



## DEPARTMENT OF EDUCATION

### Funding Highlights:

- Provides a \$3 billion increase in K-12 education programs, plus up to \$1 billion in additional funding if Congress successfully completes a fundamental overhaul of the Elementary and Secondary Education Act (ESEA). Together, these measures would represent the largest funding increase for ESEA programs ever requested.
- Supports needed reforms of Federal K-12 programs to promote college- and career-readiness, enhance teacher and principal effectiveness, deliver a rigorous and complete education, improve educational options, and prepare our children for the jobs of the future.
- Provides \$1.35 billion to expand Race to the Top for school districts as well as States to carry out systemic reform, and \$500 million to continue the Investing in Innovation program to test, validate, and scales up effective approaches to student learning.
- Increases the number, and improves the distribution of, effective teachers and principals, by investing \$950 million in competitive grants to States and school districts that build comprehensive systems to recruit, prepare, retain, and reward effective teachers and principals.
- Invests \$210 million in Promise Neighborhoods, an initiative that integrates school reform with strong family supports and effective community services across an entire neighborhood, so that youth successfully complete high school and continue on to college.
- Expands educational options and increases access to high-quality schools by investing \$490 million to grow effective charter schools and other effective, autonomous public schools that achieve results, develop new approaches, and give parents more choices.
- Consolidates 38 K-12 programs into 11 new programs that emphasize competitive funding, accountability for outcomes and flexibility in approaches, and use of evidence to get results.
- Supports the next generation of scientists and engineers by helping States develop and implement math and science instructional practices that are aligned to rigorous college- and career-ready standards and by supporting districts and nonprofit organizations that develop, implement, and evaluate promising and effective programs.
- Increases aid for needy students, reforms Federal student aid programs, and simplifies the financial aid application process.
- Funds new reforms across the Nation's early learning programs for children birth through age five, so they're prepared to enter kindergarten ready for success.
- Creates a Workforce Innovation Partnership with the Department of Labor to test and validate effective strategies to improve services under the Workforce Investment Act.

The President's Budget proposes a bold strategy to achieve the Department of Education's mission of fostering educational excellence, advancing equity and opportunity, improving student achievement, rewarding successful outcomes, investing in innovation, and preparing our Nation's children for global competitiveness.

**Reform Elementary and Secondary School Funding by Setting High Standards, Encouraging Innovation, and Rewarding Success.** The Budget supports the Administration's new vision for the Elementary and Secondary Education Act (ESEA). The reauthorized law would encourage States to adopt higher, clearer standards that set the expectation that every student will graduate from high school ready for college and a career. The new law would support dramatic improvements in the quality of assessments to measure complex skills and help teachers identify and respond to students' strengths and needs. The reauthorization would also recognize and reward schools for helping students make important gains, even if they are not yet at grade-level, and offer new flexibility for successful States and districts to pursue new solutions to help all students meet high standards. At the same time, the law would require vigorous efforts to turn around persistently low-performing schools, applying comprehensive strategies that put children first. In support of these efforts, the Budget provides a \$3 billion increase in funding for K-12 education programs authorized in the ESEA, including \$900 million for School Turnaround Grants, and the Administration will request up to \$1 billion in additional funding if Congress successfully completes a fundamental overhaul of the law. Together, these measures would represent the largest funding increase for ESEA programs ever requested.

**Expand the Race to the Top, and Open the Competition to School Districts.** The \$4 billion Race to the Top, created by the American Recovery and Reinvestment Act (Recovery Act), began a competition among States to spur systemic and innovative reform across four areas: supporting high academic standards; improving teacher effectiveness and distributing effective

teachers more equitably; using data to improve achievement; and turning around low-performing schools. Not all States will receive Race to the Top grants, but the competition itself has galvanized key stakeholders across the Nation to reform State laws and to develop new plans for lifting student achievement. The Budget provides \$1.35 billion to continue the President's Race to the Top challenge and to expand the competition from States to school districts that are ready for comprehensive reform.

**Increase the Number of Effective Teachers and Principals.** Great teachers are the key to a high-quality education. Increasing the number of great teachers, especially in disadvantaged schools, will require major new efforts to help all teachers improve their skills; recognize and reward excellence in the classroom; and help struggling teachers improve or, if need be, exit the classroom. Today, taxpayers invest nearly \$3 billion a year in a teacher quality block grant that heavily supports investments with little evidence of or impact on increasing learning. As part of the overhaul of ESEA, the Administration will require States taking formula funds to develop the preconditions for an effective human capital system, beginning with strong evaluation systems. At the same time, the Administration will invest \$950 million in a new competitive fund for States and districts that supports bold approaches to recruiting, developing, retaining, and rewarding more effective teachers, particularly in the lowest-performing schools. The Administration is also investing \$405 million in supporting successful and innovative pathways into teaching and school leadership.

**Invest in Supports for Student Success.** While an isolated schoolhouse with limited hours was adequate in an earlier time, today's competitive global marketplace requires more. Students need to be safe and healthy, and they need a complete education that extends beyond the traditional hours. As part of a \$1.8 billion investment in the Supporting Student Success initiative, the Budget funds comprehensive supports so that students are mentally and physically healthy and ready to learn. The initiative also reforms

the 21st Century Community Learning Centers program to focus funding on models that redesign and extend the school day, week, or year to provide additional time for students to engage in academic activities, additional time for enrichment activities, and time for educators to collaborate and improve instruction.

