

ISSUE BRIEF

2011 EDUCATION APPROPRIATIONS GUIDE

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Congress completed the fiscal year 2011 appropriations process on April 14th, 2011, finalizing annual funding for nearly all federal education programs through September 30, 2011 at \$68.3 billion, up \$4.2 billion from the prior year. Making sense of the federal education budget and the appropriations process can be a frustrating task for education advocates, state and local policymakers, the media, and the public. The fiscal year 2011 appropriations process has been particularly confusing. Congress bypassed several steps in the normal budget and appropriations process this fiscal year. Lawmakers chose not to debate or adopt an annual budget resolution that sets funding limits for appropriations bills, and lawmakers failed to bring the appropriations bill that funds education programs up for a vote in either chamber. Instead, Congress passed a series of stop-gap funding bills that temporarily provided fiscal year 2011 funding at prior year levels for programs subject to annual appropriations, though funding for some education programs was reduced or eliminated along the way. A full six months into fiscal year 2011, Congress ultimately passed an appropriations bill for the remainder of the fiscal year that funds all federal agencies and programs subject to the annual appropriations process.

This issue brief is a helpful guide to the appropriations process and recently enacted fiscal year 2011 education funding. It includes an analysis of funding for major

education programs and a timeline of the 2011 appropriations process. It also includes tables comparing 2011 funding to earlier House and Senate proposals, prior year funding levels, and the president's 2011 budget request.

Appropriations Process Overview

Nearly all federal education programs are funded through the annual appropriations process. This means that Congress must appropriate a new funding level for most education programs by the start of each new fiscal year, which begins October 1st of the preceding calendar year. (Fiscal year 2011 began on October 1st, 2010.) Congress usually begins work on appropriations legislation for the upcoming fiscal year in the spring and summer months. During this time, each of the 12 subcommittees of the House and Senate Appropriations Committees adopt a bill that covers funding for programs within their jurisdictions and report them to the full House and/or Senate for consideration. The Labor, Health and Human Services, Education, and related agencies (Labor-HHS-Education) Subcommittee has jurisdiction over education programs. After the House and Senate adopt their respective versions of the appropriations bills, they must work out any differences in conference committee before sending the final bill to the president for his signature.

Timeline: The 2011 Appropriations Process

The 2011 appropriations process began when the president submitted his budget request to Congress in February of 2010, outlining his recommended funding levels for all education programs.[1] A few months after receiving the president's budget request, the House and Senate would normally adopt a budget resolution that sets a total limit on annual appropriations funding, but Congress did not adopt a budget resolution for fiscal year 2011. The Democratic majorities in both the House and the Senate could not reach an agreement on the appropriations limit for fiscal year 2011 and the notional levels for the four subsequent years that would be specified in a fiscal year 2011 budget resolution.

Instead of adopting a budget resolution, the House passed a "deeming resolution" in July 2010 that set an overall limit on fiscal year 2011 appropriations of \$1.121 trillion.[2] The Senate took no similar action, but shortly after the House adopted its limit, the Senate Appropriations Committee adopted its own "recommended" limit of \$1.114 trillion.[3] By comparison, in the fiscal year 2010 budget resolution, which Congress successfully adopted, lawmakers set the appropriations limit for fiscal year 2010 at \$1.087 trillion.[4] (For more information on the fiscal year 2011 budget debates, please see the Federal Education Budget Project issue brief: *Congressional Budget Action for Fiscal Year 2011 and its Impact on Education Funding*, July 2010.)

After the House and Senate set their own respective limits on fiscal year 2011 appropriations, each chamber's appropriations committee allocated a share of the funding to each of 12 appropriations subcommittees. The Senate Labor-HHS-Education subcommittee passed its version of a fiscal year 2011 spending bill, but the House subcommittee never adopted its version. Ultimately, neither the House nor the Senate ever debated or voted on a stand-alone Labor-HHS-Education appropriations bill for fiscal year 2011.

Instead, beginning in October 2010, Congress completed 2011 education appropriations through a series of Continuing Resolutions (CRs), temporary appropriations bills that set funding for all federal agencies and programs subject to the annual appropriations process. Congress typically adopts a CR to provide funding for agencies and programs for a few weeks or months when a new fiscal year starts and lawmakers have been unable to pass appropriations legislation. A CR usually funds federal programs at prior year amounts.

