OLCA
Sandra Cook

Bruce N. Reed
12/03/99 01:03:49 PM

Record Type: Record

To: Andy Rotherham/OPD/EOP@EOP

cc: See the distribution list at the bottom of this message

Subject: Education Budget ideas

Thanks for the very thorough briefing book y'all put together on budget proposals. You put a lot of good stuff together in a hurry.

Here are my thoughts on next steps:

100% CBO on this one

1. After-school:

A. Failing Schools: I asked Ann to figure out how we can pledge to make after-school universal for any kid in a failing school. She's going to get numbers on how many kids are in failing elementary and middle schools, and run cost estimates. We should work out a couple of design issues: I assume we give an absolute priority to programs for failing schools, ~~but what~~ definition should we use for failing school? Ann suggested that we say any elementary or middle school ~~that~~ is failing either by Title I measures or by the state's own accountability system. lowest tier

Ann

B. Faith-based/CBO: I'm all ~~for allowing faith-based~~ groups to compete for the 10% of funds set aside for CBOs, and I'd be open to raising that % to 15 or 20. But I don't think we can just open up all the money to CBOs. OK policy, but hopeless turf battle, and besides, it's somewhat inconsistent with our message that we want after-school to reinforce our standards focus. You should focus your efforts on figuring out how much of a lift it will be to open the door to faith-based groups (consistent with Justice's admonition that they can't be pervasively sectarian, of course). Eric Liu and Cynthia have plenty of battle scars on this issue; you should check with them. → clarify it

JB
scale back

2. Teachers

You've got a $380 million increase to bring Title II up to current levels, which is sensible, but that's a lot of money for an initiative we never really say much about because it's just a block grant whether it's funded at 800m or 1.2b. I'd rather spend that $380m on our new teaching initiatives -- recruitment, performance pay, etc. Is there a way we could make these new initiatives earmarks within Title II, either at the state or federal level?

For example, I don't know the full details of OMB's teacher academies proposal, but perhaps we could earmark 50m or more of the Title II total for every state to try it. Pay for performance is more complicated, because we've envisioned that as a 10-city demo and it might rattle folks to make it a 50-state deal. But if we were sufficiently tight on the rules and limited the amount of money, it would be a more powerful proposal. Or we could make it a federal earmark, which may not make much sense but we might get away with in this limited circumstance. We could do the same with Troops to Teachers.

So a revised Title II proposal might look like this: 100

Teacher recruitment ← ~~Teacher Academies:~~ 50m (or whatever) set-aside to states

Troops to Teachers: 18m ~~set-aside to feds~~ → 150 million

Pay for Performance: 80m (not 20m) set-aside ~~to feds. You need to~~ spend more $ on this than 20m to be credible. Also, you may ~~want to~~ make these 3-year grants, since gains in

10 city

Relicensing +

Have you talked to Bruce

Get paper on Relicensing and recruitment

Into Title II?

Retooling

performance won't be immediate.

2001 Performance Bonus for Qualified Teachers: 60m (5%) set-aside to feds to give to states that meet certain goals for certification and teaching-out-of-field by the beginning of the 2001-02 school year.

30

Increase in combined Eisenhower/Goals number: ~~170m~~ (to bring that total to 1 billion).

TOTAL for TITLE II: $1.2 billion

Can you explore whether this construction would work? (And flesh out some of the details, like how the 5% set-aside for performance might work.)

3. Performance/Report Cards

Your proposal is very detailed on report cards, but we need to flesh out the other components. I envision an incentives pot for 2001 that includes:

* the 5% set-aside for teacher quality (60m). The $ would be appropriated in fall 2000, but awarded to states based on the qualifications of their teachers at the beginning of the 01-02 school year. 2 measures: % qualified by state stds; and % teaching in-field.

* $ for high-quality report cards (50m). The way you describe -- funds to carry out the new ESEA rqmt.

* $ for adopting 2 other accountability measures (50m): (1) a high school exit exam (which serves as a proxy for social promotion, and is harder for Repubs to oppose; and (2) a statewide failing schools program that identifies and intervenes in failing schools.

Statewide accountability program

Thought we were going to 425m.

This regime would stay in place for FY2001 and FY2002, to be replaced in 2003 by actual student performance measures based on NAEP or comparable state stds. The size of the bonus fund would grow from 110m in FY2001 to 150m in 02, 200m in 03, 250m in 04, and 300m in 05, for a 5-year total of $1 billion.

How much $ do you want

4. Schools for the Future

This needs better definition in order to survive the budget process. It might be better cast as a high school reform initiative. That's what we talked about in ESEA, that's what the Secy wants, and it will reinforce what we're pushing on HS exit exams.

Can you also look at the pay-for-performance element of our HS reform proposal in ESEA, which gave teachers the prospect of a $3000 bonus?

5. Distance Learning

I really like this idea. It needs a better name, like schoolsofthefuture.com or something. (If you're interested in going into business, the domain name "www.aponline.com" appears to be unclaimed, but most variations of school.com and .org are taken.)

Big grant program

But you need to make sure that what's new here (AP, course content, etc.) is getting enough money. Big increases in teacher training and the tech literacy challenge are all well and good, but if we're going to make a lot out of our new proposal, it shouldn't just be some underfunded pilot. Also, it's important to be able to say this will be universal, or at least universal for kids trapped in poor schools. I'm not sure just posting an AP course on the Web makes it universal -- you need to be able to get online, and you may need access to a warm body (or at least an 800 number) to help you through it.

Also, is there a way to make college test prep part of this proposal? It's not imperative, but it seems ~~like that idea~~ would be on a stronger footing in the digital divide context than as a stand-alone affirmative action idea.

It's a low-income program

SAT + Test Prep

6. School Leadership (Title II) NB

This, too, seems like a well-designed orphan in need of a champion. We might be able to get it as a little stand-alone program, because Barbara's open to it, the Dept's open to it, and it's not much money. But you should make sure it's consistent with what we proposed in ESEA, so it has a chance of being authorized.

[As a general matter, can you make sure we've looked at every sensible authorization in the House-passed Title I bill?]

7. Small schools

I don't know if our money should go for building new schools. That's what we have a school construction tax proposal for. I want to fund this at $200m, it's a good issue, but we need more clarity on what the $ COULD be used for. Also, is there some link to charters here?

Sorry for all the questions. We need to sort out these issues by COB Monday. I'm happy to meet if necessary. Thanks!

Message Copied To:

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DRAFT

December 1, 1999

MEMORANDUM FOR BRUCE REED

FROM: Andrew Rotherham
J.B. Buxton
Bethany Little
Kendra Brooks

SUBJECT: FY01 BUDGET IDEAS

This is a more detailed view of education related budget initiatives for the President's FY2001 budget request. An overview of the initiatives and more detailed explanations are included. Many of these ideas are still being fully developed, but this memo should give you an idea of where we are.

These initiatives can be considered in three categories, existing budget priorities, proposals from our Elementary and Secondary Education Act (ESEA) reauthorization proposal that should be included in this year's budget request, and new Presidential initiatives.

Existing Budget Priorities:

Class Size: We recommend no policy changes and an expansion of funding to continue on path to 100,000 teachers.

After-School: We recommend changing the policy to allow community-based organizations (including faith-based) to apply for and be the primary fiscal agent for a program so long as it is based at a school site. We also recommend an increase in funding so that programs reach a million students. *A more detailed description is included.*

Charter Schools: We recommend expanding funding to support 3,000 charter schools. OMB estimates that this requires approximately $150 million over FY00 enacted levels.

ESEA Proposals For The Budget:

Title I and Title I Accountability: We recommend increasing the set-aside for Title I accountability to $250 million to highlight the importance of this initiative during ESEA reauthorization and a comparable increase to the basic grants. In addition, the public school choice component of the provision agreed to as part of the budget negotiations should be included along with the original accountability language we proposed in the FY00 request and our ESEA reauthorization proposal.

Teaching to High Standards: The President's ESEA reauthorization proposal would consolidate Goals 2000, the Eisenhower Professional Development Program, and Title VI into a standards based reform grant program. We recommend that the FY01 budget request reflect this proposal. At their FY00 enacted levels the Eisenhower program and Goals 2000 are a combined $ 830 million. Although the Administration does not recommend funding the Title VI program in its budget request, the Teaching to High Standards initiative should reflect an inclusion of current Title VI funding ($380 million FY00) and be funded at a minimum of $1.21 billion.

Public School Choice OPTIONS Proposal: $30 million The OPTIONS initiative is part of the President's ESEA reauthorization proposal. The initiative would create a grant program that would fund the demonstration, development, implementation, evaluation and dissemination of information of innovative public school choice projects. Funded projects would focus on areas such as new choice options for students within districts, partnering choice schools with other schools to disseminate information and stimulate improvement, and overcome barriers to choice. The request covers $28 million for approximately 40 new grants $1.3 million for evaluation, and $200,000 for peer review.

School Report Cards and Rewards for Performance: $50 million. The President's ESEA proposal requires states to have easy to understand report cards on school, school districts and state performance. As public school choice expands it is important that parents have access to high quality, objective, and understandable information about schools. A common criticism of our report card requirement is that it is an unfunded mandate to states. By providing seed money to help states and localities develop report cards we undermine this argument. States that have already developed report cards could use the funding for dissemination.

The President's ESEA proposal contained language-authorizing rewards for performance. No dollar amount was specified. We are developing a proposal to attach money to this language in the budget and determine performance indicators for rewards.

A more detailed description of both proposals is included.

Troops to Teachers: $18 million in FY00. The Troops to Teachers program was created in 1994 to help improve public school education by injecting the talent, skills, and experience of military service members and other federal civilian personnel into high-poverty schools. Recent studies have found that a significant number of mid-career professionals who possess strong subject matter skills are interested in beginning a teaching career-this program taps this valuable resource.

The new proposal will continue the recruiting, preparing and supporting retired military personnel as teachers in high-need subject areas and school districts. It will also support similar programs for other midcareer professionals by awarding grants to public agencies, institutions of higher education, and nonprofit organizations to recruit, prepare, and support career-changing professionals from diverse fields whose knowledge and experience could help them become successful teachers. This is part of our ESEA proposal and should be included in the budget. *A more detailed description is included.*

Presidential Initiatives:

Pay for Performance—$20 million. This initiative is designed to complement the commitment laid out in the Action Plan from the 1999 National Education Summit to pilot pay-for performance initiatives in 10 states or school districts. The initiative would support, "Denver" style pay-for-performance initiatives in which all teachers receive an initial bonus for participating and additional rewards based on performance. Denver did participation by school with at least an 85 percent affirmative from school staff required for a school to participate. We should leave details of this nature up to the local districts that participate but require at least the participation of 250 teachers and cap participation at 500 per site. While large school districts are the obvious targets for grants of this type, partnerships of smaller school districts that meet the threshold should also be eligible.

With guaranteed bonuses of $500 for participation and assuming that all-10 sites enroll the maximum of 500 teachers, the bonus component will cost $2.5 million. For an additional $12.5 million we can support pay incentives for performance of up to $2500 per participation teachers for a total program cost of $15 million. In addition, an administrative set-aside will have to be provided to each grantee for program implementation and at least an additional $2 million should be included for promotion to attract potential grantees and rigorous evaluation of programs. *A more detailed description is included.*

Teacher recruitment: OMB is developing a teacher recruitment piece and NEC is examining a proposal by Representative Miller to increase teacher pay through federal tax-exemptions for teachers working in high-need communities. It is important that these proposals are linked to the pay for performance initiative.

Fund for Future Schools-- $50 million given out by competitive grant for innovative regional, state, and local ideas that require upfront infusions of funding. As opposed to school-based only reforms these resources would be for structural changes at the school district, state, and/or regional level as well. For example, a school district could apply for funding to help implement one of the governance models proposed in the recent ECS report, conduct a full service "Saturday" school to help students who need extra assistance, or rework the senior year of high school to focus on service learning. States or regional cooperatives could apply for funding for larger scale innovations such as college preparatory academies, innovative partnerships, or pioneering governance models.

Grant awards would be given out by an independent bipartisan board. Grant size and longevity would be determined by the board within broad parameters. Grant renewals would entail a step-down process for funding that would gradually transfer the program to fully state and local funding. Programs that don't meet performance indicators would not receive "step-down" funding. Essentially, the federal government would capitalize promising initiatives, capture data on their effectiveness, and disseminate information. Based on our series of meetings with school officials there are a number of projects which they would like to undertake but cannot for lack of start up funds. *A more detailed description is included.*

Small Schools: The FY00 Appropriations bill contains a $45 million provision supported by Representative Obey for competitive grants to school districts to help them create smaller learning communities for students in large high schools using strategies such as creating schools within schools, establishing career academies, restructuring the school day and other innovations that allow schools to ensure that every student receives personal attention and support. We recommend funding this initiative in our budget at $200 million. *A more detailed description is included.*

Distance Learning Initiatives to Support Access to Challenging High School Coursework:
Total Budget Amount (excluding E-Rate) $665 million

This would be a package of initiatives which would endeavor to help every state develop a Virtual High School entity to harness the power of technology to ensure students everywhere access to a challenging high school curriculum. The package would: 1) ramp up existing programs in technology and 2) create a new partnership program with software companies to spur the development of high quality course content for web-based delivery in areas such as AP, "honors," English as a Second Language, and remedial reading and writing courses.

We have had initial discussions with APEX, which creates and sells web-based AP courses, about subsidizing the cost of R&D in return for cutting in half the cost of their software for poor districts. They are sending along some paper on their commitment.

Funding Specs:

Program	FY2000	FY2001 Proposed
E-Rate	$2.25 billion	Maintain
Teacher Technology Training	$75 million	$125 million
Technology Literacy Challenge Fund	$425 million	$525 million
Partnership Program with Industry	New	$15 million

A more detailed description is included.

School Leadership Institutes: $20 million. Recognizing that without high quality school leadership, school reform is impossible the federal government would provide seed money to establish school leadership institutes. The Department of Education would fund a competitive grant program that would provide seed/capacity-building funds to for state or regional school leadership academies. Multi-year grants would be made to nonprofit partnerships composed of alliances of business groups, education stakeholders, and other relevant partners for example existing nonprofits or the armed services. The nonprofit entities would be focused on training for existing school leaders and recruitment and training of new school leaders including non-traditional candidates.

Administration would partner with/challenge a foundation (ideally Carnegie Commission) to put together a National Commission on School Leadership. There is a lot of disconnected work being done in the field and this could help bring it together, serve as a think tank, and focus national attention on this issue. **Amount: $1 million**

More detailed descriptions of both proposals are included.

