

ISSUE BRIEF

2010 EDUCATION APPROPRIATIONS GUIDE

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Congress completed the fiscal year 2010 appropriations process on December 13th, 2009, finalizing annual funding for nearly all federal education programs through September 2010 at \$63.7 billion, up \$1.1 billion from the prior year, excluding economic stimulus funding under the American Recovery and Reinvestment Act.^[1] Making sense of the federal education budget and the appropriations process can be a frustrating task for education advocates, state and local policymakers, the media, and the public. The now concluded fiscal year 2010 appropriations process is no exception.

This issue brief is intended to be a helpful guide to the appropriations process and recently enacted fiscal year 2010 education funding. It includes an analysis of funding for major education programs and a timeline of the 2010 appropriations process. It also includes exclusive tables comparing 2010 funding to prior years, the president's budget request, and funding under the American Recovery and Reinvestment Act.

Appropriations Process Overview

Nearly all federal education programs are funded through the annual appropriations process. This means that Congress must pass a new funding level for most education programs by the start of each new fiscal year, which begins

October 1st of the preceding calendar year. (Fiscal year 2010 began on October 1st, 2009.) Congress usually begins work on appropriations legislation for the upcoming fiscal year in the spring and summer months. During this time, each of the 12 subcommittees of the House and Senate Appropriations Committees adopt a bill that covers funding for programs within their jurisdictions and report them to the full House and/or Senate for consideration. The Labor, Health and Human Services, Education, and related agencies (Labor-HHS-Education) subcommittee has jurisdiction over education programs. After the House and Senate adopt their respective versions of the appropriations bills, they must work out any differences in conference committee before sending the final bill to the president for his signature.

Timeline: The 2010 Appropriations Process

The 2010 appropriations process began when the president submitted his budget request to the Congress in May of 2009, outlining his recommended funding levels for all education programs.^[2] Next, the House and Senate Appropriations Committees adopted their respective versions of the fiscal year 2010 Labor-HHS-Education appropriations bill in July 2009.^[3] While the full House passed the committee-approved bill, the Senate never

debated or voted on its version of the bill. It is the second year in a row that the Senate has not voted on a stand-alone Labor-HHS-Education appropriations bill.[4] Instead, Congress completed 2010 education appropriations as part of an omnibus bill that provides funding to over a dozen federal agencies.[5] Below is a timeline of the fiscal year 2010 education appropriations process.

Fiscal Year 2010 Appropriations Timeline

- May 2009: The president submits his 2010 budget request to Congress, detailing proposed funding levels for all federal education programs.
- July 2009: The House Appropriations Committee passes the fiscal year 2010 Labor-HHS-Education appropriations bill, sending the bill to the full House for a vote.
- July 24, 2009: The full House passes the fiscal year 2010 Labor-HHS-Education appropriations bill.
- July 31, 2009: The Senate Appropriations Committee passes its version of the fiscal year 2010 Labor-HHS-Education appropriations bill, but the full Senate never debates or votes on it.
- October 1, 2009: Fiscal year 2010 begins. Congress has not yet completed appropriations legislation funding education programs for fiscal year 2010. Instead, "continuing resolutions" temporarily provide education programs with funding at 2009 levels.
- December 8, 2009: The House and Senate Appropriations Committees release an omnibus bill that provides fiscal year 2010 funding for over a dozen federal agencies, including the Department of Education.
- December 10, 2009: The House passes the omnibus bill.
- December 13, 2009: The Senate passes the fiscal year 2010 omnibus appropriations bill, and the bill is sent to the president to be signed into law.

Education Funding Highlights for 2010

The 2010 education appropriations process was unusual in that economic stimulus funding under the American Recovery and Reinvestment Act (ARRA) became available only a few months before fiscal year 2010 began.[6] Moreover, a significant share of the \$98 billion provided under the ARRA for education programs was meant to supplement on-going federal education programs in fiscal year 2009, like Title I grants to local education agencies. Given the magnitude and timing of that funding, however, much of it remains to be spent by states, school districts, colleges, and students in fiscal year 2010.[7]

It is also worth noting that Congress did not use the supplemental ARRA funding as a new "higher baseline" for setting 2010 education funding. The 2010 funding levels for nearly all programs closely follow prior year funding levels, with all major programs funded at fiscal year 2009 levels. The 2010 omnibus appropriations bill also eliminates funding for two programs and establishes a new \$50 million high school graduation initiative. A more detailed discussion of 2010 appropriations for individual education programs is included below.

