

DEPARTMENT OF EDUCATION

Statement by

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Secretary of Education**

on

FISCAL YEAR 2005 BUDGET REQUEST

Mr. Chairman and Members of the Subcommittee:

Thank you for this opportunity to testify on behalf of President Bush's 2005 discretionary request for the Department of Education. As all of you know, the effort to control spending while fighting a war on terrorism and ensuring homeland security forced the President to make some tough decisions in his 2005 budget. The significant overall increase requested for the Department of Education shows that the President remains committed to the vision of *No Child Left Behind*—that all children can learn, and all children deserve the opportunity for a quality education.

A KEY YEAR FOR NO CHILD LEFT BEHIND

Fiscal year 2005 is a critical year for *No Child Left Behind*. The 2005 appropriation will fund the 2005-2006 school year, a year that will witness two significant milestones under the new law. First, States and school districts will begin testing all students in grades 3-8 in reading and mathematics. This is a necessary step toward giving teachers the data they need to teach effectively and parents the information they need to assess the progress of their children's education.

Second, all teachers must be highly qualified—as defined by States in accordance with the law—by the end of the 2005-2006 school year. Research tells us there is no better single way of improving education than by putting a highly qualified teacher in every classroom. The No Child Left Behind Act recognized this fact, and we'll be working hard with States to make it a reality.

We also continue to explore ways to provide the additional flexibility that States and school districts need to effectively implement *No Child Left Behind*. In December, the Department published a new regulation giving States greater flexibility in testing students with disabilities. Two weeks ago, I announced two new policies governing the treatment of limited English proficient students in the State accountability systems required by *No Child Left Behind*. And we are working on some clarifications regarding the law's requirement that all teachers be highly qualified.

In these and other instances, we believe the law is sufficiently flexible to accommodate the legitimate concerns of State and local educators, without undermining the core goal that all students and all student groups must reach proficiency in reading and mathematics.

MAJOR PROGRAM INCREASES

The President's budget proposes \$57.3 billion in discretionary appropriations for the Department of Education in fiscal year 2005. This represents an increase of \$1.7 billion, or

3 percent, over the 2004 level, and an increase of \$15.1 billion, or 36 percent, since President Bush took office in 2001.

As was the case in the President's previous education budgets, most new resources are dedicated to three major programs that form the cornerstone of the Federal role in education. For the Title I Grants to Local Educational Agencies program—the key driver of *No Child Left Behind* reforms in the areas of accountability and parental options—the President is seeking \$13.3 billion, an increase of \$1 billion over the 2004 level.

Title I helps the children who are most in need of extra educational assistance, who are most in danger of falling further behind, on the wrong side of the staggering achievement gap between poor and minority students and their more advantaged peers. Our determination to help these students—which I know is shared by the Members of this Committee—is reflected in a request that would result in a total increase of \$4.6 billion, or 52 percent, in Title I funding since the passage of the No Child Left Behind Act.

The President also is asking for his fourth consecutive \$1 billion increase for the Special Education Part B Grants to States program. Under the request, funding for Part B Grants to States would rise by \$4.7 billion, or 75 percent, since 2001. The 2005 request would increase the Federal contribution to about 20 percent of the national average per-pupil expenditures for all children—the highest level of Federal support ever provided for children with disabilities.

And for the need-based Pell Grants program, the budget includes an increase of \$856 million, for a total of \$12.9 billion. This level would fully fund the cost of maintaining a \$4,050 maximum award and providing grants to an estimated 5.3 million postsecondary students. More than 1 million additional students are now receiving Pell Grants than when the President took office.

JOBS FOR THE 21ST CENTURY

In addition to these major programs, another priority in the Department's request is a package of proposals, totaling \$333 million in new resources, which play a key role in President Bush's Jobs for the 21st Century initiative. These proposals would help ensure that middle- and high-school students are better prepared to succeed in postsecondary education and the workforce. They focus on improving instruction to ensure students are performing on grade level in reading and mathematics and on increasing the rigor of secondary school curricula.

A key proposal, for example, is \$33 million for new Enhanced Pell Grants for State Scholars, which is included in the overall request for Pell Grants. We know students who complete a rigorous curriculum are more likely to pursue and succeed in postsecondary education, so this proposal would provide an additional \$1,000 for postsecondary freshmen who took challenging courses in high school.

