

Fiscal Year 2011 Budget  
Summary and Background Information

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*All of us have a role to play in building an education system that is worthy of our children and ready to help us seize the opportunities and meet the challenges of the 21st century.*

*President Barack Obama  
January 6, 2010*

## I. SUMMARY OF THE 2011 BUDGET

In his first year in office, President Barack Obama combined unprecedented fiscal support for America's education system with extraordinary success in promoting and achieving fundamental reforms that will benefit students of all ages and their families. The American Recovery and Reinvestment Act of 2009 (ARRA) delivered nearly \$100 billion to States and school districts to help address budget shortfalls and meet the needs of schools and students in the midst of the most severe financial crisis and economic recession since the Great Depression. This funding helped save or create an estimated 400,000 jobs, including 325,000 education jobs.

At the same time, the ARRA began laying the groundwork for needed education reforms that would help ensure America's future prosperity by encouraging States to develop improvement plans in four key areas (the four assurances required to receive nearly \$49 billion in ARRA State Fiscal Stabilization Funds): supporting rigorous standards and assessments, improving teacher equity and effectiveness, using data to improve instruction, and turning around low-performing schools. The Administration also tapped \$4 billion in ARRA funds to create the Race to the Top program, providing a significant incentive, through competitive grants, for States to develop comprehensive and innovative plans to implement major reforms related to each of the four assurances. States already have responded to Race to the Top by making essential changes, such as allowing data systems to link the achievement of individual students to their teachers and permitting more rapid expansion of effective charter schools.

The ARRA reforms also have provided a framework for key elements of the Administration's plan for the forthcoming reauthorization of the Elementary and Secondary Education Act (ESEA), which will include changes to support State and local efforts to develop and implement college- and career-ready (CCR) standards and high-quality aligned assessments; improve the effectiveness of teachers and school leaders, especially in high-poverty schools; enhance data systems and train teachers to use data to improve student achievement; and implement rigorous interventions in the Nation's lowest-performing schools.

The President's fiscal year 2011 request for the Department of Education is intended to build on the achievements of the ARRA, support a comprehensive reauthorization of the ESEA, and begin to make good on the President's goal of restoring America to first in the world in college graduation rates by 2020.

**The Administration is seeking \$50.7 billion in discretionary appropriations for the Department of Education, an increase of \$4.5 billion over the comparable discretionary total provided in the 2010 appropriations act. The total increase includes up to \$1 billion the Administration would request in a budget amendment only if Congress completes an ESEA reauthorization that includes the President's proposed reforms.**

The request includes a potentially historic increase in ESEA funding that is intended to provide an incentive for Congress to act quickly on the long overdue ESEA reauthorization, reflecting

Secretary Duncan's strong conviction that reauthorization "can't wait, because tomorrow won't wait, the world won't wait, and our children won't wait."

The overall 2011 request for education was guided by several key principles, including a strong emphasis on positive incentives and recognizing and rewarding success; focusing investments on fewer, more effective programs; and setting clear goals for Federal programs while giving States, school districts, and other program recipients more flexibility in meeting those goals. While ensuring that districts from different geographic regions can fairly compete, the budget promotes increased competition in awarding Federal education funds, and asks States and school districts for more in return for formula funds. These principles will be embedded in the Administration's ESEA reauthorization plan, which will be unveiled later this year but which is supported by the fiscal year 2011 budget request.

The significant discretionary increase included in the 2011 request reflects the importance of investing in education—a key driver of America's future economic prosperity—even as the Administration works to reduce the annual Federal deficit. At the same time, many of the new investments in the 2011 budget would be paid for by an estimated \$51 billion in mandatory savings through 2020 that would be achieved by making all new postsecondary loans through the Direct Loans program and by restructuring Perkins Loans. In addition, the request would eliminate approximately 571 earmarked projects for a total estimated savings of \$217 million.

### Comparable Department of Education Appropriations

(in billions of dollars)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
<b>Discretionary</b> (w/o Pell Grants)	<b>\$45.4</b>	<b>\$46.2</b>	<b>\$49.7</b>
<b>Potential ESEA Budget</b>			
<b>Amendment</b> (non-add)	—	—	<b>1.0</b>
<b>Pell Grants</b>	<b>36.5</b>	<b>27.0</b>	<b>34.9</b>
(Mandatory beginning in 2010)			
<b>Recovery Act Funds</b>	<b>81.1</b>	—	—
(Non-Pell Discretionary)			
<b>Other Mandatory</b>	<b>-25.4</b>	<b>-14.0</b>	<b>-6.8</b>
<b>Total</b>	<b>137.6</b>	<b>59.2</b>	<b>77.8</b>

Most education funding is discretionary and is appropriated annually for each program within the limits established by authorizing legislation. Mandatory funding does not require annual appropriations because the authorizing legislation itself establishes a fixed funding level or a method for calculating automatic appropriations without further Congressional action. The largest mandatory programs in the Department's budget are Federally subsidized loans for postsecondary students, the costs of which are estimated based on assumptions about interest rates, lender fees, repayments, defaults, and collections. Other education programs funded in whole or in part through mandatory appropriations include Pell Grants and Vocational Rehabilitation State Grants.

Key proposals in the 2011 budget include the following:

- \$1.35 billion for additional Race to the Top awards, reflecting the extraordinary interest demonstrated by States in developing and implementing Race to the Top plans (41 States and the District of Columbia submitted applications for the first phase of Race to the Top competition) and the meaningful changes States are undertaking to be competitive for such grants. The Administration also will ask for authority to run a district-level competition for districts willing and able to tackle comprehensive reform.
- \$500 million to continue the new Investing in Innovation (i3) program, which will be launched with \$650 million in ARRA funds and which makes competitive awards to develop and expand innovative strategies and practices that have been shown to be effective in improving educational outcomes for students. The 2011 request both includes a cross-cutting emphasis on technology and dedicates \$150 million to Science, Technology, Engineering, and Mathematics (STEM) projects.
- \$900 million for a reauthorized School Turnaround Grants program, an increase of \$354.4 million, or 65 percent, to support the Administration's commitment to help States and local educational agencies (LEAs) turn around their 5,000 lowest-performing schools over the next 5 years.
- \$950 million for the Teacher and Leader Innovation Fund, a new program, building on the strengths of the Teacher Incentive Fund, to support State and LEA efforts to develop and implement innovative improvements in human capital systems. This program would more than double support for State and local efforts to create incentives for effective teachers and school leaders to work in the most challenging schools.
- \$405 million for Teacher and Leader Pathways, a new program that would consolidate 5 current authorities promoting alternative routes to certification for teachers and school leaders and improving existing teacher and principal preparation programs into a more flexible competitive grant program with a greater focus on student outcomes. The request would almost triple funding for the antecedent programs.
- \$1.0 billion for Effective Teaching and Learning for a Complete Education, a new program designed to improve instruction to support college- and career readiness standards, in part through the use of technology to deliver high-quality content. The new program includes 3 components:
  - Literacy: \$450 million, an increase of \$36.7 million, to consolidate 7 existing ESEA authorities into a new program that would help States and LEAs improve literacy skills by supporting professional development and improved instructional materials.
  - Science, Technology, Engineering, and Mathematics (STEM): \$300 million, an increase of \$119.5 million, or 66 percent, to expand the Federal investment in improved teaching and learning of STEM disciplines, especially in high-need LEAs and schools, and prepare the next generation of scientists and engineers.
  - A Well-Rounded Education: \$265 million, an increase of \$38.9 million, or 17 percent, to consolidate 7 current authorities and expand support for the subjects important to a complete curriculum, including history, the arts, foreign languages, environmental literacy, and economic and financial literacy.

- \$490 million for Expanding Educational Options, an increase of \$80.9 million, or 20 percent, to consolidate 5 existing programs into this new authority to support the creation and expansion of effective charter schools, other effective autonomous schools, and comprehensive systems of public school choice.
- \$450 million for a reauthorized Assessing Achievement authority, an increase of \$39.3 million, or almost 10 percent, to help States develop or implement assessments aligned to college- and career-ready standards, to improve assessments for English learners and students with disabilities, and to develop and implement formative as well as end-of-course and other assessments.
- \$210 million to expand the Promise Neighborhoods initiative, to make competitive multi-year awards to community-based organizations for comprehensive neighborhood programs designed to combat the effects of poverty and improve educational and life outcomes for children and youth.
- \$410 million for a new Successful, Safe, and Healthy Students authority, to consolidate 6 current authorities into a new program designed to give local communities the flexibility to focus on their greatest needs in the areas of improving school climate and safety; promoting student physical and mental health, preventing student drug and alcohol use, and expanding family and community engagement. The request is an increase of \$45 million, or 12 percent, over 2010 funding for the antecedent program authorities.
- \$7.5 billion over 10 years to expand income-based repayment options (IBR) in the Federal postsecondary student loan programs. Allowing borrowers to repay their loans with no more than 10 percent of their discretionary income will help borrowers with large debts and low incomes, particularly those entering public service careers.

#### \$1 Billion ESEA Contingent Reserve

The 2011 request supports an ESEA reauthorization strategy that promotes college- and career-readiness, enhances teacher and leader effectiveness, delivers a rigorous and complete education, expands the availability of high-quality educational options, and prepares students for the jobs of the future. Subsequent to ESEA reauthorization, the Administration expects to submit to Congress a budget amendment that will align the 2011 request with the authorizations contained in the enacted bill. If Congress completes a fundamental overhaul of the Act that includes the President's proposed reforms, the Administration would seek up to \$1 billion in additional funding for certain ESEA programs, including a new program under Title I, Part A to recognize and reward schools and LEAs that are making significant progress and closing achievement gaps; the reauthorized Assessing Achievement program, which would support high-quality assessment systems, including formative assessments; and the 21<sup>st</sup> Century Community Learning Centers program, which supports expanded learning time, community schools, and other programs that provide additional time for students and teachers to succeed.

#### Pending Student Aid and Fiscal Responsibility Act (SAFRA)

In addition to the strong emphasis on ESEA reauthorization, the Administration supports enactment of the Student Aid and Fiscal Responsibility Act, which has passed in the House of

Representatives and which is pending in the Senate. This pending legislation would implement significant portions of President Obama's plan to make changes in Federal postsecondary student loan programs, resulting in dramatic savings that can be reinvested in a variety of critical education programs benefitting students, families, and schools. This legislation would save taxpayers \$51 billion through fiscal year 2020 by requiring new Federal postsecondary student loans to be made through the less costly Direct Loan program and by restructuring the Perkins Loan program. The request includes mandatory funding for priority education programs included in the pending legislation, including the following:

- \$68 billion over 10 years to raise the maximum Pell Grant award from \$5,550 in 2010 to an estimated \$6,900 in 2019. SAFRA would index the maximum Pell award to the cost of inflation plus 1 percentage point, resulting in an estimated \$5,710 maximum Pell Grant for 2011. The number of Pell Grant recipients would rise to an estimated 8.7 million in fiscal year 2011, up more than 1 million students since fiscal year 2009. In addition, the Administration's budget request would make all Pell Grant funding mandatory beginning in 2010, so that adequate Pell Grant funding is available every year to pay for program costs.
- Streamlining the process of applying for student aid by making changes to the student aid needs analysis to allow the Department to streamline and simplify the Free Application for Federal Student Aid.
- Modernizing and expanding the Perkins Loans program to \$6 billion in new loan volume annually—six times the current Perkins volume—and reach up to 2.4 million students, when fully implemented, at as many as 2,700 additional postsecondary education institutions.
- \$2.5 billion over 10 years for new investments in Historically Black Colleges and Universities and other minority-serving institutions to help students stay in school and graduate.
- \$10.6 billion over 10 years for the President's American Graduation initiative, to strengthen and support community colleges, focus on college completion, and graduate 5 million more students by 2020.
- \$1.2 billion over 3 years for Graduation Promise Grants, a new program to strengthen high schools.
- \$3.5 billion over 5 years for a College Access and Completion Fund, to develop, implement, and evaluate new approaches to improving college success and completion, particularly for students from disadvantaged backgrounds.
- \$9.3 billion over 10 years for an Early Learning Challenge Fund, President Obama's proposal to make competitive grants to States to improve the quality of early learning programs to help children enter kindergarten ready to succeed.

The overall 2011 budget request for the Department of Education is organized around the following priorities:

### **PROMOTING INNOVATION IN EDUCATION**

The Department of Education fully appreciates the unprecedented opportunity created by the ARRA to encourage innovation throughout America's system of elementary and secondary education. However, building a culture of achievement that emphasizes relentless improvement cannot be a one-shot deal. The Department must continue to invest in innovation, and the 2011 request would do just that.

- \$1.35 billion for additional Race to the Top awards for the most coherent, compelling, and comprehensive education reform plans to advance work aligned with the four assurances of the ARRA and other key priorities, and to provide leading edge examples for States and local school districts throughout the country to follow as they work on reforms that can transform schools for decades to come. The Administration will ask for authority to run a competition at the school district level in addition to authority for new State-level competitions.
- \$500 million to continue the new Investing in Innovation (i3) program—including \$150 million for projects involving science, technology, engineering, and mathematics education—to develop, evaluate, and scale up promising and effective models and interventions with the potential to improve educational outcomes for hundreds of thousands of students.
- \$490 million for Expanding Educational Options, an increase of \$80.9 million, or 20 percent, to support the creation and expansion of effective charter schools, other effective autonomous schools, and comprehensive systems of public school choice. The new authority would consolidate 5 existing programs into two separate grant competitions: Supporting Effective Charter Schools Grants and Promoting Public School Choice Grants. In addition, the 2011 budget includes \$110 million for Magnet Schools Assistance, an increase of \$10 million, or 10 percent, over the 2010 level.

### **EFFECTIVE TEACHERS AND SCHOOL LEADERS**

A key goal of the Administration's ESEA reauthorization plan is to create incentives and supports to help States, LEAs, and schools recruit, prepare, support, reward, and retain effective teachers and school leaders and to create professional learning communities in our schools. The 2011 request is fully aligned with these goals, reflecting the Secretary's firm belief that "Nothing is more important than getting great teachers into our classrooms and great principals into our schools."

- \$3.9 billion for the new Excellent Instructional Teams program, an increase of \$350 million, or 10 percent, over the comparable 2010 level for the antecedent programs, to help States and LEAs increase the effectiveness of teachers and principals. The program includes 3 authorities, as well as national activities funding that would support the National Teacher Recruitment Campaign.

- \$2.5 billion for the Effective Teachers and Leaders program, which would help States and LEAs ensure the equitable distribution of effective teachers and principals; increase the effectiveness of teachers and principals, partly through the design and implementation of rigorous and fair teacher evaluation systems; reform State and local human capital systems; and provide teachers and school leaders with high quality professional development opportunities.
- \$950 million for the Teacher and Leader Innovation Fund, a new program, building on the strengths of the Teacher Incentive Fund, that would more than double support for State and local efforts to create incentives for effective teachers and school leaders to work in the most challenging schools.
- \$405 million for Teacher and Leader Pathways, a new program that would support the creation or expansion of high-quality pathways, including university- and LEA-based routes as well as alternative routes, into the teaching profession, and the recruitment, preparation, and retention of effective principals and school leadership teams who are able to turn around low-performing schools. The request would almost triple funding for the antecedent programs.
- \$450 million for the new Effective Teaching and Learning: Literacy program to support State and local efforts to implement a comprehensive literacy strategy for delivering high-quality literacy instruction to students in pre-kindergarten through grade 12.
- \$300 million for the new Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics program to improve teaching of and raise student achievement in science, technology, engineering and mathematics through comprehensive instructional supports and innovative strategies.
- \$265 million for the new Effective Teaching and Learning for a Well-Rounded Education program to support States and high-need school districts in developing and expanding innovative practices, including interdisciplinary programs, that improve teaching and learning in the arts, foreign languages, civics and government, history, geography, environmental literacy, economic and financial literacy, and other subjects.

## **SUPPORTING STUDENT SUCCESS**

The Administration's ESEA reauthorization plan recognizes that supporting student success outside the classroom and the regular school day will support student success in the classroom. The 2011 request includes a total of \$1.8 billion to support comprehensive services, a safe school environment, improving students' health and well-being; and additional learning opportunities outside the traditional school day.

- \$210 million for Promise Neighborhoods would support neighborhood-based projects in distressed communities designed to combine effective schools with strong systems of support that address the comprehensive educational, health, and social needs of children from birth through college and career.

- \$410 million for Successful, Safe, and Healthy Students, an increase of \$45 million over the antecedent programs for a new program that would focus on improving school climate; reducing or preventing drug use, violence, or harassment; and supporting the health, fitness, and mental well-being of students so that schools and students can succeed.
- \$1.2 billion for a reauthorized 21<sup>ST</sup> Century Community Learning Centers program that would emphasize projects involving the redesign and extension of the school day, week, or year to provide additional time for academic and enrichment activities and for teacher collaboration to improve instruction, as well as programs that support full-service community schools that coordinate access to comprehensive services.

### **IMPROVING STEM EDUCATION**

The 2011 request includes several activities that support President Obama's "Educate to Innovate" campaign aimed at (1) increasing STEM literacy so that all students can master challenging content and think critically in science, technology, engineering, and mathematics fields; (2) moving American students from the middle of the pack to the top of the world in STEM achievement over the next decade and preparing the next generation of American scientists; and (3) expanding STEM education and career opportunities for underrepresented groups, including women and girls.

- \$300 million to improve the teaching and learning of STEM subjects through the newly authorized Effective Teaching and Learning: STEM program. The new program, which would receive an increase of \$119.5 million over the antecedent programs, would support professional development for STEM teachers; the implementation of high-quality assessments and instructional materials; and improved systems for linking student data on assessments with instructional supports such as lesson plans and intervention strategies.
- \$150 million in STEM projects funded through the new Investing in Innovation (i3) program, which under the 2011 request would make a total of \$500 million in competitive awards to develop, validate, and scale up innovative programs, practices, and strategies that are effective in improving educational outcomes for students. In addition, the emphasis of the i3 program on the use of technology across all program areas would support the President's goals for supporting STEM education.
- \$25 million for a new STEM initiative in the Fund for the Improvement of Postsecondary Education (FIPSE) to identify and validate more effective approaches for attracting, retaining, and teaching undergraduates in STEM fields that can be brought to scale. The activities supported through this initiative would be part of a coordinated Federal strategy developed in collaboration with the Institute of Education Sciences, the National Science Foundation, and other Federal agencies.
- \$2.3 million for the Women's Educational Equity program, which gives priority to projects aimed at improving the achievement of women and girls in science and mathematics, with the goal of closing gender gaps in the STEM disciplines and improving the career prospects of women and girls in STEM fields.

## ALL STUDENTS COLLEGE- AND CAREER-READY

The reauthorized ESEA would support high expectation and accountability for all student groups and the closing of achievement gaps to ensure that all students, including poor and minority students, graduate from high school college- and career-ready. To help States and LEAs close these achievement gaps, the 2011 request provides significant resources to improve services to students from low-income families, students with disabilities, and English learners.

- \$14.5 billion for a reauthorized and renamed Title I, Part A College and Career Ready Students program to support statewide accountability systems linked to college- and career-ready standards (CCR) and assessments that set the expectation that all students graduate high school college- and career-ready, measure schools based on progress towards this goal, reward schools and LEAs making significant progress and closing achievement gaps, and carry out rigorous interventions in the lowest-performing schools.
- \$11.8 billion for Special Education Grants to States, \$250 million more than the 2010 level, to assist States and school districts to improve educational outcomes for children with disabilities. The request would provide an estimated average of \$1,750 per student for about 6.7 million children ages 3 through 21.
- \$800 million for a reauthorized English Learner Education program, an increase of \$50 million, or 6.7 percent, to help States and school districts meet the needs of the growing population of English learners, and to help these students reach the same college- and career-ready goals for reading and mathematics as other students by investing additional competitive funding in developing and scaling up effective programs and practices.
- \$445.2 million for Title I Migrant Education and Neglected and Delinquent State agency programs to help meet the educational needs of approximately 537,000 children of migrant agricultural workers and to help an estimated 132,000 neglected and delinquent students return to and complete school and obtain employment after they are released from State institutions.

## COLLEGE ACCESS AND COMPLETION

The Administration has made college- and career-readiness for all students the goal of its ESEA reauthorization proposal because most students will need some postsecondary education to compete successfully for jobs in the 21<sup>st</sup> century global economy. Just as essential is ensuring that students and families have the financial support they need to pay for college. The Administration supports passage of the Student Aid and Fiscal Responsibility Act (SAFRA), which has passed the House of Representatives and is pending in the Senate, and which would make key changes in student financial aid and higher education programs that are consistent with President Obama's goal of restoring America's status as first in the world in the percentage of its citizens with college degrees by 2020. In combination with the pending legislation, the 2011 request would make available more than \$156 billion in new grants, loans, and work-study assistance—an increase of \$58 billion or 60 percent over the amount available in 2008—to help almost 15 million students and their families pay for college. The request includes:

- Increasing the Pell Grant maximum award to \$5,710—an increase of \$160 over the 2010 level—and the maximum award in future years would automatically rise by the cost of inflation plus 1 percentage point annually. An estimated 8.7 million students would receive Pell Grants in fiscal year 2011, an increase of more than 1 million students since fiscal year 2009.
- Replacing the Federal Family Education Loans program with Direct Loans, taking advantage of low-cost and stable sources of capital and private-sector providers to efficiently process loans and repayments and save an estimated \$45.6 billion through fiscal year 2020.
- \$1.1 billion to expand and modernize the Perkins Loan program so that it would provide \$6 billion a year in new loan volume—six times the current Perkins volume—for up to 2.4 million students at roughly 2,700 additional postsecondary education institutions. The Department would service Perkins Loans along with other Federal loans, with estimated overall savings totaling \$5.5 billion over 10 years.
- \$3.5 billion over 5 years for a College Access and Completion Fund, which would make grants to States, institutions of higher education, and other organizations to support innovative strategies to increase the number and percentage of students entering and completing college.
- \$10.6 billion over 10 years for the American Graduation Initiative, which would support President Obama’s commitment to have the best-educated, most competitive workforce in the world. The initiative would invest in promising reforms to raise graduation rates, tie courses to business needs, and improve remedial education at community colleges.
- \$7.5 billion over 10 years to expand income-based repayment (IBR) options to help borrowers in the Federal postsecondary student loan programs with large loan balances and low incomes, particularly in public service careers, repay their loans.
- \$100 million for College Pathways and Accelerated Learning, a new authority under the Administration’s ESEA reauthorization proposal designed to increase graduation rates and preparation for college matriculation and success by providing college-level and other accelerated courses and instruction in high-poverty middle and high schools, including Advanced Placement/International Baccalaureate (AP/IB) courses, dual-enrollment programs, and “early college high schools.”
- Simplifying the Free Application for Federal Student Aid (FAFSA) by eliminating unnecessary questions and making the online application faster and easier, partly by using IRS data.

## **HIGHER EDUCATION PROGRAMS**

In addition to the student financial assistance described under SAFRA, the 2011 request would continue to support minority-serving institutions, innovative postsecondary education reform activities, international education, and access and completion for disadvantaged students.

- \$508.5 million for the Aid for Institutional Development program, an increase of 5 percent over the 2010 level, for support to improve the academic programs and administrative and fundraising capabilities of institutions that enroll a large proportion of minority and disadvantaged students.
- \$123.3 million for Developing Hispanic-serving Institutions, an increase of 5 percent, to help ensure that Hispanic students, half of whom enroll in Hispanic-serving institutions, have access to high quality postsecondary education.
- \$64 million for the Fund for the Improvement of Postsecondary Education, which supports innovative projects to reform and improve postsecondary education. The request includes \$25 million for a STEM initiative, to be developed in collaboration with the National Science Foundation, to identify and validate more effective approaches for attracting, retaining, and teaching undergraduate students in STEM fields that can be brought to scale.
- \$125.9 million for the International Education and Foreign Language Studies programs to help meet the Nation's needs for individuals with expertise in foreign languages and area and international studies.
- \$853.1 million for Federal TRIO programs for services to help disadvantaged students enroll in and complete college.
- \$323.2 million for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) to help an estimated 748,000 middle and high school students prepare for and enroll in college.

### **IMPROVING OUTCOMES FOR ADULT LEARNERS**

The 2011 request includes funding for a variety of programs targeting adult learners, including career and technical education, adult basic and literacy education, and vocational rehabilitation programs, that provide essential support for State and local activities intended to help millions of Americans navigate the ever-changing job market and overcome the career challenges created by the combination of global competition and the economic recession.

- \$1.3 billion for Career and Technical Education (CTE) State Grants, an increase of \$103 million reflecting the consolidation of the Tech Prep Education State Grants program, to support continued improvement and upgrading of CTE programs as part of a strategy for improving high school education and preparing high school students to enter the workplace or pursue postsecondary education.
- \$612.3 million for Adult Basic and Literacy Education State Grants, an increase of \$30 million over the comparable 2010 level, to help adults without a high school diploma or equivalent to become literate and obtain the knowledge and skills necessary for postsecondary education, employment, and self-sufficiency.

- \$41.3 million for Adult Education National Leadership Activities, a \$30 million increase to support a Workforce Innovation Fund that would be administered through a Partnership for Workforce Innovation that would involve the Department of Labor and other agencies. Funds would support projects that create strategies for delivering services in a manner designed to improve the skills and employment outcomes of individuals, particularly those from the most vulnerable populations.
- \$3.1 billion for Vocational Rehabilitation (VR) State Grants to assist States and tribal governments to increase the participation of individuals with disabilities in the workforce. The request includes \$56 million added from other small programs serving the same population that are proposed for consolidation into the VR State Grants program, as well as a change in the VR formula to ensure that all States receive the same level of funding under the consolidation as under the separate antecedent authorities.
- \$110 million for a new Grants for Independent Living program that replaces the Independent Living State Grants and Centers for Independent Living programs and would provide formula grants to States to support the provision of independent living services through centers for independent living. The request represents a \$6 million increase over the 2010 levels for the programs being consolidated and would provide some additional funding for States with significant unmet needs.
- \$25 million for Supported Employment Extended Services for Youth with Significant Disabilities, a new program of competitive grants to States to assist them in expanding supported employment opportunities for youth with significant disabilities, such as youth with intellectual disabilities, as they transition from school to the workforce. Limited funding for such services as case management, job coaching and job skill training, and additional observation and supervision has prevented youth with significant disabilities from obtaining community-based employment.
- \$30 million for the Workforce Innovation Fund. These funds, along with an identical amount described above under Adult Education National Leadership Activities, would be administered through a Partnership for Workforce Innovation, which encompasses \$321 million of innovation funding in the Departments of Education and Labor. The Partnership would award competitive grants to encourage innovation and identify and validate effective strategies for improving the delivery of services and outcomes for beneficiaries under programs authorized by the Workforce Investment Act. This investment will create strong incentives for change that, if scaled up, could improve the effectiveness of the WIA programs.
- \$112 million for the National Institute on Disability and Rehabilitation Research to support a broad portfolio of research and development, capacity-building, and knowledge translation activities. The requested increase of \$2.7 million would primarily be used for activities relating to vocational rehabilitation, including both research and program evaluation.

## RESEARCH, STATISTICS, AND DATA SYSTEMS

The Administration is seeking a total of \$738.8 million, an increase of almost \$80 million, or 12 percent, to support the Department of Education's longstanding role in sponsoring education research and development activities, gathering and making available to researchers and the public a wide range of data on our education system, and measuring the performance of American students through a rigorous assessment program in a variety of academic subjects. The 2011 request includes the following:

- \$260.7 million for Research, Development, and Dissemination, an increase of \$60.5 million, or 30 percent, to sustain and expand much-needed investments in research in order to generate solutions to critical problems in education. The increase would support new research and development projects under important new initiatives while continuing to fund high-quality applications for new research on existing topics in early learning and elementary, secondary, and postsecondary education. The increase would also be used to evaluate education reform efforts under the American Recovery and Reinvestment Act and, in collaboration with the National Science Foundation, the impact of professional development in mathematics for elementary school teachers.
- \$117 million for Statistics, an increase of \$8.5 million for the collection, analysis, and dissemination of education-related statistics, including an equating study that would allow States to compare the performance of their 8<sup>th</sup> grade students on the National Assessment of Educational Progress in mathematics to that of students in other countries. This study would be co-funded with the \$5 million increase requested for the Assessment program.
- \$65 million for Statewide Data Systems, an increase of \$6.8 million to help States improve the availability and use of data on student learning, teacher performance, and college- and career-readiness through the development of enhanced data systems that track student progress, from early childhood to participation in postsecondary education and the workforce.

## II. THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The American Recovery and Reinvestment Act of 2009 (ARRA) provided approximately \$97 billion to the Department of Education with the primary goal of delivering emergency education funding to States. Immediately after President Obama signed ARRA into law on February 17, 2009, the Department acted swiftly to provide a large portion of these funds to States in response to drastic budget shortfalls. As of December 31, 2009, the Department had awarded over \$69.3 billion to States, or 71 percent of its total ARRA funds.

### State Fiscal Stabilization Fund

ARRA provided a total of \$48.6 billion for the State Fiscal Stabilization Fund (SFSF) to help sustain and create jobs and advance education reforms. Of this total, \$39.8 billion is dedicated to public elementary, secondary, and higher education, as well as early childhood education services, and \$8.8 billion is available for a broader range of activities, including education, public safety, or other government services. As of mid-January 2010, the Department had obligated \$36.9 billion in SFSF funds.

Based on the information States provided in their SFSF applications, States plan to use SFSF funds to restore nearly 100 percent of their budget gaps in the 2008-09 school year and a significant portion of their 2009-10 shortfalls. For example, 31 States reported using \$13.1 billion in SFSF grants to fill emergency shortfalls for fiscal year 2009 (the 2008-09 school year), while 48 States reported using \$20.3 billion to fill anticipated shortfalls for fiscal year 2010 (the current 2009-10 school year).

These funds restored 9 percent of K-12 education funding in California, Indiana, Alabama, and Oregon; 12 percent of such funding in Florida, Wisconsin, and South Carolina; and 23 percent of K-12 education funding in Illinois. In addition, ARRA funds were used to mitigate tuition increases at public universities in at least 24 states. For example, the University of Massachusetts was able to rebate a \$1,500 fee increase and instead charge only the standard annual increase to cover the cost of inflation. At the University of Minnesota, an expected tuition increase was cut by about half. In Virginia, ARRA funds kept tuition increases to the lowest rate since 2002.

As of October 2009, the Department estimated that 325,000 education jobs had been retained or created through ARRA education grants. These jobs include positions for teachers, principals, and support staff in elementary and secondary schools, and educational, administrative, and support personnel in institutions of higher education. In addition, approximately 73,000 other jobs (including both education and non-education positions) were saved or created from the SFSF Government Services Fund, Federal Work Study, and Impact Aid fund, bringing the total number of jobs supported by the Department's ARRA grants to nearly 400,000.

### Title I and IDEA

The ARRA also provided \$10 billion in supplemental funding for ESEA Title I Grants to LEAs and \$12.2 billion for programs authorized by the Individuals with Disabilities Education Act (IDEA), including \$11.3 billion for IDEA Part B Grants to States. Unlike funds provided under SFSF, ARRA funds for Title I and IDEA programs must be used in a targeted fashion as the laws require.

### Race to the Top

The Race to the Top program will provide \$4 billion in ARRA incentive grants to States that develop the most promising plans to advance reforms around four specific areas specified by the ARRA:

- Adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy;
- Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction;
- Recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most; and
- Turning around our lowest-performing schools.

Awards in Race to the Top will go to States that are leading the way with ambitious yet achievable plans for implementing coherent, compelling, and comprehensive education reform. Race to the Top winners will help trail-blaze effective reforms and provide examples for States and local school districts throughout the country to follow as they too are hard at work on reforms that can transform our schools for decades to come.

The Department received 41 State applications for the Phase 1 competition, which were due by January 19, 2010, and expects to announce the Phase 1 winners in April 2010. Applications for the Phase 2 competition are due by June 1, 2010, with Phase 2 winners scheduled to be announced in September 2010.