Test Prep for Minorities: $25 million would fund 350 sites at $70,000 per site. To avoid ineffective programs, grantees would have to partner with a private for profit or non-profit test-prep service and offer course of sufficient duration and rigor as to be effective. Details of the NAACP proposal are sketchy and we are tracking down more information. *A more detailed description is included.*

SYNOPSES OF KEY INITIATIVES

Putting the Community into the 21st Century Community Learning Centers Program:

Allowing Community-Based Organizations to Receive Federal Funds for After-School Programs

Summary

This proposal amends the grant program for the 21st Century Community Learning Centers grant program to allow non-profit community-based organizations (CBOs)—including faith-based organizations—to serve as the grantee for programs operated at a public school site in partnership with that public school. This change would recognize the central role that CBOs can play in delivering services to school, spurring innovative practices, and creating greater community involvement in the local school throughout the school year. The grant criteria would also be amended to require a clear academic focus. These changes would be made at no expense to the federal government.

Background and Rationale for Initiative

The 21st Century Community Learning Centers provides grants to public schools to offer opportunities for extended learning time to students and community members. The program has evolved into essentially an after-school and summer school program. Although public schools are required to partner with CBOs, Cobs can not receive direct funding from the federal government to run the programs. The Administration's current ESEA reauthorization proposal would allow up to 10% of funds in a given year to be awarded to nonprofit Cobs.

Our proposal would allow any and all funds to be granted to nonprofit Cobs, including faith-based organizations, but it would require that the programs be run at public schools and that Cobs be in partnership with that public school. This will allow organization with exceptional track records to benefit the children and families of local public schools by granting them access to direct contracts and federal dollars to run programs in partnership with local public schools. Such a scenario preserves the operation of after-school programs at public schools and allows those schools to tap any local expertise in running such programs.

The following points underscore the added value in funding Cobs to run programs at public school sites:

Why allow Cobs to run programs?

- **Experience**. Cobs are running after-school programs across the country. In fact, CBOs have more experience running after-school programs than do public schools. In places like New York, they are running programs at public schools. CBOs have also demonstrated their capabilities to run programs in the public interest in their running of Head Start operations.
- **Understand Children's Needs**. CBOs are local entities with experience working to support the needs of children, families and/or the community on a variety of issues and through multiple strategies.
- **Offer New Educational Approaches**. Involving CBOs increases the likelihood that the programs will enrich the school culture by introducing promising new educational and child development practices. CBOs can provide a new vision for educational enrichment and change in schools that have difficulty looking beyond current practices.
- **Improve Connection with Parents**. CBOs generally have built better relationship with school parents than the local public schools. These relationships can help enhance the connection between schools and parents for the regular school program.
- **Connections to the Community and Capital**. Nonprofits—be they social service organizations, educational entities, advocacy groups, or faith-based organizations—can bring connections to the business, philanthropic and nonprofit sector that many schools often lack.
- **Personnel Issues**. With CBOs as the grantees, the hiring of instructors for after-school will be more flexible and less tied to union bargaining agreements (where applicable). This will dramatically reduce costs for personnel and more easily allow non-traditional personnel for areas like the arts, sports and other curricular areas.

Why require programs to be run at public schools?

- **Appropriate to Location and Program Needs**. Public schools are the logical place to operate after-school programs, given the projected scale of the initiative, its educational agenda, and goal of connecting the regular school day with extended activities.

- **Licensing Requirements**. School buildings, mostly underutilized after 3:00 p.m., meet all public childcare-licensing requirements.
- **Facilities**. Public schools generally provide more access to things such as science equipment, computer technology, and libraries than do CBO facilities.
- **Convenience**. School based programs are convenient for parents, who do not have to worry about transporting their children to other sites.
- **Connecting After-School to Regular School**. School-based after-school programs seem to stand the best chance of connecting the school day with after-school learning activities, thereby creating an expanded platform for learning and supporting children's efforts to reach high academic standards.

The Track Record with CBOs

Head Start provides a good track record for the capacity of CBOs to run educational programs for children. Head Start grantees may be public or private, for-profit or nonprofit organizations or public school systems. The grantees are accountable for certain administrative, fiscal and program expectations and requirements. In the area of after-school, CBOs are running programs for school-age children across the country. In New York City, CBOs are receiving public and private funding to run programs at schools. For example, The After-School Corporation provides funding for 85 programs that are run by CBOs at public schools and the Virtual Y program offers after-school programs at over 200 New York City schools.

Initiative Design: Allowing CBOs to Compete for 21st Century Grant Funds

A redesigned 21st Century Community Learning Centers grant program would operate as follows:

- The grant competition would be opened up to allow CBOs, in partnership with public schools, to compete for any and all of the program funding.
- To be eligible for a grant award, programs must be run at public school sites.
- CBOs awarded a grant would have to demonstrate administrative, financial and program accountability for funds received (much in the same way public school recipients do now).
- Schools or CBOs that wish to terminate their relationship and their grant funds may do so (in the case that goals and efforts are incompatible).
- Private companies could be partners with CBOs or schools, but would not be eligible to receive direct grants.
- Grants would be required to have a clearer focus on academic achievement than in the current 21st Century program.

Cost

This amendment to the 21st Century Grant Program would not create additional costs, with the possible exception of auditing issues. That is, there may be more administrative work in ensuring fiscal propriety with independent CBOs than with district schools.

Possible Critiques of the Initiative

Critique: ***CBOs won't guarantee a focus on academic learning***. Some people in the education community believe that CBOs bring a focus on the social development of children than the academic development—CBOs "in charge" of programs will dilute their academic content.
Response: Requiring CBOs to partner with public schools will lead to a collaboratively-developed program that will reflect a school's needs for enhancing student performance in core academic subjects. If problems develop in the program, the grant can be terminated for non-compliance or incompatibility between grant partners.

Critique: ***CBOs will be hard to monitor and assess***. It will be difficult to judge a grantees capacity for managing a large grant—especially if it were to represent a substantial part of their budget. In addition, DOE has expressed some reservation about the process for auditing CBOs as a part of financial compliance checks.
Response: The Head Start program should be able to offer processes and mechanisms for ensuring the capacity of CBOs.

Critique: ***Including faith-based organizations will essentially license state-sponsored religion***. By allowing faith groups to receive funds, the federal government will essentially condone faith-based instruction.
Response: By requiring programs to be located at public schools, faith-based groups can not infuse programs with faith-based content. Rather they will be bound by the Constitutional limits on public-funded activities (much like faith-based groups who receive Head Start funding).

Political Considerations

1. The proposal will engender opposition chiefly from the Department of Education, which doesn't want to have to deal with any more than the 10% number included in the ESEA reauthorization proposal. Liberal democrats who don't believe in allowing faith-based groups to receive federal funds will also oppose, but probably not strenuously given the requirement that programs be operated out of public schools.
2. The support for this will likely be soft, given that fiscal agent status is a little bit of inside baseball. That said, Republicans and New Democrats should support the proposal as a way to inject flexibility into the process and allow local communities to deploy best resources for the job. The Congressional Hispanic and Black Caucuses might line up behind this as their constituents will be likely to support and have confidence in CBOs and they are more likely to represent districts where schools need community help in developing new approaches to working with kids.
3. The proposal would run into politically rocky ground with the inclusion of private companies as eligible bidders and the contentious issue of firms making private profits from public funds. Private companies would be allowed to partner, however, with CBOs and/or public schools.

Rewards and School Report Cards

Background

The President's reauthorization proposal contains language authorizing the Secretary of Education to make rewards to states that have demonstrated significant statewide achievement gains in core subjects or have made progress in closing the achievement gap between low and high performing students, as measured by the NAEP for three consecutive years and have strategies for continuous improvement in place. The language is non-specific and no funding is attached.

Proposal

The statutory language in ESEA states that progress is measured by meeting National Assessment of Educational Progress (NAEP) standards for three consecutive years. This language is unworkable because the NAEP is not given every year in the same subject areas. The statutory language should be changed to allow the use of other nationally reliable standardized tests. For the first few years, rewards should also be given for states meeting or exceeding the performance criteria specified in the Education Accountability Act ahead of the statutory deadlines. This criteria includes curtailing out of flied and uncertified teaching and having a plan in place to identify and turn around failing schools as specified in the President's 1999 ESEA reauthorization proposal. After the statutory deadlines for compliance with these provisions are reached the awards should become entirely performance based on overall score gains and closing the achievement gap. States that receive awards should have discretion over the use of the funds so long as they are used to improve education in the state's public schools and supplement not supplant existing efforts.

Cost:

The initial cost for rewards of this nature would be low as very few states would meet the threshold. $10 million in the first two years, scaled up to $50 million over 5 years would be adequate as performance awards are initiated.

Promoting Accountability and Awareness:
An Initiative to Provide Seed Funding to States for the Development and Dissemination of School Report Cards

Summary

The President's ESEA reauthorization proposal requires states to develop report cards on school, district and state performance. As public choice expands and as schools and school systems become more accountable for their performance, it is important that parents have access to high quality, understandable and objective information about their public schools. A common criticism of our report card requirement is that it is an unfunded mandate on the states. This initiative would provide $50 million in seed money to the states to support the development and/or dissemination of required report cards and to undermine the claim that the requirement represents an undue fiscal burden. Funding would be sent on a formula basis to all states.

<u>Background and Rationale for Initiative</u>

Title XI, Part B, The Education Accountability Act, of the President's ESEA reauthorization proposal includes a requirement that on an annual basis report cards on state, district and school-level performance are distributed to all parents and the public. Included on the report cards would be information on student achievement, teacher qualifications, class size, school safety, and, where appropriate, the academic achievement of ethnic and racial subgroups, students with limited English proficiency and students with disabilities in order to help ensure that schools and school systems are held accountable for the achievement of all students.

The State of Report Cards in the States

According to the most recent *Education Week* survey of the states, in 1999, 36 states will publish annual report cards on individual schools or require schools or districts to do so. Another 4 states are set to begin publishing them next year, and one more will join the pack in 2001.

However, the quality and character of these report cards vary tremendously. Although states have acted to develop report cards prior to the proposed federal requirement under our ESEA reauthorization, the quality of the report cards tend to match the vigor of the school reform effort within states. Some states report basic information on testing results only, some provide statistics with no explanation, and others offer detailed summaries of student achievement and performance levels and measures. At the same time, just as some states have been dragged to standards and accountability, they are also having to be dragged to the position of providing public and accessible information on the state of their schools. The political and educational landscape in a number of states is working against revealing too much about the status of school performance and student achievement.

Content. A look at the content of report cards throughout the states reveals the following:

- just over half of the report cards produced by states offers information on state tests scores, attendance rates, and dropout rates
- 14 states include information on Advanced Placement participation and achievement
- 17 states include information about school safety
- 16 states provide data on teacher qualifications.

Comparability. While the ability to compare school performance is critical to promoting awareness and accountability for schools and school systems, fewer than half the states provide information on such comparisons:

- 20 states allow a school's performance to be compared with a district's to undermine the claim that the requirement represents an undue fiscal burden. Funding would be sent on a formula basis to all states.

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Comparability. While the ability to compare school performance is critical to promoting awareness and accountability for schools and school systems, fewer than half the states provide information on such comparisons:

- 20 states allow a school's performance to be compared with a district's

- 25 allow comparisons between school and average state performance
- 17 provide comparative data on national performance where applicable
- 9 provide data showing how schools are doing with similar student populations.

Disaggregation. While federal law for Title I now requires the disaggregation of student performance by gender and racial and ethnic subgroups, only 1 state (Texas) makes this information a central feature of its report card.

Dissemination. In addition to the uneven quality of state and local report cards, dissemination of report card information to parents and the public is poor. Although 26 states will make report cards available electronically via the World Wide Web by this year, only 13 will require that parents receive them at home.

Costs. Expenses vary from state to state depending on the detail of the report and its format. Providence, RI, which provides detailed reports on schools that can run more than 30 pages, reports that per school costs reach $7,000 to $8,000. Louisiana, which provides state, district and school-level report cards, spent approximately $550,000 on a contract with a management group to produce and disseminate the information (data collection is a separate cost).

Critics of the report card requirement have claimed that it represents an unfunded mandate on states and localities. By providing seed funding, we would undermine this claim and force opponents to debate the concept on merit and content, not cost. Further, the absence of funding support could lead to dual report card systems, whereby states and localities provide one set of federally-mandated data for schools receiving Title I funding, and another set for all other schools. This would weaken the accountability and comparability of schools and districts and would fall short of the goal to promote awareness and accountability on school performance among parents and the public.

<u>DPC Proposal</u>

Faced with a deadline in one year for the development of report cards, states and localities need support in the development and dissemination of easy-to-understand, yet comprehensive information for parents and the public on their public schools.

In the FY2001 budget, the Department of Education would distribute to states by formula grant, funding to support the development and/or dissemination of report cards that meet the standard as agreed-upon in the reauthorized ESEA. States would use funds to defray the costs of development, including data collection and system requirements. States that have already developed satisfactory report cards or require less than the entire sum of their grant for development purposes would be allowed to use the funds for dissemination purposes, with the expectation that report cards go directly to parents and are easily accessed by the public. States can distribute money to local districts as appropriate.

<u>Cost</u>

The FY2001 budget would provide $50 million on a formula basis to states for the development of required report cards and for dissemination. The formula would be developed based on such criteria as student population and numbers of schools and school districts.

Potential Criticisms of Current Approach

Critique: ***Schools need support in many areas to improve performance and report cards does not represent the most effective way to provide needed resources***. In addition, some may argue that states should have the flexibility to decide where they need money to support our accountability requirements.
Response: In order to create a system with more accountability, good information on a variety of school performance measures must be able to compare schools on their achievement and progress. Report cards are a critical and necessary vehicle for communicating information about school performance and quality to parents.

Critique: ***This initiative will subsidize efforts with report cards that were occurring in the absence of a federal mandate and is unnecessary***. Given that 41 states by 2001 will publish report cards prior to any federal mandate, this expenditure of money is providing support to states in an area where they are acting anyway. Better to use the money elsewhere to compel state action and progress.
Response: While states were acting to provide information on schools, it is of greatly uneven content and quality. It is in the interest of the federal government—and of parents and the public—to ensure that school, district and state report cards are developed and disseminated in way that spur accountability by increasing comparability and public understanding of school performance.

Political Considerations

1. By providing seed money to states and localities for report cards, we will undermine criticism that our ESEA requirement is an unfunded mandate and an undue burden. This will neutralize opposition on the basis of cost alone from both members of Congress and governors and clear the path for either acceptance of the report card concept or a debate on the merits and content of the information—not on its cost.

2. We should win support from states that have completed all or a substantial portion of the development of report cards, as they will receive funding for dissemination.

