula grant programs intended to help states meet the developmental and educational needs of over five million children with disabilities from birth through age 21.

V. Preparing Students for Employment and Keeping Up with the Changing Economy

A growing understanding of the relationship between our educational performance and our competitiveness in the global economy has led to a new emphasis on the connections between school and work, and a new appreciation of the importance of vocational education and opportunities for lifelong learning.

Several U.S. Department of Education programs respond to this new emphasis and help young people and adults develop the knowledge and skills they need for careers that often demand ever-higher levels of education and training. The 1994 School-to-Work Opportunities Act, administered jointly by the Department of Education and the Department of Labor, provides seed money to

every state and to interested communities to develop and launch a comprehensive school-to-work system. These systems will combine school-based and work-based learning with activities designed to prepare students for a first job. Funded at \$250 million in 1995, the School-to-Work program is specifically designed to sunset after five years.

Perkins Act Vocational Education State grants provide nearly \$1 billion to help pay for vocational training programs at both the secondary and postsecondary levels. Funds may be used in accordance with state-developed plans to support activities ranging from pre-vocational courses for secondary school students to retraining adults in response to changing technological and labor market conditions. The Department is also proposing to align the Perkins program more closely with the School-to-Work Opportunities Act, while tightening accountability requirements and consolidating categorical programs to increase state and local flexibility.

Another area of significant federal support to assist states in preparing individuals for employment is Vocational Rehabilitation. The Department provides more than \$2 billion a year in Vocational Rehabilitation state grants that assist one million adults with disabilities, most of them severe, in achieving successful employment outcomes and independent living. As a result of this program, about 200,000 individuals with disabilities are placed each year in jobs in the competitive labor market or become self-employed. About 80 percent of those individuals

report that their own income, rather than public assistance or family income, is their primary source of support.

In addition to these programs aimed at preparing students and individuals with disabilities for changing employment opportunities, the Department supports literacy and basic skills training through a combination of state formula and competitive grant programs. The Adult Education Act State grant program provides about \$270 million to help approximately four million educationally disadvantaged adults achieve literacy, certification of high school equivalency, and English language proficiency. The \$100 million Even Start program delivers formula grants to states for the support of intergenerational literacy projects combining early childhood education for children and literacy training for their parents.

VI. Ensuring Nondiscrimination by Recipients of Federal Education Funds

The Department's Office for Civil Rights (OCR) is responsible for enforcing a variety of federal statutes prohibiting discrimination by recipients of federal education funds on the basis of race, color, national origin, gender, disability, or age. OCR focuses on encouraging voluntary compliance with civil rights laws by providing policy guidance, staff training, and technical assistance. In its work, it forges relationships and communication between those enforcing civil rights and others whose business is the promotion of the best education possible

for all of our students. As a result, most of OCR's work is nonadversarial. For example, OCR handles more than 5,000 complaints a year. More than 95 percent of these are resolved by agreement without the need for court or administrative hearing proceedings.

The Office for Civil Rights focuses on encouraging voluntary compliance with civil rights laws by providing policy guidance, staff training, and technical assistance.

VII. Improving Management to Better Serve Its Customers

In the past few years, substantial strides have been made toward transforming the agency into a more effective and efficient organization that can better serve its customers. The Department has established a clear strategic agenda defined by four priorities: (1) helping all students reach challenging academic standards so that they are prepared for responsible citizenship, further learning, and productive employment; (2) creating comprehensive school-to-work opportunities systems in every state; (3) ensuring access to high-quality postsecondary education and life-long learning; and (4) transforming the Department into a high-performance organization. These four priorities are the framework for the Department's activities, including our management and regulatory reforms.