Higher Education Programs

The 2010 omnibus appropriations bill provides nearly the same level of funding for the Pell Grant program (\$17.5 billion) as was provided in 2009. Another \$6.5 billion in unused American Recovery and Reinvestment Act funds will also be used for the program in 2010.[10] The Pell Grant program provides grants to college students from low income families and is the single largest federal education program. The 2010 appropriations will support a maximum grant of \$5,550 for eligible students in the 2010-11 school year.

Pell Grant Program

Funding (\$ billions)			
Fiscal Year	2008	2009	2010
Appropriation	14.2	17.3	17.5
Stimulus funds	0.0	9.5	6.4
Prior shortfall	-0.8	-2.6	0.0
Mandatory funds	2.0	2.5	3.9
TOTAL	14.2	26.8	27.7
Maximum Grant			
Appropriation	\$4,241	\$4,860	\$4,860
Mandatory funds	\$490	\$490	\$690
TOTAL	\$4,731	\$5,350	\$5,550

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

The 2010 omnibus funds both the Supplemental Educational Opportunities Grant (SEOG) and Work-study programs at the 2009 level, \$757 million and \$980 million, respectively. The ARRA included an additional \$200 million for the Work-study program, much of which will be used in fiscal year 2010. Both programs provide funds to colleges and universities by formula. Schools then distribute the aid to students from low-income families.

K-12 Education Programs

The two largest K-12 programs, Title I Part A grants to local education agencies and Individuals with Disabilities Education Act (IDEA) Part B Special Education state grants, are funded at the prior year level in the 2010 omnibus. The bill provides \$14.5 billion for Title I grants, and \$11.5 billion for IDEA state grants. Title I provides formula-based grants to states and school districts based on the population of students from low-income families. IDEA state grants provide formula based grants to states and school districts based on the population of disabled students.

The American Recovery and Reinvestment Act (ARRA) provided significant supplemental 2009 funding for both programs, but much of the funding will be spent by school districts in fiscal year 2010. ARRA made an additional \$10 billion available for Title I grants and \$11.3 billion for IDEA

state grants, effectively doubling the regular 2009 appropriation for both programs.

The 2010 appropriations bill provides \$400 million for the Teacher Incentive Fund (TIF), a nearly \$303 million increase over 2009 appropriations. TIF, which also received \$200 million in ARRA funds, is a competitive grant program focused on improving teacher compensation systems at the state and local level. More than half of the 2010 funds will be used to continue existing grants made through the program, while the remaining funds will be used for new grants, training, technical assistance, evaluation, and review activities.

The federal Charter School Program also received a \$40 million increase in funding to \$258 million in 2010. These funds are typically used by state education agencies for planning, design, and implementation of charter school plans. However, changes made in the 2010 appropriations bill allow up to \$50 million of these funds to be used to provide competitive grants to non-profit charter management organizations and other service providers to scale up successful charter school models and programs at the local level.

The 2010 omnibus does not provide any funding for Early Reading First, a program that currently awards competitive grants to programs that seek to improve pre-school-aged children's early language and pre-reading skills. The bill does, however, provide \$250 million for Striving Readers, a nearly \$215 million increase in funding over 2009 levels (although considerably less than the president's \$370 million request for this program). Striving Readers focuses on reading skills in the middle and high school grades, but observers expect the additional funds will be used to support a broader range of PreK-12 literacy activities as the president proposed in his 2010 budget request.[8]

Although the president's budget request included the elimination of the Even Start Program and the creation of the Early Learning Challenge Fund and Early Childhood

Grants, the final 2010 appropriations bill flat funds Even Start at 2009 levels and does not provide funding for either of the other programs. The 2010 appropriations bill also includes \$50 million for a new High School Graduation Initiative that the president proposed in his budget request. Funds under the new program will go to local activities aimed at improving high school graduation rates through dropout prevention and other activities.

The House and Senate also honored the president's request to eliminate Safe and Drug Free Schools and Communities

state grants, a program that the Obama administration (and the Bush administration) has criticized for lack of effectiveness.[9] Additionally, the 2010 appropriations bill increases funding for Safe and Drug Free Schools National Programs by \$51 million to \$191 million as a partial replacement for activities funded under the eliminated state grant program. It should be noted that this amount is still \$59 million less than the president's requested funding level for the national programs.