Transition to Teaching:

Expanding Troops to Teachers to Recruit Other Mid-Career Professionals into Teaching

Background and Rationale for Initiative

As a result of increasing enrollments, the retirement of many teachers and other attrition, this country will have to hire over 2 million teachers in the next decade. The problem of attrition is particularly acute among new teachers, 22 percent of who leave the profession after teaching for three years or less. Mid-career professionals interested in changing jobs are an important and largely untapped resource for addressing teacher shortages. Recent studies have shown that a significant number of mid-career professionals who possess strong subject matter skills are interested in beginning a teaching career.

Troops to Teachers was created in 1994 to help improve public education by injecting the talent, skills and experience of military and other federal civilian personnel into high-poverty schools. Since 1994 over 3,300 former military personnel have been hired as teachers in 48 states and the District of Columbia. The average program participant is 41 years old, and more than 83 percent of those hired have stayed in the classroom. Teachers recruited through Troops to Teachers are twice as likely as traditional public school teachers to teach science or math and three times as likely to be minorities.

DPC Proposal

The Transition to Teaching initiative was included as part of the Administration's ESEA proposal – the Educational Excellence for All Children Act of 1999. This initiative would build on the successes of the Department of Defense's Troops to Teachers program by recruiting, preparing and supporting talented mid-career professionals from diverse fields as teachers of high-need subjects areas in high-need schools. The initiative would preserve the Troops to Teachers initiative by requiring the Secretary of Education to allocate the necessary funding to DANTES (the Defense organization that runs the Troops to Teachers program) before funding other programs. Additional grants would then be awarded to public agencies, institutions of higher education, and nonprofit organizations to recruit, prepare and support career-changing professionals whose knowledge and experience could help them become teachers of high-need subjects in high-poverty schools. Funds could be used for stipends, training, or other costs, with a spending limit of $5,000 per participant.

Cost

The Administration requested $18 million for this initiative in our FY 2000 budget request, but we did not receive those funds specifically. There is some discussion about using FIE funds to fund the program anyhow, but it is unclear if that will happen. We would probably request a similar amount in FY 2001.

Performance-Based Pay

Background:

As part of the 1999 National Education Summit in Palisades, New York, the governors and assembled business leaders pledged to sponsor "pay for performance" initiatives for teacher salary in 10 locations as a strategy to make teacher pay more competitive with other professions.. Despite considerable attention to the issue of teacher quality, teacher pay still remains far below other professions with the national average starting salary only approximately $25,000, average teacher salary overall only approximately $38,000, and the average maximum teacher salary in any state only about $51,000.

At the time of the summit, Denver, Colorado was receiving considerable attention for its pay for performance pilot and Governor Ridge of Pennsylvania had set-aside $1 million for school districts to establish pay-for-performance programs (which has sparked a pay-for-performance discussion in Philadelphia). The Denver program evaluates teacher performance on three-different measures with teachers electing which measure to use. The first is student performance on the Iowa Test of Basic Skills (ITBS) a nationally normed standardized test. The second is student performance on teacher-developed criterion-referenced measures. The final measure is net student progress after the teacher receives some sort of professional development related to their teaching.

12 elementary schools will participate in the first year of the Denver program. In order to participate, 85 percent of teachers at a school site had to affirmatively vote to participate. As a result, only 12 of the 82 elementary schools in Denver qualified to participate with a total participation of approximately 450 teachers. All teachers receive a $500 bonus for participating and an additional $1000 if they meet two (self-determined) goals for raising student achievement in one of the three categories.

During the DPC's discussions with local school officials this fall the issue of teacher salary structure was raised on two fronts. First, local officials complained that because teacher pay was not competitive, particularly in high need areas such as math and science, they were having trouble attracting qualified candidates. Second, local officials pointed out that because teachers compensation systems are so rigid and based on input measures rather than output measures they felt that it hurt motivation and incentive to perform in the long run.

England is now introducing pay for performance for teachers as well. This Spring the first component of the Blair proposal will be put in place. In the "Green Book" published in December of 1998 outlining school improvement strategies, the Blair Administration proposed rewarding teachers for high performance as a way to reward successful teachers.

While teachers' unions remain opposed to merit pay, they are open to the idea of rewards for effective teaching. One of the main complaints about merit pay schemes is that they are too subjective and based more on relationships with supervisors than performance. Conversely, even testing experts in favor of merit pay agree that basing teacher pay on student test scores alone is an unfair and unreliable base for compensation. This argues for a hybrid approach such as Denver's that incorporates multiple measures for evaluation.

A second complaint about performance rewards for teaching is that the resources for compensation rarely exist. For example, several New York school districts that experimented with merit pay had to suspend the program after it became fiscally impossible to reward all eligible teachers. A common complaint from teachers about reform efforts is a lack of sustainability. By providing sufficient funding for 10 pilots, our proposal addresses this concern.

Critics of performance pay also argue that teaching is a collegial profession and that efforts to reward individual performance detract from this atmosphere. There is little data upon which to judge this argument lending credence to the need to pilot such programs and evaluate them.

One area of agreement about pay for performance plans is that teachers should have a voice in the development of the performance indicators. The Denver plan includes this component. Teacher buy-in is essential for program success.

<u>DPC proposal:</u>

Our initiative is designed to support the commitment laid out in the Action Plan from the 1999 National Education Summit to pilot pay-for performance initiatives in 10 states or school districts. The initiative should support "Denver" style pay-for-performance initiatives in which all teachers receive an initial bonus for participating and additional rewards based on performance. As aforementioned, Denver set parameters for school participation; however, we recommend leaving details of this nature up to the local districts that participate but require at least the participation of 250 teachers and cap participation at 500 per site. While large school districts are the obvious targets for grants of this type, partnerships of smaller school districts that meet the threshold should also be eligible.

Although there will be pressure from constituency groups and within the Administration to explicitly define every aspect of the program for local school districts, it would be a mistake to do so. First, by specifically defining programs we would stifle innovation and limit the value of data from this pilot. For example, the 1999 National Education Summit pledge was deliberately vague as to whether pay for performance plans had to have an individual teacher component or could be school-site-based. Second, entangling the federal government too much in the area of teacher pay raises numerous political problems that can be avoided with a more flexible program design. The proper federal role in supporting this type of initiative is to provide leadership and resources, broad parameters for participation, and to measure, compare, and disseminate results. The ideal initiative would provide resources to 10 sites within a context of broad discretion as to program design. Ideally, both individual teacher bonuses and school-based bonuses will be piloted.

However, to ensure both sound policy and political viability, any program funded under this initiative should have the following characteristics:

- No teacher should receive less compensation as a result of participating in the program;
- Teachers should be involved in the development of performance indicators;
- Performance should be based on more than a single indicator;
- Student performance must be an indicator.

Cost:

Including a substantial evaluation component, 10 sites could be funded adequately for $20 million annually including independent evaluation With guaranteed bonuses of $500 for participation and assuming that all-10 sites enroll the maximum of 500 teachers, the bonus component will cost $2.5 million. For an additional $12.5 million we can support pay incentives for performance of up to $2500 per participation teachers for a total program cost of $15 million At least an additional $2 million should be included for promotion to attract potential grantees and rigorous evaluation of programs and each site will have to be provided with funds to cover administrative, legal, and other expenses arising from implementation.

Fund for Future Schools

Background:

During our discussions with local school officials, a reoccurring theme was the inability to try innovative or new ideas because of a lack of funding. In fact, a common complaint of school leaders is that when not an actual problem, lack of funding is commonly used as an excuse to derail innovative reforms.

Currently the federal government funds "innovative practices" from two main accounts in the Department of Education, the Fund for the Improvement of Education (FIE) and the Title VI account. FIE is largely consumed by legislative earmarks and pet programs of lawmakers and as a result drives little innovation in states and localities around the country. Title VI, while a very flexible block grant, is sent to states and localities through a formula that rarely provides sufficient revenue for large scale reform. In practice there is little evidence that Title VI money drives innovation and the Administration recommends zero-funding the program each year in its budget request.

As the federal role in education evolves in conjunction with the emerging information-based economy, that role will increasingly become more strategic and less programmatic. For example, already the Title I program, the largest elementary and secondary program is moving toward becoming almost entirely flexible within the context of defined goals.

While we should continue to invest in what works throughout ESEA, it is equally important that we acknowledge that we don't know a lot of things that work. As Seattle Superintendent Joé Ochaleske put it during one discussion this fall, we don't know how to make some students proficient readers by the third-grade despite all the rhetoric to the contrary.

While the Obey-Porter Comprehensive School Reform program supports school-based reforms, there is no federal program targeted to statewide, district-wide, or multi-school initiatives or single school programs that fall outside the purview of Obey-Porter.

In England, a similar fund has been established to help disadvantaged schools try new strategies and cultivate bottom-up innovations. While the fund got off to a slow start, British officials report that in its second year results are encouraging. Hong Kong sponsors a similar effort to what we are proposing.

<u>DPC Proposal:</u>

An independent fund to support innovative regional, state, and local ideas that require upfront infusions of funding. As opposed to school-based only reforms these resources should support structural changes at the school district, state, and/or regional level. For example, a school district could apply for funding to help implement one of the governance models recommended in the recent ECS report which involves completely restructuring the school board-school relationship. Other ideas raised in our discussions included conducting a full service "Saturday" school to help students who need extra assistance, or rework the senior year of high school to focus on service learning outside of the school. States or regional cooperatives could apply for funding for larger scale innovations such as college preparatory academies, innovative partnerships among schools, or pioneering governance models.

Grant awards would be given out by an independent bipartisan board. Grant size and longevity would be determined by the board within broad parameters. Grant renewals would entail a step-down process for funding that would gradually transfer the program to fully state and local funding. Programs that don't meet performance indicators would not receive "step-down" funding. Essentially, the federal government would capitalize promising initiatives, capture data on their effectiveness, and disseminate information. Based on our series of meetings with school officials there are a number of projects which they would like to undertake but cannot for lack of start up funds.

No grant should:

- Be for more than 20 percent of the total appropriation for the fund (i.e. $10 million);
- Be for a purpose explicitly prohibited by federal law (i.e. national testing, vouchers, etc.).

The board would be composed in such a way as to maintain a bipartisan division regardless of which party controls the White House and would include representatives from the education and business communities. The assistant secretaries of education for elementary and secondary education and educational research and improvement would represent the administration on the board. The threshold for grant approval would be structured to ensure that ideas are approved with bipartisan support from board members.

Cost:

$50 million annually given out by competitive grant and less administrative and evaluation expenses of the board.

Small Schools

Improving Student Achievement with Smaller High School Learning Environments

Background and Rationale for Initiative

Incidents of school violence, like the recent tragedy in Littleton, Colorado, have caused serious alarm among parents and students who are unsure what has caused such tremendous alienation and aggression in our teenagers. Although there have been calls for tougher gun control laws and stricter discipline policies, more and more educators are pointing to a systemic problem -- the model of the American high school, one of the most enduring and unchanging institutions in our society. One indicator of our failure to adjust high schools to the changing needs of the population is the alarmingly high Hispanic dropout rate (30 percent for students born in the United States and 44 percent for those born outside the country). Hispanics are the fastest growing segment of our society, yet our high schools are clearly not engaging or serving these students. Finally, we are failing to prepare many students for the academic challenge of higher education and lifelong learning. While record numbers of high school graduates are going on to college, almost half of entering college freshmen drop out by the end of their second year. Close to thirty percent of students entering a four-year college have to take remedial courses.

Although experts cite a variety of factors that contribute to the decline of our high schools, including academic mediocrity, poor teaching, insufficient counseling services and waning parental involvement, most cite the same remedy for these ills – create smaller schools with smaller classes. Since the end of World War II, the number of schools nationwide has declined seventy percent, while average enrollment has grown fivefold. More than 25 percent of American high schools enroll more than 1,000 students, and enrollments of 2,000 and 3,000 are common. The conventional wisdom in building these enormous schools was that they would offer students more academic and extracurricular opportunities. However, more and more large schools are being built because of the need to educate rapidly growing numbers of high school students. There are currently 13.5 million students attending secondary school in America, and they will enroll and additional 1.3 million students in the next decade.

Research shows that small schools can offer a strong core curriculum and, in most cases, a level of academically advanced courses comparable to large schools. Smaller schools also have better attendance records, lower dropout rates and fewer discipline problems. A 1996 study found that students in smaller schools were more likely to be involved in extracurricular activities and to hold positions of responsibility. Finally, research backs up the conventional wisdom that smaller schools are safer and more productive because students feel less alienated, more nurtured and more connected to caring adults, while teachers feel that they have more opportunity to get to know and support their students. A 1997 study of charter schools showed that the most common reason parents chose a charter school over a traditional public school was the smaller size of the charter school. Fifty-three percent of parents surveyed cited the schools' small size, ranking that factor ahead of higher standards, greater educational philosophy, greater parental involvement and better teachers.

There is no agreement on what a "small school" looks like, but there is a general consensus that a high school should have no more than 600 students. The University of Illinois *Small Schools Workshop* describes "good" small schools as having a curriculum integrated around a coherent focus and philosophy of education, teachers that collaborate and discuss the needs of their students, a sense of leadership and investment in the school, and the involvement of families and community. Many of these characteristics are also associated with charter schools, and indeed, charter schools tend to be significantly smaller than their traditional counterparts. In addition to charter schools, models of small schools include freestanding small schools, autonomous schools-within-schools, and scatterplexes, with two or more small schools at different sites that share a principal.

DPC Proposal

This proposal would build on an initiative introduced by Congressman Obey to establish smaller learning communities in America's high schools. The program would offer competitive grants to school districts that submit a plan to create smaller learning environments for students by building smaller schools or by breaking up larger schools using strategies such as creating schools-within-schools, establishing career academies, restructuring the school day and other innovations that allow schools to ensure that every student receives personal attention and support. A competitive priority could be offered to do not just create smaller schools, but also build those schools around the *Small Schools Workshop* criteria detailed above. Allowable uses of federal funds could include planning and implementation costs, professional development, team building, facility renovation, additional planning time, extended learning time, legal and accounting consulting, supplies and other relevant costs.

Cost

The Obey initiative is funded at $45 million in the FY 2000 budget, however the FY 2001 request would probably be for $200 million, and we are still determining how many schools that would fund.

Possible Critiques of the Initiative

Critique: ***Many of the fastest growing districts are desperately struggling to simply keep up with enrollment. How can they be expected to build small schools?***
Response: The advantage of this program is that it will defray the additional costs to those districts of building more, smaller schools. There is little question of how to do this quickly and efficiently, and federal support could mean an area would have more, smaller schools that better meet students' needs rather than a large, impersonal high school.