In elementary and secondary education, the Department is improving its capacity to better serve states and communities as they seek to improve education. For example, the Department is reducing regulations and paperwork in new programs such as the Goals 2000: Educate America Act, which is being operated without regulations, and Title I of ESEA, where regulations are being dramatically reduced. In program monitoring, the Department is shifting from compliance to performance—from a focus on narrow reporting and audit-type requirements to one that provides flexibility to states and local school districts as they work to improve student performance. Another example is the creation of “area desks” within the Department, from which staff provide technical assistance and monitoring across categorical programs, thus enhancing state and local efforts to improve their entire education system.

In postsecondary education, the direct loan program is an example of reinventing government to deliver needed services at lower cost, with less bureaucracy, and with greater simplicity for the Department’s customers. The initial stage of direct loan implementation has been extremely successful, with positive reviews from schools and students. And by the year 2000, the Direct Loan program will save taxpayers over \$1 billion a year. In addition to implementing the new direct loan program, the Department has improved the management of all its student financial aid programs—reducing default rates and increasing loan collections.

In the past few years, substantial strides have been made toward transforming the Department into a more effective and efficient organization that can better serve its customers.

Other streamlining and reinvention efforts within the Department include providing educators, parents, and community leaders with easy access to information about programs and strategies to improve program effectiveness.

The Department has proposed elimination of 86 programs and is committed to a 50 percent reduction in its discretionary grant regulations. The Department is also streamlining the grant award process by eliminating 6,000 unnecessary negotiations a year, notifying grantees earlier, and distributing grant funds electronically.

These management improvements are only the first steps in a long-term effort to be more responsive to customers and effectively promote education improvements.

Internet users can access the Department's online library in the following ways:

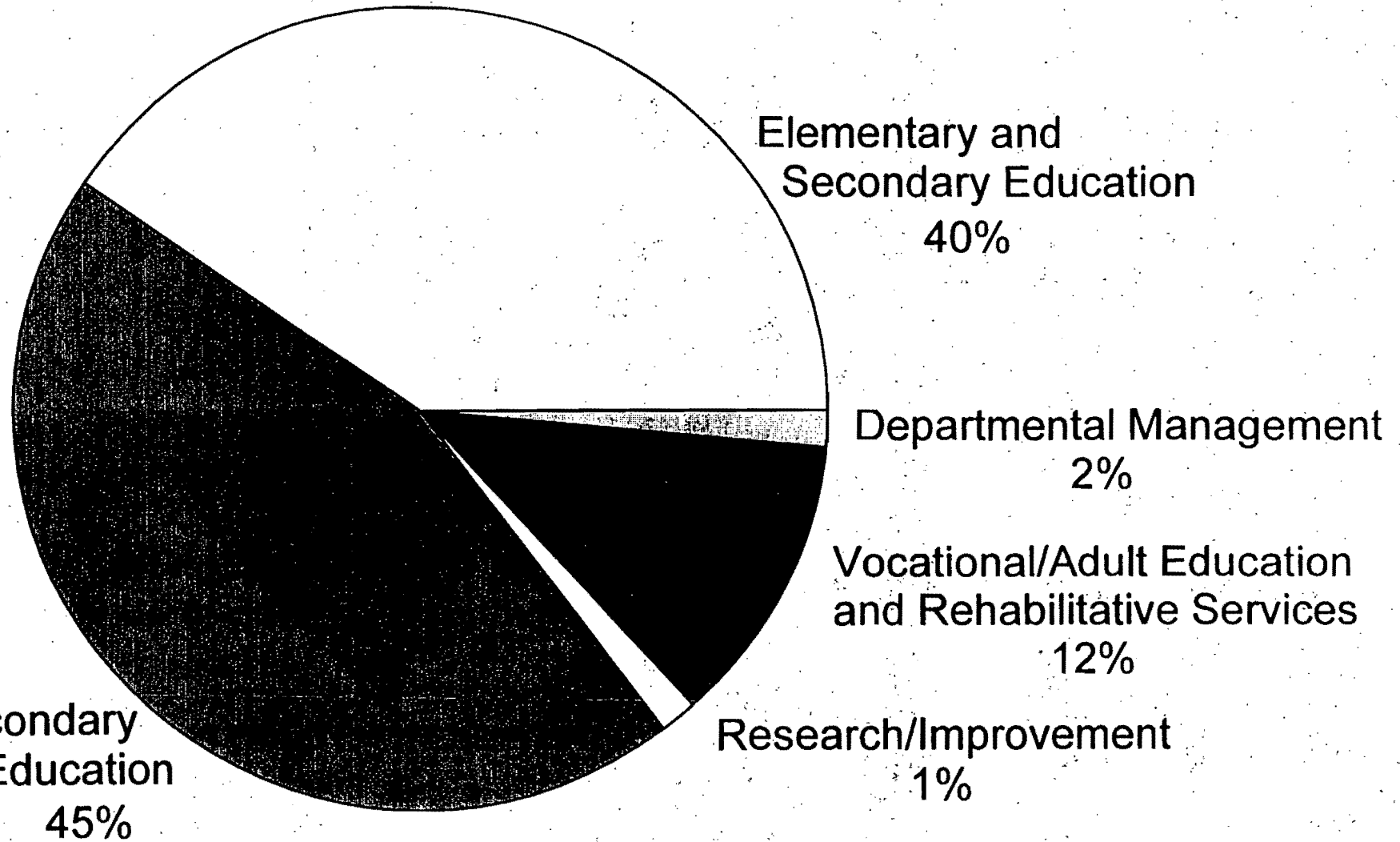
- World Wide Web browser such as Mosaic or Lynx (URL = <http://www.ed.gov>)
- Gopher client (gopher to gopher.ed.gov)

