

ISSUE BRIEF

KEY QUESTIONS ON THE OBAMA ADMINISTRATION'S 2011 EDUCATION BUDGET REQUEST

FEDERAL EDUCATION BUDGET PROJECT

FEBRUARY 2010

President Barack Obama submitted his second budget request to Congress on February 1st, 2010. The detailed budget request includes proposed funding levels for all federal programs and agencies in aggregate for the upcoming five to ten fiscal years, and specific fiscal year 2011 funding levels for programs subject to the annual appropriations process. It is important to remember that the president's 2011 budget request is a policy and budget proposal, but not legislation or law. Actual fiscal year 2011 funding levels for nearly all federal education programs will be determined through the Congressional appropriations process that Congress aims to complete by the start of the new fiscal year, which begins October 1st, 2010. Policy changes and funding levels that the president proposes for education programs not funded through the appropriations process (i.e. mandatory programs) are also subject to Congressional approval.

In an effort to heighten the quality of debate on federal education policy, the New America Foundation's Federal Education Budget Project has reviewed the president's proposals and generated a list of key questions policymakers, the media, stakeholder groups, and the public should ask about the proposals.

Early Education

- 1) The president's request includes \$450 million for literacy programs under a new Effective Teaching and Learning program. The program would fold several current literacy programs – including Striving Readers and Reading is Fundamental – into one program. How will that pot of \$450 million be divided among children's ages and stages of development? Research shows that the birth-to-8 years provide the critical foundation for learning how to read. Will this new literacy program allocate funds to that age range in a proportion equal to its importance in reading and language development?

- 2) The request expands Race to the Top and Investing in Innovation – two competitive grant programs to encourage innovation and reform in states and school districts that are currently funded with one-time economic stimulus funds under the American Recovery and Reinvestment Act. Will the administration ensure that early education programs (including publicly funded pre-K) are explicitly included in these grant programs? Could the incentives within these programs be designed to support alignment and coordination with the Early Learning Challenge Fund, the birth-to-5 grant competition that is currently awaiting movement in Congress?

K-12 Education

- 3) The president's budget request states that the administration will seek an additional \$1 billion in funding for Elementary and Secondary Education Act (ESEA) programs such as Title I Part A if Congress reauthorizes ESEA in keeping with the president's request. If Congress includes the \$1 billion increase in the fiscal year 2011 appropriations bill without reauthorizing the legislation, will the administration oppose it?
- 4) The president's budget proposes renaming Title I "College- and Career-Ready Students" and would require states to adopt college and career ready standards and assessments. Will this align with the effort states are already undertaking through the current Common Core of Standards movement headed by the Council of Chief State School Officers (CCSSO) and the National Governors Association (NGA)? Additionally, it mentions that states will be required to link student achievement information to teachers and establish a definition of "effective teacher." Has the administration identified potential methods of doing so? If not, will the administration provide guidance when states undertake this process?
- 5) The president's budget request includes a significant increase for School Improvement Grants, a program that funds restructuring and support for struggling schools, which would be renamed School Turnaround grants. In the past, such large increases have been accompanied by requirements that a certain amount of the funds be spent on improving or turning around failing high schools. Will the proposed legislation include any such requirements? Will failing high schools continue to be a significant focus for the administration?
- 6) In fiscal year 2010 appropriations, Congress eliminated the Safe and Drug Free Schools and Communities State Grants program and rolled a portion of that funding into the Safe and Drug Free Schools and Communities National Activities program. This action was largely consistent with the president's 2010 budget request. The president's 2011 budget request now includes a proposed program called Successful, Safe, and Healthy Students to support state and local activities that appear similar to the state grant program eliminated just a few months ago. How will this new program be different from the previous Safe and Drug Free programs and what will happen to the National Activities programs?
- 7) In the Program Terminations and Reductions document released with the 2011 budget request, the Elementary and Secondary Education Act consolidations are listed with a net change in cost of \$0. However, when the new consolidated programs are added together, a net increase of \$568 million is shown. What is the source of this discrepancy? Additionally, the majority of these new consolidated programs provide competitive grants to states and local education agencies, rather than formula grants. Has the administration considered whether this new focus on competitive grants will favor states and local education agencies that have the administrative capacity to complete several grant applications over those that do not?

Higher Education

- 8) The campus-based aid programs—Federal Work Study, Perkins Loans, and Supplemental Educational Opportunity Grants (SEOG)—are intended to assist low-income students with college expenses. The federal government provides campus-based aid funds to postsecondary institutions, which then award them to their students. However, the formula the government uses to distribute the aid overwhelmingly benefits elite public and private colleges and universities, even though these institutions serve a relatively small proportion of low-income students. The administration has criticized this formula and proposes changing it for the Perkins Loan program. However, the president's 2011 budget request would leave the formula unchanged for the SEOG and work study programs. Does the administration plan to address this discrepancy in the future?¹
- 9) The president's 2011 budget request includes \$64 million for the Fund for the Improvement of Postsecondary Education (FIPSE), a program that awards competitive grants to support innovative reform and improvements in higher education. As the Obama Administration knows, FIPSE is a favorite place for Members of Congress to fund earmarks for colleges and universities in their home states and districts. In fiscal year 2010, Congress included over \$100 million in special projects under FIPSE. The president's 2011 budget proposal does not include any funding for earmarks under FIPSE, and the president has generally taken a strong stand against Congressional earmarks. Will President Obama take any special action to ensure Congress honors his FIPSE budget request for 2011? Or is the FIPSE program an exception to the administration's opposition to Congressional earmarks?
- 10) Legislation is pending in Congress to eliminate the Federal Family Education Loan program and move all new federal student loans to the Direct Loan program. Under the House-passed proposal (H.R. 3221), the savings from this change would be spent on a number of new and existing education programs, including Pell Grants, school construction, and community college reform grants. The president's 2011 budget states that the administration "supports mandatory funding for priority education programs that are included in this legislation." Which education programs in the pending bill does the administration consider a "priority"? Given that the House-passed bill creates \$77.4 billion in new education spending over ten years, but the president's 2011 budget request shows that changes to student loan programs in the bill will save only \$45.6 billion over that time, are there any programs in H.R. 3221 that the administration would oppose? Or does the administration support the additional deficit spending that would occur under H.R. 3221 according to its own estimates?
- 11) Last year, the president's 2010 budget request proposed to use all savings from eliminating the Federal Family Education Loan program to make the Pell Grant program an entitlement, removing it from the annual appropriations process. The 2011 request includes this proposal again. However, legislation pending in Congress would use only some of the savings to increase Pell Grant funding without making it an entitlement, and would spend the remaining savings on school construction funding and other programs. The president's 2011 budget states that the administration supports the pending bill (H.R. 3221). Can the administration support both the House-passed legislation and a Pell Grant entitlement?

Notes

¹ This question was included in last year's "Key Questions on the Obama Administration's 2010 Education Budget" publication.



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MAIN OFFICE
1899 L Street, NW
Suite 400
Washington, DC 20036
Phone 202 986 2700
Fax 202 986 3696

CALIFORNIA OFFICE
921 11th Street
Suite 901
Sacramento, CA 95814
Phone 916 448 5189



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