Political Considerations

4. This proposal would differ somewhat from the Obey proposal in that money could be used to create new small schools (not just to break existing schools down into smaller units), and money could be used for some facilities renovation and construction. It is unclear if these things would be acceptable to Obey, or if they would change the program beyond his original intention. Also, if we take on the renovation/construction issues, we need to decide how far to go. Would we finance or subsidize the building of new schools? Perhaps it could be tied into moving the school construction proposal to the discretionary side (offer a priority for building small high schools).

5. The Obey proposal is an appropriations initiative, and there is no separate authorization for the program. It is not included as part of our ESEA proposal, but it might make sense to try and get it included in legislation in order to guard against its disappearance after one year.

21st Century Schools Distance Learning Initiative:
Providing Access to Challenging Coursework
for Students from Rural and Inner City Districts

Summary

The 21st Century School Distance Learning Initiative is designed to ensure that students have access to challenging high school coursework regardless of the location of their school. Within two years, any student—no matter his or her place of schooling—will be able to take high school AP coursework. To accomplish this ambitious goal, the initiative would include a package of proposals. First, it would increase or maintain existing support for three key technology access programs: E-Rate, the Technology Literacy Challenge Fund, and the Technology Teacher Training Program. Second, it would develop a public-private partnership with leading course software developers, which would subsidize the cost of high quality Web-based course development in return for cut-rate prices for high poverty school districts. Third, it would offer a grant program for districts to support their efforts to provide challenging coursework for their students. The cost of the new components of the package would be $50 million for course development and grants and $150 million in increased funding for current programs.

Background and Rationale

The federal government has a historic role in supporting education for children who gain the most from it: children in high poverty schools. Lacking the necessary fiscal and community resources, high poverty schools are generally unable to provide high quality educational opportunities. It's these schools—the schools that harbor the most pressing needs—that disproportionately lack qualified teachers, access to technology, and other resources that augment the most basic curriculum.

This Administration has not only continued to provide investments in disadvantaged communities through such programs as Head Start and Title I, but it has committed to shaping a federal role in education that holds all students to high standards, expects they can achieve, and holds schools accountable for results. In addition, the Administration has fought to make college affordable to all Americans so that students who work hard and prepare themselves to enter college will not face prohibitive financial barriers to higher education.

However, many high schools in poor rural and inner city school districts include another type of barrier: poor access to challenging coursework that students deserve—and need to enter college. Faced with higher proportions of unlicensed and out of field teachers, especially in areas like math and science, little in the way of community financial and professional resources, and smaller numbers of students interested or prepared to take challenging courses, these schools are unable to provide AP courses, honors electives and other important offerings like foreign languages. Fewer than 60% of high schools offer AP courses to their students. That means 2 out of 5 high schools do not have access to coursework that research shows is the best predictor of college success. And those high schools are disproportionately located in poor communities.

One way to bridge this gap is through distance learning technology. Not new to American schools, but still scarce among them, distance learning encompasses Web-based courses, compressed video, and courses televised via satellite. Distance learning technology can help provide coursework for students who attend schools unable to offer certain courses, need alternatives to traditional education, or seek more high quality offerings in areas such as English as a second language and remedial writing and reading at the high school level.

The following represent some current state-level efforts in distance learning at the high school level:

- Florida and Iowa have created Virtual High Schools, whereby students from across the state can access coursework in a variety of disciplines. Coursework is delivered via the World Wide Web.

- Virginia delivers AP courses via satellite. Nearly 2,000 students took courses through this means in the 1998-99 school year in the state.
- Mississippi and North Carolina offers courses on compressed video, which is gaining acceptance as costs are coming down.
- The Massachusetts-based Concord Consortium (federally funded) offers courses nationally and trains teachers to develop and teach courses for the Web.
- Universities around the country are partnering with states and school districts to offer college level and credit courses to high school students. The University of Nebraska has created a for-profit subsidiary to develop and offer on-line courses.

Of the three technologies, Web-based instruction appears to have the most currency. It provides for lower equipment and transaction costs, uses a technology which is in schools at present and with which most students are familiar, and it is more immune to technological obsolescence than compressed video and television as it can adapt to new software and delivery mechanisms utilizing the Web.

A Federal Role

There are a number of issues involved in attempting to provide access to challenging and needed coursework for under-served schools and student populations. Among them are the following:

- Training teachers to use technology and course software
- Accessing the equipment needed to support Web-based courses
- The cost of connectivity
- The quality of course content and its cost

At present, the federal government is supporting initiatives that focus on the first three issues. The Teacher Training Technology Program, the Technology Literacy Challenge Fund, and E-Rate are all working to provide schools with the capacity to access and use computer technology and connect to the World Wide Web in an affordable way. The Star Schools and Technology Innovation grants have also provided seed funding to partnerships endeavoring to offer access to educational opportunities through distance learning. The latter two programs, however, are small and have been frozen to concentrate on supporting currently funded initiatives.

The last issue—course content and cost—remains a hurdle. The quality of current offerings on the Web is of considerable variance. Much of the reason is that the cost of course development is very high. The Southern Regional Education Board reports that states in this game have found course development to be roughly $200,000 per course; private developers quote numbers in excess of $700,000 per course. To add to the problem, software developers with access to the capital needed for high quality R&D efforts are generally unwilling to jump into the on-line high school course market because of the multiplicity of standards, curriculum requirements and assessments across states. Where developers are coming into the market—for example APEX in developing AP courses—they are doing so where the standards are national in scope. At the same time, their products are not cheap and generally unaffordable for the student populations that needs them most.

With ongoing initiatives in training, equipment and connectivity, the key area for federal involvement and support is in the area of course development and subsidy. Through this approach, the federal government would allow states to continue their own efforts to offer coursework based on their standards and unique needs (e.g., Florida's Virtual High School), but provide quality content and take the pressure off of course development.

Initiative Design

The initiative is a package composed of three distinct pieces:

1. Propose increased funding for the Technology Teacher Training program and the Technology Literacy Challenge Fund and continuing the funding plan for the E-Rate program.

2. A public private partnership with a group of course developers. In exchange for a hefty subsidy of course development for AP courses, courses in ESL, foreign languages, and other challenging coursework, course/software developers would offer the courses at major discounts (or free) to eligible high poverty schools.

3. A competitive grant program for states and districts to allow schools to apply for course access and to help defray the costs of additional expenses needed to support such an initiative. Such activities might include other initiatives at the local level to prepare teachers and students to offer AP courses, specific distance learning scheduling and personnel issues and efforts to partner with community colleges and local Community Technology Centers for access to needed facilities and equipment. The grant program could also subsidize state and school efforts to offer access to college-level and credit courses.

We have had initial discussions with APEX, which creates and sells web-based AP courses, about subsidizing the cost of R&D in return for cutting in half the cost of their software for poor districts. APEX is very interested in a partnership of this breadth and scope and the group is sending along some paper on a potential commitment.

Cost

The new costs associated with this initiative would be $50 million to support the partnership with industry and a grant program for states and districts. The cost breakdown would be as follows:

- $25 million for subsidizing the development of up to 16 AP courses and courses in other areas such as ESL, foreign language, remedial needs, and in math and science. At $500,000 per course (APEX's initial offer), the project could subsidize the development of 50 high quality courses.

- $300,000 per course (very rough estimate) for other 8 ($2.4 million)
- $25 million grant program to offer access to courses and seed local efforts to provide courses to students.

The initiative would also seek increased funding in the amount of $150 million:

- Maintain E-Rate at $2.25 billion commitment
- Increase Teacher Technology Training funds from current level of $75 million to $125 million.
- Increase Technology Literacy Challenge Fund appropriation from $425 million to $525 million (OMB plans this request).

Together with the new course development and access initiative, the total new costs would be $170 million.

Possible Critiques of the Approach

Critique: ***Effort would fund development without guarantee that schools would take-up discount rate courses on the Web***. The subsidy of industry would have to occur before districts signaled a desire to pay for courses at discount rates or target other resources to support this effort.
Response: The efforts already occurring in states are testament to the demand for such services. That said, the initiative would warrant a lot of outreach to eligible communities (concomitant perhaps with E-Rate outreach efforts).

Critique: ***Given the small size of the course development industry, partnering with companies will end up undercutting competition in the industry.***
Response: This danger does exist, but if the partnership were opened up, bid out, and committed to not doing a sole source contract, then it could actually increase competition in the industry.

Political Considerations

- Sen. Kennedy is the major supporter for the Star Schools Program (it was his creation) and the Senate in general likes the program. It will be frozen for next year and an initiative like this could attract support.
- Republicans and Democrats have supported AP fee assistance and would likely support this effort to increase access to AP courses and other challenging coursework. The College Board's government relations shop reports that Sen. Bingaman (D-NM), Rep. Cunningham (R-CA), and Sen. Hutchison (R-TX) are among the program's most ardent supporters..
- The rural support aspect of the initiative could win support among Republicans who pushed for the Rural Education Act in the House's ESEA reauthorization proposal. Although that initiative was more of Super Ed-Flex accountability model dressed up in a rural education rescue program, the issue of supporting rural educational needs is a real one that should develop broad support. Inner city advocates should also line up.

- There is the potential for opposition from two areas: those who see this as a move towards national standards and curriculum and 2) those who see this as a move towards faceless education that might support home schooling and the like. Both arguments are fairly weak, but the language describing and promoting the initiative would need to be sensitive. I.e., national course curriculum and virtual school terms could stir unnecessary opposition. Teachers unions, for example, will be especially sensitive to the latter issue.

School Leadership for the 21st Century:

An Initiative to Fund Independent School Leadership Centers in States
To Enhance the Quality of Public School Leadership

Summary

In recognition that without quality school leaders, school reform is destined to fail, the Administration proposes to support state-level efforts to increase the quality of current school leaders. This initiative would assist the creation and support of independent school leadership centers in a select number of states. The centers would be run by nonprofit or public-private partnerships, would not be directed by state departments of education or state administrator preparation programs at universities and colleges, and would tap local leadership expertise in the public and private sector. The issue of school leadership has broad political appeal and support for the initiative should be strengthened by the independent nature of the centers. Seed funding would be provided on a matching basis and grants would be awarded on a 3-5 year basis. The budget amount for FY2001 would be $20 million.

Background and Rationale for Initiative

School reform in the 1990s has trained its sights on any number of places. Developing school and student standards, assessment and accountability systems, charter schools, school-based management and improving teacher quality have been the dominant strategies employed by the states to improve the quality of their public K-12 schools. What few seem to be talking about, however, is the one area in public schools central to all of these reform strategies: school leadership.

The role of school leaders—principals and assistant principals, superintendents and assistant superintendents, and select teachers—in school improvement should not be underestimated. If states are serious about improving public schools and the educational opportunities for young people, they must begin to focus on the development of school leaders who can lead school change and improvement efforts. While policy has rightly focused on areas such as accountability, teacher quality, and school-based decision-making, the spotlight has yet to shine with adequate intensity on one of the lodestones of reform: the principalship.

Three trends in public education highlight the pivotal role school leaders are playing in school improvement and the need to support them:

1. **Devolution of Decision-making.** Decisions about schooling—from budgets to curriculum to instruction—are moving out of state capitals and centralized processes and into local districts and schools. With that devolution of authority comes much greater responsibility for superintendents, principals and other school leaders.

2. **School-Based Assessment and Accountability.** The devolution of decision making has largely come about as a result of the move by states to systems of standards and rigorous accountability. In holding schools accountable, states are giving districts—and districts are giving schools—greater flexibility about how they reach the standards set for them. In these new systems, school leaders are being asked to play much bigger roles in crafting instructional approaches, restructuring their organizations, working with the local community, and using resources strategically than they have previously.

3. **The Focus on Improving Teacher Quality.** The federal government and state governments have focused many political and fiscal resources in recent years on efforts to ensure teacher quality. Initiatives aimed to improve teacher preparation, support, development, and retention have been undertaken. However, many of these efforts will matter little in the face of bad school leadership that does not understand how to support and develop teachers. Improving the quality of school leadership is an important complementary investment for guaranteeing better quality teachers.

A Federal Role

There are a number of places that resources from the federal government could be used to leverage improvements in the quality of school leadership. As with teachers, recruitment of quality candidates and reforming preparation practice is critical to ensuring that future ranks of school leaders are exceptionally prepared for the job.

However, reforming licensure and preparation standards can't carry the entire load of enhancing the capacity of school leaders. Attention must also be paid to the ongoing learning and development needs of these school administrators. School leaders need high-quality and ongoing development and opportunities to develop networks and to learn best practices in fields beyond education. At present, there is no federal program focused solely on school leadership and only a handful of programs that allow funds to be used to support the development of school leaders.

Perhaps the most appropriate role the federal government could play, and the place where its resources can best leverage change, is in the seeding of state-level partnerships that focus on the needs of school leaders and provide ongoing development opportunities for the current ranks. Further, the federal government can serve as a catalyst for bringing nontraditional partners into the effort, such as the business community, to disseminate its lessons in leadership to those in charge of improving the public schools.

Initiative Design: School Leadership Centers

The Department of Education would fund a competitive grant program that would provide seed/capacity-building funds to state or regional School Leadership Centers. Multi-year grants would be made to nonprofit public-private partnerships composed of alliances of business groups, education stakeholders, and other relevant partners such as existing nonprofits or the armed services.

The centers would be focused on providing training for principals and superintendents, as well as provide services for assistant principals and superintendents and select teachers. Where states had enabling legislation to this effect, Centers could also focus on recruiting nontraditional candidates into the profession and constructing alternate pathways. Centers could not be run by state departments of education, university or college schools of education, or the federal government's regional education labs, although these organizations could be partners in the effort.

Funds would be awarded on a 3-5 year basis. Centers would be expected to offer training and services to support school leaders in areas such as instructional leadership, management practices, school organization, school design, community engagement, and school board relationships. Centers would also be expected to involve leaders and best practices from fields other than education. An Advisory Board to the Secretary, made up of national leaders in the areas of education, business, nonprofits and the armed services, will be assembled to advise the Secretary on choosing grants.

Cost

The grant program would provide $20 million for funding demonstration centers around the country. Grantees would receive funding in the $200,000 - $300,000 range per year for three to five years. Funding would support approximately 20 Centers in states or regions. Grant recipients would be required to provide a 50% match, 30% of which could be in-kind.

Possible Critiques of the Initiative

Critique: ***Independent centers aren't guaranteed to support state agendas for school improvement***. Without being tied into state educational community, the Centers may run programs that don't support the goals and standards in the state.
Response: Centers that are run by the establishment are much less likely to run innovative programs that provide new approaches to school leadership. At the same time, effective centers will be aligned with the state's standards and goals and will help fashion leaders better equipped to reach the standards.