or select North->USA->General->U.S. Department of Education from all other gophers

- FTP client (ftp to ftp.ed.gov)
Log on as anonymous.
- E-mail (send message to almanc@inet.ed.gov)
Type "send catalog" in the body of the message
Avoid the use of signature blocks and leave the subject line blank.

For information and publications about U.S. Department of Education programs and activities, call 1-800-USA-LEARN.

Department of Education Funding



FY 1995

Budget Service
June 2, 1995

Explanation of Department of Education Program Lists

This packet contains two lists of Department of Education programs:

1. Fiscal Year 1996 Department of Education Programs, By Office: This list reflects the number of separate program activities that are administered by each program office within the Department. The 1995 version of this list is the source of the "240 programs" figure that the Department has used in budget documents and testimony before Congress. The number of programs on the 1995 list actually totals 243. The 1996 list totals 152 programs — or 91 fewer than in 1995 — assuming Congressional approval of the Administration's proposals for eliminating, phasing out, and consolidating Department programs.

2. Summary of Program Terminations and Consolidations in ED's 1996 Budget: This document reflects line-items in the appropriations bill funding the Department's activities. The total number of line-items that would be eliminated, phased-out, or consolidated by the Administration's proposals is 68. This lower number reflects the fact that a single line-item may fund several separate programs. For example, the single line-item for Education for Native Hawaiians funds 6 different programs supporting such diverse activities as community-based learning centers, teacher training, special education, and higher education. Accounting for these separate program activities brings the total decrease in the number of programs that would be administered by the Department under the President's budget proposal to 91, the same as reflected in document #1.

Line items funding multiple programs include the following:

<u>Line Item</u>	<u># of Programs</u>
Education for Native Hawaiians	6
IDEA Deaf Blindness	4
IDEA Serious Emotional Disturbance	2
IDEA Severe Disabilities	2
IDEA Early Childhood Education	7
IDEA Secondary and Transitional Services	5
IDEA Media and Captioning Services	4
IDEA Personnel Development	5

FISCAL YEAR 1996 DEPARTMENT OF EDUCATION PROGRAMS, BY OFFICE

OBEMLA

Bilingual Enhancement Grants
Bilingual Comprehensive School Grants
Bilingual Systemwide Grants
Bilingual Teachers and Personnel Grants
Bilingual National Professional Institutes
Immigrant Education
Foreign Language Assistance

