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NCSL EDUCATION COMMITTEE FEDERAL UPDATE

PRESIDENT'S 2014 BUDGET PROPOSAL EDUCATION HIGHLIGHTS

On Wednesday, April 10, President Obama presented his fiscal year 2014 budget request, which shows how the administration would allocate funding for the fiscal year beginning October 1. By law, President Obama was required to submit his budget by the first Monday of February, and the arrival of the President's budget is part of the beginning of the federal budget debate on federal spending for the upcoming fiscal year. At this stage, both the Senate and the House have already adopted FY 2014 budget resolutions (S Con Res 8; H Con Res 25), so it's unclear how much effect the release of the President's request will have on the process.

Overall, the administration is requesting \$71.2 billion in discretionary appropriations for the Department of Education in FY 2014, an increase of 4.5 percent over the fiscal year 2012 level. This does not reflect sequestration. Due to uncertainty over FY 2013 budget levels at the time the budget submission was being prepared, FY 2012 numbers were used in the document when discussing prior funding.

Title 1 and IDEA grants to states would be level funded under the President's FY 2014 budget submission. Below are highlights from the Department of Education's FY 2014 budget request with a focus on new initiatives (some of which the Administration has proposed previously) or significant new funding.

Early Education

- \$1.3 billion in FY 2014 and \$75 billion over ten years in mandatory funding for Preschool for All, a new state-federal partnership to support implementation of high-quality preschool programs aligned with elementary and secondary education systems. Federal costs would be offset by an increase in the federal tobacco tax. The federal government would provide funding to the states to provide high-quality preschool for all four-year-olds from low-and moderate income families. The funding would be on a cost-sharing basis, and based on states' relative share of four-year-olds from families at or below 200 percent of the federal poverty level. States that already provide universal high-quality preschool for four-year-olds from families up to 200 percent of the poverty level would be about able to use funds to provide high quality, full-day kindergarten for children from families at or below 200 percent of the poverty level, or if this is already provided, provide high quality preschool for three-year-olds. States would get a reduced match for serving additional children from middle class families if states reach benchmarks for serving children from low-and moderate-income families.

According to the budget documents, high quality preschool includes: (1) high staff qualifications, including a BA for teachers, (2) professional development for teachers and staff, (3) low staff-child ratios and small class sizes, (4) a full-day program, (5) developmentally appropriate, evidence-based curricula, (6) employee salaries that are comparable to K-12 teaching staff, (7) on-going program evaluation to ensure continuous improvement; and (8) on-site comprehensive services for children.

- \$750 million for competitively awarded Preschool Development Grants to help build state capacity to implement high quality preschool programs.
- Increases in funding for the Grants to Infants and Families program under the Individuals with Disabilities Education Act (IDEA) and IDEA preschool grants.

College Affordability and Completion

- \$1 billion for a new Race to the Top College Affordability and Completion competition. Awards would go to help states improve student outcomes such as graduation rates without raising tuition. This complements a \$260 million proposal for a program to fund a First in the World Fund program focused on College Completion, creating validation systems aimed at identifying competencies needed for high-need fields, and pay-for-success programs aimed at providers of free degree programs for students.
- Linking student loan interest rates to 10 year Treasury note rate and expanding the availability of the Pay as You Learn income based repayment plan to all borrowers, not just new loans.
- Funding a maximum Pell Grants award of \$5,785 in FY 2014, and providing campus-based aid programs at a level the administration projects would put those programs on track to double the number of participants over the next few years.

Initiatives in Other Areas

- \$300 million for a competitive High School Redesign Program to help high schools better prepare students for post-secondary education and the workplace and focus on science, math, engineering, and technology. Under this initiative, high schools would be redesigned to create partnerships with community colleges and employer so that students graduate with college credit and career skills.
- \$265 million in new funding for a comprehensive Science, Technology, Engineering, and Math (STEM) innovation proposal that includes STEM innovation networks, STEM teacher pathways, and a new STEM Master Teacher Corps.
- \$5 billion in one-time funding for the RESPECT program (legislation proposed) to provide grants to states and consortia of districts to conduct reform of teacher preparation, strengthen teacher and principal evaluation and improve conditions in schools that improve testing.
- \$215 million for an Investing in Innovation grant program to help schools districts expand promising technology practices. That amount represents a \$66 million increase in program funding from FY 2012. Much of the increase would be used to finance ARPA, the Advanced Research Projects Agency for Education, a program modeled after a similarly named program at the Defense Department.
- \$300 million for Promise Neighborhoods, a significant increase from the current level of \$60 million.
- Includes several proposals related to school safety and positive learning environments that will be coordinated by several federal departments: \$50 million in school climate transformation grants, \$30 million in one-time grants to State Education Agencies to help school districts improve emergency management planning and \$25 million to help school districts support post trauma mental health services, conflict resolution and other services. The Department of Justice budget proposal includes a \$150 million Comprehensive School Safety Proposal. The Department of Education budget request

includes \$280 million for a reauthorized Successful, Safe and Healthy Students program which combines some existing grants.

- Eliminates Impact Aid Federal Property Funding for Section 8002 of the Elementary and Secondary Education Act (ESEA), potentially impacting approximately 240 school districts in 29 states. These funds have been used to offset the tax revenue lost by school districts when the federal government owns property in a school district.

[The Department has posted fact sheets and budget overview](#) that provide additional details about the President's budget proposal.

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