Political Considerations

1. The issue of school leadership engenders broad political support across political parties with Republicans being traditionally very receptive of a focus on leadership.
2. Senator Kennedy introduced S. 1180 in the past session (signed onto by Dodd, Daschle, Dorgan, Murray, Levin and Schumer) that included funding for a national center for principal preparation and support and efforts to recruit people into the principalship.
3. Creating independent centers will likely be strongly opposed by the higher education administrator preparation programs and other groups who are setting national standards for administrators. They will see this as undermining their role in states.
4. The administrator groups will like the focus on principals and superintendents, but will probably oppose the independent nature of them.
5. Teacher groups will want to include language that involves teacher leaders (which we've included) and about school leaders, especially principals, as "instructional leaders." I think the less we include in the mandate for these Centers, the better—with the exception of independent entities that are public-private partnerships, which include both traditional and nontraditional stakeholders in school leadership.

Closing the Achievement Gap:
Providing Free, High Quality Test Preparation Courses to
High Need Students

We are still researching this proposal including getting more detailed demographic information about SAT test takers. Here is a framework so far..

Summary

SAT scores are an important component of college admission and historically minority and low income students have not scored as well as their white and more affluent classmates for many reasons including not having access to high-quality test preparation activities that are common in many communities. There is a federal role to help solve this problem by providing funds to increase access to college entrance exam preparation. Under the model we are proposing, partnerships of high schools, leaders in the test prep industry and community based organizations would compete for a grant to offer college test preparation as well as other related services.

<u>*Background/Rationale*</u>

Because every child deserves an equal chance at academic success and because, for the moment, standardized testing as a part of college admissions will remain a fixture on the educational landscape, each student regardless of financial standing should have equal training and preparation for college entrance exams. Quality test preparation courses are important to success on college exams but are often beyond the financial reach of most families adding to the disadvantages many financially needy students face when competing with privileged students in college admissions. Free college test preparation courses could help students with college aspirations who have demonstrated through coursework that they are capable of succeeding in college.

While this program should be aimed at low-income students, by default through this criteria it will target minority students. The College Board report *Reaching the Top: A Report of the National Task Force on Minority High Achievement* found that:

- In 1995, African-Americans, Latino's and Native American's accounted for only 13% of the bachelor's degrees, 11% of professional degrees and 6% of doctoral degrees awarded by U.S. Colleges and Universities despite making up about 30% of the under 18 population.

- This year, Blacks, Hispanics, and Native Americans made up only about one in twenty of the students who had very high scores on the SAT 1, which are scores typical of students admitted to highly selective colleges and universities.

One of the College Board's recommendations for action is for national and community organizations concerned with improving minority education to work with educational reformers and researchers to expand and strengthen supplementary education opportunities available to underrepresented students. The objective should be to provide the same education opportunities for underrepresented minorities that are equivalent in scope and quality available to many youngsters from the nation's most academically successful groups.

Recently, the NAACP also highlighted this issue as an emerging problem and called for increasing access to test preparation services for disadvantaged students.

Last year California State Senator Hayden introduced the College Preparation Partnership Program in California that offers very low cost or free college test preparation courses. Districts were able to apply for money and choose which schools would receive the funds that met the eligibility criteria. In California, schools that receive money for college exam prep are able to use the money either to contract with an unspecified college prep service, or to use the money to train the teaching staff to do the college exam prep instruction.

<u>DPC Proposal</u>

<u>Key Components</u>

The Federal government will offer leadership and resources for communities to create partnerships to increase access to test preparation programs for disadvantaged students.

<u>Partnerships</u>
The program would require the high school to partner with a test preparation program with a proven track record and established curriculum with an option to add least one community based organization. Commercial test preparation companies involved would have to demonstrate an established curriculum and have a proven track record. Programs

would have to offer a minimum of 25 hours of instruction over no less than 4 weeks to ensure rigor and quality and discourage one-time preparation activities which research shows are ineffective.

Eligibility
This initiative would offer competitive grants to high schools or LEA's based on the California model. Grants would be given to schools would be those with a low college attendance rate, high numbers of low-income pupils, and demonstrated school-based efforts to improve the school's college preparatory curriculum and college attendance rates. Eligible students would receive the free college test prep courses. Students in the top 50% of their class who fall under 200% of the poverty line would be eligible.

Priority
A competitive priority would be given to schools that couple test preparation with other relevant services including counseling, college application and financial aid assistance.

Cost

The California Preparation Partnership Program is able to serve 50,000 students with a $9 million budget with an expected increase of 4.5% next year. **We are still in the process of collecting data in order to make a correct cost estimate.**

Critiques

Issue

Teacher unions could object that this proposal because unlike the California model which allows grant funds to be used to train the current teaching staff to be college test prep instructors, doesn't provide for this. This proposal would not allow funds to be used to train teachers as instructors in order to ensure that students are receiving the high quality test preparation through established providers.

Response

Providing high quality test preparation is a key to the success of this grant. We want to fund what works and has proven results with research to prove their effectiveness. Training teachers is a bigger risk in terms of quality control.

Issue

The President's Initiative on Race asked the Department of Education to do a study on the usefulness of college test preparation. The final analysis of the report showed that there was no reason to expand funding to include college test prep, but that expanding the AP program would be more effective. The data showed that minority students are more likely to prepare for the SAT or ACT than whites and middle-income students.

Response

The study concluded that because non-white, low-income students had similar rates of test preparation, it is unnecessary to put any money into subsidized test preparation, but rather that funding should be focused on expanding the AP program (which is not surprising considering the Department runs the program). However, the study failed to control the methods of college preparation and quality of instruction. For example, a student might be getting tutoring for reading and could count this as college test preparation. We do not think that the study is conclusive.

Political Considerations

1. This proposal supports the Administration's position on affirmative action programs that expand opportunities for minorities and support states that are developing innovative ways to reach the goal of equality in education.

2. The NAACP has been working to reduce the weight of the SAT and ACT on college admissions, but is strongly in favor of state subsidized college test preparation courses. They are working closely with Senator Hayden's office in California and are reaching out to states and are generating momentum on this issue. So far they have found states and schools to be very receptive to the idea and there is growing interest in the California model.

FINAL

Closing the Achievement Gap:
Providing Free, High Quality Test Preparation Courses to
High Need Students

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Summary

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Because every child deserves an equal chance at academic success and because, for the moment, standardized testing as a part of college admissions will remain a fixture on the educational landscape, each student regardless of financial standing should have equal training and preparation for college entrance exams. Quality test preparation courses are important to success on college exams but are often beyond the financial reach of most families adding to the disadvantages many financially needy students face when competing with privileged students in college admissions. Free college test preparation courses could help students with college aspirations who have demonstrated through coursework that they are capable of succeeding in college.

While this program should be aimed at low-income students, by default through this criteria it will target minority students.

Data from The College Board 1994 report indicates the following relationship between SAT scores and income:

Over $70,000	1000
$60,000-$70,000	948
$50,000-$60,000	929
$40,000-$50,000	911
$30,000-$40,000	885
$20,000-$30,000	856
$10,000-$20,000	812
under $10,000	766

The College Board report *Reaching the Top: A Report of the National Task Force on Minority High Achievement* found that:

- In 1995, African-Americans, Latino's and Native American's accounted for only 13% of the bachelor's degrees, 11% of professional degrees and 6% of doctoral degrees awarded by U.S. Colleges and Universities despite making up about 30% of the under 18 population.

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DPC Proposal

Key Components

The Federal government will offer leadership and resources for communities to create partnerships to increase access to test preparation programs for disadvantaged students.

Partnerships
The program would require the high school to partner with a test preparation program with a proven track record and established curriculum with an option to add least one community based organization. Commercial test preparation companies involved would have to demonstrate an established curriculum and have a proven track record. Programs would have to offer a minimum of 25 hours of instruction over no less than 4 weeks to ensure rigor and quality and discourage one-time preparation activities which research shows are ineffective.

Eligibility
This initiative would offer competitive grants to high schools or LEA's based on the California model. Grants would be given to schools would be those with a low college attendance rate, high numbers of low-income pupils, and demonstrated school-based efforts to improve the school's college preparatory curriculum and college attendance rates. Eligible students would receive the free college test prep courses. Students in the top 50% of their class who fall under The figures shown under family income represent amounts equal to 150% of the family income levels established by the Census Bureau for determining poverty status.

Priority
A competitive priority would be given to schools that couple test preparation with other relevant services including counseling, college application and financial aid assistance.

<u>Cost</u>
Cost assumptions:

- ---,--- students currently eligible for TRIO Talent Search services
- ---,---students currently receiving some kind of college test preparation
- --- students served per program
- Assuming a cost of up to $600 per student
- 50% match required from non-school partners with a 25% in-kind allowance

Total cost to fund test preparation courses for disadvantaged students is: $25 million

60 million would be added to the TRIO Talent Search program, as a separate competition, to offer free college test preparation, assuming a $600 maximum cost per student. Each partnership would be required to put up a 50% match per participating student, 25% of which can be in-kind. The partnership is required to pay any additional costs of the test above $600.

(The Talent Search program identifies and assists individuals from disadvantaged backgrounds who have the potential to succeed in higher education. The program provides academic, career, and financial counseling to its participants and encourages them continue on to the postsecondary school of their choice. The goal of Talent Search is to increase the number of youth from disadvantaged backgrounds who complete high school and enroll in the postsecondary education institution of their choice.
Projects include tutorial services, career exploration and attitude assessment, mentoring programs, workshops, and information on postsecondary institutions)

Courses may be offered within an existing school, at a college testing center or on-line. Partnerships may contract with a non-profit or a for profit organization to purchase on-line courses, course material and support services.

Evaluation
Partnerships must present data based on extensive evaluation component to their proposal.

Evaluation must detail racial and ethnic diversity of participating students and ensure that those students receiving the test prep fall below the 200% poverty level.

Critiques

Issue

Teacher unions could object that this proposal because unlike the California model which allows grant funds to be used to train the current teaching staff to be college test prep instructors, doesn't provide for this. This proposal would not allow funds to be used to train teachers as instructors in order to ensure that students are receiving the high quality test preparation through established providers.

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working closely with Senator Hayden's office in California and are reaching out to states and are generating momentum on this issue. So far they have found states and schools to be very receptive to the idea and there is growing interest in the California model.

Andy Rotherham
11/22/99 07:18:40 PM

Record Type: Record

To: John B. Buxton/OPD/EOP@EOP, Bethany Little/OPD/EOP@EOP, Kendra L. Brooks/OPD/EOP@EOP

cc:

Subject: budget shopping list

for your enlightenment and pleasure but EXTREMELY CLOSE HOLD, DO NOT FORWARD THIS DOC TO ANYONE. This stuff is really sensitive among the various communities and the agencies and so we do not share.

---------------------- Forwarded by Andy Rotherham/OPD/EOP on 11/22/99 07:17 PM ---------------------------

Bruce N. Reed
11/22/99 06:31:01 PM

Record Type: Record

To: Barbara Chow/OMB/EOP@EOP

cc: Andy Rotherham/OPD/EOP@EOP, Eric P. Liu/OPD/EOP@EOP

Subject: budget shopping list

Sorry to miss your meeting tomorrow. As we talked about on the phone, our priorities are:

EDUCATION

1. Class size: somewhere in the vicinity of 1.8-2.0b.
2. After school: 700-900m (I think 700m will get us to 1 million kids)
3. Charter schools:, 180m (or whatever # gets us to Pres's goal of 3,000 schools)
4. ESEA reward and incentive fund: 50-100m in year 1 for states that comply with Title I requirements, begins to reward progress in student achievement in year 3.
5. Small schools: 170-200m
6. Title I: an increase along the lines of what you suggested, while raising the accountability earmark from 134m to 250m
7. Teacher quality: in addition to your idea of a high school ROTC for teachers, we'd like to spend 50m on a Denver-style teacher pay-for-performance demo in 10-15 districts. We'll get you more details.
   -- We should also decide what level to fund our Goals-Eisenhower-Title VI block grant. It might make sense to put that at 1.2b -- or at least at 1b (which would be an increase of about 170m above the Goals/Ike total, right?)
8. Report cards: 50m for states to develop the new report cards called for in ESEA;
9. School leadership: 20m for principal academies
10. Schools of the Future fund: 50m for competitive grants (we'll get you more details)
11. Ed tech $ for distance learning
12. 10m for SAT/ACT test prep for minorities.

13. Some increase for character education/civics
14. School safety: let's discuss -- we should be creative
15. Other items you already mentioned: public school choice; troops to teachers;
    -- should we try again on teacher scholarships?

CHILD CARE
1. Move CCDBG to discretionary side, scale back to $5b over 5
2. Scale back Early Learning Fund if possible
3. An inexpensive paid leave demo
4. Whatever you recommend on SSBG

WELFARE/FOOD STAMPS/IMMIGRANTS
1. Child support enforcement/distribution rules/pass-through: 100m/yr (maybe more if we can come up with a good enforcement idea)
2. Competitive grants for welfare-to-work: 250-500m, with another 500-750m of formula grants in the out-years (and extend the 3-yr deadline for when they can spend down the $). We're looking at the VP's proposal for work requirements for fathers.
3. Cars-to-work: Raise the food stamps vehicle limit (1.6b over 5), plus perhaps a few other cheap bells and whistles
4. IDAs: 25m
5. Food stamp outreach: 10m (We're also looking at USDA's proposal on elderly nutrition)
6. Whatever you think we can get on immigrant benefits
7. Re-entry: DOL has proposed a training program for ex-offenders; we're also looking at a DOJ proposal on fathers leaving prison. Maybe we should combine all these fatherhood proposals together into a single package.

In the no-cost department, we'd like to expand charitable choice to whatever social services programs we can.