Number of OBEMLA programs: 7

OERI

Research Centers
OERI Field-Initiated Studies
Regional Laboratories
ERIC Clearinghouses
Other Research
Statistics
Assessment
National Library of Education
Eisenhower Prof. Dev. National Activities
Technology for Education
Star Schools
Ready to Learn Television
Telecommunications Demonstration
FIE Comprehensive Program
FIE Comprehensive School Health Education
Javits Gifted and Talented Education
National Diffusion Network
Regional Math and Science Consortia
Civic Education
International Education Exchange
National Board for Prof. Teaching Standards
Public Library Services
Public Library Construction

Number of OERI programs: 23

OESE

Goals 2000 State and Local Grants
Goals 2000 National Programs
Goals 2000 Parental Assistance
ESEA Title I Grants to LEAs
ESEA Title I Capital Expenses
ESEA Title I Migrant Program
ESEA Title I Neglected and Delinquent
ESEA Title I State School Improvement Grants
Tit. I Demonstrations of Innovative Practices
Impact Aid Construction
Impact Aid Basic Support Payments
Impact Aid Heavily Impacted Districts

OESE

Impact Aid Facilities Maintenance
Impact Aid Increases in Military Dependents
Eisenhower Prof. Develop. State Grants
Safe and Drug-Free Schools State Grants
Safe and Drug-Free Schools National Programs
Inexpensive Book Distribution
Arts in Education
Magnet Schools Assistance
Homeless Children and Youth
Women's Educational Equity
Training and Advisory Services
Charter Schools
ESEA Comprehensive Regional TACs
Family and Community Endeavor Schools

Number of OESE programs: 26

OIE

Indian Education Grants to LEAs
Programs for Indian Children/Demonstrations
Programs for Indian Children/Prof. Develop.
Programs for Indian Children/Fellowships
Programs for Adult Indians
Indian Education National Activities

Number of OIE programs: 6

OPE

Federal Pell Grants
Supplemental Educational Opportunity Grants
Federal Work-Study
Federal Perkins Loans
Perkins Loans Cancellations
State Postsecondary Review Program
FFEL Stafford Loans
FFEL Unsubsidized Stafford Loans
FFEL PLUS Loans
FFEL Consolidation Loans
Direct Stafford Loans
Direct Unsubsidized Stafford Loans
Direct PLUS Loans
Direct Consolidation Loans
Hispanic-Serving Institutions
Strengthening HBCUs
Strengthening HBGIs
FIPSE Comprehensive Program
FIPSE Special Focus Program
Minority Teacher Recruitment Partnerships
Minority Teacher Recruitment Placement
Minority Science Improvement
National Resource Centers
Foreign Language and Area Studies Fellowships
Undergraduate International Studies

OPE

International Research and Studies Projects
Business and International Education Projects
International Business Education Centers
Language Resource Centers
American Overseas Research Centers
Fulbright-Hays Program
International Public Policy Institute
Interest Subsidy Grants
Student Support Services
Upward Bound
Talent Search
Educational Opportunity Centers
McNair Postbaccalaureate Achievement
TRIO Staff Training
Byrd Honors Scholarships
Graduate Assistance in Areas of National Need
Faculty Development Fellowships
School, College, and University Partnerships
Howard University
HBCU Capital Financing Program

Number of OPE programs:

45

OSERS

IDEA Part B Grants to States
IDEA Part B Preschool Grants
IDEA Part H Infants and Families
IDEA Research and Demonstrations
IDEA Technical Assistance and Systems Change
IDEA Professional Development
IDEA Parent Training
IDEA Technology Development and Support
Vocational Rehabilitation State Grants
Client Assistance State Grants
VR Training - Long-Term
VR Experimental and Innovative Training
VR Training - Continuing Education
VR Training - In-Service
VR Training - Short-Term
VR Training - Interpreter
VR Parent Information and Training
Special Demonstration Programs
Migratory Workers
Recreational Programs
Protection and Advocacy
Projects With Industry
Supported Employment State Grants
Independent Living State Grants
Independent Living Centers
Independent Living/Older Blind
Helen Keller National Center
Rehab. Research & Training Centers
Rehab. Engineering Research Centers
NIDRR Research and Demonstrations