The Jobs for the 21st Century initiative also includes \$100 million in new funds to help struggling readers at risk of dropping out of secondary school and \$120 million to improve the math skills of secondary school students who are performing below grade level. Another

\$28 million in new funds is provided to help expand Advanced Placement courses for low-income students, and \$40 million is set aside for Adjunct Teacher Corps to bring professionals with sought after knowledge into the classroom.

The request for Vocational Education complements Jobs for the 21st Century by proposing a \$1 billion Secondary and Technical Education State Grants program that would promote local partnerships between community colleges and high schools to improve academic achievement and transitions to the workforce. This request includes \$12 million to help those States that do not currently have State Scholars programs to establish such programs.

Jobs for the 21st Century also emphasizes research-based approaches, the importance of which is reflected in our \$185 million request for Research, Development, and Dissemination. This is an increase of \$19 million, or nearly 12 percent, to fund research on reading comprehension, mathematics and science education, and teacher quality.

OTHER PRIORITIES

The 2005 request provides new funding in other ongoing priority areas, such as reading, expanding choice options, and support for postsecondary institutions serving large percentages of minority students.

Funding for Reading First would grow by \$139 million, or more than 12 percent. Reading first offers children in grades K-3 the benefits of research-based, comprehensive reading instruction designed to help meet the President's goal that all children read on grade level by the

end of third grade. The request includes \$1.1 billion for Reading First State Grants, an increase of \$101 million or 10 percent over last year, as well as \$132 million for Early Reading First, an increase of \$38 million or 40 percent.

Our budget also reflects President Bush's determination to extend educational options to all parents and students—not just those who can afford this freedom. *No Child Left Behind* has greatly expanded the choices available to students in low-performing schools, including both the option to transfer to a better school and to obtain supplemental educational services from a private-sector provider. And this fall we will for the first time provide federally funded opportunity scholarships to low-income students in the District of Columbia.

The President's 2005 budget would build on these achievements by investing an additional \$113 million in expanding choices for students and parents. This total includes \$50 million for a Choice Incentive Fund that would support new transfer options, including private school options, and a \$63 million increase for the Credit Enhancement for Charter School Facilities program, which encourages greater private sector lending to finance academic facilities for charter schools.

Finally, our request reflects the President's ongoing commitment to postsecondary institutions that serve large numbers and percentages of minority students. We are asking for a total of \$515 million for these institutions, an increase of almost \$21 million, or 4 percent, over the 2004 level. The total includes \$241 million for Strengthening Historically Black Colleges

and Universities, \$59 million for Historically Black Graduate Institutions, and \$96 million for Hispanic-Serving Institutions.

MANAGEMENT IMPROVEMENTS

Another thing that I am proud of is the very real improvement we have made in managing the Department and its programs. I knew when I came to the Department that if we were going to demand stronger accountability from States, school districts, and schools as part of *No Child Left Behind*, we would have to demand that same kind of accountability from ourselves. This has been a major priority for me and my senior officers for the past three years, and I am pleased to report that thanks to a lot of hard work and discipline, taxpayers can rest assured that their hard-earned tax dollars are managed responsibly at the Department of Education.

Fiscal year 2003 marked the second consecutive year that the Department received an unqualified “clean” opinion from its financial auditors. That may not seem like something worth celebrating, unless you know that the 2003 opinion was only the third “clean” audit in the Department’s 24-year history.

We also are continuing to make progress in all areas of the *President’s Management Agenda*. Earlier this year, the Office of Management and Budget announced that the Department received a major upgrade on financial performance—moving from a RED to GREEN status score. Our performance is ranked in the top one-third of all government agencies, and reflects our continued determination to inject accountability into everything we do here at the Department of Education.

CONCLUSION

The President's 2005 budget request for the Department of Education demonstrates his ongoing commitment to investing in educational excellence and achievement. But it also reaffirms that the Federal role in education is not just about money, but more importantly about leadership based on high standards, accountability, and the use of proven educational methods. Only in combination with this leadership—exemplified by the No Child Left Behind Act—will the resources provided by the Congress have the impact we have all hoped for over the past four decades.

We still have a long way to go before we ensure equal educational opportunity for disadvantaged children, but I believe we are witnessing the turning point. With your help, we'll keep turning in the right direction.

Thank you, and I will be happy to take any questions you may have.