(in thousands of dollars) Office, Account, Program and Activity	D\M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
Education Reform						
1. Goals 2000 (Goals 2000 EAA):						
(a) State and local education systemic improvement (Title III):						
(1) Annual appropriation	D	461,000	461,000	0	116,375	458,000
(2) Advance for FY 2001	D	0	0	0	344,625	0
Subtotal		461,000	461,000	0	461,000	458,000
(b) Parental assistance (Title IV)	D	30,000	30,000	0	33,000	33,000
Subtotal, Goals 2000		491,000	491,000	0	494,000	491,000
2. School-to-work opportunities (STW Opportunities Act Titles II, III and IV)	D	125,000 [1]	55,000 [1]	0 [1]	55,000 [1]	55,000 [1]
3. Educational technology (ESEA III):						
(a) Technology literacy challenge fund (section 3132)	D	425,000	450,000	375,000	425,000	425,000
(b) Technology innovation challenge grants (section 3136)	D	115,100	110,000	115,100	115,100	148,660
(c) Regional technology in education consortia (section 3141)	D	10,000	10,000	0	10,000	10,000
Subtotal		550,100	570,000	490,100	550,100	583,660
(d) National activities (section 3122):						
(1) Teacher training in technology	D	75,000	75,000	0	75,000	75,000
(2) Community-based technology centers	D	10,000	65,000	10,000	10,000	32,500
(3) Technology leadership activities	D	2,000	2,000	0	2,000	2,000
(4) Middle school teacher training	D	0	30,000	0	0	0
(5) Software development initiative	D	0	5,000	0	0	0
Subtotal		87,000	177,000	10,000	87,000	109,500
(e) Star schools (Part B)	D	45,000	45,000	0	45,000	51,000
(f) Ready to learn television (Part C)	D	11,000	7,000	0	16,000	16,000
(g) Telecommunications demonstration project for mathematics (Part D)	D	5,000	2,000	0	8,500	8,500
Subtotal, educational technology		698,100	801,000	500,100	706,600	768,660
4. 21st Century community learning centers (ESEA X-I)	D	200,000 [2]	600,000	300,000	400,000	453,710
Total, Appropriation		1,514,100	1,947,000	800,100	1,655,600	1,768,370
Total, Budget authority		1,514,100	1,947,000	800,100	1,310,975 [3]	1,768,370
Outlays		*1,226,828*	*1,304,024*	*1,246,679*	*1,289,454*	*1,295,068*

[1] *An identical amount is included in the budget for the Department of Labor.*
[2] *Adjusted for comparability. Funds were provided in 1999 in the Education Research, Statistics and Improvement account.*
[3] *Excludes an advance appropriation of $344,625 thousand that becomes available on October 1 of fiscal year 2001.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference

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

NOTE: The amounts provided by the Second 2000 Conference may be reduced, per a recission of 0.38 percent of Fiscal Year 2000 discretionary budget authority required by the Fiscal Year 2000 appropriations bill.

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION (OESE)						
Education for the Disadvantaged						
1. Grants to local educational agencies (ESEA I-A):						
(a) Basic grants:						
(1) Basic grants (section 1124(a))	D	6,570,500	6,136,500	6,570,500	6,890,500	6,779,500
(2) Census poverty updates	D	3,500	3,500	3,500	3,500	3,500
Subtotal, Basic grants		6,574,000	6,140,000	6,574,000	6,894,000	6,783,000
(b) Concentration grants (section 1124A)	D	1,158,397	1,100,000	1,158,397	1,158,397	1,158,397
(c) Targeted grants (section 1125)	D	0	756,020	0	0	0
Subtotal		7,732,397	7,996,020	7,732,397	8,052,397	7,941,397
Annual appropriation	D	1,527,634	1,847,634	1,527,634	1,847,634	1,736,634
Advance for succeeding fiscal year	D	6,204,763	6,148,386	6,204,763	6,204,763	6,204,763
2. Capital expenses for private school children (ESEA I section 1120(e))	D	24,000	0	0	15,000	12,000
3. Even start (ESEA I-B)	D	135,000	145,000	150,000	145,000	150,000
4. State agency programs:						
(a) Migrant (ESEA I-C)	D	354,689	380,000	354,689	354,689	354,689
(b) Neglected and delinquent (ESEA I-D)	D	40,311	42,000	40,311	42,000	42,000
Subtotal		395,000	422,000	395,000	396,689	396,689
5. Evaluation (ESEA I-E section 1501)	D	7,500	8,900	7,500	8,900	8,900
6. Demonstrations of comprehensive school reform (ESEA section 1502)	D	120,000	150,000	120,000	120,000	170,000
Subtotal, ESEA I		8,413,897	8,721,920	8,404,897	8,737,986	8,678,986
7. Migrant education (HEA IV-A-5):						
(a) High school equivalency program	D	9,000	15,000	9,000	9,000	15,000
(b) College assistance migrant program	D	4,000	7,000	4,000	4,000	7,000
Subtotal		13,000	22,000	13,000	13,000	22,000
Total, Appropriation		8,426,897	8,743,920	8,417,897	8,750,986	8,700,986
Total, Budget authority		3,670,520	8,800,297	8,417,897	8,750,986	8,700,986
Current		2,222,134 [1]	2,595,534 [2]	2,213,134 [1]	2,546,223 [1]	2,496,223 [1]
Prior year's advance		1,448,386 [3]	6,204,763 [3]	6,204,763 [3]	6,204,763 [3]	6,204,763 [3]
Outlays, Total		*6,762,146*	*7,998,752*	*7,982,451*	*7,999,105*	*7,996,605*
Outlays, current		*4,772,649*	*3,229,041*	*3,212,740*	*3,229,394*	*3,226,894*
Outlays, advance		*1,989,497*	*4,769,711*	*4,769,711*	*4,769,711*	*4,769,711*

[1] *Excludes an advance appropriation of $6,204,763 thousand that becomes available on October 1 of the following fiscal year.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference

[2] *Excludes an advance appropriation of $6,148,386 thousand that would become available on October 1 of fiscal year 2001.*

[3] *Reflects an advance appropriation that was included in the prior year's appropriations act, to become available on October 1 of the fiscal year shown.*

(in thousands of dollars) Office, Account, Program and Activity	D\M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
Impact Aid (ESEA VIII)						
1. Payments for federally connected children (section 8003):						
(a) Basic support payments (section 8003(b))..........	D	704,000	684,000	737,200	725,000	737,200
(b) Payments for children with disabilities (section 8003(d))....................................	D	50,000	40,000	50,000	50,000	50,000
(c) Payments for heavily impacted districts (section 8003(f))....................................	D	70,000	0	76,000	75,000	76,000
Subtotal......................		824,000	724,000	863,200	850,000	863,200
2. Facilities maintenance (section 8008).................	D	5,000	5,000	5,000	5,000	5,000
3. Construction (section 8007)..........................	D	7,000	7,000	7,000	7,000	10,300
4. Payments for Federal property (section 8002)..........	D	28,000	0	32,000	30,000	32,000
Total..............................		864,000	736,000	907,200	892,000	910,500
Outlays....................		*984,785*	*847,301*	*987,685*	*975,221*	*990,391*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
School Improvement Programs						
1. Professional development and program innovation:						
(a) Eisenhower professional development State grants (ESEA II-B)	D	335,000	335,000	0	335,000	335,000
(b) Innovative education program strategies State grants (ESEA VI-A):						
(1) Annual appropriation	D	375,000	0	97,000	375,000	95,000
(2) Advance for FY 2001	D	0	0	288,000	0	285,000
Subtotal		375,000	0	385,000	375,000	380,000
(c) Class size reduction (Department of Education Appropriations Act, 2000, section 310):						
(1) Annual appropriation	D	1,200,000	1,400,000	0	300,000	400,000
(2) Advance for FY 2001	D	0	0	0	900,000	900,000
Subtotal		1,200,000	1,400,000	0	1,200,000 [1]	1,300,000
(d) Teacher Empowerment Act:						
(1) Annual appropriation	D	0	0	450,000	0	0
(2) Advance for FY 2001	D	0	0	1,350,000	0	0
Subtotal		0	0	1,800,000 [2]	0	0
Subtotal		1,910,000	1,735,000	2,185,000	1,910,000	2,015,000
2. Safe and drug-free schools and communities:						
(a) State grants (ESEA IV-A Subpart 1):						
(1) Annual appropriation	D	441,000	439,000	441,000	136,250	115,000
(2) Advance for FY 2001	D	0	0	0	339,750	330,000
Subtotal		441,000	439,000	441,000	476,000	445,000
(b) National programs (ESEA IV-A Subpart 2)	D	90,000	90,000	90,000	100,000	110,750
(c) Coordinator initiative (ESEA IV-A, Subpart 2)	D	35,000	50,000	35,000	60,000	50,000
(d) Project SERV (ESEA IV-A, Subpart 2)	D	0	12,000	0	0	0
Subtotal		566,000	591,000	566,000	636,000	605,750
3. Inexpensive book distribution (ESEA X-E)	D	18,000	18,000	18,000	21,500	20,000
4. Arts in education (ESEA X-D-1)	D	10,500	10,500	10,500	12,500	11,500
5. Magnet schools assistance (ESEA V-A)	D	104,000	114,000	104,000	112,000	110,000
6. Education for homeless children and youth (SBMHAA Title VII-B)	D	28,800	31,700	28,800	28,800	28,800

[1] *Appropriation of funds is contingent upon enactment of authorizing legislation.*

[2] *Appropriation of funds is contingent upon enactment of authorizing legislation by July 1, 2000. If the authorization is not passed by July 1, the funds are to be used for Innovation Education Program Strategies State Grants, but allocated to the States according to the 1999 formula for Class Size Reduction.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
School Improvement Programs (continued)						
7. Women's educational equity (ESEA V-B)	D	3,000	3,000	3,000	3,000	3,000
8. Training and advisory services (CRA IV)	D	7,334	7,334	7,334	7,334	7,334
9. Ellender fellowships (ESEA X-G)	D	1,500	0	1,500	1,500	1,500
10. Education for Native Hawaiians (ESEA IX-B)	D	20,000	20,000	20,000	23,000	23,000
11. Alaska Native education equity (ESEA IX-C)	D	10,000	10,000	10,000	13,000	13,000
12. Charter schools (ESEA X-C)	D	100,000	130,000	130,000	150,000	145,000
13. Comprehensive regional assistance centers (ESEA XIII-A)	D	28,000	32,000	27,054	28,000	28,000
14. Advanced placement incentives (HEA VIII-B)	D	4,000	20,000	4,000	15,000	15,000
Total, Appropriation		2,811,134	2,722,534	3,115,188	2,961,634	3,026,884
Total, Budget authority		2,811,134	2,722,534	1,477,188 [1]	1,721,884 [2]	1,511,884 [3]
Outlays		*1,437,056*	*2,175,604*	*2,195,236*	*2,187,559*	*2,190,821*

[1] *Excludes an advance appropriation totalling $1,638,000 thousand that becomes available on October 1 of fiscal year 2001.*

[2] *Excludes an advance appropriation totalling $1,239,750 thousand that becomes available on October 1 of fiscal year 2001.*

[3] *Excludes an advance appropriation totalling $1,515,000 thousand that becomes available on October 1 of fiscal year 2001.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
Reading Excellence						
1. Reading and literacy grants (ESEA II-C):						
(1) Annual appropriation	D	260,000	286,000	200,000	90,000	65,000
(2) Advance for FY 2001	D	0	0	0	195,000	195,000
Total, Appropriation		260,000	286,000	200,000	285,000	260,000
Total, Budget authority		260,000 [1]	286,000	200,000	90,000	65,000
Outlays		*13,000*	*105,300*	*101,000*	*105,250*	*104,000*
Indian Education						
1. Grants to local educational agencies (ESEA IX-A-1)	D	62,000	62,000	62,000	62,000	62,000
2. Special programs for Indian children (ESEA IX-A-2, sections 9121 and 9122)	D	3,265	13,265	3,265	13,265	13,265
3. National activities (ESEA IX-A-4)	D	735	1,735	735	1,735	1,735
Total		66,000	77,000	66,000	77,000	77,000
Outlays		*64,754*	*68,595*	*67,275*	*68,595*	*68,595*
TOTAL APPROPRIATION, OESE		12,428,031	12,565,454	12,706,285	12,966,620	12,975,370
TOTAL BUDGET AUTHORITY, OESE		7,671,654 [2]	12,621,831 [3]	11,068,285 [4]	11,531,870 [5]	11,265,370 [6]

[1] *Excludes an advance appropriation of $210,000 thousand transferred to the Special Education account in fiscal year 1999, pursuant to instructions in the Department of Education Appropriations Act of 1998.*

[2] *Excludes an advance appropriation of $6,204,763 thousand that becomes available on October 1 of fiscal year 2001.*

[3] *Excludes an advance appropriation of $6,148,386 thousand that becomes available on October 1 of fiscal year 2001.*

[4] *Excludes an advance appropriation totalling $7,842,763 thousand that becomes available on October 1 of fiscal year 2001.*

[5] *Excludes an advance appropriation totalling $7,639,513 thousand that becomes available on October 1 of fiscal year 2001.*

[6] *Excludes an advance appropriation totalling $7,914,763 thousand that becomes available on October 1 of fiscal year 2001.*

(in thousands of dollars) Office, Account, Program and Activity	D\M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS (OBEMLA)						
Bilingual and Immigrant Education (ESEA VII)						
1. Bilingual education (Part A):						
(a) Instructional services (subpart 1)	D	160,000	170,000	160,000	165,000	162,500
(b) Support services (subpart 2)	D	14,000	14,000	14,000	14,000	14,000
(c) Professional development (subpart 3)	D	50,000	75,000	50,000	55,000	71,500
Subtotal		224,000	259,000	224,000	234,000	248,000
2. Foreign language assistance (Part B section 7203)	D	6,000	6,000	6,000	10,000	8,000
3. Immigrant education (Part C)	D	150,000	150,000	150,000	150,000	150,000
Total		380,000	415,000	380,000	394,000	406,000
Outlays		*385,164*	*415,937*	*411,737*	*413,417*	*414,857*
TOTAL, OBEMLA		380,000	415,000	380,000	394,000	406,000

(in thousands of dollars) Office, Account, Program and Activity	D\M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES (OSERS)						
Special Education (IDEA)						
1. State grants:						
(a) Grants to States (Part B-611 and Part D-674):						
(1) Annual appropriation	D	4,310,700 [1]	2,389,000	1,202,700	2,788,626	1,247,685
(2) Advance for FY 2001	D	0	1,925,000	3,608,000	2,201,059	3,742,000
Subtotal		4,310,700	4,314,000	4,810,700	4,989,685	4,989,685
(b) Preschool grants (Part B-619)	D	373,985	402,435	373,985	390,000	390,000
(c) Grants for infants and families (Part C)	D	370,000	390,000	370,000	375,000	375,000
Subtotal, State grants		5,054,685	5,106,435	5,554,685	5,754,685	5,754,685
2. National activities (Part D):						
(a) State improvement (Subpart'1)	D	35,200	45,200	35,200	35,200	35,200
(b) Research and innovation (section 672)	D	64,508	64,508	64,508	64,508	64,508
(c) Technical assistance and dissemination (section 685)	D	44,556	44,556	44,556	44,556	45,556
(d) Personnel preparation (section 673)	D	82,139	82,139	82,139	82,139	82,139
(e) Parent information centers (sections 682-684)	D	18,535	22,535	18,535	18,535	18,535
(f) Technology and media services (section 687)	D	34,523	34,523	33,523	36,023	36,023
(g) Primary education intervention (section 672)	D	0	50,000	0	0	0
Subtotal		279,461	343,461	278,461	280,961	281,961
Total, Appropriation		5,334,146 [1]	5,449,896	5,833,146	6,035,646	6,036,646
Total, Budget authority		5,334,146	3,524,896	2,225,146	3,834,587	2,294,646
Current		5,124,146	3,524,896 [2]	2,225,146 [3]	3,834,587 [4]	2,294,646 [5]
Prior year's advance		210,000 [6]	0	0	0	0
Outlays, Total		*4,263,753*	*5,128,705*	*5,147,854*	*5,157,979*	*5,158,029*
Outlays, current		*4,253,253*	*4,992,205*	*5,011,354*	*5,021,479*	*5,021,529*
Outlays, permanent		*10,500*	*136,500*	*136,500*	*136,500*	*136,500*