Ultimately, on April 14th, 2011, a full six months into fiscal year 2011, and after seven prior CRs, lawmakers adopted one final CR that covers the remainder of fiscal year 2011 in lieu of enacting individual appropriations legislation.[5] Annualized funding provided by the final CR totals \$1.050 trillion.[6] The final fiscal year 2011 CR funds a number of education programs at amounts lower than the prior year and eliminates funding for some programs altogether. The final CR also requires agencies to make an across-the-board cut of 0.2 percent to all non-defense discretionary spending.[7] Overall funding for education program grows from \$64.1 billion in fiscal year 2010 to \$68.3 billion for fiscal year 2011.[8]

Below is a detailed timeline of the fiscal year 2011 education appropriations process followed by a summary of the major funding provisions included in the final CR that Congress passed on April 14th, 2011.

Fiscal Year 2011 Appropriations Timeline

- February 1, 2010: President Obama submits his fiscal year 2011 budget proposal to Congress. The detailed budget request includes proposed funding levels for federal programs and agencies in aggregate for the upcoming five years, and specific fiscal year 2011 funding levels for individual programs subject to appropriations. The President's budget request included \$1.134 trillion in total appropriations spending and \$72.9 billion for education programs.

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- July 1, 2010: The House passes a “deeming resolution” as a substitute for a fiscal year 2011 budget resolution. This step establishes a limit in the House of \$1.121 trillion for all programs subject to appropriations for fiscal year 2011. The Senate did not pass a budget resolution or a deeming resolution for fiscal year 2011.
 - Mid July 2010: The House and Senate Appropriations Committees divide the appropriations limit among subcommittees. The Labor-HHS-Education Subcommittee’s allocations are \$176.4 billion in the House and \$169.6 billion in the Senate. However, the Senate’s allocation is not enforceable through parliamentary procedures because the Senate did not adopt a budget resolution or deeming resolution.
 - July 15, 2010: The House Labor-HHS-Education Subcommittee debates a \$176.4 billion fiscal year 2011 Labor-HHS-Education appropriations bill, but does not vote the bill out of committee or release the legislative text. The bill includes \$72.0 billion for education programs.
 - Late July 2010: The Senate Labor-HHS-Education Subcommittee and full Committee pass the Senate version of the \$169.6 billion fiscal year 2011 Labor-HHS-Education appropriations bill, sending it to the full Senate for consideration. The bill includes \$71.3 billion for education programs. The bill is never debated or voted on in the full Senate.
 - September 30, 2010: Congress passes and the president signs into law the Continuing Appropriations Act of 2011, a Continuing Resolution (CR) that temporarily provides education programs with fiscal year 2011 funding at fiscal year 2010 levels. The CR expires December 3, 2010.
 - December 2, 2010: Congress votes to extend the CR, which now expires December 18, 2010.
 - December 8, 2010: The House of Representatives passes a \$1.090 trillion CR that would extend fiscal year 2010 education program spending levels through all of fiscal year 2011, with a few exceptions. The Senate does not pass it.
 - December 14, 2010: The Senate Appropriations Committee proposes an omnibus appropriations bill for fiscal year 2011. It would fund discretionary Department of Education programs at \$71.0 billion for 2011. It is withdrawn on December 17.
 - December 17, 2010: Congress passes and the president signs a third CR, which expires December 21, 2010.
 - December 21, 2010: Congress passes and the president signs a fourth CR, which expires March 4, 2011. The 111th Congress ends.
 - January 2011: The 112th Congress begins. The House of Representatives is now controlled by a Republican majority. The Senate is controlled by a Democratic majority.
 - February 19, 2011: The House of Representatives passes H.R. 1, a CR for the remainder of fiscal year 2011 that provides annualized funding of \$1.026 trillion. The bill would reduce spending compared to fiscal year 2010 funding on a range of federal programs, including many education programs. Total discretionary spending for the Department of Education would be \$58.4 billion. The Senate rejects it.
 - March 2, 2011: Congress passes and the president signs a fifth CR for fiscal year 2011, which expires on March 18, 2011. Unlike prior CRs for 2011, which extended fiscal year 2010 funding levels, this CR reduces spending across a range of federal programs by \$4 billion compared to 2010 levels. Education programs are reduced by \$890 million.