### School Improvement Grants

The ARRA provided an unprecedented \$3 billion in supplemental funding for the Title I School Improvement Grants (SIG) program, under which States make subgrants to LEAs with the greatest need and strongest commitment to turning around their lowest-performing schools. The Department published new regulations in December 2009 and January 2010 which generally defined “greatest need” as those LEAs with Title I eligible schools that are either in the bottom 5 percent of each State’s schools in terms of proficiency on State assessments in reading/language arts and mathematics or, in the case of secondary schools, have graduation rates below 60 percent. Such LEAs must demonstrate the “strongest commitment” to turning around such schools by agreeing to implement one of 4 rigorous school intervention models in these schools: the turnaround model, restart model, school closure, or transformation model.

State applications for \$3.5 billion in fiscal year 2009 SIG funds (\$3 billion in ARRA SIG funds plus \$545.6 million in SIG funds from the regular fiscal year 2009 appropriation) are due to the Department by February 8, 2010, and LEAs will begin implementing their improvement plans in fall 2010.

### Investing in Innovation (i3)

The Department is using \$650 million in ARRA funds for a new Investing in Innovation (i3) program that will make competitive investments in cutting-edge ideas aimed at producing the next generation of school reforms. The Department published a notice of proposed priorities in October 2009 and expects to complete the final requirements for the i3 program in early 2010.

Applicants could receive funding for “scale-up” grants, which would expand proven models and interventions with the potential to improve educational outcomes for hundreds of thousands of students; “validation” grants, aimed at improving the evidence base for promising reform programs; and “development” grants, which would test new ideas for improving student outcomes. Grant recipients would be required to match their Federal awards with other private dollars, and to demonstrate how they would sustain their activities after the end of the Federal award period.

### Race to the Top Assessments

Consistent with the emphasis of the ARRA on stronger standards and assessments, the Department has set aside up to \$350 million of Race to the Top funds to support States in the development of the next generation of academic assessments. Given the highly technical nature of this work, the body of knowledge that exists around how to best develop assessments, and the many promising practices currently employed across the country and world, the Department held a series of expert input meetings in Atlanta, Boston, and Denver during November and December 2009 covering such subjects as general assessment, high school assessments, assessing students with disabilities, assessing English learners, and the use of technology and innovation in assessment. The Department also convened 3 meetings in January 2010 to obtain public and expert input on assessment development with regard to project and consortium management, procurement, and general and technical assessment matters. These meetings, which also were intended to facilitate sharing of information among States and the public, will help the Department develop the priorities and requirements of the Race to the Top Assessment competition.

### III. THE 2011 EDUCATION BUDGET BY PROGRAM AREA

#### A. ELEMENTARY AND SECONDARY EDUCATION

##### Overview

The 2011 request for Department of Education elementary and secondary education programs supports a comprehensive plan for reauthorizing the Elementary and Secondary Education Act (ESEA). The budget request aligns Federal education resources with key priorities and principles that are guiding the development of the Administration's ESEA reauthorization proposal. The overall request would provide significant new resources for the reauthorized ESEA, including a \$3 billion increase for the key priorities discussed in more detail below. The Administration also would seek up to \$1 billion in additional funding for ESEA programs if Congress completes a reauthorization that is consistent with the President's proposed reforms. The potential total of \$4 billion in new discretionary funding would be the largest increase ever requested for ESEA programs.

The Administration's reauthorization plan reflects a fundamental rethinking of the appropriate Federal role in elementary and secondary education. A key priority in the Administration's ESEA plan is an emphasis on positive incentives and recognition of and rewards for success. This is why the request includes nearly \$1.9 billion in new funding for the Race to the Top and Investing in Innovation (i3) programs. The Race to the Top program, in particular, already has motivated States to reform their laws and make new plans to better support educational improvement and innovation, and the request includes \$1.35 billion for awards to additional States and for a district-level Race to the Top. In addition, the College- and Career-Ready Students program, which would replace Title I Grants to LEAs, would reward schools or LEAs that are making significant progress in improving student outcomes and closing achievement gaps. Additional competitive funding streams will allow more funds to be focused on programs that are achieving successful results. Safeguards will be put in place to ensure that geographic location does not dictate results. In particular, programs will be structured to ensure that rural communities have a fair chance to successfully compete.

The \$14.5 billion regular request for the reauthorized College- and Career-Ready Students program would drive another key priority: graduating every student college- and career-ready (CCR). States would adopt standards that build toward college- and career-readiness and implement high-quality assessments that are aligned with CCR standards and that measure individual student growth toward those standards. The request would provide \$450 million for a reauthorized Assessing Achievement program (currently State Assessments) to support implementation of these new assessments. States would measure school and LEA performance on the basis of progress in getting all students, including minority, low-income, English learners, and students with disabilities subgroups, on track to CCR; improvement in graduation rates (for high schools); and other measures as appropriate. States would use this information to differentiate schools and LEAs, with appropriate rewards and interventions, including recognition and rewards for those showing progress and required interventions in the lowest-performing schools and LEAs. The request includes \$900 million for a reauthorized School Turnaround Grants (currently School Improvement Grants) program that would help LEAs carry out rigorous school intervention models in their lowest-performing schools. Other programs that would support the goal of graduating every student college- and career-ready include \$1.0 billion for the new Effective Teaching and Learning for a Complete Education programs to improve instruction aligned with new higher standards, \$3.9 billion for the new

Excellent Instructional Teams Initiative to improve the effectiveness of teachers and leaders in preparing students to be college- and career-ready, and \$210 million for Promise Neighborhoods, which would fund school reform and comprehensive social services for children in distressed communities from birth through college and career.

At the heart of the effort to graduate all students college- and career-ready is putting more effective teachers and leaders in every school. The request would continue the Administration’s record of significantly increasing funding for programs that support teachers and leaders by providing \$3.9 billion for the Excellent Instructional Teams initiative. Longstanding achievement gaps closely track the talent gap found in classrooms and schools attended by poor and minority students, and fragmented and unfocused ESEA programs have failed to make significant progress to close this gap. The reauthorization proposal supported by the 2011 request would ask States and LEAs to set clear standards for effective teaching and to design evaluation systems that fairly and rigorously differentiate between teachers on the basis of effectiveness. The request also supports a restructuring of the ESEA to more effectively recruit, prepare, support, reward, and retain effective teachers and school leaders, including \$950 million for a new Teacher and Leader Innovation Fund and \$405 million for a new Teacher and Leader Pathways program. The request also provides a total of \$1 billion for new Effective Teaching and Learning authorities under which the Department would make competitive awards focused on high-need districts to improve instruction in the areas of literacy, science, technology, engineering, mathematics, and other subjects.

Finally, the plan includes a restructuring of ESEA program authorities to fundamentally change how the Department operates by increasing the role of competition in awarding Federal education funds, focusing more on programs achieving specific desired outcomes, allowing for expanded State and local flexibility to achieve those outcomes, and reducing the number of programs administered by the Department of Education. For example, the reauthorization proposal would consolidate 38 existing authorities into 11 new programs that give communities more choices in carrying out activities that focus on local needs and that are achieving results. The new programs would emphasize competition, or an increased performance focus in formula programs, while ensuring that geographic location will not dictate results. These expanded funding streams will eliminate inefficiencies at the Federal, State and local levels, allowing grantees to focus on improving outcomes for students and allowing the Department to focus on providing strong support and directing funding to proven or promising practices.

College- and Career-Ready Students

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$14,492.4	\$14,492.4	\$14,492.4

The request supports the Administration’s reauthorization plan for Title I, Part A of the ESEA (currently Title I Grants to LEAs), which would include changes in the areas of standards and assessments, accountability and support for schools and LEAs, and teacher quality. States would be asked to adopt statewide standards that build toward college- and career-readiness (CCR) and to implement high-quality assessments aligned with these CCR standards and capable of measuring individual student growth toward CCR. States also would be required to develop a definition of “effective teacher” that is based in significant part on student learning, and to put in place a system that links the academic achievement and growth of students to their teachers and school leaders.

The reauthorization plan would replace “adequate yearly progress” with a broader picture of school performance that looks at student growth and school progress. States would measure school performance and differentiate schools on the basis of progress in getting all subgroups of students on track to CCR, the growth of individual students toward CCR, progress toward closing subgroup achievement gaps, graduation rates (at the high school level), and other measures as appropriate. Schools that are showing significant improvement or showing progress towards the CCR goal for all groups of students in the school would be eligible for recognition and rewards. Persistently low-performing schools would be required to implement significant change. States would measure progress and differentiate rewards and interventions for LEAs in a manner similar to the requirements for schools.

States and LEAs would be asked to continue to pursue the four assurances embedded in the American Recovery and Reinvestment Act (ARRA): stronger standards and assessments, effective teachers and leaders, using data systems to improve instruction, and turning around the lowest-performing schools.

The 2011 request also includes \$9.2 million for a reauthorized Title I Evaluation authority, which would continue to require high-quality evaluations of the impact and implementation of Title I programs, including the College- and Career-Ready Students program and the School Turnaround Grants program.

School Turnaround Grants

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$545.6	\$545.6	\$900.0

The \$354.4 million increase requested for the reauthorized School Turnaround Grants (currently School Improvement Grants) program would help provide the significant resources LEAs need to turn around their lowest-performing schools by implementing a rigorous school intervention model. While States and LEAs would have new flexibility under the reauthorized ESEA to develop their own improvement strategies and interventions for most schools, they would be required to implement specific, meaningful intervention models in their very lowest-performing schools and would receive school turnaround funding for this purpose.

Assessing Achievement  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
State Grants.....	\$400.0	\$400.0	\$400.0
Enhanced Assessment Instruments.....	<u>10.7</u>	<u>10.7</u>	<u>50.0</u>
Total .....	410.7	410.7	450.0

The request for Assessing Achievement (currently State Assessments) would provide funding to assist States in developing and implementing assessments aligned with college- and career-ready (CCR) standards. Formula and competitive funds would support continued

implementation of the assessments currently required by the ESEA, as well as the transition to CCR-based standards and assessments that would capture a fuller picture of what students know and are able to do.

Race to the Top

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$4,000.0 <sup>1</sup>	—	\$1,350.0

<sup>1</sup> Funds were provided by the American Recovery and Reinvestment Act of 2009.

This program, modeled after the Race to the Top program authorized by the ARRA, would be included in the reauthorized ESEA. The purpose of the program would be to create incentives for State and local reforms and innovations designed to support comprehensive reforms that lead to significant improvements in student achievement, high school graduation rates, and college enrollment rates, and to significant reductions in achievement gaps. The program also would encourage the broad identification, dissemination, adoption, and use of effective policies and practices and the cessation of ineffective ones. Under the reauthorized program, the Department would conduct both State- and district-level Race to the Top competitions.

Investing in Innovation Fund (i3)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$650.0 <sup>1</sup>	—	\$500.0

<sup>1</sup> Funds were provided by the American Recovery and Reinvestment Act of 2009.

The request would support a newly authorized ESEA program, modeled after the i3 program authorized by the ARRA, that would make grants to develop and validate promising practices, strategies, or programs for which there is potential but for which efficacy has not yet been systematically studied. Grants also would support expansion of innovative practices, strategies, or programs that have been proven effective in improving student outcomes, as well as awards to States or other entities to undertake special projects.

Excellent Instructional Teams  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Effective Teachers and Leaders			
State grants.....	—	—	\$2,500.0
Improving Teacher Quality State Grants .....	\$2,947.7	\$2,947.7	—
Ready to Teach.....	10.7	10.7	—
Teacher and Leader Innovation Fund .....	—	—	950.0
Teacher Incentive Fund .....	97.3	400.0	—
Advanced Credentialing .....	10.6	10.6	—
Teacher and Leader Pathways .....	—	—	405.0
Transition to Teaching.....	43.7	43.7	—
Teacher Quality Partnership.....	50.0	43.0	—
Teachers for a Competitive Tomorrow			
Baccalaureate STEM and			
Foreign Languages.....	1.1	1.1	—
Masters STEM and Foreign Languages .	1.1	1.1	—
Teach for America.....	—	18.0	—
School Leadership .....	<u>19.2</u>	<u>29.2</u>	<u>—</u>
Total .....	3,181.5	3,505.2	3,855.0

The proposed Excellent Instructional Teams authority would have 3 components: the Effective Teachers and Leaders State grants program, the Teacher and Leader Innovation Fund, and the Teacher and Leader Pathways program.

Effective Teachers and Leaders State grants would make formula grants to States and LEAs to promote and enhance the teaching profession; recruit, prepare, support, reward, and retain effective teachers, principals, and other school leaders, especially in high-need LEAs, schools, fields, and subjects; design and implement strong teacher evaluation systems; ensure the equitable distribution of effective teachers and principals; increase the effectiveness of teachers and principals; improve the preparation of teachers and principals by developing, supporting, and expanding effective pathways to the education profession; improve instruction and help ensure that teachers have the knowledge, skills, data, and support needed to be effective in the classroom; promote collaboration and the development of instructional teams that use data to improve practice; and improve the management of human capital in States and LEAs.

The Teacher and Leader Innovation Fund would make competitive awards to States and LEAs willing to implement bold approaches to improving the effectiveness of the education workforce in high-need schools by creating the conditions needed to identify, reward, retain, and advance effective teachers, principals, and school leadership teams in those schools, and enabling schools to build the strongest teams possible.

The Teacher and Leader Pathways is a new program with a focus on student outcomes that would support the creation or expansion of high-quality pathways, including university- and LEA-based routes as well as alternative routes, into the teaching profession, and the recruitment, preparation, and retention of effective principals and school leadership teams who are able to

turn around low-performing schools. The request would almost triple funding for the antecedent programs in order to increase the number of effective teachers serving in high-need and low-performing schools and high-need fields and subjects.

Effective Teaching and Learning: Literacy  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Effective Teaching and Learning: Literacy....	—	—	\$450.0
Early Reading First .....	\$112.5	—	—
Striving Readers .....	35.4	\$250.0	—
Even Start .....	66.5	66.5	—
Literacy Through School Libraries.....	19.1	19.1	—
National Writing Project.....	24.3	25.6	—
Reading Is Fundamental .....	24.8	24.8	—
Ready-To-Learn Television .....	<u>25.4</u>	<u>27.3</u>	<u>—</u>
Total .....	308.0	413.3	450.0

This proposed new program would provide competitive State literacy grants to State educational agencies (SEAs), or SEAs in partnership with outside entities (such as nonprofit organizations and institutions of higher education), in order to support comprehensive State and local efforts aimed at improving literacy instruction, especially in high-need schools. The program would build on the progress the Department seeks to achieve in fiscal year 2010 through the revised Striving Readers program, which replaces reading programs segmented by grade level with a more comprehensive pre-K through grade 12 authorization. The reauthorization would add to these reforms by ensuring that all the elements of a comprehensive literacy program are embedded in State and local strategies, by strengthening performance expectations, and by supporting the identification and scaling-up of innovative methods of teaching reading, writing, and language arts. The national activities authority for Effective Teaching and Learning for a Complete Education, which includes the Literacy, STEM, and Well-Rounded Education components, would include a competition to create high-quality, digital educational content for children. National activities funds also could be used to provide assistance to public telecommunications agencies such as the Public Broadcasting Service.

Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Effective Teaching and Learning: STEM .....	—	—	\$300.0
Mathematics and Science Partnerships .....	<u>\$179.0</u>	<u>\$180.5</u>	<u>—</u>
Total .....	179.0	180.5	300.0

This proposed new program would provide competitive grants to SEAs, and SEAs in partnership with outside entities (such as non-profit organizations and institutions of higher education), to improve the teaching and learning of STEM subjects, especially in high-need schools. Funds could be used to provide professional development for STEM teachers, to implement high-

quality curriculum, assessments, and instructional materials, and to create or improve systems for linking student data on assessments with instructional supports such as lesson plans and intervention strategies. The reauthorization would support the identification and scaling-up of innovative methods of teaching science, technology, engineering, and mathematics.

Effective Teaching and Learning for a Well-Rounded Education  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Effective Teaching and Learning for a Well-Rounded Education.....	—	—	\$265.0
Excellence in Economic Education.....	\$1.4	\$1.4	—
Teaching American History .....	119.0	119.0	—
Arts in Education.....	38.2	40.0	—
Foreign Language Assistance.....	26.3	26.9	—
Academics for American History and Civics .	1.9	1.8	—
Close Up Fellowships.....	1.9	1.9	—
Civic Education			
We the People.....	20.1	21.6	—
Cooperative Education Exchange .....	<u>13.4</u>	<u>13.4</u>	<u>—</u>
Total .....	222.2	226.1	265.0

The proposed Effective Teaching and Learning for a Well-Rounded Education program would support competitive grants to high-need local educational agencies, State educational agencies in partnership with one or more high-need local educational agencies, and other entities in partnership with one or more high-need local educational agencies, to develop and expand innovative practices to improve teaching and learning in the arts, foreign languages, civics and government, history, geography, economics and financial literacy, and other subjects.

The three programs within the Effective Teaching and Learning for a Complete Education authority would be supported by a national activities authority that would promote interdisciplinary strategies. The Department would reserve funds under this authority to support research, technical assistance, and dissemination; grants to strengthen the use of technology in the core academic subjects; and a competitive grant program to encourage the development of systems of instructional supports and high-quality digital educational content for children.

Troops-to-Teachers

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$14.4	\$14.4	—

The Troops-to-Teachers program helps to improve public school education by recruiting, preparing, and supporting members of the military service as teachers in high-poverty schools. By statute, the Department transfers the appropriation for the program to the Department of Defense (DOD), which provides financial assistance to participants and helps them to assess training, become certified, and obtain teaching positions. For 2011, the program would be

funded directly from the DOD appropriation, which will simplify and streamline program management. The Department of Education will continue to work closely with DOD in the transition. In addition, the new Excellent Instructional Teams programs will promote the adoption of alternative routes to teacher certification, including alternative routes that reach out to nontraditional teaching candidates, such as current and former service members.

College Pathways and Accelerated Learning

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
College Pathways and Accelerated Learning .....	—	—	\$100.0
High School Graduation Initiative .....	—	\$50.0	—
Advanced Placement .....	\$43.5	45.8	—
Javits Gifted and Talented Education .....	<u>7.5</u>	<u>7.5</u>	<u>—</u>
 Total .....	 51.0	 103.3	 100.0

The proposed College Pathways and Accelerated Learning program would be designed to increase graduation rates and preparation for college matriculation and success by providing college-level and other accelerated courses and instruction, including gifted and talented programs, in high-poverty schools. Grantees would implement such strategies as expanding the availability of Advanced Placement/International Baccalaureate (AP/IB) courses, dual-enrollment programs that allow students to take college-level courses and earn college credit while in high school, and “early college high schools” that allow students to earn a high school degree and an Associate’s degree or two years of college credit simultaneously.

The program also would fund accelerated learning opportunities for students across the performance spectrum, including those who exceed proficiency standards in high-poverty elementary schools.

Promise Neighborhoods

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	—	\$10.0	\$210.0

This initiative would support a second cohort of competitive 1-year planning grants and the first cohort of 5-year implementation grants to community-based organizations for the development and implementation of plans for comprehensive neighborhood programs modeled after the Harlem Children's Zone. These programs would be designed to combat the effects of poverty and improve education and life outcomes, from birth through college and career, for children and youth within a distressed geographic area. The core belief behind the initiative is that providing both effective, achievement-oriented schools and strong systems of support to children and youth in poverty will offer them the best hope for overcoming poverty and building a better life. Applicants would demonstrate their ability to sustain the Promise Neighborhood and build effective partnerships with schools, nonprofit organizations, foundations, and local and State agencies. The Department also will encourage grantees to coordinate their efforts with programs and services provided by other Federal agencies, including the Departments of Housing and Urban Development, Health and Human Services, and Justice.

Successful, Safe, and Healthy Students  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Successful, Safe, and Healthy Students.....	—	—	\$410.0
Safe and Drug-Free Schools and Communities National Activities .....	\$139.9	\$191.3	—
Elementary and Secondary School Counseling .....	52.0	55.0	—
Physical Education Program .....	78.0	79.0	—
Foundations for Learning .....	1.0	1.0	—
Mental Health Integration in Schools.....	5.9	5.9	—
Alcohol Abuse Reduction .....	<u>33.3</u>	<u>32.7</u>	<u>—</u>
 Total .....	 310.2	 365.0	 410.0

Under this proposed program, which results from a consolidation of several existing, narrowly targeted programs that seek to provide services or ensure that schools provide the environment that students need to succeed, the Department would award grants to increase the capacity of States, districts, and schools to create safe, healthy, and drug-free environments in a comprehensive manner, so that students are able to focus on learning and teachers on teaching. Further, it would provide increased flexibility for States and local educational agencies to design strategies that best reflect the needs of their students and communities, including programs to (1) improve school climate by reducing drug use, violence, or harassment, or improving school safety; (2) improve students’ physical health and well-being through the use of, or provision of access to, comprehensive services that improve student nutrition, physical activity, and fitness; and (3) improve student’s mental health and well-being through the use of or provision of access to comprehensive services, such as counseling, health and mental health services, and social services.

The new program would also include a national activities authority, under which the Department would reserve funds for school emergency preparedness initiatives for elementary and secondary schools and institutions of higher education; comprehensive, community-wide “Safe Schools/Healthy Students” drug and violence prevention projects; a national clearinghouse of best practices; drug prevention and campus safety programs at institutions of higher education, and emergency response services to LEAs and IHEs under Project SERV (School Emergency Response to Violence).

21<sup>st</sup> Century Community Learning Centers

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$1,131.2	\$1,166.2	\$1,166.2

The Administration’s reauthorization proposal would focus the 21st CCLC program on (1) providing students with additional time to engage in activities that directly improve their knowledge of core academic subjects and improve their academic achievement; (2) providing students with additional time for enrichment activities and opportunities to experience a richer,

fuller curriculum, (3) providing students with access to comprehensive supports that promote academic achievement as well as mental and physical health, and (4) providing families and caregivers opportunities for active and meaningful engagement in their children’s education. In addition, the redesigned program would support efforts to implement full-service community schools that coordinate and provide access to comprehensive services at the school site that address the developmental, physical, and mental health needs of students, their families, and, as appropriate, their communities.

Expanding Educational Options  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Expanding Educational Options .....	—	—	\$490.0
Charter Schools Grants.....	\$216.0	\$256.0	—
Voluntary Public School Choice .....	25.8	25.8	—
Parental Information and Resource Centers	39.3	39.3	—
Smaller Learning Communities .....	<u>88.0</u>	<u>88.0</u>	<u>—</u>
 Total .....	 369.1	 409.1	 490.0

The proposed Expanding Educational Options program would support two competitions to increase educational options for students, particularly students attending low-performing schools: (1) Supporting Effective Charter School Grants and (2) Promoting Public School Choice Grants. The first competition would support State educational agencies, charter school authorizers, charter management organizations, local educational agencies, and nonprofit organizations seeking to start or expand effective charter and other effective autonomous schools. The Promoting Public School Choice Grants competition would support State and LEA efforts to develop and implement public school choice programs. The new authorization also would include a national activities authority under which the Department would reserve funds to support innovative approaches to family and community engagement, research, data collection, technical assistance to grantees, and dissemination activities.

Magnet Schools Assistance

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$104.8	\$100.0	\$110.0

The request would provide \$110.0 million for new awards to approximately 42 local educational agencies to operate magnet schools that are part of a court-ordered or court-approved desegregation plan to eliminate, reduce, or prevent minority group isolation in elementary and secondary schools while strengthening students’ knowledge of academic subjects. Magnet schools address their desegregation goals by providing a special curriculum that attracts a diverse student population and fosters education reform. The Administration’s reauthorization proposal will expand and improve options for students and increase diversity by placing a greater emphasis on funding magnet school programs or models that have a record of effectiveness in raising student achievement and reducing racial isolation. The Department would reserve about \$2.1 million for evaluation and dissemination activities.

English Learner Education

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$730.0	\$750.0	\$800.0

Currently authorized under Title III of the ESEA, this program awards formula grants to States based on each State's share of the Nation's English learners (ELs) and recent immigrant student population. Grants help States design and implement statewide activities to meet the educational needs of their EL students. The Administration's reauthorization proposal will support strengthened professional development for educators, improved accountability, and the development and implementation of innovative and effective programs. The proposal also would strengthen the conditions governing States' receipt of formula funds and would shift more funds to competitive grants in order to support the development and implementation of high-quality programs for ELs, including dual-language and transitional bilingual programs.

Title I State Agency Programs  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Migrant Education .....	\$394.8	\$394.8	\$394.8
Neglected and Delinquent .....	<u>50.4</u>	<u>50.4</u>	<u>50.4</u>
Total .....	445.2	445.2	445.2

Migrant Education State Grants provide formula-based assistance in meeting the special educational needs of approximately 537,000 children of migrant agricultural workers by helping States identify and pay the higher costs often associated with serving those children. The Department also uses a portion of funding to improve inter- and intra-State coordination of migrant education activities, including State exchange of migrant student data records through the Migrant Student Record Exchange System. The Administration's reauthorization proposal would improve the State allocation formula so that it better reflects shifts in State counts of migrant students, improve the targeting of services to high-need migrant students, and require States to track and report on the academic achievement of migrant students.

The Title I Neglected and Delinquent program provides formula grants to States in order to support education services for neglected and delinquent children and youth in local and State-run institutions, attending community day programs, and in correctional facilities. The request would help an estimated 132,000 neglected and delinquent students return to and complete school and obtain employment after they are released from State institutions. In the Administration's reauthorization proposal, the Neglected and Delinquent program would continue to provide support to State-run institutions, and would ensure that locally operated institutions for neglected and delinquent students receive their share of funds.

Homeless Children and Youth Education

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$65.4	\$65.4	\$65.4

This program provides formula grants to States, which subgrant most funds to local educational agencies for services that help homeless children to enroll in, attend, and succeed in school. In addition to academic instruction, the program helps ensure access for these children to preschool programs, special education, and gifted and talented programs. While nearly all States have eased residency requirements and improved transportation and immunization policies to ensure greater access for homeless students over the past decade, those students continue to be at significant risk of educational failure. The Administration’s reauthorization proposal would improve the formula so it better reflects shifts in State counts of homeless students and targets funds where they are most needed. The proposal also would require States to track and report on the academic achievement of homeless students.

Rural Education

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$173.4	\$174.9	\$174.9

The Rural Education Achievement Program (REAP) authorizes two programs to assist rural school districts in carrying out activities to help improve the quality of teaching and learning in their schools. The Small, Rural School Achievement program provides formula funds to rural school districts that serve small numbers of students, and the Rural and Low-Income School program provides funds to rural school districts that serve concentrations of poor students, regardless of the district’s size. Funds appropriated for REAP are divided equally between these two programs. The request would maintain support for rural, often geographically isolated, districts that face significant challenges in meeting ESEA requirements. The Administration’s reauthorization proposal will address technical problems with the current authority and align the authorized activities with priorities. The proposal would permit the Secretary to set aside funds for technical assistance, evaluation, and dissemination activities, as well as make competitive grants to support innovative programs that help rural districts overcome capacity constraints.

Indian Student Education

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Grants to Local Educational Agencies.....	\$99.3	\$104.3	\$104.3
Special Programs for Indian Children.....	19.1	19.1	19.1
National Activities.....	<u>3.9</u>	<u>3.9</u>	<u>3.9</u>
Total .....	122.3	127.3	127.3

Indian Student Education programs supplement the efforts of State and local educational agencies and Indian tribes to improve educational opportunities for Indian children. The

programs link these efforts to broader educational reforms underway in States and localities in order to ensure that Indian students benefit from those reforms and achieve to the same challenging academic standards as other students. The Administration’s reauthorization proposal would simplify the process of identifying eligible Indian students, and would give grantees additional flexibility to conduct programs that improve the achievement of Indian students, including language immersion and language restoration programs, and activities aligned with the Administration’s broader ESEA reauthorization priorities.

Grants to Local Educational Agencies provide formula grants to public schools and schools supported by the Department of the Interior’s Bureau of Indian Education for activities to improve the educational achievement of Indian students. Special Programs for Indian Children includes \$8.5 million in competitive grants for the American Indian Teacher Corps and the American Indian Administrator Corps, to support training of Indians to become teachers and administrators in schools that serve concentrations of Indian children, and \$10.3 million for competitive demonstration grants to improve educational opportunities for Indian children in such areas as early childhood education and college preparation.

The request also provides \$3.9 million for National Activities, which funds research, evaluation, and data collection designed to fill gaps in our understanding of the educational status and needs of Indians and to identify educational practices that are effective with Indian students.

Native Hawaiian Student Education

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$33.3	\$34.3	\$34.3

This program supports the provision of supplemental education services to the Native Hawaiian population by awarding competitive grants to eligible applicants for a variety of authorized activities in such areas as teacher training, family-based education, gifted and talented education, special education, higher education, and community-based education learning centers. Through the reauthorization, the program also would fund activities that align with the Administration’s wider ESEA reauthorization proposal. The program also supports the activities of the Native Hawaiian Education Council, which helps coordinate the educational and related services and programs available to Native Hawaiians. The request would discontinue earmarked support for the HEA Giugni Memorial Archives earmark, authorized under Title VIII, Part Z of the Higher Education Act, and other earmarks in the fiscal year 2010 appropriations act.

Alaska Native Student Education

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$33.3	\$33.3	\$33.3

The Alaska Native Student Education program supports supplemental educational programs and services to Alaska Natives by awarding competitive grants to eligible applicants for a variety of authorized activities, including the development and implementation of curricula and educational programs, professional development activities for educators, the development and

operation of home instruction programs that help ensure the active involvement of parents in their children’s education, family literacy services, student enrichment programs in science and mathematics, and dropout prevention programs. The reauthorized program would also fund activities that align with the Administration’s wider ESEA reauthorization proposal and would eliminate the program’s statutory earmarks.

Women’s Educational Equity

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$2.4	\$2.4	\$2.3

This program makes competitive awards to a variety of public and private organizations, agencies, and institutions to promote gender equity in education through projects involving the design and implementation of gender-equity policies and practices, with a priority on projects aimed at improving the achievement of women and girls in science and mathematics. Research, development, and dissemination activities also may be funded. The 2011 request of \$2.3 million would cover the cost of continuing grants initially made in fiscal year 2009.

Educational Technology State Grants

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$269.9	\$100.0	—

The Administration’s ESEA reauthorization proposal would consolidate this program into the Effective Teaching and Learning for a Complete Education authority. Each of the three programs under this new authority would include a focus on integrating technology into instruction and using technology to drive improvements in teaching and learning. In addition, using technology to improve student outcomes is a key priority in the Race to the Top and Investing in Innovation (i3) programs. The Administration’s proposal for College- and Career-Ready Students also will promote the development of State capacity to support district efforts to use technology to improve instruction.

Fund for the Improvement of Education

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$116.0	\$125.5	\$25.0

The Fund for the Improvement of Education (FIE) supports nationally significant programs to improve the quality of elementary and secondary education at the State and local levels and help all students meet challenging State academic achievement standards. The request would provide \$5 million to expand a Data Quality Initiative that is working to improve the quality of Department evaluations and program performance data submitted by grantees in order to help ensure that program management decisions are based on sound information as well as \$20 million to support new initiatives. The decrease of \$100.5 million reflects the elimination of one-time earmarks and directives.

Comprehensive Centers

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$57.1	\$56.3	\$56.3

The Comprehensive Centers provide intensive technical assistance to increase the capacity of State educational agencies (SEAs) to help districts and schools implement ESEA programs and requirements and meet State targets for student achievement. The current system includes 16 regional centers that work with SEAs within specified geographic regions to help them implement ESEA school improvement measures and objectives. In addition, 5 content centers provide in-depth, specialized support in key areas, with separate centers focusing on (1) assessment and accountability; (2) instruction; (3) teacher quality; (4) innovation and improvement; and (5) high schools. Each content center pulls together resources and expertise to provide analyses, information, and materials in its focus area for use by the network of regional centers, SEAs, and other clients. In fiscal year 2010, the Department is providing the existing centers with a sixth year of funding in order to allow adequate time to plan a new competition that is aligned with the reauthorized ESEA. Fiscal year 2011 funds would support a competition and first-year awards to a new set of grantees.