OSERS

NIDRR Dissemination and Utilization
NIDRR Field-Initiated Research
NIDRR Research Training
NIDRR Spinal Cord Injury Centers
Assistive Technology
American Printing House
Nat. Technical Institute for the Deaf
Gallaudet University

Number of OSERS programs: 38

OVAE

School-to-Work State Grants
School-to-Work Local Partnerships
School-to-Work National Programs
Vocational Education State Grants
Vocational Education National Programs
Adult Education/Family Literacy State Grants
Adult Education/Family Literacy Nat. Programs

Number of OVAE programs: 7

Total Number of Department of Education Programs: 152

SUMMARY of PROGRAM TERMINATIONS and CONSOLIDATIONS
in ED'S 1996 BUDGET

	<u>Number of Programs</u>	<u>(\$ in 000's) Change from 1995 Enacted</u>
Program Terminations by 1995 Rescissions	-15	-\$122,735
Program Terminations in 1996	-21	-504,102
Program Phase-outs beginning in 1996	-5	-120,975
Subtotal	<u>-41</u>	<u>-747,812</u>
 Program Consolidations into Broader, More Flexible Programs, Net	 -27	 +46,337
 TOTAL PROGRAM TERMINATIONS, PHASE-OUTS, AND CONSOLIDATIONS	 <u><u>-68</u></u>	 <u><u>-701,475</u></u>

February 23, 1995

**Program Terminations and Consolidations
in ED's 1996 Budget**

	(\$ in 000's)
Program Terminations by 1995 Rescission	FY 1995
	Appro.
Instruction in Civics, Government, and the Law	\$5,899
Dropout Prevention Demonstrations	28,000
Ellender Fellowships	4,185
Vocational Education Community-Based Organizations	9,479 /1
Vocational Education Consumer and Homemaking Education	34,409 /1
Eisenhower Leadership Program	4,000
Law School Clinical Experience	14,920
National Early Intervention Scholarships and Partnerships	3,108
National Academy of Science, Space, and Technology	2,000
Olympic Scholarships	1,000
Teacher Corps	1,875
College Housing and Academic Facilities Loan Subsidies (\$10 M in new loans)	168
21st Century Community Learning Centers	750
Library Literacy Programs	8,026 /2
Library Education and Training	4,916
Subtotal	122,735

Program Terminations in 1996

Migrant High School Equivalency Program	\$8,088
College Assistance Migrant Program	2,204
Impact Aid Payments for Federal Property	16,293
Innovative Education Program Strategies State Grants (prev. Chapter 2)	347,250
Christa McAuliffe Fellowships	1,946
Education for Native Hawaiians	12,000
HEA III Endowment Challenge Grants (excludes HBCU set-aside)	6,045
Native Hawaiian and Alaska Native Culture and Arts Development	1,000
Innovative Projects for Community Service	1,423
Cooperative Education	6,927
Urban Community Service	13,000
Student Financial Aid Database and Information Line	496
Mary C. McLeod Bethune Memorial Fine Arts Center	4,000
National Science Scholars	4,424
Douglas Teacher Scholarships	14,599
Javits Fellowships	7,787
Harris Fellowships	20,244
Legal Training for the Disadvantaged	2,964
National Writing Project	3,212
Interlibrary Cooperation	23,700
Library Research and Demonstrations	6,500
Subtotal	504,102

/1 Proposed for consolidation under the Vocational Education Program. (Note: Programs included on OMB's list of consolidations rather than terminations.)

/2 Proposed for consolidation under the Adult Education and Family Literacy Program. (Note: Program included on OMB's list of consolidations rather than terminations.)