**Provides Expanded Support for Promise Neighborhoods.** As part of a \$1.8 billion investment in the Supporting Student Success initiative, the Budget includes dedicated support for Promise Neighborhoods, modeled after the Harlem Children's Zone, which aims to improve college going rates by combining a rigorous K-12 education with a full network of supportive services in an entire neighborhood. This initiative would support comprehensive programs that address the needs of children and youth in a targeted area from before the time they are born to their attendance in college. The core principle behind this initiative is that combining both effective academic programs and strong health and social-service systems can combat the effects of poverty and improve the education and life outcomes of children.

**Grow High-Performing Charter Schools and Other Innovative Public Schools.** Effective charter schools have achieved impressive results in closing achievement gaps. The Budget will invest \$490 million to grow these schools and other autonomous public schools that achieve results, develop new approaches, and give parents more choices. The Budget will support new options for students to transfer to high-performing public schools, support successful magnet schools, and require States and districts accepting these funds to create the conditions for effective schools to grow and ineffective schools to be restructured or shut down.

**Restructure Narrow and Constrained Education Programs Into Broad and Flexible Competitions that Fund What Works.** The Department of Education funds dozens of programs that narrowly limit what States, districts, and schools can do with funds. Some of these programs have little evidence of success, while oth-

ers are demonstrably failing to improve student achievement. The President's Budget eliminates six discretionary programs and consolidates 38 K-12 programs into 11 new programs that emphasize using competition to allocate funds, giving communities more choices around activities, and using rigorous evidence to fund what works. The Administration will make sure that, under these competitions, there is an equitable geographic distribution of funds nationwide, including to rural communities. Building on the Recovery Act, the Administration proposes \$500 million to expand the Investing in Innovation Fund, which will expand proven models—and fund and evaluate promising ones—for achieving student success. Finally, the Budget dedicates funds for the rigorous evaluation of education programs so that we can scale up what works and eliminate what does not.

**Expand and Reform Early Childhood Education.** Quality early education is an investment that pays off for years to come by preparing the youngest children for a lifetime of learning. The 2011 Budget enables the Administration to build on the expansion to early learning programs made through the Recovery Act, and realize the President's plan to reform early childhood education, promote high standards of quality, and focus on results for children from birth through preschool. In the 2011 Budget, the Administration supports pending legislation that will establish a new Early Learning Challenge Fund administered by the Department of Education and the Department of Health and Human Services to help States improve the quality of early childhood programs to help children enter school ready to succeed.

**Invest in the Next Generation of Scientists and Engineers.** Our Nation's eighth graders are scoring below their peers from many Asian and European countries, and we are neither adequately closing the achievement gaps in math and science nor providing adequate opportunities for many students from diverse backgrounds. The Budget reflects the Administration's investment in improving science, technology, engineering, and mathematics (STEM) outcomes and creating

the next generation of scientists and engineers who can help drive economic growth in the coming decades. The Budget provides \$300 million in new grants to States to develop and implement instructional practices and improve teaching and learning in science and math aligned to new high standards. The Budget also dedicates \$150 million within the Investing in Innovation Fund to competitive grants for school districts, nonprofits, and other organizations to test, validate, and scale promising strategies to improve teaching and accelerate student learning in STEM subjects. The Department of Education will work with the National Science Foundation and other Federal agencies to identify the most effective interventions that can help States, schools, and teachers improve STEM outcomes.

**Increase Pell Grants and Put Them on a Firm Financial Footing.** Pell Grants have helped millions of Americans afford college, yet in recent decades, growth in their value has fallen far behind the growth in college costs. The Recovery Act and 2009 appropriations bill increased the maximum Pell Grant by more than \$600 for a total award of \$5,350, and the maximum award will increase to \$5,550 in 2010. The Budget proposes to make that increase permanent and put them on a path to grow faster than inflation every year. The Budget also addresses a second problem: Pell Grants currently function much like an entitlement, yet they are funded through an annual appropriations process that can fall behind actual demand for the grants. The Budget proposes to make Pell Grant funding mandatory so that adequate Pell Grant funding is available every year.

**Expand Financial Aid for Students and Make Historic Investments in Improving Education, from Cradle Through College.** The Budget supports legislation that has passed the House and is pending in the Senate that would reform student lending to eliminate tens of billions of dollars in wasteful subsidies to banks, and instead, provide loans directly to students on an efficient basis that uses private and nonprofit companies to deliver services. This measure

would then use savings to make historic investments to increase college access and success, and would lay a foundation for success for America's youngest children. In addition to expanded Pell Grants and a simplified student aid system, these investments include a new American Graduation Initiative that will strengthen and support America's community colleges, focus on college completion, and graduate 5 million more students by 2020. Finally, to help graduates overburdened with student loan debt, the Administration will strengthen income-based repayment plans for student loans by reducing monthly payments and shortening the repayment period so that overburdened borrowers will pay only 10 percent of their discretionary income in loan repayments and can have their remaining debt forgiven after 20 years.