- March 18, 2011: Congress passes and the president signs a sixth CR for fiscal year 2011, which expires on April 8, 2011. This CR cuts \$6 billion in total spending compared to 2010 levels but made no further cuts to federal education programs.
- April 8, 2011: Congress passes and the president signs a seventh CR for fiscal year 2011, which expires on April 15, 2011. The CR makes \$2 billion in cuts to federal spending, but no further cuts to education programs.
- April 14, 2011: Congress passes a final CR for the remainder of fiscal year 2011 that reduces federal spending by \$37.5 billion compared to fiscal year 2010. The CR totals an annualized \$1.050 trillion. Comparable funding for fiscal year 2010 was \$1.087 trillion. Under the final CR, appropriations for programs funded under Labor-HHS-Education total \$157.8 billion. Education funding for 2011 totals \$68.3 billion compared to \$64.1 billion for fiscal year 2010.

Education Funding Highlights for 2011

Higher Education Programs

The final 2011 CR provides \$23.0 billion for the Pell Grant program and maintains the maximum grant at \$5,550 for the 2011-2012 academic year. The Pell Grant program provides grants to undergraduate college students from low income families and is the single largest education program supported by the federal government. Students are awarded grants on a sliding scale based on family income and the cost of the institution of higher education that they attend.

The necessary funding to support the Pell Grant program at that level comes from a number of sources in addition to the regular appropriation provided in the 2011 CR (see table at right). Some funding (\$2.8 billion) from the 2010 Student Aid and Fiscal Responsibility Act of 2010 (SAFRA) will support the program in fiscal year 2011.[9] A funding stream that is permanently funded (i.e. not subject to appropriations, also called "mandatory funding") also

created under that law will provide additional funding (\$5.3 billion). The 2011 CR ended a rule that allowed students to claim two Pell Grants in one year under certain circumstances. That change produced \$8.8 billion in savings over the next 10 years by reducing the costs of future mandatory spending.[10] The CR allocates \$3.2 billion of those savings to the 2012 Pell Grant, but these funds will actually be used to partially cover a shortfall estimated to occur in the fiscal year 2011 grant.[11] There will be an outstanding \$2.5 billion shortfall in the 2011 Pell Grant that must be covered in the fiscal year 2012 appropriation.[12]

Pell Grant Program

Funding (\$ billions)			
Fiscal Year	2009	2010	2011
Appropriation	17.3	17.5	23.0
ARRA stimulus	12.3	3.4	-
SAFRA one-time funds	-	10.7	2.8
2011 CR one-time funds	-	-	3.2
Mandatory formula	2.9	3.9	5.3
TOTAL	32.5	35.5	34.3

Maximum Grant			
Appropriation	\$4,860	\$4,860	\$4,860
Mandatory formula	\$490	\$690	\$690
TOTAL	\$5,350	\$5,550	\$5,550

Source: U.S. Department of Education; Congressional Budget Office; New America Foundation

The 2011 CR funds the Work-study program at the 2010 level not including the 0.2 percent across-the-board reduction to all education programs. The CR made a \$20 million cut to the Supplemental Educational Opportunity Grant (SEOG) program in addition to the 0.2 percent reduction. The programs are funded at \$979 million and \$736 million, respectively. Both programs provide funds to colleges and universities by formula. Schools then distribute the aid to students from low-income families.

Pre-K-12 Education Programs

The two largest Pre-K-12 programs, Title I, Part A grants to local education agencies and Individuals with Disabilities Education Act (IDEA), Part B Special Education state grants, are funded at the prior year level in the final 2011 CR, excluding the 0.2 percent across-the-board reduction. The bill provides \$14.5 billion for Title I grants, and \$11.5 billion for IDEA state grants. This differs only slightly from the president's 2011 budget request, where he requested a small \$250 million increase for IDEA. Title I provides formula-based grants to states and school districts based on the population of students from low-income families. IDEA state grants provide formula based grants to states and school districts based on the population of disabled students.

