



ISSUE BRIEF

PRESIDENT OBAMA'S FY 2011 BUDGET REQUEST FOR K-12 EDUCATION

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February 3, 2010

OVERVIEW

On Monday, February 1, President Barack Obama released the Administration's FY 2011 budget request at a White House event. "It's a budget that reflects the serious challenges facing the country," according to the President. While the \$3.8 trillion budget proposes a three-year spending freeze across the federal government, defense and education investments would see a modest increase, as has been widely reported in recent days. Specifically, Obama proposes spending \$1.6 trillion in discretionary dollars, not including military operations in Iraq and Afghanistan, which is a 2.7% increase over the \$1.3 trillion FY 2010 funding level. President Obama also proposes cutting or scaling back 120 programs, saving \$20 billion.

The Department of Education (ED) is one of the few agencies that would see increases in a budget that largely freeze spending for domestic programs. For ED, the President requests a total of \$49.7 billion, although he would request up to \$1 billion more if reauthorization of the Elementary and Secondary Education Act is completed by the Congress this year. This would bring the total Department of Education allocation to \$50.7 billion in FY 2011.

FY 2011 EDUCATION BUDGET REQUEST

Investments in Education

At the White House on Monday, President Obama noted the many problems facing the country, but argued that investments in education are more crucial than ever, saying, "That's why I've proposed a more than 6 percent increase in funding for the Education Department. And this funding is tied to reforms that raise student achievement, inspire students to excel in math and science, and turn around failing schools which consign too many young people to a lesser future—because in the 21st century there is no better anti-poverty program than a world-class education."

The FY 2011 Budget proposal includes a \$3 billion increase in competitive funding for ESEA, the largest increase ever requested for programs under the law. The request also proposes making permanent two American Recovery and Reinvestment Act (ARRA) programs—the Race to the Top (RTT) initiative and Investing in Innovation (i3). RTT would see \$1.35 billion in FY 2011, and i3 would win \$500 million if Congressional appropriators honor the Administration's request. School Turnaround Grants (a new moniker for the School Improvement Fund) would also see a significant

increase of \$354.5 million in FY 2011, bringing the program up to \$900 million. Title I is level funded in the proposed budget, while IDEA Special Education Grants to State would receive a modest increase of \$250 million to \$11.755 billion in FY 2011.

Consolidations, Eliminations, and New Authorities in FY 2011

As part of the Administration's ESEA reauthorization proposal, the FY 2011 ED budget proposes to consolidate 38 K-12 programs into 11 new programs and to eliminate 6 programs, for total reductions worth \$122 million. "We have a \$3 billion increase in funding for education, even while we include important reforms," Office of Management and Budget Director Peter Orszag said of this proposal, which would move "toward a system...that is oriented towards results and improving quality."

The Administration is proposing a number of dramatic changes in K-12 education authorizing legislation as part of this budget request. These changes reflect the President's commitment to providing more flexibility, using competition to allocate funds, giving communities more choices around activities, and using rigorous evidence to fund what works. Specifically, the President's FY 2011 budget proposes the following new program configurations:

Excellent Instructional Teams (three programs): These programs would receive \$3.855 billion in the request. Seeking to increase teacher effectiveness and reduce disparities in access to high-quality teachers and school leaders between disadvantaged students and their peers, the initiative consolidates nine existing programs into three programs: Effective Teachers and Leaders; Teacher and Leader Innovation Fund; Teacher and Leader Pathways.

Effective Teaching and Learning for a Complete Education (three programs): The President proposes investing \$1.015 billion in this initiative, which builds on the Administration's efforts to raise the quality and rigor of academic standards and instruction. It consolidates 15 existing programs into three new programs, each with a dedicated focus on one of the following academic areas: literacy; science, technology, engineering, and mathematics (STEM); and other subjects that contribute to a well-rounded education, such as history, civics, arts, and foreign language.

Expanding Educational Options: With a proposed investment of \$490 million, this initiative supports increasing the supply of high-quality educational options available to students in low-performing schools by creating and expanding effective charter schools and other effective, autonomous and accountable schools, and by implementing comprehensive systems of public school choice. It consolidates five existing programs.

College Pathways and Accelerated Learning: This proposal, which would receive \$100 million in the request, strengthens the Administration's commitment to expanding educational opportunities for all students by providing accelerated courses and instruction in schools that enroll concentrations of students from low-income families. The proposed program consolidates three existing programs into the new College Pathways and Accelerated Learning program.

Successful, Safe, and Healthy Students: This program would receive \$410 million and would promote comprehensive strategies that create safe and drug-free learning environments for students. It consolidates six existing programs.

Race to the Top: Race to the Top would receive an additional \$1.35 billion in the FY 2011 budget request. It creates incentives for State and local reforms and innovations designed to lead to significant improvements in student achievement, high school graduation rates, and college enrollment rates, and to significant reductions in achievement gaps.

Investing in Innovation: The i3 program \$500 million. It enables the Department to continue to invest in high-impact, potentially transformative education interventions, ranging from new ideas with huge potential to those that have proven their effectiveness and are ready to be scaled up.

Beyond significantly increasing funding for competitive-grant programs, the Administration's spending plan proposes to change ESEA's accountability rules. The Administration will be proposing changes to elements of the accountability system to make it a better measure of progress and growth. The priorities for the Administration are expected to be a focus on turning around persistently low-performing schools, providing incentives, and rewarding success.

REACTION TO THE FY 2011 ED BUDGET REQUEST

Throughout the education community, the reaction to the President's FY 2011 Education budget has been mixed. Stakeholders are encouraged that the Administration has reaffirmed its commitment to improving public education through its proposed \$3.5 billion funding increase in FY 2011. However, concerns have been raised regarding the consolidation of existing ESEA programs. Most of the concern is due to the fact that the FY 2011 budget document does not include policy details as to how the new consolidated programs will operate. Additionally, the budget does not detail how national programs would operate within new consolidated programs, which would seemingly direct competitive funding to the states. Also, as the Administration does not have a legislative framework for reauthorization of ESEA, appropriators who might want to honor the requested spending priorities will face the challenge of making budget decisions while authorizers are still considering a rewrite of ESEA. Further, the programs that are slated for consolidation or elimination in the budget document have loud constituents, and appropriators will be hard pressed to deny funding these long-established programs without major changes to current law.

CONCLUSION

The education community will be closely examining the FY 2011 budget request across agencies in coming days and weeks and Congressional appropriators are beginning to hold hearings that will inform their spending recommendations. While the President's budget request kicks off the annual budget and appropriations process, and his proposals will be carefully considered, Congressional appropriators are charged with writing and passing spending proposals. In coming weeks, the education community and policymakers will consider the proposal for the FY 2011 Department of Education budget, as well as changes to the K-12 authorizing legislation, and will surely weigh in with lawmakers. For more information for the FY 2011 budget request, visit the Office of Management and Budget's web site at <http://www.whitehouse.gov/omb/budget/Overview/>. For information on ED's budget, visit <http://www2.ed.gov/news/pressreleases/2010/02/02012010.html>.