**Spur Partnership and Innovation in Vocational Rehabilitation and Adult Education.** The Budget seeks \$60 million in innovation funds to support seamless delivery of services and improved outcomes for people with disabilities and adults seeking basic skills. Under a new Partnership for Workforce Innovation, the Departments of Education and Labor will coordinate their innovation grants and work with other Federal agencies to break down program silos and to build and share evidence of what works.

**Evaluate Rigorously Federal Education Programs.** The Budget reflects the Administration's commitment to rigorous evaluations that distinguish between what works and what doesn't so we do not waste taxpayer dollars. Compared to two years ago, the current request represents a nearly 20 percent increase in the investment in the development, evaluation, and dissemination of education interventions that increase student learning and achievement through the Institute of Education Sciences. Additional funds will be used to evaluate Federal education programs rigorously, particularly investments launched under the Recovery Act. The increase in education research and evaluation will provide practitioners and policy makers with effective tools for preparing students for success in college and the workforce.

**Department of Education**  
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
<b>Spending</b>			
Discretionary Budget Authority:			
Legislative proposal, Elementary and Secondary Education Act:			
College and Career Ready Students <sup>1</sup> .....	14,492	14,492	14,492
School Turnaround Grants .....	546	546	900
Race to the Top .....	—	—	1,350
Investing in Innovation .....	—	—	500
English Learner Education .....	730	750	800
Effective Teaching and Learning for a Complete Education .....	979	920	1,015
College Pathways and Accelerated Learning .....	51	103	100
Excellent Instructional Teams .....	3,181	3,505	3,855
Expanding Educational Options .....	369	409	490
Supporting Student Success .....	1,795	1,541	1,786
Special Education State Grants <sup>2</sup> .....	12,319	12,319	12,569
Career and Technical Education Programs .....	1,272	1,272	1,272
Adult Education State Grants .....	554	628	612
Workforce Innovation Fund .....	—	—	60
Federal Student Aid:			
Supplemental Educational Opportunity Grants .....	757	757	757
Federal Work Study .....	980	980	980
Higher Education:			
Minority Serving Institutions—Discretionary funding .....	516	613	642
<i>Minority Serving Institutions—Mandatory funding (non-add)</i> .....	278	278	278
TRIO programs—Discretionary funding .....	848	853	853
<i>TRIO programs—Mandatory funding (non-add)</i> .....	57	57	57
GEAR UP .....	313	323	323
Student Aid Administration .....	753	870	1,170
Institute of Education Sciences .....	617	659	739
All other .....	5,173	5,241	4,432
Total, Discretionary budget authority <sup>3</sup> .....	46,245	46,781	49,697
<i>Memorandum:</i>			
<i>Budget authority from American Recovery and Reinvestment Act</i> .....	81,124	—	—
Total, Discretionary outlays .....	44,971	46,743	46,740
<i>Memorandum: Outlays from American Recovery and Reinvestment Act</i> .....	14,154	44,054	20,304
Mandatory Outlays:			
Legislative proposal, Federal Direct Student Loans .....	-4,263	-6,389	-9,244
Legislative proposal, Federal Family Education Loans .....	-26,175	-12,649	-106
Legislative proposal, Perkins Loan Program .....	—	—	-736

**Department of Education—Continued**  
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
Legislative proposal, Federal Pell Grants .....	14,432	24,076	28,928
Academic Competitive/SMART Grants .....	607	836	824
Vocational Rehabilitation (VR) State Grants .....	2,766	2,986	3,080
All other .....	71	421	1,993
Total, Mandatory outlays .....	-12,562	9,281	24,739
<i>Memorandum: Outlays from American Recovery and Reinvestment Act .....</i>	<i>6,849</i>	<i>6,886</i>	<i>2,498</i>
Total, Outlays .....	32,409	56,024	71,479
<b>Credit activity</b>			
Direct Loan Disbursements:			
Historically Black College and University Capital Financing .....	120	160	186
Federal Direct Student Loans .....	37,770	67,754	132,427
TEACH Grants .....	49	52	65
Temporary Student Loan Purchase Authority .....	62,796	28,456	972
Federal Perkins Loans .....	—	—	1,355
Total, Direct loan disbursements .....	100,735	96,422	135,005
Guaranteed Loan Disbursements:			
Federal Family Education Loans .....	65,346	53,082	—
Total, Guaranteed loan disbursements .....	65,346	53,082	—

<sup>1</sup> Program level. Budget authority is \$2,906 million less than program level in 2009 and \$841 million less than program level in 2011.

<sup>2</sup> Program level. Budget authority is \$1,736 million less than program level in 2009 and \$841 million less than program level in 2011.

<sup>3</sup> Program level. The Budget authority is \$4,889 million less than program level in 2009. The 2009 and 2010 discretionary totals do not include mandatory changes enacted in the appropriation bills for those years. The 2011 discretionary total is net of a \$597 million rescission of Academic Competitiveness/SMART Grant balances and a \$56 million increase over the VR State Grants baseline.