The American Recovery and Reinvestment Act of 2009 (ARRA) provided significant supplemental funding for both Title I, Part A grants to local education agencies and Individuals with Disabilities Education Act (IDEA), Part B Special Education state grants. This funding expires at the end of fiscal year 2011. Although much of the funding was spent by school districts in fiscal year 2010, school districts in many states still have unspent allocations remaining in fiscal year 2011 that they will likely use to supplement funding provided in the CR. The ARRA made an additional \$10.0 billion available for Title I grants and \$11.3 billion for IDEA state grants, providing significant additional funding for both programs.

The final 2011 CR cuts \$11 million in funding for Title I School Improvement Grants from 2010 levels to \$535 million. The president requested \$900 million in his 2011 budget request with the intention of further growing the program. School Improvement Grants provide funds to states to help local school districts turn around chronically low performing schools. School Improvement Grants received \$3.0 billion in funding under the ARRA in 2009, funding that most recipients will spend in fiscal year 2011.

The final 2011 CR provides \$400 million for the Teacher Incentive Fund (TIF), the same amount as in 2010, not including a 0.2 percent across-the-board reduction to all education programs. TIF is a competitive grant program focused on improving teacher compensation systems at the state and local level.

The Promise Neighborhoods program received a \$20 million increase over 2010 levels to \$30 million in 2011. This is far below the president's request of \$210 million. These competitive grants, which received funding for the first time in 2010, help support the design and implementation of community-based education programs similar to the Harlem Children's Zone.

The 2011 CR does not provide any funding for several education programs that Congress funded in 2010. These include Striving Readers, which received \$250 million in 2010. (This appropriation was later reduced to \$200 million when Congress enacted the Education Jobs Fund in 2010.) The president did not request funding for Striving Readers in his 2011 budget request. However, he did request that funding for the program be folded into a larger competitive program that would provide grants to improve literacy instruction. Other programs eliminated in the 2011 CR include Even Start (\$66 million in 2010), Educational Technology State Grants (\$100 million in 2010), and Javits Gifted and Talented Education (\$7 million in 2010). Several earmarks for education programs were also eliminated, including those for Teach For America, the National Writing Project, and the National Board of Professional Teaching Standards. However, the final 2011 CR reserves 1 percent of the Teacher Quality State Grants funding (\$2.92 billion) for a small grant program that would allow these organizations to compete for funding.

Congress honored the president's request to provide funding for a new round of grants under the Race to the Top and Investing in Innovation programs. Both programs were originally created in the American Recovery and Reinvestment Act of 2009 to encourage innovation and

reform at the state and local levels. However, the final 2011 CR provides far less funding than the president requested – the president requested \$1.4 billion for Race to the Top and \$500 million for Investing in Innovation. The final 2011 CR provides \$700 million and \$150 million for the programs, respectively, not including the 0.2 percent across-the-board reduction. Neither program received funding in fiscal year 2010. The CR also amends the existing law governing the

Race to the Top program by adding a new area of focus for the program – high quality early education. This new requirement is very similar to the Early Learning Challenge Fund the Obama administration proposed in its budget request.

Federal Education Appropriations by Fiscal Year (budget authority, \$ billions)

Program	2010 Appropriation	2011 President's Request*	2011 Senate Omnibus (HR 3082, 111th Congress)	2011 House Passed (HR 1, 112th Congress)	2011 Final CR
Pell Grants**	17.50	23.16	23.16	17.50	22.96
Title I grants to local education agencies	14.49	14.49	14.78	13.80	14.46
IDEA special education state grants	11.51	11.76	11.80	11.51	11.48
Teacher quality state grants	2.95	2.95	2.90	2.44	2.47
Impact Aid	1.28	1.28	1.30	1.28	1.27
Work-study grants	0.98	0.98	0.98	0.98	0.98
Supplemental educational opportunity grants	0.76	0.76	0.76	0.00	0.74
Race to the Top	0.00	1.35	0.55	0.00	0.70
Title I school improvement grants	0.55	0.90	0.55	0.21	0.53
Teacher incentive fund	0.40	0.80	0.30	0.40	0.40
Charter school grants	0.26	0.31	0.26	0.26	0.26
Investing in Innovation	0.00	0.50	0.22	0.00	0.15
Striving readers	0.20	0.32	0.23	0.00	0.00
Even start	0.07	0.00	0.00	0.00	0.00
High school graduation initiative	0.05	0.05	0.03	0.00	0.05
Promise Neighborhoods	0.01	0.21	0.06	0.00	0.03
Other education programs	13.07	13.04	13.09	10.01	11.87
TOTAL EDUCATION APPROPRIATIONS	64.13	72.86	70.95	58.39	68.35