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

Program	2009 Stimulus*	2009 Appropriation	2010 President's Proposal	2010 Appropriation
Pell Grants**	15.64	17.27	0.00	17.50
Title I grants to local education agencies	10.00	14.49	12.99	14.49
IDEA special education state grants	11.30	11.51	11.51	11.51
Teacher quality state grants	0.00	2.95	2.95	2.95
Work-study grants	0.20	0.98	0.98	0.98
Supplemental educational opportunity grants	0.00	0.76	0.76	0.76
Title I school improvement grants	3.00	0.55	1.55	0.55
Teacher incentive fund	0.20	0.10	0.47	0.40
Charter school grants	0.00	0.22	0.27	0.26
Striving readers	0.00	0.04	0.37	0.25
Safe and drug free schools national programs	0.00	0.14	0.25	0.19
Even start	0.00	0.07	0.00	0.07
High school graduation initiative	0.00	0.00	0.05	0.05
Safe and drug free schools state grants	0.00	0.29	0.00	0.00
Early reading first	0.00	0.11	0.16	0.00
Academic Competitiveness/SMART grants***	0.00	-0.89	-0.51	-0.51
Other education programs	57.90	14.08	14.93	14.29
TOTAL EDUCATION APPROPRIATIONS	98.24	62.65	46.69	63.72

*Funds provided under the American Recovery and Reinvestment Act. Funds become available in fiscal year 2009 but are available for later years for many programs.

**The President proposed moving Pell Grants out of the annual appropriations process to the mandatory side of the budget. The 2010 omnibus appropriations bill includes funding for the program and does not adopt the president's proposal.

***The Academic Competitiveness/SMART grant programs were funded under a 2006 law through 2010 and are not funded in the appropriations process.

Appropriations bills, however, have regularly cut unused funding for the programs and reallocated the funds. These reductions are reflected here.

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

Notes

[1] U.S. Department of Education. (December 14, 2009). "FY 2010 Congressional Action."

Available: <http://www.ed.gov/about/overview/budget/budget10/10action.pdf>

[2] Executive Office of the President. (May 2009). "President's Fiscal Year 2010 Budget Request."

Available: <http://www.gpoaccess.gov/usbudget/fy10/browse.html>

[3] U.S. Senate Committee on Appropriations. (August 4, 2009). "Departments of Labor, Health and Human Services, and Education, and Related Agencies, Appropriation Bill, 2010 (H.R. 3293)." Report number 111-66.

Available: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:sr066.111.pdf

[4] Library of Congress. "Status of Appropriations Legislation for Fiscal Year 2009, 2010."

Available: <http://thomas.loc.gov/home/approp/app10.html>

[5] 111th Congress. (December 13, 2009). "H.R. 3288 Making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2010, and for other purposes." Conference Report 111-366.

Available: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr366.111.pdf

[6] American Recovery and Reinvestment Act of 2009. (February, 2009) Pub. L. no. 111-5 111th Cong., 1st sess.

Available: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:hienr.txt.pdf

[7] U.S. Department of Education. (November 2, 2009.) U.S. Department of Education American Recovery and Reinvestment Act Report: Summary of Programs and State-by-State Data.

Available: <http://www.ed.gov/policy/gen/leg/recovery/spending/arra-program-summary.pdf>

[8] Executive Office of the President. (May 2009). "President's Fiscal Year 2010 Budget Request."

Available: <http://www.gpoaccess.gov/usbudget/fy10/browse.html>

[9] U.S. Department of Education. (May 2009). FY 2010 Department of Education Justifications of Appropriation Estimates to the Congress, pages G-18, G-19.

Available: <http://www.ed.gov/about/overview/budget/budget10/justifications/g-ssce.pdf>; &

U.S. Department of Education. (May 2009). FY 2009 Department of Education Justifications of Appropriation Estimates to the Congress, pages F-19, F-20.

Available: <http://www.ed.gov/about/overview/budget/budget09/justifications/f-ssce.pdf>

[10] Congressional Budget Office. (September 8th, 2009). Summer 2009 Pell Grant Baseline Estimate.



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