



February 7, 2006

## **Bush Budget Proposal for FY 2007 Cuts Education Funding**

### **Freezes, Cuts, and Eliminations to Key NCLB Programs In President's Education Spending Plan for the 2007-08 School Year**

The President released his budget plan for FY 2007 this week, providing expected increases for homeland security and military spending, while continuing the downward trajectory of spending for *No Child Left Behind* (NCLB) and other education programs. The U.S. Department of Education, whose overall funding was reduced by Congress for the first time in a decade in the recent fiscal year 2006 funding bill, was cut by an additional \$3.1 billion in President Bush's proposal for 2007 (including \$1.6 billion for one-time Hurricane Aid in FY 2006).

#### **Title I**

The budget proposal provides a freeze in funding for Title I – NCLB's cornerstone program and the largest source of federal funding for disadvantaged students. In previous years of his Administration, the President's budget has included a \$1 billion increase for Title I, as the program's resources were intended to support State and local efforts to set high standards, increase accountability, and close achievement gaps. Despite increasing numbers of schools being identified for school improvement and increasing costs for intervention activities at the local level – such as the law's choice and supplemental services requirements – the budget's narrative section indicates that Title I grants above current levels are not necessary since NCLB implementation has been "largely completed."

While the President's proposal for FY 2007 offers no new money in Title I grants for school districts, the budget does include \$200 million in new Title I funds for States to build capacity in the area of school improvement. This new \$200 million for School Improvement would be in addition to the current 4% set-aside from local Title I grants that States also reserve for School Improvement efforts. However, while States are required to send 95% of the existing School Improvement set-aside to the local level, the new \$200 million School Improvement program in the President's proposal would allow SEAs to retain 100% of the funding for state-level activities.

#### **Special Education and Other Programs**

Funding for IDEA, the special education program which the President historically supports with significant increases, also suffered in this year's proposal. The program was offered a \$100 million increase for FY 2007, which amounts to less than 1%, falling far short of annual inflation costs and well below the 40% full-funding level promised in the law. Other important programs such as Teacher Quality, Reading First, Bilingual Education, and 21<sup>st</sup> Century Afterschools were frozen at the previous year's funding level, and have remained frozen since fiscal year 2004.

In his State of the Union speech, the President declared that over 140 programs that were "performing poorly or not fulfilling essential priorities" would be cut in his budget. Forty-two of these programs slated for elimination were education programs, many of which help fund high priorities for urban school districts such as early childhood Even Start programs, Education Technology grants, and Safe and Drug-free Schools funding.

The President's budget also eliminates the current Vocational Educational program, and uses the savings from that and other reductions to resurrect his High School Reform initiative. The same High School Reform proposal was rejected by both the House and Senate last year. The President uses the savings from his cuts and eliminations to offer two other major programs: \$380 million in funding to improve math and science instruction in K-12 schools, and a \$100 million voucher program to subsidize private school tuition or tutoring.

## Proposed Funding Levels for Selected Education Programs (in thousands)

Selected Education Programs	FY 2005 Final Level	FY 2006 Final Level	FY 2007 Bush Proposal	Difference From FY 2006
Title I (Subtotal Grants to LEA's)	\$12,739,600	\$12,713,125	\$12,713,125	\$0
Basic Grants	\$6,934,853	\$6,808,408	\$6,808,408	\$0
Concentration Grants	\$1,365,000	\$1,365,031	\$1,365,031	\$0
Targeted Grants	\$2,219,843	\$2,269,843	\$2,269,843	\$0
Education Finance Incentive Grants	\$2,219,843	\$2,269,843	\$2,269,843	\$0
<b>School Improvement Grants for States</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$200,000</b>
Reading First State Grants	\$1,041,600	\$1,029,234	\$1,029,234	\$0
Early Reading First	\$104,160	\$103,118	\$103,118	\$0
Striving Readers	\$24,800	\$29,700	\$100,000	\$70,300
Even Start	\$225,094	\$99,000	\$0	-\$99,000
<b>America's Opportunity Scholarships (for Private Vouchers and Tutoring)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>Math Now for Elementary School Students</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,000</b>	<b>\$125,000</b>
<b>Math Now for Secondary School Students</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,000</b>	<b>\$125,000</b>
<b>High School Reform</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,475,000</b>	<b>\$1,475,000</b>
Migrant Education (State Agency Programs)	\$390,428	\$386,524	\$386,524	\$0
Comprehensive School Reform (CSR)	\$205,344	\$7,920	\$0	-\$7,920
Impact Aid (total)	\$1,243,861	\$1,141,333	\$1,141,333	\$0
Teacher Quality State Grants - Title II	\$2,916,604	\$2,887,439	\$2,887,439	\$0
Mathematics & Science Partnerships	\$178,560	\$182,160	\$182,160	\$0
Educational Technology - Title II-D	\$496,000	\$272,250	\$0	-\$272,250
21st Century Community Learning Centers	\$991,077	\$981,166	\$981,166	\$0
State Grants for Innovative Education Programs	\$198,400	\$99,000	\$99,000	\$0
State Assessments	\$411,700	\$407,563	\$407,563	\$0
Indian Education (total)	\$119,889	\$118,690	\$118,690	\$0
Teacher Incentive Fund	\$0	\$99,000	\$99,000	\$0
Transition to Teaching	\$44,932	\$44,484	\$44,484	\$0
Charter Schools Grants	\$216,952	\$214,782	\$214,782	\$0
Credit Enhancement for Charter School Facilities	\$36,980	\$36,611	\$36,611	\$0
Voluntary Public School Choice	\$26,542	\$26,278	\$26,278	\$0
Magnet Schools Assistance	\$107,770	\$106,693	\$106,693	\$0
Advanced Placement Fees	\$29,760	\$32,175	\$122,175	\$90,000
Safe and Drug-Free Schools and Communities	\$437,380	\$346,500	\$0	-\$346,500
English Language Acquisition State Grants	\$675,765	\$669,007	\$669,007	\$0
IDEA - Part B (Grants to States)	\$10,589,746	\$10,582,961	\$10,682,961	\$100,000
Vocational Education (total)	\$1,326,600	\$1,296,306	\$0	-\$1,296,306
Vocational Education State Grants	\$1,194,300	\$1,182,388	\$0	-\$1,182,388
Vocational Education - Tech-Prep	\$105,800	\$104,754	\$0	-\$104,754
Adult Basic and Literacy Education State Grants	\$569,700	\$563,975	\$563,975	\$0
Smaller Learning Communities	\$94,500	\$93,531	\$0	-\$93,531
GEAR UP	\$306,500	\$303,423	\$0	-\$303,423
Hurricane Education Recovery	\$0	\$1,600,000	\$0	-\$1,600,000
<b>TOTAL - DEPARTMENT OF EDUCATION</b>	<b>\$56,576,928</b>	<b>\$57,552,764</b>	<b>\$54,410,271</b>	<b>-\$3,142,493</b>

**President's New Initiatives in Bold**