Note: 2011 final CR figures reflect a 0.2 percent across-the-board reduction as specified in the law.

*Numbers reflect funding for programs under current law, not the president's proposal to consolidate programs.

**Reflects the regular annual appropriation only; excludes mandatory funds. For comparison purposes, the president's request reflects the necessary appropriation to support a maximum grant of \$5,550 at the time of the proposal. The president's 2011 budget request proposed making the Pell Grant program an entitlement and removing it from the annual appropriations process. Congress rejected that proposal in 2010.

Source: U.S. Department of Education; New America Foundation

Notes

[1] U.S. Government and Printing Office. Budget of the United States Government: Browse Fiscal Year 2011, <http://www.gpoaccess.gov/usbudget/fy11/index.html>.

[2] U.S. Congress. Providing for Budget Enforcement for Fiscal Year 2011, H. Res. 1493, 111th Cong., 2nd sess., <http://www.govtrack.us/congress/billtext.xpd?bill=hr11-1493>. All figures for appropriations spending limits exclude contingent adjustments for emergency and/or supplemental appropriations and appropriations for overseas military operations.

[3] U.S. Senate Committee on Appropriations. "FY 2011 Subcommittee Spending Guidance," <http://appropriations.senate.gov/news.cfm?method=news.view&id=0753bbc3-1bod-4115-a277-63bo41c69e12>.

[4] U.S. Congress. Concurrent Resolution on the Budget, Fiscal Year 2010, H. Con. Res 85, 111th Cong., 1st sess., 68, <http://www.gpo.gov/fdsys/pkg/CRPT-11hrpt60/pdf/CRPT-11hrpt60.pdf>.

[5] U.S. Congress. The Department of Defense and Full Year Continuing Appropriations Act, H.R. 1473, 112th Congress, 1st sess., <http://www.gpo.gov/fdsys/pkg/BILLS-112hr1473enr/pdf/BILLS-112hr1473enr.pdf>.

[6] Congressional Budget Office. "CBO Estimate of H.R. 1473, the Department of Defense and Full Year Continuing Appropriations Act," 2011, <http://www.cbo.gov/ftpdocs/121xx/doc12140/hr1473.pdf>.

[7] Section 119 of the final CR (Public Law 112-10) requires agencies to make a proportional reduction of 0.2 percent across all appropriations accounts. This has the effect of reducing fiscal year 2011 appropriations specified in the law or report language by 0.2 percent.

[8] U.S. Department of Education Budget Tables. FY 2011 Congressional Action, updated May 16th, 2011, <http://www2.ed.gov/about/overview/budget/budget11/11action.pdf>

[9] U.S. Congress. Pub.L. 111-152, 111th Cong., 2nd sess., 2010, <http://www.gpo.gov/fdsys/pkg/PLAW-111publ152/pdf/PLAW-111publ152.pdf>.

[10] Congressional Budget Office. "Preliminary Analysis of the President's Budget Request for 2011. 'Year-Round' Pell Grants, Academic year 2011-2012," March 23, 2011, <http://www.cbo.gov/ftpdocs/112xx/doc11231/frontmatter.shtml>.

[11] Congressional Budget Office. "CBO March 2011 Baseline Projections for the Student Loan and Pell Grant Programs," March 17 2011, <http://www.cbo.gov/budget/factsheets/2011b/studentloan.pdf>.

[12] Congressional Budget Office. "CBO March 2011 Baseline Projections Updated for the Department of Defense and Full Year Continuing Appropriations Act of 2011," April 11 2011.



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