[1] *Includes an advance appropriation of $210,000 thousand transferred from the Reading Excellence account in fiscal year 1999, pursuant to instructions in the Department of Education Appropriations Act of 1998.*
[2] *Excludes an advance appropriation of $1,925,000 thousand that would become available on October 1 of fiscal year 2001.*
[3] *Excludes an advance appropriation of $3,608,000 thousand that becomes available on October 1 of fiscal year 2001.*
[4] *Excludes an advance appropriation of $2,201,059 thousand that becomes available on October 1 of fiscal year 2001.*
[5] *Excludes an advance appropriation of $3,742,000 thousand that becomes available on October 1 of fiscal year 2001.*
[6] *Reflects an advance appropriation that was included in the prior year's appropriations act, to become available on October 1 of the fiscal year shown.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
Rehabilitation Services and Disability Research						
1. Vocational rehabilitation State grants:						
(a) Grants to States (RA I-A and sections 110 and 111).	M	2,287,128	2,315,587	2,315,587	2,315,587	2,315,587
(b) Grants for Indians (RA I-C)......................	M	17,283	23,390	23,390	23,390	23,390
Subtotal......................		2,304,411	2,338,977	2,338,977	2,338,977	2,338,977
Discretionary..................................	D	0	0	0	0	0
Mandatory baseline.............................	M	2,304,411	2,338,977	2,338,977	2,338,977	2,338,977
2. Client assistance State grants (RA section 112)........	D	10,928	10,928	10,928	10,928	10,928
3. Training (RA section 302)...........................	D	39,629	41,629	39,629	39,629	39,629
4. Demonstration and training programs (RA section 303)...	D	14,942	16,942	13,942	18,942	22,092
5. Migrant and seasonal farmworkers (RA section 304)......	D	2,350	2,350	2,350	2,350	2,350
6. Recreational programs (RA section 305).................	D	2,596	2,596	2,596	2,596	3,596
7. Protection and advocacy of individual rights (RA section 509)....................................	D	10,894	10,894	11,894	10,894	11,894
8. Projects with industry (RA VI-A)......................	D	22,071	22,071	22,071	22,071	22,071
9. Supported employment State grants (RA VI-B)...........	D	38,152	38,152	38,152	38,152	38,152
10. Independent living (RA VII):						
(a) State grants (Chapter 1, Part B)..................	D	22,296	22,296	22,296	22,296	22,296
(b) Centers (Chapter 1, Part C).......................	D	46,109	50,886	46,109	48,000	48,000
(c) Services for older blind individuals (Chapter 2)...	D	11,169	11,392	11,169	15,000	15,000
11. Program improvement (RA section 12(a))................	D	1,900	1,900	1,900	1,900	1,900
12. Evaluation (RA section 14)............................	D	1,587	1,587	1,587	1,587	1,587
13. Helen Keller National Center for Deaf-Blind Youths and Adults (HKNCA)..................................	D	8,550	8,550	8,550	8,550	8,550
14. National Institute on Disability and Rehabilitation Research (RA II)..................................	D	81,000	90,964	81,000	81,000	86,500
15. Assistive technology (ATA)............................	D	34,000	45,000	34,000	30,000	34,000
Subtotal......................		348,173	378,137	348,173	353,895	368,545
Total...		2,652,584	2,717,114	2,687,150	2,692,872	2,707,522
Total, discretionary..........................	D	348,173	378,137	348,173	353,895	368,545
Total, mandatory..............................	M	2,304,411	2,338,977	2,338,977	2,338,977	2,338,977
Outlays, discretionary.....		*379,576*	*369,026*	*348,051*	*352,057*	*362,312*
Outlays, mandatory.........		*2,498,510*	*2,326,881*	*2,326,881*	*2,326,881*	*2,326,881*

(in thousands of dollars) Office, Account, Program and Activity	D\M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
American Printing House for the Blind (20 U.S.C. 101 et seq.)	D	8,661	8,973	9,000	10,100	10,100
Outlays		*10,396*	*8,955*	*8,980*	*10,014*	*10,014*
National Technical Institute for the Deaf (EDA I-B and section 207):						
1. Operations	D	45,500	45,274	45,500	45,500	45,500
2. Construction	D	0	2,651	2,651	2,651	2,651
Total	D	45,500	47,925	48,151	48,151	48,151
Outlays		*43,295*	*47,276*	*47,488*	*47,488*	*45,765*
Gallaudet University (EDA I-A and section 207):						
1. Operations	D	83,480	82,620	83,480	83,000	83,480
2. Construction	D	0	2,500	2,500	2,500	2,500
Total	D	83,480	85,120	85,980	85,500	85,980
Outlays		*80,033*	*84,547*	*85,355*	*84,904*	*83,730*
TOTAL APPROPRIATION, OSERS		8,124,371	8,309,028	8,663,427	8,872,269	8,888,399
Total, discretionary	D	5,819,960	5,970,051	6,324,450	6,533,292	6,549,422
Total, mandatory	M	2,304,411	2,338,977	2,338,977	2,338,977	2,338,977
TOTAL BUDGET AUTHORITY, OSERS		8,124,371	6,384,028	5,055,427	6,671,210	5,146,399
Total, discretionary	D	5,819,960	4,045,051 [1]	2,716,450 [2]	4,332,233 [3]	2,807,422 [4]
Total, mandatory	M	2,304,411	2,338,977	2,338,977	2,338,977	2,338,977

[1] *Excludes an advance appropriation of $1,925,000 thousand that becomes available on October 1 of fiscal year 2001.*
[2] *Excludes an advance appropriation of $3,608,000 thousand that becomes available on October 1 of fiscal year 2001.*
[3] *Excludes an advance appropriation of $2,201,059 thousand that becomes available on October 1 of fiscal year 2001.*
[4] *Excludes an advance appropriation of $3,742,000 thousand that becomes available on October 1 of fiscal year 2001.*

(in thousands of dollars) Office, Account, Program and Activity	D\M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
OFFICE OF VOCATIONAL AND ADULT EDUCATION (OVAE)						
Vocational and Adult Education						
1. Vocational education (Carl D. Perkins VATEA):						
(a) Basic grants:						
(1) Basic State grants (Title I-B and C)	D	1,013,129	1,013,129	1,062,279	1,013,129	1,037,704
(2) Territorial set-aside (section 115)	D	2,061	2,061	2,161	2,061	2,111
(3) Indian and Hawaiian Natives set-aside (section 116)	D	15,460	15,460	16,210	15,460	15,835
Subtotal		1,030,650	1,030,650	1,080,650	1,030,650	1,055,650
Annual appropriation	D	1,030,650	0	308,650	1,030,650	264,650
Advance for FY 2001	D	0	0	772,000	0	791,000
(b) National programs (section 114)	D	13,497	17,500	13,497	19,500	17,500
(c) Occupational and employment information (section 118)	D	0 [1]	0	0	9,000	9,000
(d) Tribally controlled postsecondary vocational and technical institutions (section 117)	D	4,100	4,100	4,100	4,600	4,600
(e) Tech-prep education (Title II)	D	106,000	111,000	106,000	106,000	106,000
Subtotal, vocational education		1,154,247	1,163,250	1,204,247	1,169,750	1,192,750
2. Adult Education (Adult Education and Family Literacy Act):						
(a) State grants (Chapter 2):						
(1) Annual appropriation	D	365,000	468,000	92,000	468,000	450,000
(2) Advance for FY 2001	D	0	0	273,000	0	0
Subtotal		365,000	468,000	365,000	468,000	450,000
(b) National Institute for Literacy (section 242)	D	6,000	6,000	6,000	6,000	6,000
(c) National leadership activities (section 243)	D	14,000	101,000	7,000	14,000	14,000
(d) Literacy programs for prisoners (National Literacy Act section 601)*	D	0 [2]	0	0	0	0
Subtotal, Adult education		385,000	575,000	378,000	488,000	470,000

[1] *In 1999, $9,000 thousand was appropriated under the Department of Labor for this activity.*

[2] *An appropriation of $4,723 thousand was provided for Literacy Programs for Prisoners under State Grants for Incarcerated Youth Offenders. The funds are to be used in accordance with section 601 of Public Law 102-73 as it was in effect prior to enactment of the Adult Education and Family Literacy Act.*

**Authorization repealed pursuant to the Adult Education and Family Literacy Act of 1998.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
Vocational and Adult Education (continued)						
3. State grants for incarcerated youth offenders (HEA VIII-D)	D	16,723 [1]	12,000	0	19,000	19,000
Total, Appropriation		1,555,970	1,750,250	1,582,247	1,676,750	1,681,750
Total, Budget authority		1,555,970	1,750,250	537,247 [2]	1,676,750	890,750 [3]
TOTAL APPROPRIATION, OVAE		1,555,970	1,750,250	1,582,247	1,676,750	1,681,750
TOTAL BUDGET AUTHORITY, OVAE		1,555,970	1,750,250	537,247	1,676,750	890,750 [3]
Outlays, Total		*1,320,020*	*1,485,972*	*1,477,572*	*1,482,297*	*1,482,547*
Outlays, discretionary		*1,318,261*	*1,485,615*	*1,477,215*	*1,481,940*	*1,482,190*
Outlays, mandatory		*1,759*	*357*	*357*	*357*	*357*

[1] *Adjusted for comparability. Funds were provided in the Higher Education account.*
[2] *Excludes an advance appropriation totalling $1,045,000 thousand that becomes available on October 1 of fiscal year 2001.*
[3] *Excludes an advance appropriation of $791,000 thousand that becomes available on October 1 of fiscal year 2001.*

(in thousands of dollars) Office, Account, Program and Activity	D\M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS (OSFAP)						
Student Financial Assistance						
1. Federal Pell grants (HEA IV-A-1)	D	7,704,000	7,463,000	7,620,000	7,778,000	7,700,000
Funding surplus used (non-add)	D	0	449,000	364,000	364,000	364,000
Funding surplus not used (non-add)	D	(312,000)	0	0	0	0
Funding shortfall (non-add)	D	0	0	5,000	0	3,000
Subtotal, program costs (non-add)		7,392,000	7,912,000	7,989,000	8,142,000	8,067,000
Maximum award (in whole dollars)		3,125	3,250	3,275	3,325	3,300
Subtotal, new appropriation		7,704,000	7,463,000	7,620,000	7,778,000	7,700,000
Annual appropriation	D	7,704,000	7,463,000	5,334,000	6,601,600	7,700,000
Advance for FY 2001	D	0	0	2,286,000	1,176,400	0
2. Campus-based programs:						
(a) Federal supplemental educational opportunity grants (HEA IV-A-3)	D	619,000	631,000	629,000 [1]	631,000	631,000 [1]
(b) Federal work-study (HEA IV-C)	D	870,000	934,000	880,000	934,000	934,000
(c) Federal Perkins loans (HEA IV-E):						
(1) Capital contributions	D	100,000	100,000	100,000	100,000	100,000
(2) Loan cancellations	D	30,000	30,000	30,000	30,000	30,000
Subtotal, Perkins loans		130,000	130,000	130,000	130,000	130,000
Subtotal, campus-based programs		1,619,000	1,695,000	1,639,000	1,695,000	1,695,000
3. Leveraging educational assistance partnership (HEA IV-A-4):						
(1) Annual appropriation	D	25,000	25,000	0	25,000	40,000
(2) Advance for FY 2001	D	0	0	0	50,000	0
Subtotal		25,000	25,000	0	75,000	40,000
Total, Appropriation		9,348,000	9,183,000	9,259,000	9,548,000	9,435,000
Total, Budget authority		9,348,000	9,183,000	6,973,000 [2]	8,321,600 [3]	9,435,000
Outlays		*9,351,838*	*9,144,440*	*9,148,240*	*9,200,440*	*9,178,440*

[1] *Includes $10,000 thousand in emergency funds for victims of Hurricane Floyd.*
[2] *Excludes an advance appropriation of $2,286,000 thousand that becomes available on October 1 of fiscal year 2001.*
[3] *Excludes an advance appropriation of $1,176,400 thousand that becomes available on October 1 of fiscal year 2001.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
Federal Family Education Loans (Liquidating)						
1. Family education loans (HEA IV-B) (permanent authority).	M	(411,421)	(59,069)	(59,069)	(59,069)	(59,069)
Total, FFEL (Liquidating) (permanent authority)........		(411,421)	(59,069)	(59,069)	(59,069)	(59,069)
Outlays....................		*213,055*	*(20,817)*	*(20,817)*	*(20,817)*	*(20,817)*
Federal Family Education Loan Program Account						
1. New loan subsidies (HEA IV-B) (permanent authority).....	M	3,525,312	2,168,540	2,168,540	2,168,540	2,168,540
2. Reestimate of existing loans...........................	M	(153,134)	0	0	0	0
Subtotal......................		3,372,178	2,168,540	2,168,540	2,168,540	2,168,540
3. Federal administration (FCRA section 505(e))...........	D	47,276 [1]	48,000	46,482	48,000	48,000
Total, FFEL Program..............		3,419,454	2,216,540	2,215,022	2,216,540	2,216,540
Outlays, Total.............		*2,853,409*	*1,917,725*	*1,916,997*	*1,917,725*	*1,917,725*
Outlays, discretionary.....		*47,108*	*51,169*	*50,441*	*51,169*	*51,169*
Outlays, mandatory.........		*2,806,301*	*1,866,556*	*1,866,556*	*1,866,556*	*1,866,556*
Total, FFEL......................		3,008,033	2,157,471	2,155,953	2,157,471	2,157,471
Total, discretionary..........	D	47,276	48,000	46,482	48,000	48,000
Total, mandatory.............	M	2,960,757	2,109,471	2,109,471	2,109,471	2,109,471