Impact Aid

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Payments for Federally Connected Children:			
Basic Support Payments .....	\$1,128.5	\$1,138.0	\$1,138.0
Payments for Children with Disabilities .....	48.6	48.6	48.6
Facilities Maintenance.....	4.9	4.9	4.9
Construction.....	17.5	17.5	17.5
Payments for Federal Property .....	<u>66.2</u>	<u>67.2</u>	<u>67.2</u>
Total .....	1,265.7	1,276.2	1,276.2

The Impact Aid program provides financial support to school districts affected by Federal activities. The property on which certain children live is exempt from local property taxes, denying districts access to the primary source of revenue used by most communities to finance education. Impact Aid helps to replace the lost local revenue that would otherwise be available to districts to pay for the education of these children.

The \$1.1 billion request for Basic Support Payments would provide formula grants for both regular Basic Support Payments and Basic Support Payments for Heavily Impacted LEAs. The \$48.6 million request for Payments for Children with Disabilities would provide formula grants to help eligible districts meet their obligations under the Individuals with Disabilities Education Act to provide a free appropriate public education for federally connected children with disabilities.

The Department of Education owns and maintains 24 school facilities that serve large numbers of military dependents. The \$4.9 million request for Facilities Maintenance would fund essential repair and maintenance of these facilities and allow the Department to continue to transfer schools to local school districts. The entire \$17.5 million proposed for Construction would be used for competitive grants. Unlike the formula grants funded in fiscal year 2010, the competitive grants would be targeted to the LEAs with the greatest need and provide sufficient assistance to enable those LEAs to make major repairs and renovations. The \$67.2 million request for Payments for Federal Property would provide formula-based payments to districts that generally have lost 10 percent or more of their taxable property to the Federal Government.

Training and Advisory Services (Title IV of the Civil Rights Act)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$9.5	\$7.0	\$7.0

This program supports 10 regional Equity Assistance Centers, selected competitively, that provide services to school districts on issues related to discrimination based on race, gender, and national origin. Typical activities include disseminating information on successful practices and legal requirements related to nondiscrimination, providing training to educators to develop their skills in specific areas, such as in the identification of bias in instructional materials, and technical assistance on selection of instructional materials. The fiscal year 2009 appropriation included an additional \$2.5 million to support school districts affected by the 2007 Supreme Court decision prohibiting student assignment plans that use race as a factor. The Department made one-time awards to enable school districts to obtain assistance in developing and implementing student assignment plans that comply with the Supreme Court decision while maintaining integrated and diverse schools. The request would support the first year of funding for a new cohort of Evaluation Assistance Center grantees, as well as the annual administration of a customer satisfaction survey and an analysis of its results.

Supplemental Education Grants (Compact of Free Association Amendments Act)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$17.7	\$17.7	\$17.7

The request would maintain support for Supplemental Education Grants to the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI), as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under this program, the Department transfers funds and provides recommendations on the uses of those funds to the Department of the Interior, which makes grants to the FSM and RMI for educational services that augment the general operations of the educational systems of the two entities.

P.L. 108-188 eliminated RMI and FSM participation in most domestic formula grant programs funded by the Departments of Education, Health and Human Services, and Labor, and created this program to supplement separate education support programs under the Compact. The request would allow the RMI and FSM to support programs that focus on improving the educational achievement of students in the two Freely Associated States.

Delay of ESEA Reauthorization

The Administration will work closely with the Congress to enact a reauthorization proposal that fundamentally restructures Federal support for most elementary and secondary education programs currently authorized by the ESEA. The request for programs in the ESEA portion of the 2011 request assumes enactment of this proposal. If ESEA is not reauthorized prior to the 2011 appropriation, the Administration strongly believes the current programs and activities best positioned to reform K-12 education should receive additional funding, including the following:

<b>Program</b>	<b>2010 Enacted</b>	<b>Request</b>	<b>Increase</b>
Race to the Top	0	\$1.35 billion	\$1.35 billion
Investing in Innovation (i3)	0	\$500.0 million	\$500.0 million
School Improvement Grants	\$545.6 million	\$900.0 million	\$354.4 million
Teacher Incentive Fund	\$400.0 million	\$800.0 million	\$400.0 million
Teacher Recruitment	0	\$50.0 million	\$50.0 million
School Leadership	\$29.2 million	\$79.2 million	\$50.0 million
Charter Schools	\$256.0 million	\$310.0 million	\$54.0 million
Promise Neighborhoods	\$10.0 million	\$210.0 million	\$200.0 million

In particular, the increases shown above for Race to the Top, Investing in Innovation, School Improvement Grants, and the Teacher Incentive Fund would build on the unprecedented investment made by the American Recovery and Reinvestment Act, which provided nearly \$7.9 billion for these four programs. Additional information on the proposed increases if the ESEA is not reauthorized may be found in the congressional justifications for these programs.

## **B. SPECIAL EDUCATION AND REHABILITATIVE SERVICES**

### **Overview**

The Administration is committed to providing Americans with disabilities the opportunities and services they need to succeed in school, in the workplace, and in the community. The 2011 request funds a wide range of programs that can improve educational, employment, and independent living outcomes for people with disabilities.

The \$12.8 billion request for Special Education programs focuses on improving educational and early intervention outcomes for children with disabilities. For the Grants to States program, the Administration is requesting \$11.8 billion, an increase of \$250 million over the 2010 appropriation, to maintain the Federal contribution toward meeting the excess cost of special education at about 17 percent of the national average per pupil expenditure (APPE), and provide an estimated average of \$1,750 per student for about 6.7 million children ages 3 through 21. Funding for the Grants for Infants and Families and Preschool Grants programs would be maintained at their 2010 levels.

The \$257.5 million request for Special Education National Activities would maintain level funding for a variety of technical assistance, dissemination, training, and other activities that assist States, local educational agencies, parents, and others in improving results for children with disabilities. Funding for the Technology and Media Services program would be \$2.8 million less than the program's 2010 appropriation.

Funding for Special Olympics programs would be increased to \$10.0 million, \$1.9 million over the 2010 appropriation. The request also includes \$10.0 million for a new program, Mentoring for Individuals with Intellectual Disabilities, which would support activities to increase the participation of people with intellectual disabilities in social relationships and other aspects of community life, including education and employment.

For Rehabilitation Services and Disability Research, the budget provides \$3.6 billion to support comprehensive and coordinated vocational rehabilitation and independent living services for individuals with disabilities through research, training, demonstration, technical assistance, evaluation, and direct service programs. As part of the upcoming Workforce Investment Act (WIA) reauthorization, the Administration's 2011 request would consolidate several programs authorized under the Rehabilitation Act to reduce duplication and improve program management and the provision of rehabilitation services. The budget includes proposals to consolidate vocational rehabilitation programs, independent living programs, and programs that support activities to improve program performance and the delivery of services.

The \$3.1 billion request for the Vocational Rehabilitation (VR) State Grants program reflects the Administration's proposal to consolidate the funds of the smaller VR-related programs under the Rehabilitation Act in order to reduce duplication of effort and administrative costs, streamline program administration at the Federal and local level, and improve accountability. An additional \$56 million would be made available to the VR State Grants program from the consolidation of employment-related programs.

The budget provides \$110 million for a new Grants for Independent Living program that would replace the Independent Living State Grants and Centers for Independent Living programs and would provide formula grants to States to support the provision of independent living services through centers for independent living. The request represents a \$6.3 million increase over the

2010 levels for the programs being consolidated and would provide additional funding for States with significant unmet needs. In addition, a new \$6.5 million National Activities to Improve Rehabilitation Services program would replace Demonstration and Training programs and consolidate the resources previously provided under the Evaluation and Program Improvement programs.

A new \$25 million Supported Employment Extended Services for Youth with Significant Disabilities program would assist States in expanding supported employment opportunities for youth with significant disabilities as they transition from school to the workforce. The limited availability of resources for extended services is a major barrier to increasing supported employment opportunities for youth with significant disabilities who require ongoing support in order to work in the competitive labor market. Under this new program, State and local agencies would be required to work together to develop and implement innovative methods of expanding the availability of such services.

An increase of \$2.7 million is requested for the National Institute on Disability and Rehabilitation Research to conduct research related to vocational rehabilitation and rigorous evaluations of programs and activities authorized under the Rehabilitation Act. The budget also includes \$30 million for a proposed Workforce Innovation Fund to develop innovative strategies for improving the delivery of services and outcomes for individuals with disabilities participating in programs authorized by the Workforce Investment Act.

### **Special Education State Grants**

#### Grants to States

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$11,505.2	\$11,505.2	\$11,755.2
Estimated average Federal share per child .....	\$1,713	\$1,713	\$1,750

The Grants to States program, which is authorized under the Individuals with Disabilities Education Act (IDEA), makes formula grants that help States pay the additional costs of providing special education and related services to children with disabilities aged 3 through 21 years. The request would increase program spending by \$250 million, or 2.2 percent, over the 2010 level. That would maintain the Federal contribution toward meeting the excess cost of special education at about 17 percent of the national average per pupil expenditure and provide a per-child average of \$1,750 for an estimated 6,718,000 children with disabilities.

Under IDEA, States are required to provide a free appropriate public education to all children with disabilities. Services are provided in accordance with individualized education programs that are developed by teams that include the child's parents; a special educator; a representative of the local educational agency; a regular educator, if appropriate; and others. In addition, services must be provided—to the maximum extent appropriate—in the least restrictive environment, which for most children means in classes with children who are not disabled. Under IDEA, children with disabilities must be included in general State and district-wide assessments, including the assessments required under ESEA. States must provide appropriate accommodations, where necessary, to enable children with disabilities to participate

in these assessments, or alternate assessments for those children who cannot participate in regular assessments.

The request also includes \$25.0 million that would be reserved for technical assistance to improve the capacity of States to meet the data collection requirements of the IDEA.

Preschool Grants

	<u>2009</u>	<u>2010</u>	2011 <u>Request</u>
BA in millions .....	\$374.1	\$374.1	\$374.1

This program provides formula grants to help States make a free appropriate public education available to all children with disabilities ages 3 through 5. The program supplements funds provided under the Grants to States program and helps to ensure that young children with disabilities are ready to learn when they enter school. The request would provide an estimated \$527 per child for approximately 710,400 children.

Grants for Infants and Families

	<u>2009</u>	<u>2010</u>	2011 <u>Request</u>
BA in millions .....	\$439.4	\$439.4	\$439.4

This program makes formula grants to help States implement statewide systems of early intervention services for all eligible children with disabilities from birth through age 2 and their families. The Grants for Infants and Families program helps State and local agencies identify and serve children with disabilities early in life when interventions can be most effective in improving educational outcomes. The request would provide support to 57 State agencies serving approximately 352,000 infants and toddlers with disabilities and their families.

**Special Education National Activities**

Special Education National Activities programs support State efforts to improve early intervention and educational results for children with disabilities. The total request for National Activities is \$257.5 million.

State Personnel Development

	<u>2009</u>	<u>2010</u>	2011 <u>Request</u>
BA in millions .....	\$48.0	\$48.0	\$48.0

This program provides competitive grants to help States reform and enhance their systems for personnel preparation and professional development in the areas of early intervention, educational, and transition services. The request would support continuation awards to approximately 37 States and new awards to 9 States aimed at improving results for children through the delivery of high quality instruction and the recruitment and retention of highly qualified personnel.

Technical Assistance and Dissemination

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$48.5	\$49.5	\$49.5

This program funds competitive grants for technical assistance and dissemination of materials based on knowledge gained through research and practice. This request is in addition to the separate \$25.0 million to be set aside under the Grants to States program to help States meet data collection requirements. The request includes about \$11.8 million for new technical assistance, dissemination, and model projects, and \$37.7 million for continuation projects.

Personnel Preparation

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$90.7	\$90.7	\$90.7

This program helps ensure that there are adequate numbers of personnel with the skills and knowledge necessary to help children with disabilities succeed educationally. Program activities focus both on meeting the demand for personnel to serve children with disabilities and improving the qualifications of these personnel, with particular emphasis on incorporating knowledge gained from research and practice into training programs. The Department is required to support training for leadership personnel and personnel who work with children with low-incidence disabilities, at least one activity in the broadly defined area of personnel development, and enhanced support for beginning special educators. At the request level, \$25.7 million would be available for new competitive grants and \$65.0 million for continuation awards.

Parent Information Centers

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$27.0	\$28.0	\$28.0

Parent Information Centers provide parents with the training and information they need to work with professionals in meeting the early intervention and special education needs of their children with disabilities. The request would support new competitive grants and continuation awards for about 88 centers as well as awards to provide technical assistance to the centers.

Technology and Media Services

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$38.6	\$44.0	\$41.2

This program makes competitive awards for research, development, and other activities that promote the use of technology, including universal design features, in providing special education and early intervention services. Funds also support media-related activities, such as providing video description and captioning of films and television appropriate for use in classrooms for individuals with visual and hearing impairments and increasing the availability of textbooks in accessible formats for individuals with visual impairments and other print disabilities. Funding used for earmarked projects in 2010 would be used for new competitive grants in 2011.

Special Olympics Education Programs

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$8.1	\$8.1	\$10.0

This program supports the expansion of Special Olympics and the design and implementation of Special Olympics education programs. The request includes funds to support Project UNIFY, an education program designed to develop teamwork skills and increase awareness and social acceptance of individuals with intellectual disabilities.

Mentoring for Individuals with Intellectual Disabilities

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	—	—	\$10.0

Subject to the enactment of the Best Buddies Empowerment Act of 2009, this program would support activities to increase the participation of people with intellectual disabilities in social relationships and other aspects of community life, including education and employment, within the United States.

**Rehabilitation Services and Disability Research**

Vocational Rehabilitation (VR) State Grants

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$2,974.6	\$3,084.7	\$3,141.5

This program, funded through a combination of mandatory and discretionary appropriations, provides formula grants to State vocational rehabilitation agencies to help individuals with disabilities become gainfully employed. A wide range of services are provided each year to over 1 million individuals with disabilities, including vocational evaluation, counseling and guidance, work adjustment, diagnosis and treatment of physical and mental impairments, education and vocational training, job placement, and post-employment services. States that are unable to serve all eligible individuals with disabilities who apply must give priority to individuals with the most significant disabilities. Services are provided according to an

individualized plan for employment. In 2009, the VR program helped over 205,000 individuals with disabilities—92 percent with significant disabilities—achieve employment outcomes.

The request for the VR State Grants program reflects the Administration’s proposal to consolidate the funds of the smaller VR-related programs and eliminate their separate funding authorities under the Rehabilitation Act in order to reduce duplication of effort and administrative costs, streamline program administration at the Federal and local level, and improve accountability. An additional \$56.3 million would be made available to the VR State Grants program from the consolidation of employment-related programs, including Supported Employment State Grants, Projects with Industry, and Migrant and Seasonal Farm Workers, and the funds currently provided to State VR agencies to support in-service training for agency personnel under the Training program. The request also includes \$38 million for grants to Indian tribes.

Client Assistance State Grants

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$11.6	\$12.3	\$12.3

This program makes formula grants to States for activities to inform and advise clients of benefits available to them under the Rehabilitation Act, to assist them in their relationships with service providers, and to ensure the protection of their rights under the Act. The request would support advocacy services for approximately 65,045 individuals with disabilities.

Training

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$37.8	\$37.8	\$33.3

The Training program makes competitive grants to State and other public or nonprofit agencies and organizations, including institutions of higher education, to help ensure that personnel with adequate skills are available to provide rehabilitation services to persons with disabilities. The request includes a net reduction of \$4.5 million from the fiscal year 2010 appropriation, reflecting the consolidation of \$5.7 million for the In-Service Training program with the VR State Grants program and an increase of \$1.2 million to the Training program for two training activities previously supported under the Demonstration and Training programs.

National Activities to Improve Rehabilitation Services

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	—	—	\$6.5

This new program would support national activities that improve the administration and effectiveness of programs and services authorized under the Act or further the purposes of the Act in promoting the employment and independence of individuals with disabilities in the

community. Funds would support technical assistance and projects designed to improve program performance and the delivery of vocational rehabilitation and independent living services under the Rehabilitation Act.

Supported Employment Extended Services for Youth with Significant Disabilities

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	—	—	\$25.0

Grants would be awarded on a competitive basis to assist States in expanding supported employment opportunities for youth with significant disabilities as they transition from school to the workforce. Funds would maintain such individuals in supported employment after receiving services provided by the VR State Grants program.

Independent Living

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Grants for Independent Living .....	—	—	\$110.0
State Grants.....	\$23.5	\$23.5	—
Centers .....	77.3	80.3	—
Services for Older Blind Individuals.....	<u>34.2</u>	<u>34.2</u>	<u>34.2</u>
Total .....	134.9	137.9	144.2

The independent living programs provide services to individuals with disabilities to maximize their independence and productivity and to help them integrate into the mainstream of American society. The budget provides \$110 million for a new Grants for Independent Living program that replaces the Independent Living State Grants and Centers for Independent Living programs. The consolidated program would provide formula grants to States to support the provision of independent living services through centers for independent living and hold States accountable for implementing effective service systems. The request represents a \$6.3 million increase over the 2010 levels for the programs being consolidated and would provide additional funding for States with significant unmet needs.

The formula-based Services for Older Blind Individuals program assists individuals aged 55 or older whose severe visual impairments make competitive employment difficult to obtain, but for whom independent living goals are feasible. At the requested level, program funds would directly support 78 designated State units under the Grants for Independent Living program and 56 grantees under the Services for Older Blind Individuals program.

Protection and Advocacy of Individual Rights (PAIR)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$17.1	\$18.1	\$18.1

This formula grant program funds systems in each State to protect and advocate for the legal and human rights of individuals with disabilities, helping them to pursue legal and administrative remedies to secure their rights under Federal law. The PAIR systems also provide information on, and referrals to, programs and services for individuals with disabilities. The request would support advocacy services to approximately 63,064 individuals with disabilities.

Recreational Programs

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$2.5	\$2.5	\$2.5

This program supports projects that provide recreation and related activities for individuals with disabilities to aid in their employment, mobility, independence, socialization, and community integration. The request would fund 16 new projects and 10 ongoing projects.

National Institute on Disability and Rehabilitation Research

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$107.7	\$109.2	\$111.9

The National Institute on Disability and Rehabilitation Research (NIDRR) helps improve the lives of persons of all ages with disabilities through a comprehensive and coordinated program of research, demonstration projects, and related activities, including training of persons who provide rehabilitation services or conduct rehabilitation research. NIDRR awards discretionary grants that support the Rehabilitation Engineering Research Centers (RERC); Rehabilitation Research and Training Centers (RRTC); Model Systems projects for Spinal Cord Injury (SCI), Traumatic Brain Injury (TBI), and Burn Injury; field-initiated research and development projects; and a wide range of additional research, demonstration, and training projects that address diverse issues in rehabilitation, including ways to improve educational, employment, and independent living opportunities for persons with disabilities.

The \$2.7 million increase in 2011 would support research projects related to vocational rehabilitation and rigorous evaluations of programs and activities authorized under the Rehabilitation Act.

Workforce Innovation Fund

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	—	—	\$30.0

Funding for this activity would be combined with \$30 million requested under Adult Education National Leadership Activities to support a partnership with the Department of Labor to encourage innovation and support projects to identify and validate effective strategies for improving the delivery of services and outcomes for beneficiaries under programs authorized by the Workforce Investment Act. Funds would be awarded competitively and rigorous evaluations

would be conducted in order to help build evidence of what works and enable replication of effective strategies to improve services and outcomes for individuals with disabilities.

Helen Keller National Center for Deaf-Blind Youths and Adults

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$8.4	\$9.2	\$9.2

This program serves individuals who are deaf-blind, their families, and service providers through a national headquarters center with a residential training and rehabilitation facility and a network of 10 regional offices that provide referral, counseling, training, and technical assistance. At the request level, the Center would provide direct services for approximately 122 clients in its residential training and rehabilitation program and serve an estimated 1,500 individuals, 500 families, and 1,050 agencies through its regional offices.

Assistive Technology

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$31.0	\$31.0	\$31.0

Assistive Technology (AT) programs support grants to States to increase access to and funding for assistive technology devices and services for individuals with disabilities of all ages. The request includes \$25.7 million for the AT State grant program, \$4.3 million for the Protection and Advocacy for Assistive Technology program, and \$1.0 million for technical assistance required under the AT Act's National Activities authority.

Special Institutions for Persons with Disabilities

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
American Printing House for the Blind (APH) .....	\$22.6	\$24.6	\$24.6
National Technical Institute for the Deaf (NTID).....	64.2	68.4	64.7
Gallaudet University .....	<u>124.0</u>	<u>123.0</u>	<u>118.0</u>
Total .....	210.8	216.0	207.3

The American Printing House for the Blind provides specially manufactured education materials for students who are visually impaired, offers advisory services for consumers and educational agencies, and conducts applied research related to the development of new products. At the request level, APH would provide free educational materials to approximately 61,000 persons with visual impairments at an average per student allotment of \$313, continue funding for initiatives to improve its technical assistance and outreach services, and support a variety of continuing and new research projects.

The National Technical Institute for the Deaf provides postsecondary technical education and training for students who are deaf as well as graduate education and interpreter training for persons who are deaf or hearing. NTID also conducts research and provides training related to the education and employment of individuals who are deaf. The request would support education and training for approximately 1,261 undergraduate and technical students, 108 graduate students, and 141 interpreters for persons who are deaf. The request maintains the 2010 level for operations and reduces construction funding to provide a total of \$1.6 million for an institution-wide heating, ventilation, and air conditioning project.

Gallaudet University offers undergraduate, continuing education, and graduate programs for persons who are deaf and hearing. Gallaudet also maintains and operates the Kendall Demonstration Elementary School and Model Secondary School for the Deaf (MSSD). The request provides \$118.0 million for operations, including funds for the Endowment Grant program. No funds are requested for construction, reflecting the completion of the soil stabilization project related to the MSSD dormitories. The request would help Gallaudet serve approximately 1,740 undergraduate and graduate students and 395 elementary and secondary education students in the 2010-11 school year.

## C. CAREER, TECHNICAL, AND ADULT EDUCATION

### Overview

Programs in the Career, Technical, and Adult Education account provide formula grants to States to support State and community efforts to improve career and technical education, adult education and literacy systems, educational services for incarcerated individuals, and competitive grants and contracts for evaluation, performance measurement and improvement, technical assistance, research and development, innovative programs, and other national activities.

#### Career and Technical Education (BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Career and Technical Education			
State Grants .....	\$1,160.9	\$1,160.9	\$1,264.0
Tech Prep Education State Grants.....	102.9	102.9	—
National Programs .....	<u>7.9</u>	<u>7.9</u>	<u>7.9</u>
Total .....	1,271.7	1,271.7	1,271.9

Funds for the Career and Technical Education (CTE) State Grants program would support continued improvement and upgrading of CTE programs as part of a strategy for improving high school education and preparing high school students to enter the workplace or pursue postsecondary education. In addition, the program provides funding for postsecondary CTE programs to assist institutions of higher education in improving the quality of their CTE offerings, giving students the opportunity to pursue career-oriented training at the postsecondary level. The program authorization also directs States to create “programs of study,” which are coherent sequences of non-duplicative CTE courses that progress from the secondary to the postsecondary level, include rigorous and challenging academic content along with career and technical content, and lead to an industry-recognized credential or, at the postsecondary level, to an associate or baccalaureate degree. The proposed \$103.1 million increase primarily reflects the reallocation of the 2010 funding level for the Tech Prep State Grants program, which is proposed for elimination because the CTE State Grants program already requires the development of programs similar to Tech Prep in the overall context of State CTE activities.

Career and Technical Education National Programs support the National Career and Technical Education Research Center, projects to improve the quality of the performance data States collect and report to the Department, and activities to improve the quality of CTE programs in community colleges.

The request for Career and Technical Education funding would support attainment of the President’s goal that, regardless of educational path after high school, all Americans are prepared to enroll in at least 1 year of higher education or job training so as to better prepare themselves for challenging careers in a 21<sup>st</sup> century economy.

Adult Education (Adult Basic and Literacy Education)  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Adult Basic and Literacy Education			
State Grants.....	\$554.1	\$628.2	\$612.3
National Leadership Activities .....	6.9	11.3	41.3
National Institute for Literacy.....	<u>6.5</u>	<u>—</u>	<u>—</u>
Total .....	567.5	639.6	653.7

Adult Basic and Literacy Education State Grants assist adults without a high school diploma or equivalent to become literate and obtain the knowledge and skills necessary for postsecondary education, employment, and self-sufficiency. The request is \$15.9 million below the 2010 level, but actually reflects an increase of \$30 million in program support because the 2010 level included a one-time increase of \$45.9 million to compensate certain States for errors in calculating formula grant awards between fiscal years 2003 and 2008. The forthcoming reauthorization of the Adult Education and Family Literacy Act (AEFLA), Title II of WIA, provides the Department with the opportunity to better align the Adult Education program with Federal job training programs and the postsecondary education system. The Department is preparing legislative options for reauthorization involving innovative programs that include technology, career pathways models, and high school completion models with multiple pathways.

The request for State Grants includes \$75.0 million for the English Literacy/Civics Education set-aside, equal to the 2010 level, to help States and communities provide English learner adults with expanded access to high-quality English literacy programs linked to civics education. The request for National Leadership Activities includes a \$30 million increase to support a Workforce Innovation Fund. These funds, along with an identical amount in Vocational Rehabilitation, would be part of a Partnership for Workforce Innovation, which encompasses \$321 million of innovation funding in the Departments of Education and Labor. The Departments will coordinate to award competitive grants that would encourage innovation and identify and validate effective strategies for improving the delivery of services and outcomes for beneficiaries under programs authorized by the Workforce Investment Act. This investment would create strong incentives for change that, if scaled up, could improve the effectiveness of the workforce system. Other National Activities funds would continue support for activities intended to increase the literacy and workforce skills of our Nation's native-born adult population, as well as the growing need to meet the English language acquisition, literacy, and workforce skills gaps of the immigrant population. The Department also would use National Activities funds to support priorities previously carried out by the National Institute for Literacy, which was eliminated in the 2010 appropriation.

State Grants for Workplace and Community Transition Training for Incarcerated Individuals

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$17.2	\$17.2	\$17.2

This program helps State correctional agencies assist and encourage eligible incarcerated individuals to acquire postsecondary education, counseling, and vocational training. In 2009, nearly 570,000 individuals in State correctional facilities were eligible to participate in this program.

## D. STUDENT FINANCIAL ASSISTANCE

### Overview

The Administration's 2011 budget request makes a historic commitment to increasing college access and success by dramatically expanding financial aid while making it simpler, more reliable, and more efficient. The request is consistent with the Student Aid and Fiscal Responsibility Act (SAFRA), which has passed the House of Representatives and is pending in the Senate, and which would index the Pell Grant maximum award above inflation, insulate student loans from financial turmoil, modernize and expand the Perkins Loan program, and simplify access to student aid. In addition to supporting this pending legislation, the 2011 request would make funding for the Pell Grant program mandatory and would help borrowers struggling to repay student loans by easing the terms of repayment in the Income-Based Repayment (IBR) program. At the same time, the 2011 budget recognizes that colleges must do their share, creating incentives for colleges to keep costs affordable and help students not only enroll in school, but also finish their studies with a degree or certificate.

The Federal government has greatly increased investment in college student aid in the past few years. In addition to the large growth in Pell Grants and low-interest student loans, the ARRA created the new American Opportunity Tax Credit (AOTC), which will provide an estimated \$12 billion in tax relief for 2009 filers. The combination of Department student aid and selected tax benefits will grow from \$105 billion in fiscal year 2008 to almost \$173 billion in fiscal year 2011, an increase of nearly \$68 billion, or 64 percent.

### Federal Postsecondary Student Aid Soars

Federal Assistance to College Students	Fiscal Year		Change	
	2008	2011	Dollars	Percent
Total Aid Available	\$97.7 billion	\$156.1 billion	\$58.4 billion	60%
Selected Tax Benefits	\$7.5 billion	\$16.7 billion	\$9.2 billion	123%

The Administration's budget would provide a record \$34.8 billion in Pell Grants to nearly 9 million students during the 2011-2012 award year, with a projected maximum Pell award of \$5,710. Under the provisions contained in pending legislation and in the budget, the Pell Grant maximum would increase annually at a rate equal to the consumer price index plus 1 percentage point, using the 2010-2011 maximum of \$5,550 as a base. In addition, making Pell Grant funding mandatory, rather than discretionary, would eliminate uncertainty and end the practice of "backfilling" billions of dollars in Pell Grant funding shortfalls.

To make loans more affordable for those with high debts and low incomes, the Administration proposes to reduce maximum monthly payments under the Income-Based Repayment program from 15 percent of a borrower's prior-year income to 10 percent, and to reduce the length of time a borrower is in the IBR program before his or her loan is forgiven from 25 years to 20 years. Borrowers in public service jobs would continue to receive forgiveness after 10 years of payments. According to the 2008 National Postsecondary Student Aid Survey, borrowers graduating from a 4-year undergraduate school in the United States will have an average Federal student loan debt of approximately \$17,000 comprised of Subsidized and Unsubsidized Stafford Loans. Students who consolidate their loans have an average total debt of \$35,668.

Many of these students would be eligible for lower payments under the Income-Based Repayment plan.

In addition, the 2011 budget would simplify the current cumbersome process for applying for student aid. The current Free Application for Federal Student Aid (FAFSA) is longer and more involved than many Federal tax returns, and research indicates this complexity could discourage some students from applying for college admission. The Administration supports pending legislation that would simplify the financial aid application process by eliminating questions from the FAFSA. The legislation would complement efforts to make the online application faster and easier, partly by using IRS data to help answer questions.

The Budget also supports pending legislation that would end entitlements for financial institutions that process Federal student loans to students and parents. Subsidies in the Federal guaranteed student loan program—Federal Family Education Loans (FFEL)—are set by Congress through the political process. The FFEL program has needlessly cost taxpayers billions of dollars and subjected students to uncertainty due to turmoil in the financial markets. Under the 2011 budget request, the Department of Education would take advantage of low-cost and stable sources of capital to make most postsecondary student loans through the Federal Direct Student Loan program, thus ensuring student access to loans and providing high-quality servicing by using competitive, private-sector providers to process loans and payments. Ending FFEL loan origination beginning July 1, 2010 would save an estimated \$45.6 billion through fiscal year 2020.

The Administration also supports pending legislation that, beginning July 1, 2011, would create an expanded, modernized Perkins Loan program providing \$6 billion in new loan volume annually—six times the current Perkins volume. The expanded program would support Perkins Loans at up to 2,700 additional postsecondary education institutions, reaching up to 2.4 million students at full implementation. The Department of Education would service Perkins Loans along with other Federal loans. Loan cancellation costs on existing loans would be funded from the Federal share of loan collections; the institutional share of collections would be returned to schools. The loans would have the same low 5 percent interest rate and allowed loan amounts (both undergraduate and graduate) as in the current Perkins program. Overall, this proposal will save \$5.5 billion over 10 years.

### Student Aid Summary Tables

<u>Budget Authority (\$ in millions)</u>	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Pell Grants			
Discretionary funding.....	\$17,288.0 <sup>1</sup>	—	—
Mandatory funding .....	<u>2,090.0</u>	<u>\$26,988.1</u>	<u>\$34,878.0</u>
Subtotal, Pell Grants .....	<u>19,378.0</u>	<u>26,988.1</u>	<u>34,878.0</u>
Supplemental Educational Opportunity Grants...	757.5	757.5	757.5
Work-Study .....	980.5	980.5	980.5
Leveraging Educational Assistance			
Partnerships .....	63.9 <sup>2</sup>	63.9 <sup>2</sup>	— <sup>2</sup>
Academic Competitiveness Grants .....	73.0 <sup>3</sup>	1,336.0 <sup>3</sup>	-36.0 <sup>3</sup>
Iraq and Afghanistan Service Grants.....	—	0.2	0.2
TEACH Grants .....	-2.9	22.9	12.7
Federal Family Education Loans .....	-32,801.6 <sup>4</sup>	-9,104.0 <sup>4</sup>	— <sup>4</sup>
Federal Direct Loans.....	-5,709.1 <sup>5</sup>	-8,472.6 <sup>5</sup>	-10,404.3 <sup>5</sup>
Perkins Loans .....	<u>67.2</u>	—	<u>-101.5<sup>6</sup></u>
Total .....	-17,193.6	12,572.5	26,087.1
Recovery Act appropriation			
Pell Grants .....	17,114.0 <sup>7</sup>	—	—
Work-Study .....	<u>200.0</u>	—	—
Total .....	17,314.0	—	—

<sup>1</sup> Amount for 2010 reflects the rebasing of \$17,495 million FY 2010 discretionary appropriation to mandatory and \$3,030 million in current mandatory appropriations. The amount also includes the availability of an additional \$6,463 million in mandatory funding through permanent indefinite authority under the budget proposal.