**Program Terminations and Consolidations
in ED's 1996 Budget**

<u>Program Phase-outs beginning in 1996</u>	(\$ in 000's)	
	<u>FY 1995 Appro.</u>	<u>FY 1996 Estimate</u>
Education Infrastructure	\$35,000	\$35,000
Impact Aid Payments for Children with Disabilities	40,000	40,000
Training in Early Childhood Education and Violence Counseling	13,875	9,600
HEA Strengthening Institutions-excludes HBCU's and Hispanic-serving institutions	80,000	40,000
State Student Incentive Grants	63,375	31,375
TOTAL	197,250	120,975
TOTAL AMOUNT OF PROGRAM TERMINATIONS	\$824,087	
Number of Program Terminations by 1995 Rescission	-15	
Number of Program Terminations in 1996	-21	
Number of Program Phase-outs	-5	
Total Number of Program Terminations	-41	

<u>Program Consolidations</u>	(\$ in 000's)	
	<u>FY 1995 Appro.</u>	<u>FY 1996 Estimate</u>
Special Education:		
Research and Demonstrations	---	\$63,000
Technical Assistance and Systems Change	---	50,000
Professional Development	---	97,000
Parent Training	---	14,534
Technology Development and Support	---	29,500
Deaf-blindness	\$12,832	---
Serious Emotional Disturbance	4,147	---
Severe Disabilities	10,030	---
Early Childhood Education	25,167	---
Secondary and Transitional Services	23,966	---
Postsecondary Education	8,839	---
Innovation and Development	20,635	---
Media and Captioning Services	19,142	---
Technology Applications	10,862	---
Special Studies	4,160	---
Personnel Development	91,339	---
Parent Training	13,535	---
Clearinghouses	2,162	---
Regional Resource Centers	7,218	---
Rehabilitation Services Special Demonstration Programs:	---	23,942
Special Demonstration Programs	19,942	---
Supported Employment Projects	10,616	---
National Technical Institute for the Deaf:	---	43,041
Operations	42,705	---
Endowment Grant	336	---
Construction	150	---
Gallaudet University:	---	80,030
University Programs	54,244	---
Elementary and Secondary Education Programs	24,786	---
Endowment Grant	1,000	---

**Program Terminations and Consolidations
in ED's 1996 Budget**

Program Consolidations (Continued)	(\$ in 000's)	
	FY 1995 Appro.	FY 1996 Estimate
Vocational Education Consolidation:		
State Grants	---	\$1,141,088
National Programs	---	37,000
Basic State Grants	\$955,626	---
Basic Grants Territorial Set-aside	2,015	---
Basic Grants Indians and Hawaiian Natives Set-aside	15,109	---
Tech-Prep Education	108,000	---
Tribally-Controlled Postsecondary Vocational Institutions	2,919	---
State Councils	8,848	---
Vocational Education Research	7,851	---
Vocational Education Demonstrations	20,684	---
NOICC	6,000	---
Adult Education and Family Literacy Consolidation:		
State Grants	---	479,487
National Programs	---	11,000
Even Start	102,024	---
Adult Education State Programs	336,506 ^{/3}	---
Adult Education Evaluation and Technical Assistance	3,900	---
National Institute for Literacy	4,869	---
State Literacy Resource Centers	7,787	---
Workplace Literacy Partnerships	13,736	---
Literacy Training for Homeless Adults	1,498	---
Literacy Programs for Prisoners	9,100	---
TOTAL	2,023,285	2,069,622

Total Number of Programs Consolidated	-39
Total Number of Broader, More Flexible Programs	12
Net Change	-27

^{/3} Adjusted for comparability. Includes \$84,161 thousand for literacy training carried out prior to 1996 under the Job Training Partnership Act in the Department of Labor; such activities will be incorporated into the Adult Education and Family Literacy consolidation and carried out by the Department of Education as part of the GI Bill for America's Workers.

February 23, 1995