[1] *Includes $794 thousand transferred in fiscal year 1999 from the Y2K Contingent Emergency Fund for expenses related to year 2000 conversion of Federal information systems.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
Federal Direct Student Loan Program Account						
1. New loan subsidies (HEA IV-D section 451) (permanent authority)..	M	167,879	(745,325)	(745,325)	(745,325)	(745,325)
2. Reestimate of existing loans..........................	M	(360,880)	0	0	0	0
Subtotal......................		(193,001)	(745,325)	(745,325)	(745,325)	(745,325)
3. Federal administration (HEA IV-D section 458):						
(a) Federal administration (permanent authority)........	M	617,531 [1]	735,000	617,000	735,000	735,000
(b) Payments for services to guaranty agencies (non-add)	M	177,000	180,000	177,000	180,000	180,000
Subtotal......................		617,531	735,000	617,000	735,000	735,000
Total......................		424,530	(10,325)	(128,325)	(10,325)	(10,325)
Outlays, Total......................		*438,778*	*(41,869)*	*(41,869)*	*(41,869)*	*(41,869)*
Outlays, Federal admin.--mandatory.		*559,524*	*679,347*	*679,347*	*679,347*	*679,347*
Outlays, loan subsidies--mandatory.		*(120,746)*	*(721,216)*	*(721,216)*	*(721,216)*	*(721,216)*
TOTAL APPROPRIATION, OSFAP................................		12,780,563	11,330,146	11,286,628	11,695,146	11,582,146
Total, discretionary..................................	D	9,395,276	9,231,000	9,305,482	9,596,000	9,483,000
Total, mandatory......................................	M	3,385,287	2,099,146	1,981,146	2,099,146	2,099,146
TOTAL BUDGET AUTHORITY, OSFAP.............................		12,780,563	11,330,146	9,000,628	10,468,746	11,582,146
Total, discretionary..................................	D	9,395,276	9,231,000	7,019,482 [2]	8,369,600 [3]	9,483,000
Total, mandatory......................................	M	3,385,287	2,099,146	1,981,146	2,099,146	2,099,146

[1] *Includes $531 thousand transferred in fiscal year 1999 from the Y2K Contingent Emergency Fund for expenses related to year 2000 conversion of Federal information systems.*

[2] *Excludes an advance appropriation of $2,286,000 thousand that becomes available on October 1 of fiscal year 2001.*

[3] *Excludes an advance appropriation of $1,176,400 thousand that becomes available on October 1 of fiscal year 2001.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
OFFICE OF POSTSECONDARY EDUCATION (OPE)						
Higher Education						
1. Aid for institutional development (HEA III):						
(a) Strengthening institutions (Part A, section 311)....	D	60,250	61,575	60,250	60,250	60,250
(b) Strengthening tribally controlled colleges and universities (Part A, section 316).............	D	3,000	6,000	3,000	6,000	6,000
(c) Strengthening Alaska Native and Native Hawaiian-serving institutions (Part A, section 317)......	D	3,000	3,000	3,000	5,000	5,000
(d) Strengthening HBCUs (Part B section 323)...........	D	136,000	148,750	136,000	141,500	148,750
(e) Strengthening historically black graduate institutions (Part B, section 326).............	D	30,000	32,000	30,000	31,000	31,000
(f) Minority science and engineering improvement (Part E-1)..	D	7,500	8,500	7,500	7,500	7,500
Subtotal.....................		239,750	259,825	239,750	251,250	258,500
2. Other aid for institutions:						
(a) Developing Hispanic-serving institutions (HEA V)....	D	28,000	42,250	28,000	42,250	42,250
(b) International education and foreign language studies:						
(1) Domestic programs (HEA VI-A and B).............	D	60,000	61,320	62,000	61,320	62,000
(2) Overseas programs (Fulbright-Hays Act section 102(b)(6))................................	D	6,536	6,680	6,536	6,680	6,680
(3) Institute for International Public Policy (HEA VI-C)......................................	D	1,000	1,022	1,000	1,022	1,022
Subtotal.....................		67,536	69,022	69,536	69,022	69,702
(c) Fund for the Improvement of Postsecondary Education (HEA VII-B)..................................	D	50,000	27,500	22,500	27,500	77,158
(d) Urban community service (HEA VII-C)................	D	4,637	0	0	0	0
(e) Demonstration projects to ensure quality higher education for students with disabilities (HEA VII-D)..	D	5,000	5,000	5,000	5,000	5,000
(f) Interest subsidy grants (HEA section 121)..........	D	13,000	12,000	12,000	12,000	12,000

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
Higher Education (continued)						
3. Assistance for students:						
(a) Federal TRIO programs (HEA IV-A-2, Chapter 1)......	D	600,000	630,000	660,000	630,000	645,000
(b) Gaining early awareness and readiness for undergraduate programs (GEAR UP) (HEA IV-A-2, Chapter 2).....................................	D	120,000	240,000	0	180,000	200,000
(c) Scholarships and fellowships:						
(1) Byrd honors scholarships (HEA IV-A-6)..........	D	39,288	39,859	0	39,859	39,859
(2) Graduate assistance in areas of national need (HEA VII-A-2)............................	D	31,000 [1]	41,000 [1]	31,000	51,000 [1]	51,000
(d) Child care access means parents in school (HEA IV-A-7)....................................	D	5,000	5,000	5,000	5,000	5,000
(e) Learning anytime anywhere partnerships (HEA IV-A-8)	D	10,000	20,000	0	10,000	23,940
(f) Preparing for college............................	D	0	15,000	0	0	0
(g) College completion challenge grants (proposed legislation)................................	D	0	35,000	0	0	0
(h) D.C. resident tuition support (proposed legislation)................................	D	0	17,000	0 [2]	0 [2]	0 [2]
4. Teacher quality enhancement (HEA II)....................	D	77,212 [3]	115,000	75,000	80,000	98,000
5. Underground railroad program (HEA VIII-H)..............	D	1,750	1,750	0	1,750	1,750
6. Web-based Education Commission (HEA VIII-J)............	D	450	0	0	0	0
7. GPRA data/HEA program evaluation........................	D	0	4,000	4,000	0	3,000
8. Community scholarship mobilization (HEA VIII-C).........	D	0	0	0	2,000	1,000
Total....................................		1,292,623 [4]	1,579,206	1,151,786	1,406,631	1,533,159
Outlays....................		*1,062,006*	*1,249,597*	*1,197,286*	*1,227,868*	*1,243,051*

[1] Includes funds for Javits Fellowships non-competing continuation awards and new awards: $7,148 thousand in 1999, $8,200 thousand in the 2000 President's Budget, and $10,000 thousand in the Senate bill.
[2] Funds are provided in the District of Columbia appropriations bill.
[3] Includes $2,212 thousand appropriated for Minority Teacher Recruitment and subsequently reprogrammed to Teacher Quality Enhancement.
[4] Adjusted for comparability. Excludes $16,723 thousand in 1999 for State Grants for Incarcerated Youth Offenders, which is requested in 2000 under the Vocational and Adult Education account.

**Authorization as in effect prior to enactment of the Higher Education Amendments of 1998. Program was not reauthorized.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
Howard University						
1. Howard University Hospital (20 U.S.C. 128).............	D	29,489	30,374	30,374	30,374	30,374
2. General support (20 U.S.C. 121 et seq. and Pub.L. 98-480).....................................	D	185,000	189,070	189,070	189,070	189,070
Total..................................		214,489	219,444	219,444	219,444	219,444
Outlays...................		*211,167*	*219,146*	*219,146*	*219,146*	*219,146*
Higher Education Facilities Loans (Liquidating) (HEA section 121) Outlays...................................	*M*	*(3,048)*	*(1,644)*	*(1,644)*	*(1,644)*	*(1,644)*
College Housing and Academic Facilities Loans (Liquidating) (HEA, section 121) Outlays.............	*M*	*2,920*	*2,417*	*2,417*	*2,417*	*2,417*
College Housing and Academic Facilities Loans Program (HEA, section 121)						
1. Federal administration (FCRA section 505(e))...........	D	698	737	698	737	737
Outlays, Total.................		*770*	*781*	*799*	*817*	*817*
Outlays, loan subsidies........		*74*	*66*	*84*	*84*	*84*
Outlays, Federal administration		*696*	*715*	*715*	*733*	*733*
College Housing Loans (Liquidating) (HEA, section 121) Outlays...	*M*	*(30,726)*	*(30,057)*	*(30,057)*	*(30,057)*	*(30,057)*
Historically Black College and University Capital Financing Program Account (HEA III-D)						
1. Federal administration (FCRA section 505(e))...........	D	96	207	96	207	207
Outlays...................		*145*	*161*	*107*	*161*	*161*
TOTAL, OPE..		1,507,906	1,799,594	1,372,024	1,627,019	1,753,547

(in thousands of dollars) Office, Account, Program and Activity	D\M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OERI)						
Education Research, Statistics, and Improvement						
1. Research, development and dissemination (ERDDIA):						
(a) National education research institutes (Part C)....	D	63,782	108,782	64,782	63,782	84,782
(b) Regional educational laboratories (section 941(h)).	D	61,000	65,000	61,000	65,000	65,000
(c) National dissemination activities (Section 941(a)-(g) and Part E)........................	D	18,785	24,500	18,785	18,785	18,785
Subtotal.....................		143,567	198,282	144,567	147,567	168,567
2. Statistics (NESA)....................................	D	68,000	77,500	68,000	70,000	68,000
3. Assessment:						
(a) National assessment (NESA section 411)............	D	36,000	40,000	36,000	36,000	36,000
(b) National Assessment Governing Board (NESA section 412)................................	D	4,000	4,500	4,000	4,500	4,000
Subtotal.....................		40,000	44,500	40,000	40,500	40,000
4. Eisenhower professional development Federal activities (ESEA II-A).......................................	D	23,300	30,000	23,300	23,300	23,300
5. Fund for the Improvement of Education (ESEA X-A).......	D	139,000	139,500	76,000	39,500	249,525
6. Javits gifted and talented education (ESEA X-B)........	D	6,500	6,500	6,500	6,500	6,500
7. Eisenhower regional mathematics and science education consortia (ESEA XIII-C)...........................	D	15,000	17,500	15,000	15,000	15,000
8. National writing project (ESEA X-K)....................	D	7,000	10,000	5,000	10,000	9,000
9. Civic education (ESEA section 10601)..................	D	7,500	9,500	5,500	9,500	10,000
10. International education exchange (Goals 2000 EAA title VI)...	D	7,000	7,000	7,000	7,000	7,000
Total................................		456,867 [1]	540,282	390,867	368,867	596,892
Outlays....................		*529,088*	*653,961*	*617,115*	*615,971*	*648,474*
TOTAL, OERI..		456,867	540,282	390,867	368,867	596,892

[1] *Adjusted for comparability. Excludes $200 thousand in 1999 for 21st Century Community Learning Centers, which is requested in the Education Reform account in fiscal year 2000.*

(in thousands of dollars) Office, Account, Program and Activity	D \ M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference
DEPARTMENTAL MANAGEMENT						
Program Administration (DEOA, section 202).................	D	364,521 [1]	386,000	362,000	370,184	383,184
Outlays....................		*372,749*	*379,194*	*368,401*	*373,289*	*378,569*
Office for Civil Rights (DEOA, section 203)................	D	66,000	73,262	66,000	71,200	71,200
Outlays....................		*70,796*	*69,997*	*66,511*	*69,007*	*69,007*
Office of the Inspector General (DEOA, section 212)........	D	31,242	34,000	31,242	34,000	34,000
Outlays....................		*35,951*	*32,764*	*31,440*	*32,764*	*32,764*
Departmental Renovation (DEOA, section 202) outlays........	D	*1,958*	*300*	*300*	*300*	*300*
Total, Departmental Management.........		461,763	493,262	459,242	475,384	488,384
Contributions.....................	M	345	0	0	0	0
Outlays....................		*445*	*0*	*0*	*0*	*0*
Receipts:						
1. Perkins loan repayments................................	M	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
2. FFEL guaranty agency reserve recoveries................	M	(142,000)	(891,000)	(891,000)	(891,000)	(891,000)
Total..................................		(192,000)	(941,000)	(941,000)	(941,000)	(941,000)
Outlays....................		*(192,000)*	*(941,000)*	*(941,000)*	*(941,000)*	*(941,000)*
Chicago Litigation Settlement outlays.....................	D	*3,517*	*3,517*	*3,517*	*3,517*	*3,517*
[0] APPROPRIATION TOTAL, EDUCATION DEPARTMENT.................		39,017,916	38,209,016	36,699,820	38,790,655	39,199,858 [7]
Discretionary Funds....................................	D	33,519,873	34,711,893	33,320,697	35,293,532	35,702,735 [7]
Mandatory Funds..	M	5,498,043	3,497,123	3,379,123	3,497,123	3,497,123
BUDGET AUTHORITY TOTAL, EDUCATION DEPARTMENT...............		34,261,539	36,340,393	28,122,820	33,583,821	32,956,858 [7]
Budget Authority, Discretionary Funds.................	D	28,763,496 [2]	32,843,270 [3]	24,743,697 [4]	30,086,698 [5]	29,459,735 [6, 7]
Budget Authority, Mandatory Funds.....................	M	5,498,043	3,497,123	3,379,123	3,497,123	3,497,123
OUTLAYS TOTAL, EDUCATION DEPARTMENT........................		*34,392,134*	*35,005,488*	*34,971,133*	*35,128,256*	*35,188,616*
Outlays, Discretionary Funds..........................	D	*28,656,140*	*31,844,664*	*31,810,309*	*31,967,432*	*32,027,792*
Outlays, Mandatory Funds..............................	M	*5,735,994*	*3,160,824*	*3,160,824*	*3,160,824*	*3,160,824*

NOTE: Appropriation totals displayed above reflect the total funds provided in the year of appropriation, including advance appropriation amounts that do not become available until the succeeding fiscal year.
The total budget authority reflects funds that become available in the fiscal year, which include new amounts provided for that fiscal year and amounts advanced from the prior year's appropriation.

[1] *Includes $2,521 thousand transferred in fiscal year 1999 from the Y2K Contingent Emergency Fund for expenses related to Year 2000 conversion of Federal information systems.*
[2] *Excludes an advance appropriation of $6,204,763 thousand under the Education for the Disadvantaged account that becomes available on October 1 of fiscal year 2000.*
[3] *Excludes $8,073,386 thousand in advance appropriations that would become available on October 1 of fiscal year 2001.*
[4] *Excludes $14,781,763 thousand in advance appropriations that become available on October 1 of fiscal year 2001.*
[5] *Excludes $11,411,597 thousand in advance appropriations that become available on October 1 of fiscal year 2001.*
[6] *Excludes $12,462,763 thousand in advance appropriations that become available on October 1 of fiscal year 2001.*

(in thousands of dollars) Office, Account, Program and Activity	D M	1999 Appropriation	2000 President's Budget	2000 House Committee	2000 Senate Floor	Second 2000 Conference

[7] *A reduction of $111,947 thousand, will be distributed among Department of Education programs, with no program, project, or activity reduced by more than 15 percent. This amount is 0.38 percent of Fiscal Year 2000 discretionary budget authority rescinded by provisions in the Fiscal Year 2000 appropriations bill.*