<sup>2</sup> Includes \$33.9 million in 2009 and 2010 for Special LEAP or Grants for Access and Persistence, which was created by the Higher Education Opportunity Act of 2008 and will replace Special LEAP after a two-year transition period during which States may choose to participate in either program. The budget proposes elimination of this program in 2011.

<sup>3</sup> Amount for 2009 reflects postponement of \$887 million in 2009 funding until 2010; amount for 2010 reflects availability of 2009 delayed funding and a deferral of \$561 million to 2011; amount for 2011 reflects proposed cancellation of \$597 million in unneeded balances.

<sup>4</sup> Budget authority requested for FFEL does not include the Liquidating account. The 2009 amount includes a net downward re-estimate of \$16.0 billion primarily related to revised economic assumptions and a net downward modification of \$2.6 billion reflecting the impact of legislation on existing loans, primarily the Ensuring Continued Access to Student Loans Act of 2008. The 2010 amount includes a net downward re-estimate of \$7.4 billion primarily related to revised interest rates. (Re-estimates and modifications reflect the impact of changes on an outstanding FFEL portfolio of over \$489 billion.)

<sup>5</sup> The 2009 amount includes a net upward re-estimate of \$119.4 million primarily related to revised interest rates. The 2010 amount includes a net downward re-estimate of \$2.6 billion primarily related to revised interest rates and a net upward modification cost of \$1.7 billion from the budget proposal expanding the Income Based Repayment plan. (Re-estimates and modifications reflect the impact of changes on an outstanding Direct Loan portfolio of nearly \$207 billion.)

<sup>6</sup> Amounts in 2009 and 2010 reflect cancellations of current Perkins Loans; amount for 2011 reflects proposal to shift Perkins Loan to a mandatory credit program.

<sup>7</sup> Includes \$831 million advance appropriation available for 2010.

Aid Available to Students (\$ in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Pell Grants .....	\$28,213.3	\$32,295.2	\$34,834.3
Supplemental Educational Opportunity Grants...	958.8	958.8	958.8
Work-Study .....	1,417.3	1,170.8	1,170.8
Leveraging Educational Assistance			
Partnerships .....	161.6 <sup>1</sup>	161.6 <sup>1</sup>	— <sup>1</sup>
Academic Competitiveness Grants .....	503.0	548.0	—
SMART Grants.....	361.0	384.0	—
Iraq and Afghanistan Service Grants.....	—	0.2	0.2
New Student Loans:			
Federal Family Education Loans .....	66,778.0	35,233.8	—
Federal Direct Loans .....	29,738.2	73,529.1	116,393.2
Perkins Loans .....	1,106.1	1,041.5	2,602.9
TEACH Grants .....	<u>72.3</u>	<u>79.8</u>	<u>93.2</u>
Subtotal, Student Loans .....	97,694.6 <sup>2</sup>	109,884.2 <sup>2</sup>	119,089.3 <sup>2</sup>
Total .....	129,309.6 <sup>3</sup>	145,402.8 <sup>3</sup>	156,053.4 <sup>3</sup>

<sup>1</sup> Reflects only the LEAP program's statutory State matching requirements.

<sup>2</sup> In addition, consolidation loans for existing borrowers will total \$13 billion in 2009, \$15 billion in 2010, and \$18 billion in 2011.

<sup>3</sup> Shows total aid generated by Department programs, including Federal Family Education Loan capital, Perkins Loan capital from institutional revolving funds, statutory, institutional and State matching funds.

Number of Student Aid Awards

(in thousands)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Pell Grants .....	7,738.0	8,355.0	8,743.0
Supplemental Educational Opportunity Grants...	1,302.7	1,302.7	1,302.7
Work-Study .....	930.0	768.3	768.3
Leveraging Educational Assistance			
Partnerships .....	161.6 <sup>1</sup>	161.6 <sup>1</sup>	—
Academic Competitiveness Grants .....	716.0	786.0	—
SMART Grants.....	139.0	150.0	—
Iraq and Afghanistan Service Grants <sup>2</sup> .....	—	—	—
New Student Loans: <sup>3</sup>			
Federal Family Education Loans .....	14,459.1	8,215.8	—
Federal Direct Loans .....	6,109.4	14,790.4	24,349.0
Perkins Loans .....	520.5	490.1	1,224.9
TEACH Grants .....	<u>30.5</u>	<u>31.9</u>	<u>37.3</u>
Total awards .....	32,106.8	35,051.8	36,425.2

<sup>1</sup> Reflects only the LEAP program's statutory State matching requirements.

<sup>2</sup> Less than 1,000 recipients in each year.

<sup>3</sup> In addition, consolidation loans for existing borrowers will total 408,268 in 2009, 445,179 in 2010, and 492,451 in 2011.

Number of Postsecondary Students Aided by Department Programs

Unduplicated Count (in thousands).....	12,759	14,115	14,818
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**Tax Benefits for Postsecondary Students and Their Families**

In addition to the Department of Education's grant, loan, and work-study programs, significant support for postsecondary students and their families is available through tax credits and deductions for higher education expenses, including tuition and fees. For example, in fiscal year 2011, about 8 million students and families will claim an estimated \$11.4 billion under the new American Opportunity Tax Credit, which allows a credit of up to \$2,500 for tuition and fees and course materials during the first 4 years of postsecondary education. Other benefits include \$3.4 billion under the Lifetime Learning tax credit, which allows a credit of up to \$2,000 for undergraduate and graduate tuition and fees; and \$1.1 billion in above-the-line deductions for interest paid on postsecondary student loans. For more information on tax benefits for education, please see <http://www.irs.gov/publications/p970/index.html>.

Pell Grants

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions			
Discretionary .....	\$17,288.0	—	—
Mandatory .....	2,090.0	\$20,525.0	—
Proposed new mandatory .....	—	6,463.1	\$34,878.0
Total .....	19,378.0	26,988.1	34,878.0
Recovery Act			
Discretionary funding.....	15,640.0	—	—
Mandatory funding .....	1,474.0	—	—
Total .....	17,114.0	—	—
Program costs (\$ in millions) .....	28,252.0	32,337.0	34,878.0
Aid available (\$ in millions).....	28,213.3	32,295.2	34,834.3
Recipients (in thousands).....	7,738	8,355	8,743
Maximum grant			
Discretionary .....	\$4,860	\$5,550	\$5,710
Mandatory add-on .....	490	—	—
Total .....	5,350	5,550	5,710
Average grant .....	3,646	3,865	3,984

The Pell Grant program helps ensure financial access to postsecondary education by providing grant aid to low- and middle-income undergraduate students. The program is the most need-focused of the Department's student aid programs, with individual awards varying according to the financial circumstances of students and their families.

The request would provide a record \$34.8 billion in Pell Grant awards to nearly 9 million students during the 2011-2012 award year, with a projected maximum grant of \$5,710. The Administration supports congressional work to reform the student aid programs, and the request includes Pell Grant indexing and simplification provisions in the pending SAFRA legislation. Under these proposed provisions, the Pell Grant maximum would increase annually at a rate equal to the consumer price index plus 1 percentage point, using the 2010-2011 maximum of \$5,550 as a base. The budget also proposes to reclassify funding for the Pell Grant program as mandatory, rather than discretionary, to eliminate uncertainty and end the practice of “backfilling” billions of dollars in Pell Grant funding shortfalls.

In addition, the request supports simplifying the current cumbersome process for applying for student aid. The current Free Application for Federal Student Aid (FAFSA) is longer and more involved than many Federal tax returns, and research indicates this complexity could cause some students to not apply for college. The Administration supports provisions in the pending SAFRA legislation to simplify the process by streamlining the form itself and using tax data to populate the form with applicant’s income information. Taken together, the proposed indexing and simplification policies would increase projected Pell Grant costs by \$22.8 billion through 2015.

### **Campus-Based Programs**

The Supplemental Educational Opportunity Grant, Work-Study, and Perkins Loan programs are collectively referred to as the “campus-based” programs; grants in these programs are made directly to participating institutions, which have considerable flexibility to package awards to best meet the needs of their students. While the Perkins Loan program would be restructured under the proposed Budget to make loans directly to students, participating institutions would continue to have extensive flexibility in determining student eligibility and award levels.

#### Supplemental Educational Opportunity Grants

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$757.5	\$757.5	\$757.5
Aid available (\$ in millions).....	958.8	958.8	958.8
Recipients (in thousands).....	1,303	1,303	1,303
Average award.....	\$736	\$736	\$736

This program provides grant assistance of up to \$4,000 per academic year to undergraduate students with demonstrated financial need. The \$757 million request would leverage \$202 million in institutional matching funds to make available a total of \$959 million in grants to an estimated 1.3 million recipients. Program funds are allocated to institutions according to a statutory formula and require a 25 percent institutional match. Awards are determined at the discretion of institutional financial aid administrators, although schools are required to give priority to Pell Grant recipients and students with the lowest expected family contributions.

Work-Study

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$980.5	\$980.5	\$980.5
Recovery Act .....	200.0	—	—
Aid available (\$ in millions).....	1,417.3	1,170.8	1,170.8
Recipients (in thousands).....	930	768	768
Average award.....	\$1,524	\$1,524	\$1,524

The Work-Study program provides grants to participating institutions to pay up to 75 percent of the wages of eligible undergraduate and graduate students working part-time to help pay their college costs. The school or other eligible employer provides the balance of the student's wages. At the request level, 768,000 students would receive a total of nearly \$1.2 billion in award year 2011-12. Funds are allocated to institutions according to a statutory formula, and individual award amounts to students are determined at the discretion of institutional financial aid administrators. The Recovery Act appropriated \$200 million for Work-Study, which was used to increase the number of recipients for the 2009-2010 award year.

Perkins Loans

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$67.2	—	-\$101
Aid available (\$ in millions).....	1,106.1	\$1,041.5	2,602.9
Recipients (in thousands).....	521	490	1,225
Average award.....	\$2,125	\$2,125	\$2,125

The Perkins Loans program provides long-term, low-interest loans to undergraduate and graduate students with demonstrated financial need at roughly 1,700 institutions. Total assets of over \$8 billion represent over 40 years of Federal capital contributions, institutional matching funds, repayments on previous loans, and Federal reimbursements for loan cancellations. Perkins Loan borrowers pay no interest during in-school, grace, and deferment periods and are charged 5 percent interest during the principal repayment period. Annual borrowing limits are \$5,500 for undergraduate students and \$8,000 for graduate and professional students.

The Administration supports provisions in the pending SAFRA legislation designed to create an expanded, modernized Perkins Loan program providing \$6 billion in new loan volume annually—six times the current annual Perkins volume—and, at full implementation reaching up to 2.4 million students at as many as 2,700 additional postsecondary education institutions. Instead of being serviced by the colleges, loans would be serviced by the Department of Education along with other Federal loans. Loan cancellation costs on existing loans would be funded from the Federal share of loan collections; the institutional share of collections would be returned to schools. The loans would have the same low 5 percent interest rate and allowed loan amounts (both undergraduate and graduate) as in the current Perkins program. To make

loans available to more students, interest on the loans would accrue while students are in school. Overall, this proposal will save an estimated \$5.5 billion over 10 years.

Academic Competitiveness Grants/SMART Grants

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$73.0	\$1,897.0	—
Deferral of authority to 2011 .....	—	-561.0	\$561.0
Rescission of unneeded balances.....	<u>—</u>	<u>—</u>	<u>-597.0</u>
Total .....	<u>73.0</u>	<u>1,336.0</u>	<u>-36.0</u>

Academic Competitiveness Grants

Recipients.....	716,000	786,000	—
Aid available to students (in millions) .....	\$503	\$548	—
Maximum grant (in whole \$)			
First-year student.....	\$750	\$750	—
Second-year student.....	\$1,300	\$1,300	—
Average grant (in whole \$).....	\$703	\$697	—

SMART Grants

Recipients.....	139,000	150,000	—
Aid available to students (in millions) .....	\$361	\$384	—
Maximum grant (in whole \$).....	\$4,000	\$4,000	—
Average grant (in whole \$).....	\$2,597	\$2,560	—

These programs award need-based Academic Competitiveness Grants (ACG) to first- and second-year undergraduates who complete a rigorous high school curriculum, and National Science and Mathematics Access to Retain Talent (SMART) Grants to third- and fourth-year undergraduates majoring in physical, life, or computer sciences, mathematics, technology, engineering, or a critical foreign language. All funding is mandatory, so annual discretionary appropriations are not required.

Academic Competitiveness Grants are awarded to students who are eligible for a Federal Pell Grant. First-year applicants, who may receive up to \$750, also must be first-time undergraduates, enrolled or accepted for enrollment in a 2- or 4-year degree granting institution, and have completed a rigorous secondary school program. Second-year ACG applicants qualify for an award of up to \$1,300 if they have completed a rigorous program and maintained a cumulative grade point average of at least 3.0 during their first year as an undergraduate.

SMART Grant applicants must maintain a cumulative GPA of at least 3.0 in the coursework required by their major to qualify for up to \$4,000 for their third and fourth years of undergraduate study. SMART Grants, in combination with the Federal Pell Grant and other student financial assistance, may not exceed the student's cost of attendance.

The ACG/SMART program sunsets at the end of academic year 2010-2011. Accordingly, no new appropriations are provided or requested for fiscal year 2011. Participation trends during the first 4 years indicate funding already provided in prior years and in fiscal year 2010 will

substantially exceed the amounts needed to support anticipated grant awards. As a result, the 2010 appropriation postponed the availability of \$561 million in unneeded balances until 2011. As current estimates indicate these funds will not be needed, the Administration proposes to rescind the remaining available funds in the amount of \$597 million in FY 2011.

### TEACH Grants

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	-\$2.9 <sup>1</sup>	\$23.0	\$12.7
Aid available to students (in millions) .....	\$72.3	\$79.8	\$93.2
Recipients.....	30,506	31,932	37,277
Maximum grant (in whole \$).....	\$4,000	\$4,000	\$4,000
Average grant (in whole \$).....	\$2,369	\$2,500	\$2,500

<sup>1</sup> Negative number indicates projected revenue from loan repayments exceed projected costs.

The TEACH Grant program, which began operations on July 1, 2008, awards annual grants of up to \$4,000 to eligible undergraduate and graduate students who agree to serve as a full-time mathematics, science, foreign language, bilingual education or other English language program, special education, or reading teacher at a high-need school for not less than 4 years within 8 years of graduation. For students who fail to fulfill this service requirement, grants are converted to Direct Unsubsidized Stafford Loans, with interest accrued from the date the grants were awarded.

For budget and financial management purposes, this program is operated as a loan program with 100 percent forgiveness of outstanding principal and interest upon completion of a student's service requirement. The Administration currently estimates approximately 80 percent of participating students will not complete the required service and thus will have their grants converted to Direct Unsubsidized Stafford Loans. Consistent with the requirements of the Credit Reform Act of 1990, budget authority for this program reflects the estimated net present value of all future non-administrative Federal costs associated with awards made in a given fiscal year.

Federal Family Education Loans and Direct Loans  
(in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Federal Family Education Loans			
New Loan Subsidies (BA) .....	-14,208.5 <sup>1</sup>	-1,701.4 <sup>1</sup>	—
Net Modification of Existing Loans .....	-2,640.4 <sup>2</sup>	—	—
Net Re-estimate of Prior Loans .....	<u>-15,952.7<sup>3</sup></u>	<u>-7,402.6<sup>3</sup></u>	<u>—</u>
Total, FFEL Program BA .....	-32,801.6	-9,104.0	—
Direct Loans			
New Loan Subsidy (BA) .....	-5,828.4 <sup>4</sup>	-7,581.1 <sup>4</sup>	-10,404.3 <sup>4</sup>
Net Modification of Existing Loans .....	—	1,691.8 <sup>2</sup>	—
Net Re-estimate of Prior Loans .....	<u>119.4<sup>3</sup></u>	<u>-2,583.2<sup>3</sup></u>	<u>—</u>
Total, New Budget Authority .....	-5,709.1	-8,472.6	-10,404.3
Total, Student Loans (BA) .....	-38,510.7	-17,576.6	-10,404.3

<sup>1</sup> Total includes amount for Consolidation Loans but does not include the Liquidating Account, which deals with costs associated with loans made prior to 1992.

<sup>2</sup> Under Credit Reform, costs or savings related to the impact of policy changes on existing loans are reflected in the current year. Amount of 2009 FFEL modification reflects the impact of the Ensuring Continued Access to Student Loans Act on existing loans; the Direct Loan modification represents the impact of the budget policy on existing loans.

<sup>3</sup> Under Credit Reform, the subsidy amounts needed for active loan cohorts are re-estimated annually in both Direct Loans and FFEL to account for changes in long-term projections. Re-estimates and modifications reflect the impact of changes on outstanding portfolios of over \$489 billion for FFEL and nearly \$207 billion for Direct Loans.

<sup>4</sup> Total includes amount for Consolidation Loans.

New loan volume (in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Federal Family Education Loans .....	\$66,778.0	\$35,233.8	—
Direct Loans .....	<u>29,738.2</u>	<u>73,529.1</u>	<u>116,393.2</u>
Total .....	96,516.2 <sup>1</sup>	108,762.9 <sup>1</sup>	116,393.2 <sup>1</sup>

Number of new loans (in thousands)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Federal Family Education Loans .....	14,459	8,215	—
Direct Loans .....	<u>6,110</u>	<u>14,791</u>	<u>24,349</u>
Total .....	20,569 <sup>1</sup>	23,006 <sup>1</sup>	24,349 <sup>1</sup>

<sup>1</sup> In addition, Consolidation Loans for existing borrowers will total \$12.7 billion and 408,000 loans in 2009, \$15.0 billion and 446,000 loans in 2010, and \$17.6 billion and 492,000 loans in 2011.

The Department of Education operates two major student loan programs: the Federal Family Education Loan (FFEL) program and the William D. Ford Federal Direct Loan (Direct Loan) program. The FFEL program makes loan capital available to students and their families through private lenders. State and private nonprofit guaranty agencies administer the Federal guarantee protecting FFEL lenders against losses related to borrower default. These agencies also collect on defaulted loans and provide other services to lenders.

Under the Direct Loan program, the Federal Government uses Treasury funds to provide loan capital directly to schools, which then disburse loan funds to students. The Administration is proposing to make all new loans under the Direct Loan program.

### Basic Loan Program Components

Both FFEL and Direct Loans feature four types of loans with similar fees and maximum borrowing amounts:

- Stafford Loans are subsidized, low-interest loans based on financial need. The Federal Government pays the interest while the student is in school and during certain grace and deferment periods. For undergraduate loans made on or after July 1, 2008, the interest rate is fixed at 6.0 percent. Rates for undergraduates drop each subsequent July 1 through 2011, when rates would be 3.4 percent. Rates would return to 6.8 percent beginning July 1, 2012. The interest rate for loans to graduate students is 6.8 percent in all years.
- Unsubsidized Stafford Loans have a fixed interest rate of 6.8 percent, but the Federal Government does not pay interest for the student during in-school, grace, and deferment periods.
- PLUS Loans are available to parents of dependent undergraduate students at slightly higher rates than Stafford or Unsubsidized Stafford Loans and the Federal Government does not pay interest during in-school, grace, and deferment periods. Graduate and professional students may also take out PLUS loans.
- Consolidation Loans allow borrowers with multiple student loans who meet certain criteria to combine their obligations and extend their repayment schedules. The rate for both FFEL and Direct Consolidation Loans is based on the weighted average of loans consolidated rounded up to the nearest 1/8<sup>th</sup> of 1 percent. The resulting rate for the consolidated loan is then fixed for the life of the loan.

### Ensuring Continued Access to Student Loans

In response to significant disruptions in the credit markets and concern over access to FFEL program loans, the Ensuring Continued Access to Student Loans Act of 2008 provided the Department of Education with authority to purchase student loans to support new originations during the 2008-2009 academic year. Using this authority, which was subsequently extended through the end of the 2009-2010 academic year, the Department established several programs to ensure the availability of student loans. These programs included a Loan Participation Interest program, under which the Department purchased a 100-percent interest in any eligible federal student loan originated by a FFEL lender, meaning that the Department provided all of the funds for the loan, with the lender subsequently either repaying the government with interest or selling the underlying loan to the Department; a Loan Purchase program, under which the Department purchased any eligible loans originated by a FFEL lender during the academic year for face value plus a fixed amount to cover expenses; and an Asset-Backed Commercial Paper Conduit, which facilitated financial transactions similar to those in a typical student loan securitizations. Together, these programs will provide an estimated \$112 billion in funding to purchase FFEL program loans, supporting approximately 57 percent of overall new program loans over academic years 2008-2009 and 2009-2010.

### 2011 Budget Request

The Administration supports provisions in the pending SAFRA legislation that would end entitlements for financial institutions that process Federal student loans to students and parents. Subsidies in the Federal guaranteed student loan program—Federal Family Education Loans (FFEL)—are set by Congress through the political process. The FFEL program has needlessly cost taxpayers billions of dollars and subjected students to uncertainty due to turmoil in the financial markets. The request, consistent with SAFRA, would take advantage of low-cost and stable sources of capital to make all new postsecondary student loans through Direct Loans, so students are ensured access to loans and provided high-quality servicing through the use of competitive, private-sector providers to process loans and payments. Under SAFRA, the switch to 100-percent Direct Loans would begin on July 1, 2010 and save an estimated \$45.6 billion through fiscal year 2020.

In addition, the 2011 budget would help borrowers struggling to repay student loans. According to the 2008 National Postsecondary Student Aid Survey (NPSAS), borrowers graduating from a 4-year undergraduate school in the United States will have on average approximately \$17,000 in Federal student loan debt comprised of Subsidized and Unsubsidized Stafford Loans. Students who consolidate have an average debt of \$35,668. Many of these students would benefit from the Income-Based Repayment (IBR) plan, which is designed to ease the burden of student loan debt and assist borrowers struggling with increasing levels of college debt. The request would encourage more students to take advantage of IBR by reducing maximum monthly payments from 15 percent of a borrower's prior-year discretionary income to 10 percent, and reducing the length of time in the IBR program before a borrower's loan is forgiven from 25 years to 20 years.

## **E. HIGHER EDUCATION PROGRAMS**

### **Overview**

The Administration's request for fiscal year 2011 includes \$2.1 billion for Higher Education programs. This request, in combination with new programs and funding that would be provided under the pending Reconciliation legislation (the House-passed Student Aid and Fiscal Responsibility Act, now pending in the Senate), would support a comprehensive set of programs that will help achieve the President's goal of significantly increasing the percentage of Americans with postsecondary degrees or industry-recognized certificates.

To help close the gap in college enrollment and degree attainment between minority and low-income students and others, the request would provide \$508.5 million in discretionary funding for the Aid for Institutional Development programs, an increase of \$23.8 million over the 2010 level. The request provides a 5 percent increase over the 2010 level for Historically Black Colleges and Universities (HBCUs) and virtually all of the Title III discretionary grant programs that would be used by the institutions to improve academic programs and administrative and fundraising capabilities. The request also provides a \$5.9 million, or 5 percent, increase over the 2010 level for the Developing Hispanic-serving Institutions program to help ensure that Hispanic students have access to high quality postsecondary education.

The request provides \$125.9 million for the International Education and Foreign Language Studies programs to help meet the Nation's security and economic needs through the development of expertise in foreign languages and area and international studies. Dramatic changes in the world's geopolitical and economic landscapes and the war on terrorism underscore the importance of maintaining and expanding American understanding of other peoples and their languages.

The request also would provide \$910.1 million in combined discretionary and mandatory appropriations to maintain college preparation and college student support services for participants in the Federal TRIO Programs, as well as \$323.2 million for an estimated 748,000 middle and high school students preparing for college through Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP).

In addition, the request provides \$64 million for the Fund for the Improvement of Postsecondary Education (FIPSE) to support innovative projects to reform and improve postsecondary education, including \$25 million for a STEM initiative to identify and validate effective approaches for recruiting, retaining, and teaching undergraduate students in STEM fields.

Finally, the budget would provide \$40.7 million for merit- and need-based scholarships and fellowships to postsecondary students under the Javits Fellowships and Graduate Assistance in Areas of National Need (GAANN) programs.

Title III: Aid for Institutional Development  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Strengthening Institutions.....	\$80.0	\$84.0	\$88.2
Strengthening Tribally Controlled Colleges and Universities.....	23.2	30.2	31.7
Strengthening Alaska Native and Native Hawaiian-serving Institutions.....	11.6	15.1	15.8
Strengthening Historically Black Colleges and Universities.....	238.1	266.6	279.9
Strengthening Historically Black Graduate Institutions.....	58.5	61.4	64.5
Master's Degree Programs at HBCUs and PBIs (mandatory) .....	11.5 <sup>1</sup>	11.5 <sup>1</sup>	11.5 <sup>1</sup>
Strengthening Predominantly Black Institutions.....	—	10.8	11.3
Strengthening Asian American and Native American Pacific Islander-serving Institutions.....	2.5	3.6	3.8
Strengthening Native American-serving nontribal institutions.....	—	3.6	3.8
Minority Science and Engineering Improvement.....	<u>8.6</u>	<u>9.5</u>	<u>9.5</u>
Total .....	434.0	496.3	520.0

<sup>1</sup> These funds are not part of the fiscal year 2011 budget request, but are mandatory appropriations provided under Title VIII, Part AA, Section 897 of the HEA (P.L. 110-315, Higher Education Opportunity Act).

The request for Title III maintains support for institutions that serve large percentages of minority and disadvantaged students. Title III funding, which is awarded both competitively and by a formula that directs aid to specified institutions, helps provide equal educational opportunity and strong academic programs for these students and enhances the financial stability of the institutions that serve them. The 2011 request proposes a 5 percent increase over the fiscal year 2010 level for all Title III discretionary grant programs except the Minority Science and Engineering Improvement Program. Funds may be used to plan, develop, and implement activities that support faculty development; funds and administrative management; development and improvement of academic programs; joint use of libraries and laboratories; construction, maintenance, and renovation of instructional facilities; student services; and endowment funds.

Strengthening Institutions supports institutions that provide educational opportunities to low-income and minority students. This funding level would support 181 non-competing continuation grants and would enable the Department to award 41 new individual development grants.

Strengthening Tribally Controlled Colleges and Universities supports 32 Tribal Colleges and Universities (TCCUs) located primarily in remote areas not served by other postsecondary education institutions. These institutions offer a broad range of degree and vocational certificate programs to students for whom these educational opportunities would otherwise be geographically and culturally inaccessible.

Strengthening Alaska Native and Native Hawaiian-serving Institutions supports institutions with undergraduate enrollments that are at least 20 percent Alaska Native, and at least 10 percent Native Hawaiian students, respectively. The request would fund 12 continuation grants and 15 new individual development and renovation grants for these institutions, which typically are located in remote areas not served by other institutions.

Strengthening Historically Black Colleges and Universities supports any accredited, legally authorized HBCU that was established prior to 1964 and whose principal mission was, and is, the education of Black Americans. Fiscal year 2011 funding would support 96 HBCUs. Strengthening Historically Black Graduate Institutions supports 24 institutions with schools of law, medical schools, or other graduate programs.

Strengthening Predominantly Black Institutions supports primarily urban and rural 2-year colleges that have an enrollment of undergraduate students that is at least 40 percent Black Americans and that serve at least 50 percent low-income or first-generation college students. The request would support a second year of funding for 21 PBI grantees and fund 1 new grant.

Strengthening Asian American and Native American Pacific Islander-serving Institutions supports institutions with undergraduate enrollments that are at least 10 percent Asian American and Native American Pacific Islander. This funding level would support 5 continuation grants and 2 new awards for institutions serving this exceptionally diverse population.

Strengthening Native American-serving, Nontribal Institutions supports institutions that are not designated as TCCUs, yet enroll at least 10 percent Native American students and serve at least 50 percent low-income students. The request would support 7 continuation awards.

The Minority Science and Engineering Improvement program would fund 15 new competitive and 39 continuation grants that support improvement in science and engineering education at predominantly minority institutions and increase the participation of underrepresented ethnic minorities, particularly minority women, in scientific and technological careers.

Aid for Hispanic-serving Institutions  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Developing Hispanic-serving Institutions .....	\$93.3	\$117.4	\$123.3
Promoting Postbaccalaureate Opportunities for Hispanic Americans (discretionary) .....	—	10.5	10.5
(mandatory) .....	<u>11.5<sup>1</sup></u>	<u>11.5<sup>1</sup></u>	<u>11.5<sup>1</sup></u>
<b>Total .....</b>	<b>204.8</b>	<b>139.4</b>	<b>145.3</b>

<sup>1</sup> These funds are mandatory appropriations provided under Title VIII, Part AA, Section 898 of the HEA (P.L. 110-315, Higher Education Opportunity Act) and are not included in the fiscal year 2011 budget request.

The Developing Hispanic-serving Institutions program funds competitive grants to expand and enhance the academic quality, institutional management, fiscal stability, and self-sufficiency of colleges and universities that enroll large percentages of Hispanic students.

The Promoting Postbaccalaureate Opportunities for Hispanic Americans program provides funds to eligible HSIs that offer a postbaccalaureate certificate or postbaccalaureate degree-granting program. The program is designed to help Hispanic Americans gain entry into and succeed in graduate study, a level of education in which they are underrepresented. Mandatory funding is provided for 5 years beginning in fiscal year 2009. Additionally, the Department received \$10.5 million in discretionary funds in fiscal year 2010 and is requesting the same amount for fiscal year 2011.

International Education and Foreign Language Studies (IEFLS)

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Domestic programs .....	\$102.3	\$108.4	\$108.4
Overseas programs .....	14.7	15.6	15.6
Institute for International Public Policy.....	<u>1.8</u>	<u>1.9</u>	<u>1.9</u>
Total .....	118.9	125.9	125.9

The 14 International Education and Foreign Language Studies programs support comprehensive language and area study centers within the United States, research and curriculum development, opportunities for American scholars to study abroad, and activities to increase the number of underrepresented minorities in international service. In addition to promoting general understanding of the peoples of other countries, the Department's international programs also serve important economic, diplomatic, defense, and other national security interests. The 2011 request would fund approximately 471 grants to institutions of higher education, directly support over 1,500 individuals through fellowships and projects, and support the participation of more than 100 underrepresented minority students in international service programs.

Fund for the Improvement of Postsecondary Education (FIPSE)

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Comprehensive Program .....	\$3.5	\$27.4	\$20.7
International Consortia .....	9.7	10.3	12.4
STEM Initiative.....	—	—	25.0
Special Focus Competitions.....	27.8	—	4.8
Earmarks .....	91.2	101.5	—
Other programs.....	1.0	19.3	—
Other .....	<u>0.4</u>	<u>0.9</u>	<u>1.2</u>
Total .....	133.7	159.4	64.0

FIPSE awards competitive grants to support exemplary, locally developed projects that are models for innovative reform and improvement in postsecondary education. The 2011 request represents a decrease of \$95.4 million because of the elimination of funding for earmarks and other small programs funded but not authorized under FIPSE, but includes \$25million for a new STEM competitive grant initiative.

The new STEM initiative would identify and validate more effective approaches for attracting, retaining, and teaching undergraduates in STEM fields that can be brought to scale. The activities supported through this initiative would be part of a coordinated Federal strategy developed in collaboration with the Institute of Education Sciences, the National Science Foundation, and other Federal agencies.

Funding for the International Consortia programs would support 155 academic partnerships between U.S. institutions of higher education and overseas institutions to provide students with increased opportunities to study abroad and increase cooperation and collaboration between institutions in these countries.

Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrators in Educating Students with Disabilities

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$6.8	\$6.8	\$6.8

This competitive grant program supports model projects that enhance the quality of higher education for students with disabilities. Grants are awarded to institutions of higher education to provide technical assistance and professional development for faculty and administrators. The 2011 request would support 23 new grants.

Model Transition Programs for Students with Intellectual Disabilities into Higher Education

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	—	\$11.0	\$11.0

This program awards competitive grants to institutions of higher education or consortia of such institutions to create or expand high quality, inclusive model comprehensive transition and postsecondary programs for students with intellectual disabilities. The 2011 request would support about 25 continuation grants.

Tribally Controlled Postsecondary Career and Technical Institutions

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$7.8	\$8.2	\$8.2

The program makes grants to tribally controlled postsecondary career and technical institutions to provide career and technical education to Indian students. The request would fund instructional and student support services, as well as institutional support and capital

expenditures, at the United Tribes Technical College and Navajo Technical College, the only institutions that meet the eligibility requirements for this program.

Special Programs for Migrant Students

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$34.2	\$36.7	\$36.7

Special Programs for Migrant Students include the High School Equivalency Program (HEP), which funds competitively selected projects to help low income migrant and seasonal farm workers gain high school diplomas or equivalency certificates, and the College Assistance Migrant Program (CAMP), which makes competitive grants to provide stipends and special services, such as tutoring and counseling, to migrant students who are in their first year of college. The 2011 request would support approximately 45 HEP projects and 38 CAMP projects, as well as outreach, technical assistance, and professional development activities.

Federal TRIO Programs  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Talent Search .....	\$141.5	\$142.0	\$142.0
Upward Bound .....	257.4	257.8	257.8
Veterans Upward Bound .....	14.0	13.9	13.9
Upward Bound Math-Science .....	35.2	35.2	35.2
Educational Opportunity Centers .....	46.8	46.8	46.8
Student Support Services .....	301.5	301.0	301.0
McNair Postbaccalaureate Achievement.....	47.3	47.6	47.6
Staff Training .....	3.4	3.4	3.4
Evaluation .....	—	1.5	1.5
Administration/Peer Review .....	0.9	3.9	3.9
Upward Bound (mandatory) .....	<u>57.0<sup>1</sup></u>	<u>57.0<sup>1</sup></u>	<u>57.0<sup>1</sup></u>
<u>Total .....</u>	<u>905.1</u>	<u>910.1</u>	<u>910.1</u>

<sup>1</sup> These funds are mandatory funds made available by section 402C(g) of the Higher Education Act of 1965, as amended, and are not included in the fiscal year 2011 budget request.

The request for 2011 would maintain level funding for these college preparation and student support programs, which would provide funding for approximately 2,700 projects serving middle school, high school, and college students and adults. An additional \$57 million in mandatory funding will provide support for another 178 Upward Bound projects. The request also includes funding for Staff Training grants, evaluation, and administrative support for the TRIO programs.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$313.2	\$323.2	\$323.2

GEAR UP provides funds to States and partnerships for early college preparation and awareness activities to help low-income elementary and secondary school students prepare for and pursue postsecondary education. Several features of GEAR UP, including targeting entire grades of students, partnering with local organizations and businesses, and matching local contributions, allow projects to serve large numbers of students. The request maintains funding at the 2010 level and would serve approximately 748,000 middle and high school students in fiscal year 2011.

Scholarships and Fellowships

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Javits Fellowships .....	9.7	9.7	9.7
Graduate Assistance in Areas of National Need (GAANN).....	31.0	31.0	31.0
Thurgood Marshall Legal Educational Opportunity .....	3.0	3.0	3.0

Javits Fellowships provide up to 4 years of competitively awarded support to students of superior ability and high financial need who are pursuing doctoral degrees, or the highest terminal degree, in the arts, humanities, and social sciences. The request would support 218 fellowships in 2011.

GAANN provides fellowships, through competitive grants to postsecondary institutions, to graduate students with superior ability and high financial need studying in areas of national need. Participating graduate schools must provide assurances that they will seek talented students from traditionally underrepresented backgrounds. The 2011 request would provide support for 702 fellowships.

The Thurgood Marshall Legal Educational Opportunity program provides low-income, minority, or disadvantaged secondary school and college students with the information, preparation, and financial assistance needed to gain access to and complete law school study and admission to law practice. The Administration is proposing that the funds for this program be awarded competitively in 2011.

Child Care Access Means Parents in School

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$16.0	\$16.0	\$16.0

This competitive grant program supports the participation of low-income parents in postsecondary education through campus-based childcare services. Grants made to

institutions of higher education must be used to supplement childcare services or start a new program, not to supplant funds for current childcare services. The program gives priority to institutions that leverage local or institutional resources and employ a sliding fee scale. The 2011 request would support 157 existing projects.

GPRA Data/HEA Program Evaluation

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$0.6	\$0.6	\$0.6

The request would fund the continuation of contracts for program evaluations and data collections to measure the performance of Higher Education Act programs. In addition, funds would support one or more studies mandated by the Higher Education Opportunity Act of 2008.

Academic Facilities

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
HBCU Capital Financing Program.....	\$10.4	\$20.6	\$20.6
CHAFL Federal Administration.....	0.5	0.5	0.5

These programs support the construction, reconstruction, and renovation of academic facilities at institutions of higher education. The request for the HBCU Capital Financing Program would support the management and servicing of loan guarantees on previously issued loans, and includes \$20.2 million in loan subsidy that would allow the program to guarantee \$279.4 million in loans in 2011. Funds also would be used to continue technical assistance services to help HBCUs to increase their fiscal stability and improve their access to capital markets.

Funding for CHAFL Federal Administration is used solely to manage and service existing portfolios of facilities loans and grants made in prior years.

Howard University

(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Howard University Hospital .....	\$28.9	\$28.9	\$28.9
General Support.....	<u>206.0</u>	<u>206.0</u>	<u>206.0</u>
Total .....	235.0	235.0	235.0

The 2011 request would maintain support for Howard University's academic programs, research programs, construction activities, and the Howard University Hospital. Howard University has played a historic role in providing access to postsecondary educational opportunities for students from traditionally underrepresented backgrounds, especially African-Americans. The request includes \$3.6 million for Howard University's endowment. The direct Federal appropriation accounts for approximately 50 percent of Howard University's operating costs.

## F. INSTITUTE OF EDUCATION SCIENCES

### Overview

The Institute of Education Sciences (IES) supports sustained programs of research, evaluation, and statistics to provide solutions to the problems and challenges faced by schools and learners. Investment in research and statistics activities is critical in order to identify effective instructional and program practices, track student achievement, and measure the impact of educational reform. Through its four centers—the National Center for Education Research, the National Center for Education Statistics, the National Center for Education Evaluation and Regional Assistance, and the National Center for Special Education Research—IES ensures that the Federal investment in education research, statistics, and evaluation is well-managed and relevant to the needs of educators and policymakers.

For 2011, the Administration is seeking \$738.8 million for IES activities, an increase of \$79.8 million over the 2010 level. This request would enable IES to invest nearly \$45 million more in research and development projects in early learning and elementary, secondary, and postsecondary education and to support significant evaluation activities begun in 2010 and an evaluation initiative to be conducted in collaboration with the National Science Foundation.

The request also would maintain the Administration's commitment to supporting high quality statistics and assessment programs, including implementation of 2011 reading, mathematics, and writing assessments under the National Assessment of Educational Progress (NAEP) and an equating study between NAEP and The International Mathematics and Science Study. The request also includes funding to help States improve the quality of longitudinal student data systems. Finally, the request would be used to extend the contracts for the Regional Educational Laboratories (REL) so that new contracts may reflect and support any significant changes in the upcoming reauthorization of the Elementary and Secondary Education Act.

#### Research, Development, and Dissemination

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$167.2	\$200.2	\$260.7

The request includes an increase of \$60.5 million, or 30 percent, to support critical investments in education research, development, dissemination, and evaluation that provide parents, teachers, and schools with scientifically based information on effective educational practice. The request would enable IES to invest in new grants to support evaluations at the State and district level to evaluate whether reforms undertaken with funds awarded under the Race to the Top program are producing the desired improvements on student achievement and other critical outcomes, research on using data to improve K-12 and postsecondary education and inform education policy, and assessment projects to support the development of reliable and valid measures of kindergarten readiness. This request also would allow IES to continue to fund more high quality applications under existing programs of research, development, and dissemination in areas where our knowledge of learning and instruction is inadequate. As part of the Administration's government-wide initiative to strengthen program evaluation, the request also includes significant new resources for the evaluation of education reform efforts under the American Recovery and Reinvestment Act and for a study of the impact of professional

development in mathematics for elementary school teachers, part of the Administration's efforts to improve Science, Technology, Engineering and Mathematics (STEM) education.

### Statistics

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$98.5	\$108.5	\$117.0

This request would support the collection, analysis, and dissemination of education-related statistics in response both to legislative requirements and to the particular needs of data providers, data users, and educational researchers. The Department's statistics programs—operated primarily through competitively awarded contracts administered by the National Center for Education Statistics (NCES)—provide general statistics about trends in education, collect data to monitor reform and measure educational progress, and inform the IES research agenda.

The request would allow NCES to make strategic improvements to the statistics program, including conducting an equating study between the National Assessment of Educational Progress (NAEP) and The Third International Mathematics and Science Study (TIMSS) that would allow States to compare their students' 8<sup>th</sup> grade mathematics achievement to that of students in other countries.

### Regional Educational Laboratories (REL)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$67.6	\$70.7	\$69.7

The requested funds would be used to extend the current 5-year REL contracts for one additional year to enable IES to reflect changes from the upcoming reauthorization of the Elementary and Secondary Education Act in the competition for the next round of REL contracts. This extension would also enable the RELs to complete studies currently underway that otherwise could not be concluded within the time and funding available under the current contracts. The request includes a decrease of \$1 million, which reflects the completion of funding for the program evaluation in 2010.

### Assessment

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$138.8	\$138.8	\$143.8

The request would fund the ongoing National Assessment of Educational Progress (NAEP) and the National Assessment Governing Board. NAEP measures and reports on the status of and trends in student learning over time, on a subject-by-subject basis, and makes objective information on student performance available to policymakers, educators, parents, and others. NAEP is the only nationally representative and continuing assessment of what American students know and can do, and has become a key measure of our Nation's educational

performance. NAEP activities are conducted through competitively awarded contracts. The increase would pay for the NAEP portion of the NAEP-TIMSS equating study.

At the request level, the Department plans to conduct 2011 national and State reading and math assessments at grades 4 and 8; a national writing assessment at grades 4, 8, and 12; a State grade 4 writing assessment; and 2011 assessments in a small number of large urban districts. The request also would fund preparations for future assessments and for continued analysis and reporting of assessments conducted prior to 2011.

Research in Special Education

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$70.6	\$71.1	\$71.1

This program supports discretionary grants and contracts for research to address gaps in scientific knowledge in order to improve special education and early intervention services for infants, toddlers, and children with disabilities. The request would support continuation and new awards under ongoing programs of research, including research intended to improve the developmental outcomes and school readiness of infants, toddlers, and young children with disabilities; to improve educational outcomes in core subject areas for children with disabilities; and to improve social and behavioral outcomes.

Statewide Data Systems

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$65.0	\$58.3	\$65.0

This program supports competitive awards to State educational agencies to foster the design, development, and implementation of longitudinal data systems that would enable States to use individual student data to enhance the provision of education and close achievement gaps. Funding in 2011 would support continuation costs for grants awarded in 2009. The request also would fund improved data coordination and quality as well as technical assistance to enable better use of the information to improve educational outcomes

Special Education Studies and Evaluations

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
BA in millions .....	\$9.5	\$11.5	\$11.5

This program supports competitive grants, contracts, and cooperative agreements to assess the implementation of the Individuals with Disabilities Education Act and the effectiveness of State and local efforts to provide special education and early intervention programs and services to infants, toddlers, and children with disabilities. The request would provide continued support for a new study of transition and learning outcomes for students with disabilities initiated in 2010, as well for as the required national assessment of activities supported with Federal special education funds and other ongoing studies and evaluations of special education.

#### IV. PROGRAMS PROPOSED FOR CONSOLIDATION OR ELIMINATION

The current Elementary and Secondary Education Act (ESEA) authorizes numerous programs with similar purposes, creating fragmented and inefficient funding streams that too often led to a greater focus on complying with program requirements rather than improving student outcomes. Rather than running large numbers of separate grant competitions and monitoring compliance, the Administration's reauthorization proposal would consolidate 38 existing ESEA programs into 11 new authorities that allow the Department to direct funding to proven or promising practices while providing greater support and technical assistance to grantees. Similarly, as part of a proposal to reauthorize the Workforce Investment Act (WIA), the Administration's 2011 request includes proposals for consolidating 9 programs authorized under the Rehabilitation Act into 3 programs. The proposed consolidations would reduce duplication and administrative costs and improve program management, accountability, and the provision of rehabilitation and independent living services.

In addition, the 2011 request reflects the Administration's commitment to ending programs that national evaluations indicate are ineffective or, duplicative of other authorities, or are poorly structured to accomplish their objectives.

In fiscal year 2010, Congress accepted the Administration's recommendations to eliminate 4 programs—Safe and Drug-Free Schools and Communities State Grants, Mentoring, Character Education, and the National Institute for Literacy—for a savings of \$360.3 million that was redirected to higher priority activities.

For 2011, the Administration is proposing to eliminate 7 more programs, including the mandatory Federal Family Education Loans program. Under the President's budget, all new Stafford loans, Unsubsidized Stafford loans, PLUS loans, and Consolidation loans would be made by the Direct Loan program beginning July 1, 2010. Using low-cost capital to make student loans directly and thereby eliminating costly subsidies for the many financial intermediaries in the FFEL program would save an estimated \$45.6 billion through 2020 that can be reinvested in other student aid programs like Pell Grants. In addition, the 2011 budget would terminate funding for 6 discretionary programs shown in the table below. Following the discretionary eliminations table is (1) a crosswalk of programs that would be consolidated into new authorities under the Administration's ESEA reauthorization proposal and (2) a brief summary of each program, in alphabetical order, that would be consolidated or eliminated under the 2011 request.

#### **Discretionary Program Eliminations by Funding Level**

Program (2010 BA in millions)

Leveraging Educational Assistance Partnerships.....	\$63.9
Byrd Honors Scholarships.....	42.0
Exchanges with Historic Whaling and Trading Partners .....	8.8
Loan Repayment for Civil Legal Assistance Attorneys .....	5.0
Underground Railroad Program .....	1.9
B.J. Stupak Olympic Scholarships.....	1.0
 Total .....	 \$122.6

<b>ESEA REAUTHORIZATION CONSOLIDATION CROSSWALK</b>		
<b>New Authority</b>	<b>Consolidated Programs</b>	
Effective Teachers and Leaders	Ready to Teach Teacher Quality State Grants	
Teacher and Leader Innovation Fund	Advanced Credentialing Teacher Incentive Fund	
Teacher and Leader Pathways	School Leadership Teach for America Teacher Quality Partnership Teachers for a Competitive Tomorrow Transition to Teaching	
Effective Teaching and Learning for a Complete Education	Effective Teaching and Learning: Literacy	Even Start Literacy through School Libraries National Writing Project Reading is Fundamental Ready-to-Learn Television Striving Readers
	Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics	Mathematics and Science Partnerships
	Effective Teaching and Learning for a Well-Rounded Education	Teaching American History Academies for American History and Civics Civic Education Close-Up Fellowships Excellence in Economic Education Foreign Language Assistance Arts in Education
	National Activities	Educational Technology State Grants  <i>(note: incorporating the use of technology is integrated into many ESEA programs)</i>

College Pathways and Accelerated Learning	Advanced Placement High School Graduation Initiative Javits Gifted and Talented Education
Successful, Safe, and Healthy Students	Alcohol Abuse Reduction Elementary and Secondary School Counseling Foundations for Learning Mental Health Integration in Schools Physical Education Safe and Drug-Free Schools and Communities National Activities
Expanding Educational Options	Charter Schools Grants Credit Enhancement for Charter School Facilities Parental Information and Resource Centers Smaller Learning Communities Voluntary Public School Choice

**Programs Proposed for Consolidation or Elimination in Fiscal Year 2011**

(Dollars reflect 2010 BA in millions)

Academies for American History and Civics ..... \$1.9

This program, which makes 3 or 4 awards annually to support workshops for teachers and students in the areas of history and civics, is too small to have an impact on history and civics achievement nationally. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

Advanced Credentialing ..... \$10.6

This program, which supports the development and implementation of advanced credentials based on the content expertise of master teachers, would be consolidated into the proposed Teacher and Leader Innovation Fund.

Advanced Placement ..... \$45.8

Supports State and local efforts to increase access to Advanced Placement and International Baccalaureate classes and tests for low-income students. Such activities would be supported under the proposed College Pathways and Accelerated Learning authority.

Alcohol Abuse Reduction ..... \$32.7

This program supports projects to reduce alcohol abuse in secondary schools, an activity that could be funded under the proposed Successful, Safe, and Healthy Students program.

Arts in Education ..... \$40.0

Supports noncompetitive awards to VSA Arts, a national organization that sponsors programs to encourage the involvement of, and foster greater awareness of the need for, arts programs for persons with disabilities, and to the John F. Kennedy Center for the Performing Arts for its arts education programs for children and youth, as well as competitive grants for the development of model arts education programs and for professional development for arts educators. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

**Program Consolidations and Eliminations, continued** (2010 BA in millions)

B.J. Stupak Olympic Scholarships..... \$1.0

This program, which provides financial assistance to Olympic athletes who are pursuing a postsecondary degree, duplicates other programs that provide assistance to students to increase access to college. Athletes can receive grant, work-study, and loan assistance through the Department’s postsecondary student aid programs.

Byrd Honors Scholarships..... \$42.0

This program, which supports merit-based scholarships to high school students through formula grants to States, duplicates other programs that provide assistance to students to increase college access. Students can receive grant, work-study, and loan assistance through the Department’s postsecondary student aid programs.

Charter Schools Grants..... \$256.0

This program makes competitive grants to State educational agencies and charter schools to support the planning, design, initial implementation, and dissemination of information regarding charter schools. A portion of the funding supports State efforts to assist charter schools in obtaining facilities. The proposed Expanding Educational Options authority would continue and expand support for charter and other innovative, autonomous public schools.

Civic Education ..... \$35.0

Provides a non-competitive award to the Center for Civic Education to conduct We the People, a program to improve the quality of civics and government education, as well as non-competitive and competitive awards for the Cooperative Education Exchange, a program to improve civic and economic education through exchange programs. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

Close Up Fellowships..... \$1.9

Provides a non-competitive award to the Close Up Foundation to support fellowships to low-income students and teachers participating in Close Up visits to Washington, DC and other activities. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

Credit Enhancement for Charter School Facilities ..... \$8.3

This program, currently funded through a set-aside of Charter School Grants funding, provides assistance to help charter schools meet their facility needs. The new Expanding Educational Options authority would continue to make available such assistance.

Demonstration and Training programs.....\$11.6

This program, which supports competitive grants or contracts to expand and improve the provision of rehabilitation and other services authorized under the Rehabilitation Act, would be replaced with a new National Activities to Improve Rehabilitation Services program that would support projects designed to improve program performance and the delivery of vocational rehabilitation services, including technical assistance. In addition, the training activities under this program would be consolidated with the Training program.

Educational Technology State Grants ..... \$100.0

This program supports State, district, and school efforts to integrate technology into curricula in order to improve teaching and learning, and is proposed for consolidation under the Effective Teaching and Learning for a Complete Education program. Under the new program’s national activities authority, States would be eligible for formula funds to help strengthen the use of technology in the core academic subjects, including through the development and implementation of technology-enabled curriculum, assessments, professional development, and supporting tools and resources.

**Program Consolidations and Eliminations, continued** (2010 BA in millions)

Elementary and Secondary School Counseling..... \$55.0

This program makes competitive grants to assist local educational agencies in developing or expanding elementary and secondary school counseling programs. These activities could be supported under the proposed Successful, Safe, and Healthy Students program.

Evaluation ..... \$1.2

These funds are used to evaluate the impact and effectiveness of programs authorized by the Rehabilitation Act. Under the request, short-term descriptive studies and program performance activities currently conducted under the Evaluation program would be conducted under the new National Activities to Improve Rehabilitation Services program and the National Institute for Disability and Rehabilitation Research (NIDRR) would assume responsibility for conducting rigorous program evaluations and multi-year studies of programs authorized under the Rehabilitation Act. The Rehabilitation Services Administration would continue to play a major role in identifying evaluation and research needs related to the programs it administers and would work collaboratively with NIDRR in the development of evaluation proposals.

Even Start ..... \$66.5

This program, which supports projects to improve educational opportunities for children and their parents in low-income areas by integrating early childhood education, adult education, and parenting education into “family literacy” programs, would be consolidated into the proposed Effective Teaching and Learning: Literacy authority, in part due to evaluation findings that children and adults participating in Even Start generally make no greater literacy gains than non-participants.

Excellence in Economic Education..... \$1.4

This program makes a competitive award to a national nonprofit education organization to promote economic and financial literacy among students in kindergarten through grade 12. The proposed Effective Teaching and Learning for a Well-Rounded Education authority would support similar activities.

Exchanges with Historic Whaling and Trading Partners ..... \$8.8

This program supports culturally based educational activities, internships, apprenticeship programs and exchanges for Alaska Natives, Native Hawaiians, children and families of Massachusetts, and any federally recognized Indian tribe in Mississippi. All of the funding provided for the program is for statutory earmarks, and the Administration opposes the funding of earmarks because they support activities that have not gone through the rigor of a competitive process and have negligible accountability for results. Other Federal and non-Federal sources are available to support the activities carried out under this program.

Federal Family Education Loans (mandatory) ..... \$4,274.4

Under the Federal Family Education Loan (FFEL) program, the Department pays entitlement subsidies to lenders to make loans to students, a more costly alternative to Direct Loans, under which the Department borrows from the Treasury to make loans directly to students. The FFEL program needlessly costs taxpayers billions of dollars and subjects students to uncertainty because of turmoil in the financial markets. The budget proposal would take advantage of low-cost and stable sources of capital so students are ensured access to loans, while providing high-quality services for students by using competitive, private providers to service loans. FFEL lenders would continue to receive subsidies on outstanding loans from prior academic years under the regular FFEL program and the emergency programs established by the Ensuring Continued Access to Student Loans Act of 2008.

Foreign Language Assistance ..... \$26.9

Supports competitive grants to local educational agencies (LEAs), State educational agencies, and LEAs in partnership with institutions of higher education to establish or expand foreign language study in elementary and secondary schools. Similar activities would be supported through the new Effective Teaching and Learning for a Well-Rounded Education authority.

**Program Consolidations and Eliminations, continued** (2010 BA in millions)

Foundations for Learning ..... \$1.0

This program makes competitive grants to local educational agencies, local councils, community-based organizations, and other public or nonprofit entities to enhance young children's development and school readiness. Similar activities could be supported under the proposed Successful, Safe, and Healthy Students program.

High School Graduation Initiative ..... \$50.0

Provides assistance to help schools implement comprehensive efforts to increase high school graduation rates. Such activities would be supported under the proposed College Pathways and Accelerated Learning authority, as well as by other reauthorized programs such as Title I College- and Career-Ready Students and School Turnaround Grants.

Improving Teacher Quality State Grants ..... \$2,947.7

This program, which provides funds to States and LEAs to develop and support a high-quality teaching force through activities that are grounded in scientifically based research, would be replaced by the proposed Effective Teachers and Leaders program, which would emphasize the identification of effective teachers and leaders and improving the distribution of such teachers and leaders across high- and low-poverty schools.

Independent Living Centers ..... \$80.3

The Centers for Independent Living program provides competitive grants for consumer-controlled, community-based, cross-disability, nonresidential, private nonprofit agencies that are designed and operated within a local community by individuals with disabilities and provide an array of independent living services. This program would be consolidated into a single new formula grants program, Grants for Independent Living, which would support State-level activities and subgrants to independent living centers. This consolidation would reduce program duplication, give States more control over their independent living programs, and increase accountability for implementing effective service systems and improving services in areas with unmet needs.

Independent Living State Grants ..... \$23.5

This program makes formula grants to States that are used to provide independent living services and support independent living centers and state planning efforts. This program would be consolidated into a single new formula grant program, Grants for Independent Living, which would support State-level activities and subgrants to independent living centers. The consolidation would reduce program duplication, give States more control over their independent living programs, and increase accountability for implementing effective service systems and improving services in areas with unmet needs.

Javits Gifted and Talented Education ..... \$7.5

Supports research, demonstration projects, and other activities designed to help elementary and secondary schools meet the needs of gifted and talented students. Such activities would be supported under the proposed College Pathways and Accelerated Learning authority.

Leveraging Educational Assistance Partnerships ..... \$63.9

This program has accomplished its objective of stimulating all States to establish need-based postsecondary student grant programs, and Federal incentives for such aid are no longer required. State grant levels have expanded greatly over the years, and most States significantly exceed the statutory matching requirements. State matching funds in academic year 2007-2008, for example, totaled nearly \$1 billion or more than \$950 million over the level generated by a dollar-for-dollar match.

**Program Consolidations and Eliminations, continued** (2010 BA in millions)

Literacy Through School Libraries..... \$19.1

Helps school districts improve literacy skills by providing students with increased access to up-to-date school library materials and professionally certified school library media specialists. The proposed Effective Teaching and Learning: Literacy authority would make funding available to support such activities.

Loan Repayment for Civil Legal Assistance Attorneys ..... \$5.0

This program, first funded in 2010, provides up to \$40,000 in loan forgiveness to individuals who enter and continue employment as civil legal assistance attorneys. This new program is unnecessary since civil legal service attorneys already qualify for loan forgiveness benefits under the Public Service Loan Forgiveness provisions of the William D. Ford Direct Student Loan program. In addition, the Department has found loan forgiveness programs funded through discretionary funds to be inequitable, given the likelihood that available funding will not be sufficient to fund awards to all eligible recipients.

Mathematics and Science Partnerships ..... \$180.5

This program, which supports State and local efforts to improve students' academic achievement in mathematics and science by promoting strong teaching skills for elementary and secondary school teachers, would be replaced by the proposed Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics program. The new program would support professional development for STEM teachers, implementation of high-quality curriculum, assessments, and instructional materials, and creation or improvement of systems for linking student data on assessments with instructional supports such as lesson plans and intervention strategies

Mental Health Integration in Schools..... \$5.9

This program makes competitive grants to State educational agencies, local educational agencies, and Indian tribes to increase student access to mental health services by supporting programs that link school systems with the local mental health system. The proposed Successful, Safe, and Healthy Students program would continue to support such activities to improve the mental health of students.

Migrant and Seasonal Farm Workers..... \$2.2

This program makes comprehensive vocational rehabilitation (VR) services available to migrant and seasonal farm workers with disabilities, with the goal of increasing employment opportunities for them. To eliminate duplication and administrative inefficiencies, this program would be consolidated with the VR State Grants program. Consolidation would allow a stronger Federal focus on increasing the employment opportunities for all eligible individuals, including migrant and seasonal farm workers with disabilities.

National Writing Project..... \$25.6

This program makes a non-competitive award to the non-profit National Writing Project organization to support the effective teaching of writing in grades K-16. The National Writing Project would be able to compete for continued funding under the proposed Effective Teaching and Learning: Literacy authority.

Parental Information and Resource Centers ..... \$39.3

This program makes competitive awards to provide training, information, and support to State educational agencies, local educational agencies, and other organizations in carrying out parent education and family involvement activities. The proposed Expanding Educational Options program would continue to support such activities.

**Program Consolidations and Eliminations, continued** (2010 BA in millions)

Physical Education Program ..... \$79.0

This program makes grants to local educational agencies and community-based organizations to pay for initiating, expanding, and improving physical education programs for students in kindergarten through 12th grade, activities that would continue to be supported under the proposed Successful, Safe, and Healthy Students program.

Program Improvement ..... \$0.9

Program funds are used to support projects designed to increase the Department's capacity for providing technical assistance to State VR agencies and other grantees. Technical assistance and program improvement activities currently supported under this program would be conducted under a new consolidated National Activities to Improve Rehabilitation Services program.

Projects With Industry ..... \$19.2

Creates and expands job and career opportunities for individuals with disabilities in the competitive labor market by engaging the participation of business and industry in the rehabilitation process. Grantees provide job development, job placement, and career development services, and, to the extent appropriate, training services to assist individuals with disabilities to obtain or advance in employment in the competitive labor market. This program would be consolidated with the Vocational Rehabilitation State Grants program, which already provides similar services to the same target population as Projects With Industry.

Reading is Fundamental/Inexpensive Book Distribution ..... \$24.8

This program makes a noncompetitive award to the Reading is Fundamental (RIF) organization to support local nonprofit groups and volunteer organizations that serve low-income children through book distribution and reading motivation activities. RIF would be able to compete for continued funding under the proposed Effective Teaching and Learning: Literacy authority.

Ready-to-Learn Television ..... \$27.3

This program makes competitive awards to support the development and distribution of educational television and video programming and related outreach materials for preschool and elementary school children and their parents that are designed to improve school readiness and academic achievement. Competitive funding for such activities would be available under the new Effective Teaching and Learning: Literacy authority.

Ready to Teach ..... \$10.7

This program makes competitive awards to nonprofit telecommunications entities for programs to improve teaching in core curriculum areas, and to develop, produce, and distribute educational and instructional video programming. Similar activities would be supported by the new Effective Teachers and Leaders authority.

Safe and Drug-Free Schools and Communities National Activities ..... \$191.3

Supports competitive grants and other discretionary activities to foster a safe, secure, and drug-free learning environment, facilitate emergency management and preparedness, and prevent drug use and violence by students at all educational levels. The proposed Successful, Safe, and Healthy Students program would continue to make available funding for such activities.

School Leadership ..... \$29.2

This program supports competitive grants to assist high-need local educational agencies (LEAs) in recruiting, preparing, and retaining principals and assistant principals. The proposed Teacher and Leader Pathways program would support similar activities.

**Program Consolidations and Eliminations, continued** (2010 BA in millions)

Smaller Learning Communities ..... \$88.0

This program makes competitive grants to local educational agencies to create smaller, more personalized learning environments in large schools. The new Expanding Educational Options authority would make available competitive funding for such activities.

Striving Readers ..... \$250.0

This program, which was expanded in the 2010 appropriations act, supports efforts to improve the literacy skills, including pre-literacy skills, reading, and writing, of students from birth through grade 12. Similar activities would be a key focus of the new Effective Teaching and Learning: Literacy authority.

Supported Employment State grants..... \$29.2

This formula grant program provides supplemental funds to State VR agencies for providing supported employment services for individuals with the most significant disabilities participating in the VR State Grants program. This program would be consolidated with the VR State Grants program, as it has accomplished its goal and State VR agencies recognize supported employment as an integral part of the VR State Grants program and a viable employment option for individuals with the most significant disabilities.

Teach for America..... \$18.0

This program makes a non-competitive award to Teach for America, Inc., which recruits, selects, trains, and supports recent college graduates who commit to serve as teachers in high-need schools and LEAs for at least 2 years. TFA would be able to compete for continued funding under the proposed Teacher and Leader Pathways authority.

Teacher Incentive Fund ..... \$400.0

This program makes competitive awards to improve student achievement by increasing teacher and principal effectiveness; reform teacher and principal compensation systems so that teachers and principals are rewarded for gains in student achievement; increase the number of effective teachers teaching low-income, minority, and disadvantaged students in hard-to-staff subjects; and create sustainable performance-based compensation systems. These activities would continue to be supported through the proposed Teacher and Leader Innovation Fund.

Teachers for a Competitive Tomorrow ..... \$2.2

This small program includes two activities that could be supported under the proposed Teacher and Leader Pathways program. The Baccalaureate STEM and foreign language teacher training component provides competitive grants for programs that provide courses of study in STEM and critical foreign languages that are integrated with teacher education and lead to a baccalaureate degree in the primary subject matter with a concurrent teacher certification. The Master's STEM and foreign language teacher training component provides competitive grants for 2- or 3- year part-time master's degree programs in STEM or critical foreign languages that lead to a 1-year master's degree in teaching that results in teacher certification.

Teacher Quality Partnership..... \$43.0

This program, which supports the development and implementation of model teacher preparation and teaching residency programs to improve the quality of teaching in high-need schools and early childhood education programs, would be consolidated into the proposed Teacher and Leader Pathways authority.

Teaching American History ..... \$119.0

This program supports competitive grants to local educational agencies to promote the teaching of traditional American history in elementary and secondary schools as a separate academic subject. Similar activities would be supported through the new Effective Teaching and Learning for a Well-Rounded Education authority.

**Program Consolidations and Eliminations, continued** (2010 BA in millions)

Tech Prep Education State Grants..... \$102.9

This program provides support for developing structural links between secondary and postsecondary institutions that integrate academic and career and technical education. No separate authority is needed for such activities, which may be funded through the Career and Technical Education (CTE) State Grants program within the larger context of career and technical education programs within the State, and the 2011 request consolidates Tech Prep funding into the CTE State Grants program.

Transition to Teaching..... \$43.7

This program supports competitive grants to develop and implement comprehensive approaches to training, placing, and supporting teacher candidates through alternative routes to teacher certification or licensure. The proposed Teacher and Leader Pathways authority would make available significantly greater resources for such activities.

Underground Railroad Program ..... \$1.9

This program supports competitive grants to non-profit organizations to house, display, interpret, and provide information to schools, institutions of higher education, and the public regarding artifacts and other materials relating to the history of the Underground Railroad. This was not intended to be a permanent Federal responsibility. Federal funds previously provided have enabled a number of grantees to make progress in securing private support to create endowments. Funding may also be available under competitions conducted by the Institute of Museum and Library Services.

Voluntary Public School Choice ..... \$25.8

This program makes competitive grants to State and local educational agencies to implement programs that provide students, particularly students who attend low-performing schools, with expanded public school choice options. Such activities would continue to be supported under the proposed Expanding Educational Options program.

## V. DEPARTMENTAL MANAGEMENT

### History and Background

Congress established the Department of Education as a Cabinet level agency in 1980. Today, the Department operates programs that touch on every area and level of education. The Department's elementary and secondary programs annually serve nearly 14,000 school districts and some 57 million students attending more than 98,000 public schools and 29,000 private schools. Department programs also provide grant, loan, and work-study assistance to more than 14 million postsecondary students.

In general, the Department of Education is responsible for administering education programs authorized by Congress and signed into law by the President. This responsibility involves developing regulations and policy guidance that determine exactly how programs are operated, determining how program funds are awarded to recipients, ensuring that programs are operated fairly and in conformance with both authorizing statutes and laws prohibiting discrimination in federally funded activities, collecting data and conducting research on education, and helping to focus attention on education issues of national importance.

Most Federal funds for education are distributed using one of three methods: a statutory formula based on certain eligibility requirements, such as the number of low-income students in a school district; a competitive process aimed at identifying the most promising proposals or projects targeting a particular educational purpose; or an assessment of financial need, such as the ability of a student or family to pay for college.

Key programs administered by the Department include Title I, Part A College- and Career-Ready Students, which under the President's 2011 request would deliver \$14.5 billion to help 20 million students in high poverty schools make progress toward State college- and career-ready standards; Individuals with Disabilities Education Act Part B Grants to States, which would provide almost \$12 billion to help States and school districts meet the special educational needs of students of all ages with disabilities; Federal Pell Grants, which would make available nearly \$35 billion in grant assistance to poor students enrolled in postsecondary institutions; and the postsecondary student loan programs, which would help provide roughly \$120 billion a year in new low-interest loans to help students and families pay for college.

While the Department's programs and responsibilities have grown substantially over the years, the agency itself has not. In fact, with a planned fiscal year 2011 level of 4,603 full-time equivalent employees, the Department's staff is 39 percent below the 7,528 employees who administered Federal education programs in several different agencies prior to the creation of the Department in 1980.

The 2011 request for administration, described in detail below, would help the Department continue this record of effective and efficient management of Federal education programs. Under the request, the amount spent by the Department on Federal administration would be only 2 percent of its total discretionary appropriations and less than 1 percent of the grants and loans administered annually by the Department.

Departmental Management  
(BA in millions)

	<u>2009</u>	<u>2010</u>	<u>2011 Request</u>
Program Administration.....	\$433.5 <sup>1</sup>	\$456.2 <sup>1</sup>	\$492.5 <sup>1</sup>
Office for Civil Rights.....	96.8	103.0	105.7
Office of the Inspector General .....	54.5	60.1	65.2
Student Aid Administration .....	753.4	870.4	1,170.2
Other.....	<u>16.2<sup>2</sup></u>	<u>10.1<sup>2</sup></u>	<u>10.1<sup>2</sup></u>
Recovery Act (non-add) .....	(91.0)	(0)	(0)
Total.....	1,354.4	1,499.8	1,843.7

Full-time equivalent employment (FTE)

Program Administration.....	2,048	2,078	2,194
Office for Civil Rights.....	582	609	614
Office of the Inspector General .....	272	298	318
Student Aid Administration .....	1,058	1,194	1,457
Other.....	<u>29<sup>2</sup></u>	<u>20<sup>2</sup></u>	<u>20<sup>2</sup></u>
Recovery Act (non-add) .....	(29)	(69)	(25)
Total.....	3,989 <sup>3</sup>	4,199 <sup>3</sup>	4,603 <sup>3</sup>

<sup>1</sup> Includes \$5.4 million in 2009, \$8.2 million in 2010, and \$19.3 million in 2011 for Building Modernization.

<sup>2</sup> Includes small Federal Credit Administration accounts and S&E activities in program accounts.

<sup>3</sup> Actual FTE usage in 2009; target for 2010 and 2011.

### Salaries and Expenses Overview

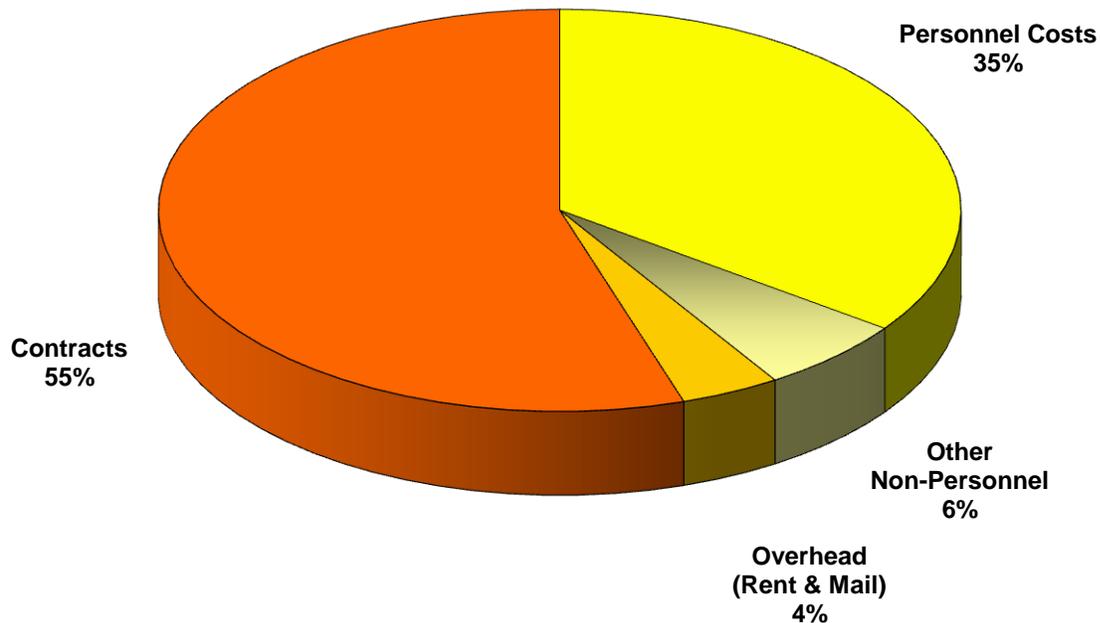
The 2011 budget request for Salaries and Expenses (S&E) will pay the costs of staff, overhead, contracts, and other activities needed to administer and monitor the Department's educational assistance programs. The Department of Education has the smallest staff of the 15 Cabinet agencies, but its program budget and administrative workload have grown in recent years. Its discretionary budget alone is the third largest, behind only the Department of Defense and the Department of Health and Human Services, yet the Department of Education's staff dropped to an all-time low of 3,989 FTE in fiscal year 2009. While the budget proposes to consolidate 38 ESEA authorities into 11 new programs, the workload in the near future will increase if the proposed consolidations are, as planned, run as competitive grant programs and the old programs are phased out over time. There also is a need for better monitoring and technical assistance related to existing programs. In addition, the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) has greatly expanded the postsecondary student loan portfolio that the Department must service, even before the planned switch to Direct Loans in July 2010.

The Department is requesting \$1.8 billion for its discretionary S&E budget in 2011, an increase of \$344 million over the 2010 level. This includes \$637 million for payroll costs, which would

rise an estimated \$73 million to pay for an additional 404 FTE, the proposed 1.4 percent Government-wide pay raise in 2011, and employee benefit increases.

The non-personnel costs for the administrative accounts cover such items as travel, rent, mail, telephones, utilities, printing, information technology (IT), contractual services, equipment, supplies, and other Departmental services. The total request for non-personnel activities in 2011 is \$1.2 billion.

### FY 2011 Salaries and Expenses Costs by Category



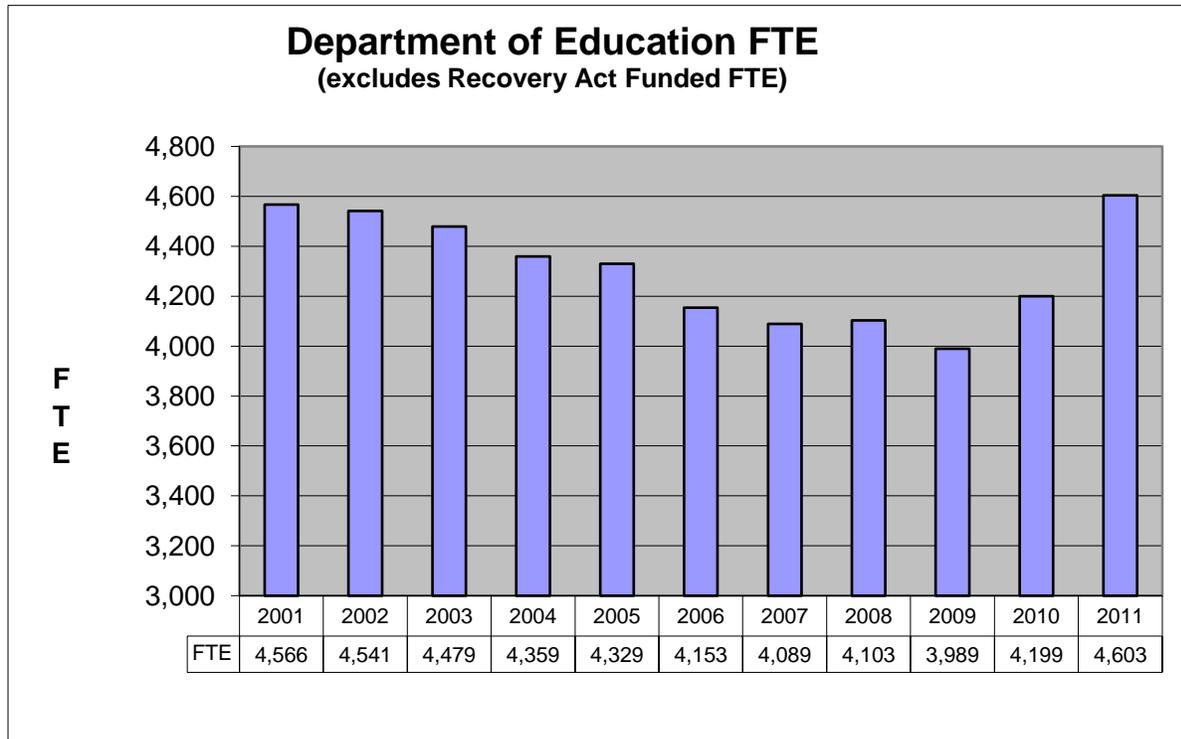
The additional funds requested for 2010 are targeted to a few key areas, as follows:

1. +\$198.8 million for Federal Student Aid origination, disbursement, and servicing contracts. The increase is mostly attributable to higher origination and servicing costs, including funds necessary to ensure capacity to originate and service all new loans in the direct lending program.
2. +\$54.4 million for Additional FTE. Additional staff are needed to ensure successful management of Department programs and priorities, as well as effective implementation of newly authorized programs. Of the additional 404 FTE requested, 263 FTE will administer student aid programs, 50 FTE will provide technical assistance to States on the Race to the Top initiatives, 36 FTE will continue their work implementing American Recovery and Reinvestment Act programs, and 55 FTE will work on high priority programs of the Department.
3. +\$11.1 million for Building Modernization. Funds would pay for the renovation of buildings occupied by Department staff, including the Mary E. Switzer headquarters building; consolidation of space in both Washington D.C. and regional headquarters; and related staff relocation costs.

4. +\$9 million for pay raises. Additional funds are needed to pay both the enacted Government-wide 2 percent raise for 2010 and the 1.4 percent increase proposed for 2011.

Note that the increases for pay raises are “fixed” increases that will be incurred in 2010. Unless the increase is provided in the 2011 appropriation, the Department will have to reduce support for other activities or cut staff to ensure that resources are available to pay these fixed costs. Student aid contracts and additional staff are essential to ensuring that the Department’s most important ongoing operations are not jeopardized. Building Modernization funds will provide long-term savings.

Even with the increase requested for 2011, the discretionary administrative budget would be just 2 percent of the Department’s total discretionary appropriation and less than 1 percent of all grants and loans made by the Department last year.



### Department Employment

The 2011 request includes funding for 4,603 FTE, a net increase of 404 FTE from the 2010 level of 4,199 FTE.

A total of 263 additional FTE are requested for the Federal Student Aid office, mainly to manage significant increased workload in the Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) and Direct Loans programs, as servicing volume managed by the Department has nearly doubled in the past year and is expected to increase significantly in the next few years as well. Also, additional staff are needed to increase the number of program reviews, to perform

risk and internal review activities, validate that corrective actions identified in GAO and OIG reports are complete or in-process, monitor performance measures in annual and strategic plans in order to improve overall organization performance, and procure and manage the increasing contract workload.

The Department is requesting 50 FTE to support innovative programs and approaches such as Race to the Top and Investing in Innovation. These FTE will support a new approach to grants management, transitioning the Department from an organization focused on compliance monitoring to an organization adept at both supporting States in achieving their educational goals and holding States accountable for meeting educational goals, financial requirements, and legal obligations. Most of the FTE will serve on State teams to provide dedicated technical assistance based on in-depth knowledge of each State's capacity, assets, and deficits, using all tools available to provide support and incentives for change. Eventually, the role of these State teams may be expanded to include other Department programs.

Of the total FTE increase, 36 FTE will be administering programs in the following American Recovery and Reinvestment Act (ARRA) accounts: State Fiscal Stabilization Fund, Innovation and Improvement, and Impact Aid. In 2009 and 2010, ARRA funds were used for the payroll costs of these FTE and for related administrative expenses related to ARRA implementation. The authority to use ARRA funds at the Federal level ends in 2010, but key activities such as grant monitoring and technical assistance must continue into 2011.

Six additional FTE are requested in the Office of Elementary and Secondary Education to work in the Student Achievement and School Accountability area to develop regulations and guidance, work on accountability issues, and administer Title II and Title III formula grants (3 FTE); and perform grant management activities for the Effective Teaching and Learning for a Complete Education program (3 FTE).

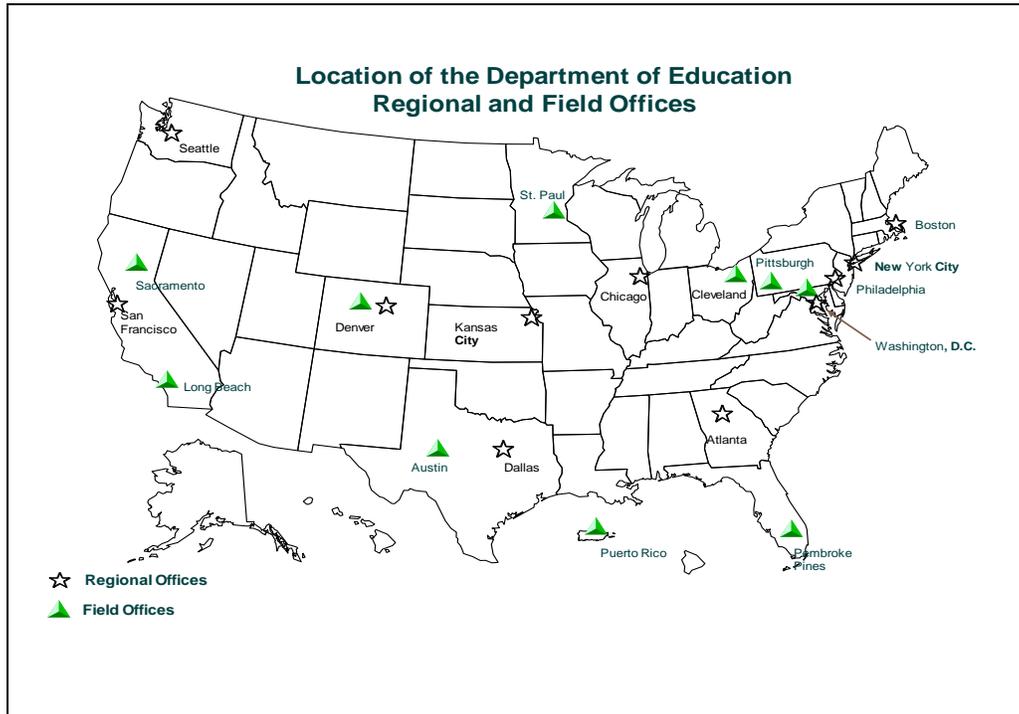
An increase of 20 FTE is requested in the Office of Inspector General to conduct audits and investigations related to high priority areas of the Department, including Student Financial Assistance programs and operations, information technology security and management, new Department programs, programs nearing reauthorization, and grantee and contract awards.

As part of an OMB Government-wide initiative, the Department is requesting 20 FTE in the Office of the Chief Financial Officer to supplement its acquisition workforce activities in order to achieve contract savings and improve acquisition management. The increase in staff will be split between price analysts and contract specialists. The additional price analysts will help ensure the Department is getting the best possible prices when purchasing goods and services. The additional contract specialists will reduce acquisition costs by improving acquisition cycle times and negotiating better deals.

Five additional FTE are requested in the Office for Civil Rights in order to support civil rights outreach and technical assistance activities, which should reduce complaint volume.

A total of 4 additional FTE are requested in 2011 in the Institute for Education Sciences for the National Center for Education Research to conduct new and expanding research programs including the Reading for Understanding Research initiative and research on chronically low-performing schools (2 FTE) and for the National Center for Special Education Research to expand special education research efforts (2 FTE).

As shown in the following chart, staff is divided among the Washington, D.C. headquarters, 10 regional offices, and 10 field offices. Most regional and field office staff are in Federal Student Aid (FSA), the Office of the Inspector General (OIG), and the Office for Civil Rights (OCR). The FSA regional office staff conduct reviews of lenders, institutions, and guaranty agencies participating in the student financial aid programs, and perform debt collection activities on defaulted student loans. OIG staff conduct audits and investigations of Department programs and operations. OCR investigates civil rights complaints and conducts civil rights compliance reviews.



### Program Administration

The Program Administration account provides administrative support for most programs and offices in the Department. The 2011 request totals \$492.5 million, an increase of \$36.3 million from the 2010 level. The request includes \$308.8 million for personnel compensation and benefits to support 2,194 FTE, an increase of \$22.8 million and 116 FTE from the 2010 level.

Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology, contractual services, equipment, supplies, and other services. The total request for non-personnel activities in 2011 is \$183.7 million, an increase of \$13.5 million from 2010. The increase is primarily for rental payments, increased spending for physical security for buildings and IT security, and the Building Modernization activity, which will help complete the renovation of the Mary E. Switzer building in Washington, D.C. and consolidate Department staff in that building.

### Student Aid Administration

The Student Aid Administration account provides funds to administer the Federal student financial assistance programs authorized under Title IV of the Higher Education Act (HEA) of 1965, as amended. The Title IV programs, which provide funds to help students and families pay for the cost of education beyond high school, collectively represent the Nation's largest

source of financial aid for postsecondary students. In 2011, there will be a focus on administering loan programs authorized by the Ensuring Continued Access to Student Loans Act of 2008, and on ensuring adequate capacity to originate and service all new loans via the William D. Ford Federal Direct Loan Program.

In fiscal year 2009, Federal Student Aid delivered or supported the delivery of approximately \$113 billion in grant, work-study, and loan assistance to almost 13 million postsecondary students and their families. These students attended approximately 6,200 active institutions of postsecondary education accredited by dozens of agencies. Students received loans from approximately 2,900 lenders with 35 agencies guaranteeing those loans through the 2009-10 school year.

Ensuring the smooth operation of the complex array of financial transactions and participants involved in the student financial aid programs—and safeguarding the interests of both students and Federal taxpayers—is one of the Department's greatest management challenges and one of its highest administrative priorities. Primary responsibility for administering the Federal student financial assistance programs rests with Federal Student Aid (FSA) and the Office of Postsecondary Education (OPE).

The Student Aid Administration account represents 63 percent of the Department's total administrative budget. The request would provide \$1.2 billion to administer student aid programs in 2011, an increase of \$300 million from the 2010 level. The increase is mostly attributable to the servicing of ECASLA loans and to higher origination and servicing costs necessary to handle anticipated increases in loan volume.

Of the total request, \$200 million is for staff pay and benefits for 1,457 FTE and \$971 million for non-personnel items, primarily for contracts for the processing of student aid grant and loan applications; payments to students, schools, guaranty agencies, and lenders; and to collect defaulted loans.

### **Office for Civil Rights**

The Department's Office for Civil Rights (OCR) investigates discrimination complaints, conducts compliance reviews, monitors corrective action plans, and provides technical assistance on civil rights issues. The 2011 request for OCR is \$105.7 million, an increase of \$2.7 million over the 2010 level. About \$79 million of the OCR budget is for staff pay and benefits for its 614 FTE; the remaining \$27 million covers overhead costs as well as computer equipment, data analysis and reporting activities, travel, staff training, and other contractual services.

The requested funds will ensure essential program support to resolve complaints of discrimination filed by the public and to ensure that institutions receiving Federal financial assistance are in compliance with the civil rights laws enforced by OCR. The request also will provide resources for technical assistance to recipients, parents, and students to informally address civil rights concerns and to prevent problems from arising in the future. OCR provides extensive information on its Internet site, including self-assessment materials for recipients, data on school characteristics, brochures, and other information for the public.

## **Office of the Inspector General**

The Office of the Inspector General (OIG) conducts audits and investigations of the Department's programs and activities to help ensure accountability for taxpayer-provided funds and to identify management improvements. The 2011 request for the OIG is \$65.2 million, an increase of \$5.2 million over the 2010 level. Approximately 70 percent of this amount, or \$46 million, is for personnel compensation and benefits to support a staffing level of 318 FTE.

The non-personnel request of \$19.2 million includes \$1.9 million to contract for the mandated annual audit of the Department's financial statements. The scope of the audit will include the examination and analysis of account balances, review of applicable financial systems, and evaluation of internal controls and compliance with significant laws and regulations.

## APPENDICES

### Tables:

- Summary of Discretionary Funds, Fiscal Years 2009-2011
- Advance Appropriations for Department of Education
- Total Expenditures for Elementary and Secondary Education in the United States
- Detailed Budget Table by Program

**DEPARTMENT OF EDUCATION**  
**Summary of Discretionary Funds, FY 2011 Request**  
 (in thousands of dollars)

Program	Fiscal Year 2009	Recovery Act	Fiscal Year 2010	FY 2011 Request	Change from FY 2010 - FY 2011	
					Amount	Percent
<b>Elementary/Secondary Education (K-12)</b>						
<u>Elementary and Secondary Education Act</u>						
Race to the Top	0	4,350,000	0	1,350,000	1,350,000	---
Investing in innovation	0	650,000	0	500,000	500,000	---
College- and career-ready students	14,492,401	10,000,000	14,492,401	14,492,401	-	0.0%
School Turnaround Grants	545,633	3,000,000	545,633	900,000	354,367	64.9%
Effective teaching and learning: literacy	0	0	0	450,000	450,000	---
Effective teaching and learning: science, technology, engineering, and mathematics	0	0	0	300,000	300,000	---
Effective teaching and learning for a well-rounded education	0	0	0	265,000	265,000	---
College pathways and accelerated learning	0	0	0	100,000	100,000	---
Assessing achievement	410,732	0	410,732	450,000	39,268	9.6%
Effective teachers and leaders State grants	0	0	0	2,500,000	2,500,000	---
Teacher and leader innovation fund	0	0	0	950,000	950,000	---
Teacher and leader pathways	0	0	0	405,000	405,000	---
Expanding educational options	0	0	0	490,000	490,000	---
Magnet schools assistance	104,829	0	100,000	110,000	10,000	10.0%
Promise neighborhoods	0	0	10,000	210,000	200,000	2000.0%
Successful, safe, and healthy students	0	0	0	410,000	410,000	---
21st century community learning centers	1,131,166	0	1,166,166	1,166,166	-	0.0%
English Learner Education	730,000	0	750,000	800,000	50,000	6.7%
Impact Aid	1,265,718	100,000	1,276,183	1,276,183	-	0.0%
Other ESEA	6,185,075	850,000	6,244,766	934,698	(5,310,068)	-85.0%
Subtotal, ESEA	24,865,554	18,950,000	24,995,881	28,059,448	3,063,567	12.3%
<u>Special Education (IDEA)</u>						
Grants to States (Part B)	11,505,211	11,300,000	11,505,211	11,755,211	250,000	2.2%
Other IDEA	1,074,466	900,000	1,081,824	1,090,979	9,155	0.8%
Subtotal, IDEA	12,579,677	12,200,000	12,587,035	12,846,190	259,155	2.1%
Subtotal, ESEA and IDEA	37,445,231	31,150,000	37,582,916	40,905,638	3,322,722	8.8%
Career and Technical Education State Grants	1,160,911	0	1,160,911	1,264,000	103,089	8.9%
State Fiscal Stabilization Fund	0	48,600,000	0	0	0	---
Other K-12	332,392	70,000	348,963	188,876	(160,087)	-45.9%
Subtotal, Elementary/Secondary Education	38,938,534	79,820,000	39,092,790	42,358,514	3,265,724	8.4%
<b>Postsecondary Education</b>						
Federal Pell Grants (discretionary only)	17,288,000	15,640,000	17,495,000	0	(17,495,000)	-100.0%
Other Student Financial Aid	1,868,973	200,000	1,802,041	1,738,197	(63,844)	-3.5%
Other Postsecondary Education	1,586,339	100,000	2,078,079	1,915,479	(162,600)	-7.8%
Subtotal, Postsecondary Education	20,743,312	15,940,000	21,375,120	3,653,676	(17,721,444)	-82.9%
<b>IES Programs</b>						
Research, Development and Dissemination	167,196	0	200,196	260,696	60,500	30.2%
Statistics	98,521	0	108,521	117,021	8,500	7.8%
National Assessment	138,844	0	138,844	143,844	5,000	3.6%
Statewide Data Systems	65,000	250,000	58,250	65,000	6,750	11.6%
Other Programs and Activities	2,494,459	754,000	2,742,835	3,101,539	358,704	13.1%
<b>TOTAL, ED Discretionary Funds</b>	62,645,866	96,764,000	63,716,556	49,700,290	(14,016,266)	-22.0%
<b>TOTAL, ED DISCRETIONARY FUND WITHOUT PELL</b>	45,357,866	81,124,000	46,221,556	49,700,290	3,478,734	7.5%
<b>Pell Grants (discretionary and mandatory)</b>	19,378,000	17,114,000	26,988,059	34,878,000	7,889,941	29.2%

Note: The Administration will request up to \$1 billion in additional funding if Congress successfully completes a fundamental overhaul of the Elementary and Secondary Education Act.

**ADVANCE APPROPRIATIONS FOR DEPARTMENT OF EDUCATION**  
(dollars in thousands)

<u>Account/Program</u>	<u>2009 Appropriation</u>	<u>2010 Appropriation</u>	<u>2011 Request</u>	<u>Change from FY 2011 Amount</u>	<u>Percent</u>
<b>Accelerating Achievement and Ensuring Equity<sup>1</sup></b>					
College- and career-ready students: <sup>2</sup>					
Basic grants	2,946,721	3,448,145	4,288,866	840,721	24.4%
Concentration grants	1,365,031	1,365,031	1,365,031	0	0.0%
Targeted grants	3,264,712	3,014,000	3,014,000	0	0.0%
Education finance incentive grants	3,264,712	3,014,000	3,014,000	0	0.0%
Total	10,841,176	10,841,176	11,681,897	840,721	7.8%
<b>Education Improvement Programs<sup>3</sup></b>					
Improving teacher quality State grants <sup>4</sup>	1,681,441	1,681,441	0	-1,681,441	-100.0%
<b>Special Education</b>					
IDEA Grants to States	8,592,383	8,592,383	9,433,103	840,720	9.8%
<b>Career, Technical, and Adult Education</b>					
Career and technical education State grants	791,000	791,000	791,000	0	0.0%
TOTAL, Advance appropriations	21,906,000	21,906,000	21,906,000	0	0.0%

<sup>1</sup> Formerly Education for the Disadvantaged.

<sup>2</sup> Formerly Title I Grants to Local Educational Agencies.

<sup>3</sup> Formerly School Improvement Programs.

<sup>4</sup> Moved to Innovation and Instructional Teams in FY 2011, but no advance appropriations are requested in that account.

Advance appropriations are appropriations that become available for use (i.e., are budget authority that can be spent) in the fiscal year following appropriation. For example, advance appropriations for the Department of Education in the FY 2010 appropriations act will become available October 1, 2010, the start of FY 2011. All advances in ED are appropriated for formula-allocated State grant programs. State grant programs generally allocate funds to States on July 1, but programs with advance appropriations provide some of their appropriation on July 1, and the remainder – the advance portion – on October 1, three months later. Both portions support programs in the same school year.

The FY 2011 President's budget requests the same total for ED advance appropriations as in the previous two years, but the amount is redistributed. As a result, advances would be in three accounts instead of four in the President's FY 2011 Budget Request.

"Appropriations" for ED in any year may differ from the "budget authority" for that year. The difference is largely due to the effect of advance appropriations, since an increase in advances will result in an equal change in budget authority in the subsequent year. Advance appropriations provided in 2008 for 2009 equalled \$17.0 billion. The 2009 advance provided for 2010 equalled \$21.9 billion, \$4.9 billion higher. This increase explains the \$4.9 billion difference between 2009 budget authority and 2009 appropriations.

**TOTAL EXPENDITURES FOR  
ELEMENTARY AND SECONDARY EDUCATION IN THE U.S.<sup>1</sup>**  
(dollars in billions)

<u>Source of Funds by Level</u>	<u>2008-2009<sup>2</sup></u>		<u>2009-2010<sup>2</sup></u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Dollars</u>	<u>Percent</u>
Federal <sup>3</sup> .....	\$51.0	7.8%	\$69.0	10.5%
State .....	298.0	45.3	287.0	43.3
Local .....	247.0	37.6	245.0	36.9
All Other.....	<u>61.0</u>	<u>9.3</u>	<u>62.0</u>	<u>9.4</u>
Total.....	658.0	100.0	664.0	100.0

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<sup>1</sup> Data revised from previously published figures.

<sup>2</sup> Projected.

<sup>3</sup> Includes expenditures of all Federal agencies.

NOTES: Data above may vary from data reported in other surveys of education funding. Differences can be accounted for primarily by differences among the reports in any of the following: measures of funding used, e.g., budget authority vs. expenditures; the definition of education used; agencies and institutions reporting the data; and basis of dollars reported, e.g., current vs. constant dollars. (Table prepared January 2010).

Because of rounding, detail does not add to totals.

DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

January 27, 2010

(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>OFFICE OF ELEMENTARY AND SECONDARY EDUCATION (OESE)</b>							
<b>Accelerating Achievement and Ensuring Equity</b>							
1. College- and career-ready students (ESEA I-A):							
(a) Basic grants (section 1124)							
Annual appropriation	D	3,651,225	3,149,801	2,309,080	(840,721)	-26.7%	
Advance for succeeding fiscal year	D	2,946,721	3,448,145	4,288,866	840,721	24.4%	
Subtotal		6,597,946	6,597,946	6,597,946	0	0.0%	
(b) Concentration grants (section 1124A)							
Annual appropriation	D	0	0	0	0	---	
Advance for succeeding fiscal year	D	1,365,031	1,365,031	1,365,031	0	0.0%	
Subtotal		1,365,031	1,365,031	1,365,031	0	0.0%	
(c) Targeted grants (section 1125)							
Annual appropriation	D	0	250,712	250,712	0	0.0%	
Advance for succeeding fiscal year	D	3,264,712	3,014,000	3,014,000	0	0.0%	
Subtotal		3,264,712	3,264,712	3,264,712	0	0.0%	
(d) Education finance incentive grants (section 1125A)							
Annual appropriation	D	0	250,712	250,712	0	0.0%	
Advance for succeeding fiscal year	D	3,264,712	3,014,000	3,014,000	0	0.0%	
Subtotal		3,264,712	3,264,712	3,264,712	0	0.0%	
Subtotal		14,492,401	14,492,401	14,492,401	0	0.0%	
Annual appropriation	D	3,651,225	3,651,225	2,810,504	(840,721)	-23.0%	
Advance for succeeding fiscal year	D	10,841,176	10,841,176	11,681,897	840,721	7.8%	
2. School turnaround grants (ESEA section 1003(g))							
	D	545,633	545,633	900,000	354,367	64.9%	
3. Evaluation (ESEA sections 1501 and 1503)							
	D	9,167	9,167	9,167	0	0.0%	
4. State agency programs:							
(a) Migrant student education (ESEA I-C)							
	D	394,771	394,771	394,771	0	0.0%	
(b) Neglected and delinquent children and youth education (ESEA I-D)							
	D	50,427	50,427	50,427	0	0.0%	
Subtotal		445,198	445,198	445,198	0	0.0%	

NOTES: Category Codes are as follows: D = discretionary program; M = mandatory program.

Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2011 or that are proposed for consolidation in 2011 require new authorizing legislation.

Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed. Account totals and programs shown within accounts for fiscal years 2009 and 2010 have been adjusted to be comparable to the fiscal year 2011 President's request.

DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>Accelerating Achievement and Ensuring Equity (continued)</b>							
5. Homeless children and youth education (MVHAA Title VII-B)	D	65,427	65,427	65,427	0	0.0%	
<b>Total, Appropriation</b>	D	15,557,826	15,557,826	15,912,193	354,367	2.3%	
Total, Budget authority	D	12,651,406	15,557,826	15,071,472	(486,354)	-3.1%	
Current <sup>1</sup>		4,716,650	4,716,650	4,230,296	(486,354)	-10.3%	
Prior year's advance		7,934,756	10,841,176	10,841,176	0	0.0%	
<b>Education for the Disadvantaged, Recovery Account</b>							
1. Grants to local educational agencies (ESEA I-A):							
(a) Targeted grants (section 1125)	D	5,000,000	0	0	0	---	
(b) Education finance incentive grants (section 1125A)	D	5,000,000	0	0	0	---	
Subtotal		10,000,000	0	0	0	---	
2. School improvement grants (ESEA section 1003(g))	D	3,000,000	0	0	0	---	
<b>Total</b>	D	13,000,000	0	0	0	---	
<b>Impact Aid</b>							
1. Payments for federally connected children:							
(a) Basic support payments (ESEA VIII, section 8003(b))	D	1,128,535	1,138,000	1,138,000	0	0.0%	
(b) Payments for children with disabilities (ESEA VIII, section 8003(d))	D	48,602	48,602	48,602	0	0.0%	
2. Facilities maintenance (ESEA VIII, section 8008)	D	4,864	4,864	4,864	0	0.0%	
3. Construction (ESEA VIII, section 8007)	D	17,509	17,509	17,509	0	0.0%	
4. Payments for Federal property (ESEA VIII, section 8002)	D	66,208	67,208	67,208	0	0.0%	
<b>Total</b>	D	1,265,718	1,276,183	1,276,183	0	0.0%	
<b>Impact Aid, Recovery Account (ESEA VIII)</b>							
1. Construction (section 8007)	D	100,000	0	0	0	---	
<sup>1</sup> Excludes advance appropriations of \$10,841,176 thousand in fiscal years 2009 and 2010, and \$11,681,897 thousand in fiscal year 2011 that become available on October 1 of the following fiscal year.							
NOTES: Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2011 or which are proposed for consolidation in 2011 require new authorizing legislation.							
Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed. Account totals and programs shown within accounts for fiscal years 2009 and 2010 have been adjusted to be comparable to the fiscal year 2011 President's request.							

DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

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(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
					Amount	Percent
<b>Education Improvement Programs</b>						
1. Effective teaching and learning for a complete education:						
(a) Effective teaching and learning: Literacy:						
(1) Effective teaching and learning: Literacy (proposed legislation)	D	0	0	450,000	450,000	---
(2) Early reading first (ESEA I-B-2)	D	112,549	0	0	0	---
(3) Striving readers (ESEA I-E, section 1502)	D	35,371	250,000	0	(250,000)	-100.0%
(4) Even start (ESEA I-B-3)	D	66,454	66,454	0	(66,454)	-100.0%
(5) Literacy through school libraries (ESEA I-B-4)	D	19,145	19,145	0	(19,145)	-100.0%
(6) National writing project (ESEA II-C-2)	D	24,291	25,646	0	(25,646)	-100.0%
(7) Reading is fundamental/Inexpensive book distribution (ESEA V-D, subpart 5)	D	24,803	24,803	0	(24,803)	-100.0%
(8) Ready-to-learn television (ESEA II-D-3)	D	25,416	27,300	0	(27,300)	-100.0%
Subtotal		308,029	413,348	450,000	36,652	8.9%
(b) Effective teaching and learning: Science, technology, engineering, and mathematics:						
(1) Effective teaching and learning: Science, technology, engineering, and mathematics (proposed legislation)	D	0	0	300,000	300,000	---
(2) Mathematics and science partnerships (ESEA II, Part B)	D	178,978	180,478	0	(180,478)	-100.0%
Subtotal		178,978	180,478	300,000	119,522	66.2%
(c) Effective teaching and learning for a well-rounded education:						
(1) Effective teaching and learning for a well-rounded education (proposed legislation)	D	0	0	265,000	265,000	---
(2) Excellence in economic education (ESEA V-D, subpart 13)	D	1,447	1,447	0	(1,447)	-100.0%
(3) Teaching American history (ESEA II-C-4)	D	118,952	118,952	0	(118,952)	-100.0%
(4) Arts in education (ESEA V-D, subpart 15)	D	38,166	40,000	0	(40,000)	-100.0%
(5) Foreign language assistance (ESEA V-D, subpart 9)	D	26,328	26,928	0	(26,928)	-100.0%
(6) Academies for American history and civics (American History and Civics Education Act and ESEA-V-D)	D	1,945	1,815	0	(1,815)	-100.0%
(7) Close Up fellowships (ESEA section 1504)	D	1,942	1,942	0	(1,942)	-100.0%
(8) Civic education (ESEA II, Part C-3):						
(a) We the People (section 2344)	D	20,076	21,617	0	(21,617)	-100.0%
(b) Cooperative education exchange (section 2345)	D	13,383	13,383	0	(13,383)	-100.0%
Subtotal		222,239	226,084	265,000	38,916	17.2%
(d) Educational technology State grants (ESEA II-D-1 and 2)	D	269,872	100,000	0	(100,000)	-100.0%
Subtotal		979,118	919,910	1,015,000	95,090	10.3%
2. College pathways and accelerated learning:						
(a) College pathways and accelerated learning (proposed legislation)	D	0	0	100,000	100,000	---
(b) High school graduation initiative (ESEA I-H)	D	0	50,000	0	(50,000)	-100.0%
(c) Advanced placement (ESEA I-G)	D	43,540	45,840	0	(45,840)	-100.0%
(d) Javits gifted and talented education (ESEA V-D, subpart 6)	D	7,463	7,463	0	(7,463)	-100.0%
Subtotal		51,003	103,303	100,000	(3,303)	-3.2%

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DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>Education Improvement Programs (continued)</b>							
3. Assessing achievement (ESEA VI-A-1)	D	410,732	410,732	450,000	39,268	9.6%	
4. Training and advisory services (CRA IV)	D	9,489	6,989	6,989	0	0.0%	
5. Rural education (ESEA VI-B)	D	173,382	174,882	174,882	0	0.0%	
6. Supplemental education grants (Compact of Free Association Act)	D	17,687	17,687	17,687	0	0.0%	
7. Comprehensive centers (ETAA section 203)	D	57,113	56,313	56,313	0	0.0%	
8. Native Hawaiian student education (ESEA VII-B and HEA VIII-Z)	D	33,315	34,315	34,315	0	0.0%	
9. Alaska Native student education (ESEA VII-C)	D	33,315	33,315	33,315	0	0.0%	
10. Women's educational equity (ESEA V-D-21)	D	2,423	2,423	2,278	(145)	-6.0%	
Subtotal		1,767,577	1,759,869	1,890,779	130,910	7.4%	
<b>Total, Appropriation<sup>1</sup></b>	<b>D</b>	<b>1,767,577</b>	<b>1,759,869</b>	<b>1,890,779</b>	<b>130,910</b>	<b>7.4%</b>	
<b>School Improvement Programs, Recovery Act</b>							
1. Educational technology State grants (ESEA II-D-1 and 2)	D	650,000	0	0	0	---	
2. Education for homeless children and youths (MVHAA Title VII-B)	D	70,000	0	0	0	---	
<b>Total</b>	<b>D</b>	<b>720,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>	

<sup>1</sup> Adjusted for comparability. Excludes \$1,681,441 thousand in fiscal years 2009 and 2010, that was appropriated in this account for Improving Teacher Quality State Grants. That program is in the Innovation and Instructional Teams account in FY 2011; the associated FY 2011 advances are in the Accelerating Achievement and Ensuring Equity account (\$840,721 thousand) and the Special Education account (\$840,720 thousand).

NOTES: Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2011 or which are proposed for consolidation in 2011 require new authorizing legislation.

Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed. Account totals and programs shown within accounts for fiscal years 2009 and 2010 have been adjusted to be comparable to the fiscal year 2011 President's request.

DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity						Amount	Percent
<b>Indian Student Education (ESEA VII)</b>							
1. Grants to local educational agencies (Part A-1)		D	99,331	104,331	104,331	0	0.0%
2. Special programs for Indian children (Part A-2)		D	19,060	19,060	19,060	0	0.0%
3. National activities (Part A-3)		D	3,891	3,891	3,891	0	0.0%
<b>Total</b>		<b>D</b>	<b>122,282</b>	<b>127,282</b>	<b>127,282</b>	<b>0</b>	<b>0.0%</b>
STATE FISCAL STABILIZATION FUND							
<b>State Fiscal Stabilization Fund, Recovery Act</b>							
1. State grants (ARRA XIV)		D	48,586,000	0	0	0	---
2. Race to the Top incentive grants (ARRA XIV, section 14006)		D	4,350,000	0	0	0	---
3. Investing in innovation (ARRA XIV, sections 14007)		D	650,000	0	0	0	---
4. Administration and oversight (ARRA XIV, sections 14101 (b))		D	14,000	0	0	0	---
<b>Total</b>		<b>D</b>	<b>53,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>
TOTAL APPROPRIATION, OESE			86,133,403	18,721,160	19,206,437	485,277	2.6%
TOTAL BUDGET AUTHORITY, OESE			81,459,406	16,961,291	18,365,716	1,404,425	8.3%

NOTES: Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2011 or which are proposed for consolidation in 2011 require new authorizing legislation.

Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed. Account totals and programs shown within accounts for fiscal years 2009 and 2010 have been adjusted to be comparable to the fiscal year 2011 President's request.

DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

January 27, 2010

(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>OFFICE OF INNOVATION AND IMPROVEMENT (OII)</b>							
<b><i>Innovation and Instructional Teams</i></b>							
1. Race to the Top (proposed legislation)	D	0	0	1,350,000	1,350,000	---	
2. Investing in innovation (proposed legislation)	D	0	0	500,000	500,000	---	
3. Excellent instructional teams:							
(a) Effective teachers and leaders:							
(1) Effective teachers and leaders State grants (proposed legislation)	D	0	0	2,500,000	2,500,000	---	
(2) Improving teacher quality State grants (ESEA II-A)							
Annual appropriation	D	1,266,308	1,266,308	0	(1,266,308)	-100.0%	
Advance for succeeding fiscal year	D	1,681,441	1,681,441	0	(1,681,441)	-100.0%	
Subtotal		2,947,749	2,947,749	0	(2,947,749)	-100.0%	
(3) Ready to teach (ESEA V-D, subpart 8)	D	10,700	10,700	0	(10,700)	-100.0%	
Subtotal	D	2,958,449	2,958,449	2,500,000	(458,449)	-15.5%	
(b) Teacher and leader innovation fund:							
(1) Teacher and leader innovation fund (proposed legislation)	D	0	0	950,000	950,000	---	
(2) Teacher incentive fund (ESEA V-D-1)	D	97,270	400,000	0	(400,000)	-100.0%	
(3) Advanced credentialing (ESEA section 2151(c))	D	10,649	10,649	0	(10,649)	-100.0%	
Subtotal	D	107,919	410,649	950,000	539,351	131.3%	
(c) Teacher and leader pathways:							
(1) Teacher and leader pathways (proposed legislation)	D	0	0	405,000	405,000	---	
(2) Transition to teaching (ESEA II-C-1-B)	D	43,707	43,707	0	(43,707)	-100.0%	
(3) Teacher quality partnership (HEA II-A)	D	50,000	43,000	0	(43,000)	-100.0%	
(4) Teachers for a competitive tomorrow (America COMPETES Act VI-A-1):							
(a) Baccalaureate STEM and foreign language teacher training (Sec. 6113)	D	1,092	1,092	0	(1,092)	-100.0%	
(b) Masters STEM and foreign language teacher training (Sec. 6114)	D	1,092	1,092	0	(1,092)	-100.0%	
(5) Teach for America (HEA VIII-F)	D	0	18,000	0	(18,000)	-100.0%	
(6) School leadership (ESEA section 2151(b))	D	19,220	29,220	0	(29,220)	-100.0%	
Subtotal	D	115,111	136,111	405,000	268,889	197.6%	
Subtotal	D	3,181,479	3,505,209	3,855,000	349,791	10.0%	

NOTES: Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2011 or which are proposed for consolidation in 2011 require new authorizing legislation.

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DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>Innovation and Instructional Teams (continued)</b>							
4. Expanding educational options:							
(a) Expanding educational options (proposed legislation)	D	0	0	490,000	490,000	---	
(b) Charter schools grants (ESEA V-B-1) <sup>1</sup>	D	216,031	256,031	0	(256,031)	-100.0%	
(c) Credit enhancement for charter school facilities (ESEA Title V-B-2) <sup>1</sup>	D	0	0	0	0	---	
(d) Voluntary public school choice (ESEA V-B-3)	D	25,819	25,819	0	(25,819)	-100.0%	
(e) Parental information and resource centers (ESEA V-D-16)	D	39,254	39,254	0	(39,254)	-100.0%	
(f) Smaller learning communities (ESEA V-D-4)	D	88,000	88,000	0	(88,000)	-100.0%	
Subtotal	D	369,104	409,104	490,000	80,896	19.8%	
5. Magnet schools assistance (ESEA-V-C)	D	104,829	100,000	110,000	10,000	10.0%	
6. Fund for the improvement of education programs of national significance (ESEA V-D-1) <sup>2</sup>	D	115,965	125,461	25,000	(100,461)	-80.1%	
7. Exchanges with historic whaling and trading partners (ESEA V-D-12)	D	8,754	8,754	0	(8,754)	-100.0%	
8. Troops-to-teachers (ESEA II-C-1-A) <sup>3</sup>	D	14,389	14,389	0	(14,389)	-100.0%	
Total, Appropriation <sup>4</sup>	D	3,794,520	4,162,917	6,330,000	2,167,083	52.1%	
Total, Budget authority	D	3,548,079	4,162,917	8,011,441	3,848,524	92.4%	
Current	D	2,113,079	2,481,476	6,330,000	3,848,524	155.1%	
Prior year's advance	D	1,435,000	1,681,441	1,681,441	0	0.0%	

**Innovation and Improvement, Recovery Act**

1. Teacher incentive fund (ESEA V-D-1)	D	200,000	0	0	0	---
TOTAL APPROPRIATION, OII		3,994,520	4,162,917	6,330,000	2,167,083	52.1%
TOTAL BUDGET AUTHORITY, OII		3,748,079	4,162,917	8,011,441	3,848,524	92.4%

<sup>1</sup> From the amount appropriated for Charter Schools, the appropriations acts permitted the Secretary to use up to \$21,031 thousand in FY 2009 and up to \$23,082 thousand in FY 2010 for Charter School Facilities Incentive Grants and Credit Enhancement for Charter School Facilities.

<sup>2</sup> Adjusted for comparability. Excludes \$10,000 thousand from Fund for the Improvement of Education Programs of National Significance that was appropriated in FY 2010 for Promise Neighborhoods, which is in the Supporting Student Success account in FY 2011.

<sup>3</sup> This program would be transferred to the Department of Defense in fiscal year 2011.

<sup>4</sup> Adjusted for comparability. Includes advance appropriations of \$1,681,441 thousand in fiscal years 2009 and 2010 that become available on October 1 of the following fiscal year for comparability purposes. Advance appropriations shown in this account are associated with Improving Teacher Quality State grants and were appropriated in the Education Improvement Programs account.

NOTES: Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2011 or which are proposed for consolidation in 2011 require new authorizing legislation.

Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed. Account totals and programs shown within accounts for fiscal years 2009 and 2010 have been adjusted to be comparable to the fiscal year 2011 President's request.

DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>OFFICE OF SAFE AND DRUG-FREE SCHOOLS (OSDFS)</b>							
<b>Supporting Student Success</b>							
1. Promise Neighborhoods (ESEA V-D, subpart 1) <sup>1</sup>	D	0	10,000	210,000	200,000	2000.0%	
2. Successful, safe, and healthy students:							
(a) Successful, safe, and healthy students (proposed legislation)	D	0	0	410,000	410,000	---	
(b) Safe and drug-free schools and communities national activities (ESEA IV-A, Subpart 2, sections 4121 and 4122) <sup>2,3</sup>	D	139,912	191,341	0	(191,341)	-100.0%	
(c) Elementary and secondary school counseling (ESEA V-D, subpart 2)	D	52,000	55,000	0	(55,000)	-100.0%	
(d) Physical education program (ESEA V-D, subpart 10)	D	78,000	79,000	0	(79,000)	-100.0%	
(e) Foundations for learning (ESEA V-D, subpart 14, section 5542)	D	1,000	1,000	0	(1,000)	-100.0%	
(f) Mental health integration in schools (ESEA V-D, subpart 14, section 5541)	D	5,913	5,913	0	(5,913)	-100.0%	
(g) Alcohol abuse reduction (ESEA IV-A, Subpart 2, section 4129) <sup>2</sup>	D	33,348	32,712	0	(32,712)	-100.0%	
Subtotal		310,173	364,966	410,000	45,034	12.3%	
3. 21st century community learning centers (ESEA IV-B)	D	1,131,166	1,166,166	1,166,166	0	0.0%	
4. Safe and drug-free schools and communities State grants (ESEA IV-A, subpart 1):	D	294,759	0	0	0	---	
5. Character education (ESEA V-D, subpart 3) <sup>3</sup>	D	11,912	0	0	0	---	
6. Mentoring program (ESEA IV-A, Subpart 2, section 4130) <sup>2</sup>	D	46,980	0	0	0	---	
<b>Total</b>	<b>D</b>	<b>1,794,990</b>	<b>1,541,132</b>	<b>1,786,166</b>	<b>245,034</b>	<b>15.9%</b>	

TOTAL, OSDFS 1,794,990 1,541,132 1,786,166 245,034 15.9%

OFFICE OF ENGLISH LANGUAGE ACQUISITION

**English Learner Education (ESEA III, Part A)** D 730,000 750,000 800,000 50,000 6.7%

TOTAL, OELA 730,000 750,000 800,000 50,000 6.7%

<sup>1</sup> Adjusted for comparability. FY 2010 funds were appropriated in the Innovation and Instructional Teams account under Programs of National Significance of the Fund for the Improvement of Education.

<sup>2</sup> Reflects reprogrammings in FY 2009 among National Activities, Alcohol Abuse Reduction, and Mentoring resulting in net changes of +\$928 thousand for National Activities, +\$636 thousand for Alcohol Abuse Reduction, and -\$1,564 thousand for Mentoring.

<sup>3</sup> FY 2010 amount for Safe and Drug-Free Schools and Communities National Activities includes \$8,212 thousand for the remaining continuation costs of Character Education awards through their conclusion in FY 2011.

NOTES: Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2011 or which are proposed for consolidation in 2011 require new authorizing legislation.

Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed. Account totals and programs shown within accounts for fiscal years 2009 and 2010 have been adjusted to be comparable to the fiscal year 2011 President's request.

DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES (OSERS)</b>							
<b>Special Education</b>							
1. State grants:							
(a) Grants to States (IDEA-B-611)							
Annual appropriation	D	2,912,828	2,912,828	2,322,108	(590,720)	-20.3%	
Advance for succeeding fiscal year	D	8,592,383	8,592,383	9,433,103	840,720	9.8%	
Subtotal		11,505,211	11,505,211	11,755,211	250,000	2.2%	
(b) Preschool grants (IDEA-B-619)	D	374,099	374,099	374,099	0	0.0%	
(c) Grants for infants and families (IDEA-C)	D	439,427	439,427	439,427	0	0.0%	
Subtotal, State grants		12,318,737	12,318,737	12,568,737	250,000	2.0%	
2. National activities (IDEA-D):							
(a) State personnel development (Subpart 1)	D	48,000	48,000	48,000	0	0.0%	
(b) Technical assistance and dissemination (section 663)	D	48,549	49,549	49,549	0	0.0%	
(c) Personnel preparation (section 662)	D	90,653	90,653	90,653	0	0.0%	
(d) Parent information centers (sections 671-673)	D	27,028	28,028	28,028	0	0.0%	
(e) Technology and media services (section 674)	D	38,615	43,973	41,223	(2,750)	-6.3%	
Subtotal		252,845	260,203	257,453	(2,750)	-1.1%	
3. Special Olympics education programs (Special Olympics Sport and Empowerment Act)	D	8,095	8,095	10,000	1,905	23.5%	
4. Mentoring for individuals with intellectual disabilities (pending legislation)	D	0	0	10,000	10,000	---	
<b>Total, Appropriation</b>	<b>D</b>	<b>12,579,677</b>	<b>12,587,035</b>	<b>12,846,190</b>	<b>259,155</b>	<b>2.1%</b>	
<b>Total, Budget authority</b>	<b>D</b>	<b>10,843,738</b>	<b>12,587,035</b>	<b>12,005,470</b>	<b>(581,565)</b>	<b>-4.6%</b>	
Current <sup>1</sup>		3,987,294	3,994,652	3,413,087	(581,565)	-14.6%	
Prior year's advance		6,856,444	8,592,383	8,592,383	0	0.0%	

**Special Education, Recovery Act**

1. State grants:							
(a) Grants to States (IDEA-B-611)	D	11,300,000	0	0	0	---	
(b) Preschool grants (IDEA-B-619)	D	400,000	0	0	0	---	
(c) Grants for infants and families (IDEA-C)	D	500,000	0	0	0	---	
<b>Total</b>	<b>D</b>	<b>12,200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>	

<sup>1</sup> Excludes advance appropriations of \$8,592,383 thousand in fiscal year 2009 and 2010, and \$9,433,103 thousand in fiscal year 2011 that become available on October 1 of the following fiscal year.

DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

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(in thousands of dollars)							
Office, Account, Program and Activity		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
						Amount	Percent
<b>Rehabilitation Services and Disability Research</b>							
1. Vocational rehabilitation State grants:							
(a) Grants to States (RA Title I-A, sections 110 and 111)		M	2,938,522	3,047,247	3,103,529	56,282	1.8%
(b) Grants to Indians (RA Title I-C)		M	36,113	37,449	38,000	551	1.5%
Subtotal			2,974,635	3,084,696	3,141,529	56,833	1.8%
Discretionary		D	0	0	56,833	56,833	---
Mandatory baseline		M	2,974,635	3,084,696	3,084,696	0	0.0%
2. Client assistance State grants (RA section 112)		D	11,576	12,288	12,288	0	0.0%
3. Supported employment State grants (RA VI-B)		D	29,181	29,181	0	(29,181)	-100.0%
4. Migrant and seasonal farm workers (RA section 304)		D	2,239	2,239	0	(2,239)	-100.0%
5. Projects with industry (RA VI-A)		D	19,197	19,197	0	(19,197)	-100.0%
6. Training (RA section 302(a)-(g)(2),(h)-(i), 303(c)-(d))		D	37,766	37,766	33,251	(4,515)	-12.0%
7. National activities to improve rehabilitation services (RA section 303)		D	0	0	6,472	6,472	---
8. Demonstration and training programs (RA section 303)		D	9,594	11,601	0	(11,601)	-100.0%
9. Program improvement (RA section 12(a))		D	622	852	0	(852)	-100.0%
10. Evaluation (RA section 14)		D	1,447	1,217	0	(1,217)	-100.0%
11. Supported employment extended services for youth with significant disabilities (RA section 303)		D	0	0	25,000	25,000	---
12. Independent living (RA VII):							
(a) Grants for independent living (Chapter 1, Part B)		D	0	0	110,000	110,000	---
(b) State grants (Chapter 1, Part B)		D	23,450	23,450	0	(23,450)	-100.0%
(c) Centers (Chapter 1, Part C)		D	77,266	80,266	0	(80,266)	-100.0%
(d) Services for older blind individuals (Chapter 2)		D	34,151	34,151	34,151	0	0.0%
Subtotal			134,867	137,867	144,151	6,284	4.6%
13. Protection and advocacy of individual rights (RA section 509)		D	17,101	18,101	18,101	0	0.0%
14. Recreational programs (RA section 305)		D	2,474	2,474	2,474	0	0.0%
15. National Institute on Disability and Rehabilitation Research (RA II)		D	107,741	109,241	111,919	2,678	2.5%
16. Workforce innovation fund (RA II)		D	0	0	30,000	30,000	---
17. Helen Keller National Center for Deaf-Blind Youths and Adults (HKNC:A)		D	8,362	9,181	9,181	0	0.0%
18. Assistive technology programs (ATA, sections 4, 5, and 6)		D	30,960	30,960	30,960	0	0.0%
Subtotal			413,127	422,165	423,797	1,632	0.4%
<b>Total</b>			<b>3,387,762</b>	<b>3,506,861</b>	<b>3,565,326</b>	<b>58,465</b>	<b>1.7%</b>
Discretionary		D	413,127	422,165	480,630	58,465	13.8%
Mandatory baseline		M	2,974,635	3,084,696	3,084,696	0	0.0%

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>Rehabilitation Services and Disability Research, Recovery Act</b>							
1. Vocational rehabilitation State grants:							
(a) Grants to States (RA Title I-A, sections 110 and 111)	D	540,000	0	0	0	---	
(b) Grants to Indians (RA I-C)	D	0	0	0	0	---	
2. Independent living (RA VII):							
(a) State grants (Chapter 1, Part B)	D	18,200	0	0	0	---	
(b) Centers (Chapter 1, Part C)	D	87,500	0	0	0	---	
(c) Services for older blind individuals (Chapter 2)	D	34,300	0	0	0	---	
<b>Total</b>	<b>D</b>	<b>680,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>	
<b>American Printing House for the Blind (20 U.S.C. 101 et seq.)</b>	<b>D</b>	<b>22,599</b>	<b>24,600</b>	<b>24,600</b>	<b>0</b>	<b>0.0%</b>	
<b>National Technical Institute for the Deaf (EDA I-B and section 207)</b>							
1. Operations	D	63,037	63,037	63,037	0	0.0%	
2. Construction	D	1,175	5,400	1,640	(3,760)	-69.6%	
<b>Total</b>	<b>D</b>	<b>64,212</b>	<b>68,437</b>	<b>64,677</b>	<b>(3,760)</b>	<b>-5.5%</b>	
<b>Gallaudet University (EDA I-A and section 207)</b>							
1. Operations	D	118,000	118,000	118,000	0	0.0%	
2. Construction	D	6,000	5,000	0	(5,000)	-100.0%	
<b>Total</b>	<b>D</b>	<b>124,000</b>	<b>123,000</b>	<b>118,000</b>	<b>(5,000)</b>	<b>-4.1%</b>	
<b>TOTAL APPROPRIATION, OSERS</b>							
Discretionary	D	29,058,250	16,309,933	16,618,793	308,860	1.9%	
Mandatory	M	26,083,615	13,225,237	13,534,097	308,860	2.3%	
	M	2,974,635	3,084,696	3,084,696	0	0.0%	
<b>TOTAL BUDGET AUTHORITY, OSERS</b>							
Discretionary	D	27,322,311	16,309,933	15,778,073	(531,860)	-3.3%	
Mandatory	M	24,347,676	13,225,237	12,693,377	(531,860)	-4.0%	
	M	2,974,635	3,084,696	3,084,696	0	0.0%	

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>OFFICE OF VOCATIONAL AND ADULT EDUCATION (OVAE)</b>							
<b>Career, Technical, and Adult Education</b>							
1. Career and technical education (Carl D. Perkins CTEA):							
(a) State grants (Title I)							
Annual appropriation	D	369,911	369,911	473,000	103,089	27.9%	
Advance for succeeding fiscal year	D	791,000	791,000	791,000	0	0.0%	
Subtotal		1,160,911	1,160,911	1,264,000	103,089	8.9%	
(b) National programs (section 114)	D	7,860	7,860	7,860	0	0.0%	
(c) Tech prep education State grants (Title II)	D	102,923	102,923	0	(102,923)	-100.0%	
Subtotal, Career and technical education		1,271,694	1,271,694	1,271,860	166	0.0%	
2. Adult education:							
(a) Adult basic and literacy education State grants (AEFLA and WIA section 503)	D	554,122	628,221	612,315	(15,906)	-2.5%	
(b) National leadership activities (AEFLA section 243)	D	6,878	11,346	41,346	30,000	264.4%	
(c) National Institute for Literacy (AEFLA section 242)	D	6,468	0	0	0	---	
Subtotal, Adult education		567,468	639,567	653,661	14,094	2.2%	
3. State grants for workplace and community transition training for incarcerated individuals (HE Amendments of 1998, VIII-D)	D	17,186	17,186	17,186	0	0.0%	
<b>Total, Appropriation</b>	<b>D</b>	<b>1,856,348</b>	<b>1,928,447</b>	<b>1,942,707</b>	<b>14,260</b>	<b>0.7%</b>	
Total, Budget authority	D	1,856,348	1,928,447	1,942,707	14,260	0.7%	
Current <sup>1</sup>		1,065,348	1,137,447	1,151,707	14,260	1.3%	
Prior year's advance		791,000	791,000	791,000	0	0.0%	
TOTAL APPROPRIATION, OVAE		1,856,348	1,928,447	1,942,707	14,260	0.7%	
TOTAL BUDGET AUTHORITY, OVAE		1,856,348	1,928,447	1,942,707	14,260	0.7%	

<sup>1</sup> Excludes an advance appropriations of \$791,000 thousand in fiscal years 2009, 2010 and 2011 that becomes available on October 1 of the following fiscal year.

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(in thousands of dollars)							
Office, Account, Program and Activity	Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation		
					Amount	Percent	
<b>FEDERAL STUDENT AID (FSA)</b>							
<b>Federal Pell Grants</b>							
1. Federal Pell grants (HEA IV-A-1):							
(a) Pell grants	D	17,288,000	17,495,000	0	(17,495,000)	-100.0%	
(b) Mandatory increase in Pell Grant maximum award	M	2,090,000	3,030,000	0	(3,030,000)	-100.0%	
(c) Pell grants - 2011 President's Budget	M	0	6,463,059	34,878,000	28,414,941	439.7%	
<b>Total</b>		<b>19,378,000</b>	<b>26,988,059</b>	<b>34,878,000</b>	<b>7,889,941</b>	<b>29.2%</b>	
Discretionary	D	17,288,000	17,495,000	0	(17,495,000)	-100.0%	
Mandatory	M	2,090,000	9,493,059	34,878,000	25,384,941	267.4%	
<b>Federal Pell Grants, Recovery Act</b>							
1. Federal Pell grants (HEA IV-A-1):							
(a) Discretionary Pell grants	D	15,640,000	0	0	0	---	
(b) Mandatory Pell grants funding, 2009	M	643,000	0	0	0	---	
(c) Mandatory Pell grants funding, 2010	M	831,000	0	0	0	---	
<b>Total</b>		<b>17,114,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>	
Discretionary	D	15,640,000	0	0	0	---	
Mandatory	M	1,474,000	0	0	0	---	
<b>Total, Budget authority</b>		<b>16,283,000</b>	<b>831,000</b>	<b>0</b>	<b>(831,000)</b>	<b>-100.0%</b>	
Discretionary	D	15,640,000	0	0	0	---	
Mandatory	M	643,000	831,000	0	(831,000)	-100.0%	
Current Discretionary	D	15,640,000	0	0	0	---	
Current, Mandatory	M	643,000	0	0	0	---	
2009 Advance, mandatory, for 2010	M	0	831,000	0	(831,000)	-100.0%	

Note: The Federal Pell Grants account is adjusted for comparability. Funds were appropriated in the Student Financial Assistance account in fiscal years 2009 and 2010.

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(in thousands of dollars)					Change from	
Office, Account, Program and Activity	Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	2010 Appropriation	
					Amount	Percent
<b>Federal Pell Grants Information</b>						
Discretionary appropriation <sup>1,3</sup>	D	32,928,000	0	0		
Prior year surplus/(shortfall)	D	(2,666,059)	0	0		
Mandatory appropriation <sup>2,3,4</sup>	M	2,733,000	27,819,059	34,878,000		
Prior year surplus/(shortfall)	M	(225,000)	4,517,941	0		
Total resources		32,769,941	32,337,000	34,878,000		
Discretionary program costs	D	25,437,000	0	0		
Mandatory program costs	M	2,815,000	32,337,000	34,878,000		
Total, program costs		28,252,000	32,337,000	34,878,000		
Current Year Surplus/(Shortfall)	D	4,824,941	0	0		
Current Year Surplus/(Shortfall)	M	(307,000)	0	0		
Total, surplus/(shortfall)		4,517,941	0	0		
Maximum award (in whole dollars)						
Base Award		\$4,860	\$5,550	\$5,710		
Mandatory add-on		\$490	\$0	\$0		
Total maximum award		\$5,350	\$5,550	\$5,710		
Recipients (in thousands)		7,738	8,355	8,743		

<sup>1</sup> 2009 appropriation, includes \$15,640 million in ARRA funds.

<sup>2</sup> 2009 appropriation, includes \$643 million in ARRA funds.

<sup>3</sup> The FY 2011 budget proposes to make Federal Pell grants a mandatory program beginning in FY 2010, which necessitates the reclassification of the FY 2010 discretionary appropriation. All funds available for use in FY 2010 are displayed as mandatory, including the \$17,495 million regular appropriation, \$3,030 million in CCRAA funding, and the FY 2009 ARRA appropriation of \$831 million.

<sup>4</sup> 2010 surplus includes \$4.825 billion discretionary surplus and \$307 million mandatory shortfall.

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>Student Financial Assistance</b>							
1. Campus-based programs:							
(a) Federal supplemental educational opportunity grants (HEA IV-A-3)	D	757,465	757,465	757,465	0	0.0%	
(b) Federal work-study (HEA IV-C)	D	980,492	980,492	980,492	0	0.0%	
(c) Federal Perkins loan cancellations (HEA IV-E) <sup>2</sup>	D	67,164	0	0	0	---	
Subtotal, Campus-based programs		1,805,121	1,737,957	1,737,957	0	0.0%	
2. Leveraging educational assistance partnerships (HEA IV-A-4)	D	63,852	63,852	0	(63,852)	-100.0%	
3. Iraq and Afghanistan Service Grants (HEA IV-A-10)	M	0	232	240	8	3.4%	
<b>Total</b>		<b>1,868,973</b>	<b>1,802,041</b>	<b>1,738,197</b>	<b>(63,844)</b>	<b>-3.5%</b>	
Discretionary	D	1,868,973	1,801,809	1,737,957	(63,852)	-3.5%	
Mandatory	M	0	232	240	8	3.4%	
<b>Student Financial Assistance, Recovery Act</b>							
1. Federal work-study (HEA IV-C)	D	200,000	0	0	0	---	

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(in thousands of dollars)						
Office, Account, Program and Activity	Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
				Amount		Percent
<b>Academic Competitiveness (HEA IV, subpart 1, section 401A)</b>						
1. Academic competitiveness and SMART grants	M	960,000	1,010,000	0	(1,010,000)	-100.0%
2. FY 2009 deferral to FY 2010	D	(887,000)	0	0	0	---
3. FY 2010 amount deferred from FY 2009	M	0	887,000	0	(887,000)	-100.0%
4. FY 2010 deferral to FY 2011	D	0	(561,000)	0	561,000	-100.0%
5. FY 2011 amount deferred from FY 2010	M	0	0	561,000	561,000	---
6. FY 2011 cancellation	D	0	0	(597,000)	(597,000)	---
<b>Total</b>		<b>73,000</b>	<b>1,336,000</b>	<b>(36,000)</b>	<b>(1,372,000)</b>	<b>-102.7%</b>
Discretionary	D	(887,000)	(561,000)	(597,000)	(36,000)	6.4%
Mandatory	M	960,000	1,897,000	561,000	(1,336,000)	-70.4%
Recipients (in thousands)		855	936	0	(936)	-100.0%
<b>TEACH Grants (HEA IV-A, subpart 9)</b>						
1. New loan subsidy	M	0	10,880	12,711	1,831	16.8%
2. New negative loan subsidy (non-add)	M	(2,924)	0	0	0	---
3. Upward reestimate of existing loans	M	0	12,128	0	(12,128)	-100.0%
4. Downward reestimate of existing loans (non-add)	M	0	(153)	0	153	-100.0%
5. Net reestimate of existing loans (non-add)	M	0	11,975	0	(11,975)	-100.0%
Subtotal, new loan subsidies		0	23,008	12,711	(10,297)	-44.8%
Subtotal, new loan subsidies and net reestimate (non-add)		(2,924)	22,855	12,711	(10,144)	-44.4%
<b>Total</b>	<b>M</b>	<b>0</b>	<b>23,008</b>	<b>12,711</b>	<b>(10,297)</b>	<b>-44.8%</b>
Awards		72,262	79,827	93,189	13,362	16.7%
Average award (in whole dollars)		\$2,369	\$2,500	\$2,500	0	0.0%
Recipients (in thousands)		31	32	37	5	15.6%
<b>Federal Direct Student Loans Program Account (HEA IV-D)</b>						
1. New loan subsidies (HEA IV-D)	M	0	0	0	0	---
2. New net loan subsidy (non-add)	M	(5,828,418)	(7,581,110)	(10,404,340)	(2,823,230)	37.2%
3. Upward reestimate of existing loans	M	1,385,617	3,481,859	0	(3,481,859)	-100.0%
4. Downward reestimate of existing loans (non-add)	M	(1,266,252)	(6,065,089)	0	6,065,089	-100.0%
5. Net reestimate of existing loans (non-add)	M	119,364	(2,583,230)	0	2,583,230	-100.0%
6. Modification of existing loans	M	0	1,691,760	0	(1,691,760)	-100.0%
Total, Federal Direct Student Loans Program Account		1,385,617	5,173,619	0	(5,173,619)	-100.0%
Total, new net loan subsidies and net reestimate/modification (non-add)		(5,709,054)	(8,472,580)	(10,404,340)	(1,931,760)	22.8%
<b>Total</b>	<b>M</b>	<b>1,385,617</b>	<b>5,173,619</b>	<b>0</b>	<b>(5,173,619)</b>	<b>-100.0%</b>

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(in thousands of dollars)						Change from	
Office, Account, Program and Activity	Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	2010 Appropriation Amount	Percent	
<b>Federal Family Education Loans Program Account (HEA IV-B) <sup>1,2,3</sup></b>							
1. New loan subsidies (HEA IV-B)	M	0	0	0	0	---	
2. New net loan subsidies (non-add)	M	(14,208,513)	(1,701,415)	0	1,701,415	-100.0%	
3. Upward reestimate of existing loans	M	1,061,861	4,274,364	0	(4,274,364)	-100.0%	
4. Downward reestimate of existing loans (non-add)	M	(17,014,575)	(11,676,997)	0	11,676,997	-100.0%	
5. Net reestimate of existing loans (non-add)	M	(15,952,714)	(7,402,632)	0	7,402,632	-100.0%	
6. Upward modification of existing loans	M	0	0	0	0	---	
7. Downward modification of existing loans (non-add)	M	(2,640,420)	0	0	0	---	
8. Net modification of existing loans (non-add)	M	(2,640,420)	0	0	0	---	
<b>Total, FFEL Program Account</b>	<b>M</b>	<b>1,061,861</b>	<b>4,274,364</b>	<b>0</b>	<b>(4,274,364)</b>	<b>-100.0%</b>	
Total, new net loan subsidies and net reestimate/modification (non-add)		(32,801,647)	(9,104,047)	0	9,104,047	-100.0%	
<b>Federal Family Education Loans Liquidating Account (HEA IV-B) <sup>3</sup></b>							
1. Pre-1992 student loans	M	(369,977)	(456,132)	(407,033)	49,099	-10.8%	
<b>Federal Student Loan Reserve Fund Outlays <sup>3</sup></b>							
	M	(751,000)	(79,000)	301,000	380,000	-481.0%	
<b>Federal Perkins Loan Program <sup>3,4</sup></b>							
1. New loans subsidies (proposed legislation)	M	0	0	0	0	---	
2. New net loan subsidies (non-add)	M	0	0	(101,496)	(101,496)	---	
<b>Total, Federal Perkins loan program amount</b>	<b>M</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>---</b>	
<b>TOTAL APPROPRIATION, FSA</b>		<b>40,711,474</b>	<b>39,140,959</b>	<b>36,185,875</b>	<b>(2,955,084)</b>	<b>-7.5%</b>	
Discretionary	D	34,109,973	18,735,809	1,140,957	(17,594,852)	-93.9%	
Mandatory	M	6,601,501	20,405,150	35,044,918	14,639,768	71.7%	
<b>TOTAL BUDGET AUTHORITY, FSA</b>		<b>39,880,474</b>	<b>39,971,959</b>	<b>36,185,875</b>	<b>(3,786,084)</b>	<b>-9.5%</b>	
Discretionary	D	34,109,973	18,735,809	1,140,957	(17,594,852)	-93.9%	
Mandatory	M	5,770,501	21,236,150	35,044,918	13,808,768	65.0%	

<sup>1</sup> Includes programs authorized under the Ensuring Continued Access to Student Loans Act of 2008.

<sup>2</sup> In FY 2010, amounts reflect proposed policy shifting to 100 percent Direct Loans in the fourth quarter of FY 2010.

<sup>3</sup> Negative amounts are deposited in designated receipt accounts and are shown in General Fund Receipts.

<sup>4</sup> The FY 2011 Budget proposes to restructure Federal Perkins Loans as a mandatory credit program; funds supporting this program under current law are shown in fiscal years 2009 and 2010 in the Student Financial Assistance account.

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>OFFICE OF POSTSECONDARY EDUCATION (OPE)</b>							
<b>Higher Education</b>							
1. Aid for institutional development:							
(a) Strengthening institutions (HEA III-A, section 311)	D	80,000	84,000	88,200	4,200	5.0%	
(b) Strengthening tribally controlled colleges and universities (HEA III-A, section 316)	D	23,158	30,169	31,677	1,508	5.0%	
(c) Additional funds for strengthening tribally controlled colleges and universities (HEA III-F, section 371) <sup>1</sup>	M	30,000	0	0	0	---	
Subtotal		53,158	30,169	31,677	1,508	5.0%	
(d) Strengthening Alaska Native and Native Hawaiian-serving institutions (HEA III-A, section 317)	D	11,579	15,084	15,838	754	5.0%	
(e) Additional funds for strengthening Alaska Native and Native Hawaiian-serving institutions (HEA III-F, section 371) <sup>1</sup>	M	15,000	0	0	0	---	
Subtotal		26,579	15,084	15,838	754	5.0%	
(f) Strengthening HBCUs (HEA III-B, section 323)	D	238,095	266,586	279,915	13,329	5.0%	
(g) Additional funds for strengthening HBCUs (HEA III-F, section 371) <sup>1</sup>	M	85,000	0	0	0	---	
Subtotal		323,095	266,586	279,915	13,329	5.0%	
(h) Strengthening historically Black graduate institutions (HEA III-B, section 326)	D	58,500	61,425	64,496	3,071	5.0%	
(i) Masters degree programs at HBCUs and predominantly Black institutions (HEA VIII-AA, section 897)	M	11,500	11,500	11,500	0	0.0%	
(j) Strengthening predominantly Black institutions (HEA III-A, section 318)	D	0	10,801	11,341	540	5.0%	
(k) Mandatory strengthening predominantly Black institutions (HEA III-F, section 371) <sup>1</sup>	M	15,000	0	0	0	---	
(l) Strengthening Asian American- and Native American Pacific Islander-serving institutions (HEA III-A, section 320)	D	2,500	3,600	3,780	180	5.0%	
(m) Mandatory strengthening Asian American- and Native American Pacific Islander-serving institutions (HEA III-F, section 371) <sup>1</sup>	M	5,000	0	0	0	---	
Subtotal		7,500	3,600	3,780	180	5.0%	
(n) Strengthening Native American-serving nontribal institutions (HEA III-A, section 319)	D	0	3,600	3,780	180	5.0%	
(o) Mandatory strengthening Native American-serving nontribal institutions (HEA III-F, section 371) <sup>1</sup>	M	5,000	0	0	0	---	
Subtotal		5,000	3,600	3,780	180	5.0%	
(p) Minority science and engineering improvement (HEA III-E-1)	D	8,577	9,503	9,503	0	0.0%	
Subtotal, Aid for institutional development		588,909	496,268	520,030	23,762	4.8%	
Discretionary	D	422,409	484,768	508,530	23,762	4.9%	
Mandatory	M	166,500	11,500	11,500	0	0.0%	

<sup>1</sup> The President's 2011 Budget supports legislation that has passed the House and is pending in the Senate that would provide mandatory funding for these programs in fiscal years 2010 and 2011.

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(in thousands of dollars)						
Office, Account, Program and Activity		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation Amount Percent
<b>Higher Education (continued)</b>						
2. Aid for Hispanic-serving institutions:						
(a) Developing Hispanic-serving institutions (HEA V-A)						
	D	93,256	117,429	123,300	5,871	5.0%
(b) Developing HSI STEM and articulation programs (HEA III-F, section 371(b)(2)(B)) <sup>1</sup>						
	M	100,000	0	0	0	---
(c) Promoting postbaccalaureate opportunities for Hispanic Americans (HEA V, section 512)						
	D	0	10,500	10,500	0	0.0%
(d) Mandatory promoting postbaccalaureate opportunities for Hispanic Americans (HEA VIII-AA, section 898)						
	M	11,500	11,500	11,500	0	0.0%
Subtotal			204,756	139,429	145,300	5,871 4.2%
Discretionary		D	93,256	127,929	133,800	5,871 4.6%
Mandatory		M	111,500	11,500	11,500	0 0.0%
3. Other aid for institutions:						
(a) International education and foreign language studies:						
(1) Domestic programs (HEA VI-A and B)						
	D	102,335	108,360	108,360	0	0.0%
(2) Overseas programs (MECEA section 102(b)(6))						
	D	14,709	15,576	15,576	0	0.0%
(3) Institute for International Public Policy (HEA VI-C)						
	D	1,837	1,945	1,945	0	0.0%
Subtotal			118,881	125,881	125,881	0 0.0%
(b) Fund for the improvement of postsecondary education:						
(1) Fund for the improvement of postsecondary education (HEA VII-B)						
	D	132,667	140,153	64,036	(76,117)	-54.3%
(2) Centers for excellence for veteran student success (HEA VIII-T)						
	D	0	6,000	0	(6,000)	-100.0%
(3) Erma Byrd scholarships (Department of Education Appropriation Act, section 515)						
	D	1,000	1,500	0	(1,500)	-100.0%
(4) College textbook rental pilot initiative (HEOA section 803)						
	D	0	10,000	0	(10,000)	-100.0%
(5) Training for realtime writers (HEA VIII-S)						
	D	0	1,000	0	(1,000)	-100.0%
(6) Off-campus community service program (HEA Title IV-C)						
	D	0	750	0	(750)	-100.0%
Subtotal			133,667	159,403	64,036	(95,367) -59.8%
(c) Demonstration projects to support postsecondary faculty, staff, and administrators in educating students with disabilities (HEA VII-D-1)						
	D	6,755	6,755	6,755	0	0.0%
(d) Model transition programs for students with intellectual disabilities into higher education (HEA VII-D-2)						
	D	0	11,000	11,000	0	0.0%
(e) Tribally controlled postsecondary career and technical institutions (CTEA section 117)						
	D	7,773	8,162	8,162	0	0.0%
(f) Special programs for migrant students (HEA IV-A-5)						
	D	34,168	36,668	36,668	0	0.0%

<sup>1</sup> The President's 2011 Budget supports legislation that has passed the House and is pending in the Senate that would provide mandatory funding for these programs in fiscal years 2010 and 2011.

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>Higher Education (continued)</b>							
4. Assistance for students:							
(a) Federal TRIO programs (HEA IV-A-2, Chapter 1)	D	848,089	853,089	853,089	0	0.0%	
(b) Additional funds for Upward Bound (HEA 402C(g))	M	57,000	57,000	57,000	0	0.0%	
Subtotal		905,089	910,089	910,089	0	0.0%	
(c) Gaining early awareness and readiness for undergraduate programs (GEAR UP) (HEA IV-A-2, Chapter 2)							
(d) Scholarships and fellowships:	D	313,212	323,212	323,212	0	0.0%	
(1) Javits fellowships (HEA VII-A-1)	D	9,687	9,687	9,687	0	0.0%	
(2) Graduate assistance in areas of national need (HEA VII-A-2)	D	31,030	31,030	31,030	0	0.0%	
(3) Thurgood Marshall legal educational opportunity program (HEA VII-A-3)	D	3,000	3,000	3,000	0	0.0%	
(4) Byrd honors scholarships (HEA IV-A-6)	D	40,642	42,000	0	(42,000)	-100.0%	
(5) B.J. Stupak Olympic scholarships (HE Amendments of 1992, section 1543)	D	977	977	0	(977)	-100.0%	
(e) Child care access means parents in school (HEA IV-A-7)	D	16,034	16,034	16,034	0	0.0%	
5. GPRA data/HEA program evaluation (Department of Education Appropriations Act)	D	609	609	609	0	0.0%	
6. Underground railroad program (HE Amendments of 1998, VIII-H)	D	1,945	1,945	0	(1,945)	-100.0%	
7. Loan repayment for civil legal assistance attorneys (HEA-IV-B, section 428L)	D	0	5,000	0	(5,000)	-100.0%	
8. College access challenge grant program (HEA VII-E)	M	66,000	0	0	0	---	
<b>Total</b>		<b>2,483,134</b>	<b>2,327,149</b>	<b>2,211,493</b>	<b>(115,656)</b>	<b>-5.0%</b>	
Discretionary	D	2,082,134	2,247,149	2,131,493	(115,656)	-5.1%	
Mandatory	M	401,000	80,000	80,000	0	0.0%	
<b>Higher Education, Recovery Act</b>							
1. Teacher quality partnership (HEA, II-A)	D	100,000	0	0	0	---	
<b>Total</b>		<b>2,583,134</b>	<b>2,327,149</b>	<b>2,211,493</b>	<b>(115,656)</b>	<b>-5.0%</b>	
Discretionary	D	2,182,134	2,247,149	2,131,493	(115,656)	-5.1%	
Mandatory	M	401,000	80,000	80,000	0	0.0%	

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>Howard University</b>							
1. General support (20 U.S.C. 121 et seq.)	D	206,031	206,031	206,031	0	0.0%	
2. Howard University Hospital (20 U.S.C. 128)	D	28,946	28,946	28,946	0	0.0%	
<b>Total</b>	<b>D</b>	<b>234,977</b>	<b>234,977</b>	<b>234,977</b>	<b>0</b>	<b>0.0%</b>	
<b>College Housing and Academic Facilities Loans Program Account (HEA section 121)</b>							
1. Federal administration (FCRA section 505(e))	D	461	461	461	0	0.0%	
2. Reestimate of existing loan subsidies	M	770	318	0	(318)	-100.0%	
<b>Total</b>		<b>1,231</b>	<b>779</b>	<b>461</b>	<b>(318)</b>	<b>-40.8%</b>	
Discretionary	D	461	461	461	0	0.0%	
Mandatory	M	770	318	0	(318)	-100.0%	
<b>College Housing and Academic Facilities Loans Liquidating Account (HEA section 121)</b>	<b>M</b>	<b>(1,454)</b>	<b>(1,538)</b>	<b>(1,861)</b>	<b>(323)</b>	<b>21.0%</b>	
<b>Historically Black College and University Capital Financing Program Account (HEA III-D)</b>							
1. Federal administration (FCRA section 505(e))	D	354	354	354	0	0.0%	
2. New loan subsidies	D	10,000	20,228	20,228	0	0.0%	
3. Reestimate of existing loan subsidies	M	1,319	2,748	0	(2,748)	-100.0%	
<b>Total</b>		<b>11,673</b>	<b>23,330</b>	<b>20,582</b>	<b>(2,748)</b>	<b>-11.8%</b>	
Discretionary	D	10,354	20,582	20,582	0	0.0%	
Mandatory	M	1,319	2,748	0	(2,748)	-100.0%	
<b>Higher Education Facilities Loans Liquidating Account (HEA section 121)</b>	<b>M</b>	<b>(909)</b>	<b>(1,314)</b>	<b>(1,098)</b>	<b>216</b>	<b>-16.4%</b>	
<b>College Housing Loans Liquidating Account (HEA section 121)</b>	<b>M</b>	<b>(17,228)</b>	<b>(16,400)</b>	<b>(15,859)</b>	<b>541</b>	<b>-3.3%</b>	
<b>TOTAL OPE</b>		<b>2,811,424</b>	<b>2,566,983</b>	<b>2,448,695</b>	<b>(118,288)</b>	<b>-4.6%</b>	
Discretionary	D	2,427,926	2,503,169	2,387,513	(115,656)	-4.6%	
Mandatory	M	383,498	63,814	61,182	(2,632)	-4.1%	

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>INSTITUTE OF EDUCATION SCIENCES (IES)</b>							
<b><i>Institute of Education Sciences</i></b>							
1. Research and statistics:							
(a) Research, development, and dissemination (ESRA I-A, B and D)							
	D	167,196	200,196	260,696	60,500	30.2%	
(b) Statistics (ESRA I-C)							
	D	98,521	108,521	117,021	8,500	7.8%	
2. Regional educational laboratories (ESRA section 174)							
	D	67,569	70,650	69,650	(1,000)	-1.4%	
3. Assessment (NAEPAA):							
(a) National assessment (section 303)							
	D	130,121	130,121	135,121	5,000	3.8%	
(b) National Assessment Governing Board (section 302)							
	D	8,723	8,723	8,723	0	0.0%	
Subtotal		138,844	138,844	143,844	5,000	3.6%	
4. Research in special education (ESRA I-E)							
	D	70,585	71,085	71,085	0	0.0%	
5. Statewide data systems (ETAA section 208)							
	D	65,000	58,250	65,000	6,750	11.6%	
6. Special education studies and evaluations (IDEA, section 664)							
	D	9,460	11,460	11,460	0	0.0%	
<b>Total</b>		<b>617,175</b>	<b>659,006</b>	<b>738,756</b>	<b>79,750</b>	<b>12.1%</b>	
<b><i>Institute of Education Sciences, Recovery Act</i></b>							
1. Statewide data systems (ETAA section 208)							
	D	250,000	0	0	0	---	
<b>TOTAL, IES</b>		<b>867,175</b>	<b>659,006</b>	<b>738,756</b>	<b>79,750</b>	<b>12.1%</b>	

DEPARTMENT OF EDUCATION FISCAL YEAR 2011 PRESIDENT'S REQUEST

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(in thousands of dollars)					Change from	
Office, Account, Program and Activity	Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	2010 Appropriation Amount	Percent
<b>DEPARTMENTAL MANAGEMENT</b>						
<b>Program Administration (DEOA)</b>						
1. Salaries and expenses	D	428,082	448,000	473,213	25,213	5.6%
2. Building modernization	D	5,400	8,200	19,275	11,075	135.1%
<b>Total</b>	<b>D</b>	<b>433,482</b>	<b>456,200</b>	<b>492,488</b>	<b>36,288</b>	<b>8.0%</b>
<b>Student Aid Administration (HEA I-D and IV-D, section 458)</b>						
1. Student aid administration:						
(a) Salaries and expenses	D	521,771	534,763	673,404	138,641	25.9%
(b) Servicing Activities	D	231,631	335,639	496,827	161,188	48.0%
<b>Total</b>	<b>D</b>	<b>753,402</b>	<b>870,402</b>	<b>1,170,231</b>	<b>299,829</b>	<b>34.4%</b>
<b>Student Aid Administration, Recovery Act (HEA I-D and IV-D, section 458)</b>						
1. Salaries and expenses	D	60,000	0	0	0	---
<b>Office for Civil Rights (DEOA, section 203)</b>						
1. Salaries and expenses	D	96,826	103,024	105,700	2,676	2.6%
<b>Office of the Inspector General (DEOA, section 212)</b>						
1. Salaries and expenses	D	54,539	60,053	65,238	5,185	8.6%
<b>Office of the Inspector General, Recovery Act (DEOA, section 212)</b>						
1. Salaries and expenses	D	14,000	0	0	0	---
TOTAL, DEPARTMENTAL MANAGEMENT		1,412,249	1,489,679	1,833,657	343,978	23.1%
<b>HURRICANE EDUCATION RECOVERY</b>						
<b>Hurricane Education Recovery Outlays</b>	<b>D</b>	<b>60,000</b>	<b>120,000</b>	<b>0</b>	<b>(120,000)</b>	<b>-100.0%</b>

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(in thousands of dollars)							
Office, Account, Program and Activity	Category Code	2009	2010	2011	Change from		
		Appropriation	Appropriation	President's Budget	2010 Appropriation	Percent	
					Amount		
<b>Contributions (DEOA, section 421)</b>							
	M	70	51	0	(51)	-100.0%	
<b>General Fund Receipts</b>							
1. Perkins loan repayments	M	(23,602)	(28,000)	(28,000)	0	0.0%	
2. Perkins institutional fund recall (mandatory)	M	0	0	(690,000)	(690,000)	---	
3. CHAFL downward reestimate of loan subsidies	M	(1,273)	0	0	0	---	
4. FDSL downward reestimate of loan subsidies	M	(1,266,252)	(6,065,089)	0	6,065,089	-100.0%	
5. FFEL downward reestimate of loan subsidies	M	(17,014,575)	(11,676,997)	0	11,676,997	-100.0%	
6. FDSL downward modification/negative loan subsidies	M	(4,403,431)	(5,512,981)	(9,247,288)	(3,734,307)	67.7%	
7. FFEL downward modification/negative loan subsidies	M	(8,935,507)	(4,712,304)	0	4,712,304	-100.0%	
8. Perkins loan negative loan subsidies	M	0	0	(46,064)	(46,064)	---	
9. TEACH downward reestimate of loan subsidies	M	0	(153)	0	153	-100.0%	
10. TEACH downward modification/negative loan subsidies	M	(1,952)	(972)	0	972	-100.0%	
11. HBCU capital financing downward reestimate of loan subsidies	M	(26,606)	(92,374)	(92,374)	0	0.0%	
12. Proprietary receipts	M	(58,221)	0	0	0	---	
13. Proprietary interest receipts	M	(23,456)	0	0	0	---	
14. Net intergovernmental payments	M	(4,273)	0	0	0	---	
<b>Total</b>		<b>(31,759,148)</b>	<b>(28,088,870)</b>	<b>(10,103,726)</b>	<b>17,985,144</b>	<b>-64.0%</b>	

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(in thousands of dollars)		Category Code	2009 Appropriation	2010 Appropriation	2011 President's Budget	Change from 2010 Appropriation	
Office, Account, Program and Activity	Amount					Percent	
<b>APPROPRIATION TOTAL</b>			22,084,755	41,686,397	77,787,360	36,100,963	86.6%
Discretionary funds (excluding Pell Grants)		D	45,358,199	46,221,556	49,700,290	3,478,734	7.5%
Mandatory funds		M	(23,273,444)	(4,535,159)	28,087,070	32,622,229	-719.3%
<b>APPROPRIATION TOTAL</b>			39,372,755	59,181,397	77,787,360	18,605,963	31.4%
Discretionary funds (including Pell Grants)		D	62,646,199	63,716,556	49,700,290	(14,016,266)	-22.0%
Mandatory funds		M	(23,273,444)	(4,535,159)	28,087,070	32,622,229	-719.3%
<b>BUDGET AUTHORITY TOTAL</b>			31,885,378	58,252,528	77,787,360	19,534,832	33.5%
Discretionary funds <sup>1</sup>		D	55,989,822	61,956,687	49,700,290	(12,256,397)	-19.8%
Mandatory funds <sup>2</sup>		M	(24,104,444)	(3,704,159)	28,087,070	31,791,229	-858.3%
<b>RECOVERY ACT APPROPRIATION / BUDGET AUTHORITY TOTAL</b>			98,238,000	0	0	0	---
Discretionary funds		D	96,764,000	0	0	0	---
Mandatory funds		M	1,474,000	0	0	0	---
<b>GRAND TOTAL, APPROPRIATION AND RECOVERY ACT</b>			137,610,755	59,181,397	77,787,360	18,605,963	31.4%
Discretionary funds		D	159,410,199	63,716,556	49,700,290	(14,016,266)	-22.0%
Mandatory funds		M	(21,799,444)	(4,535,159)	28,087,070	32,622,229	-719.3%
<b>GRAND TOTAL, BUDGET AUTHORITY AND RECOVERY ACT</b>			130,123,378	58,252,528	77,787,360	19,534,832	33.5%
Discretionary funds		D	152,753,822	61,956,687	49,700,290	(12,256,397)	-19.8%
Mandatory funds		M	(22,630,444)	(3,704,159)	28,087,070	31,791,229	-858.3%
<b>ESEA Reserve (Likely Budget Amendment)<sup>3</sup></b>		D	0	0	1,000,000	1,000,000	---

<sup>1</sup> Excludes advance appropriations of \$21,906,000 thousand in fiscal years 2009, 2010, and 2011 that become available on October 1 of the following fiscal year.

<sup>2</sup> Excludes advance appropriations of \$831,000 thousand in fiscal year 2009 that becomes available on October 1 of the following fiscal year.

<sup>3</sup> The Administration will request up to \$1 billion in additional funding if Congress successfully completes a fundamental overhaul of the Elementary and Secondary Education Act.