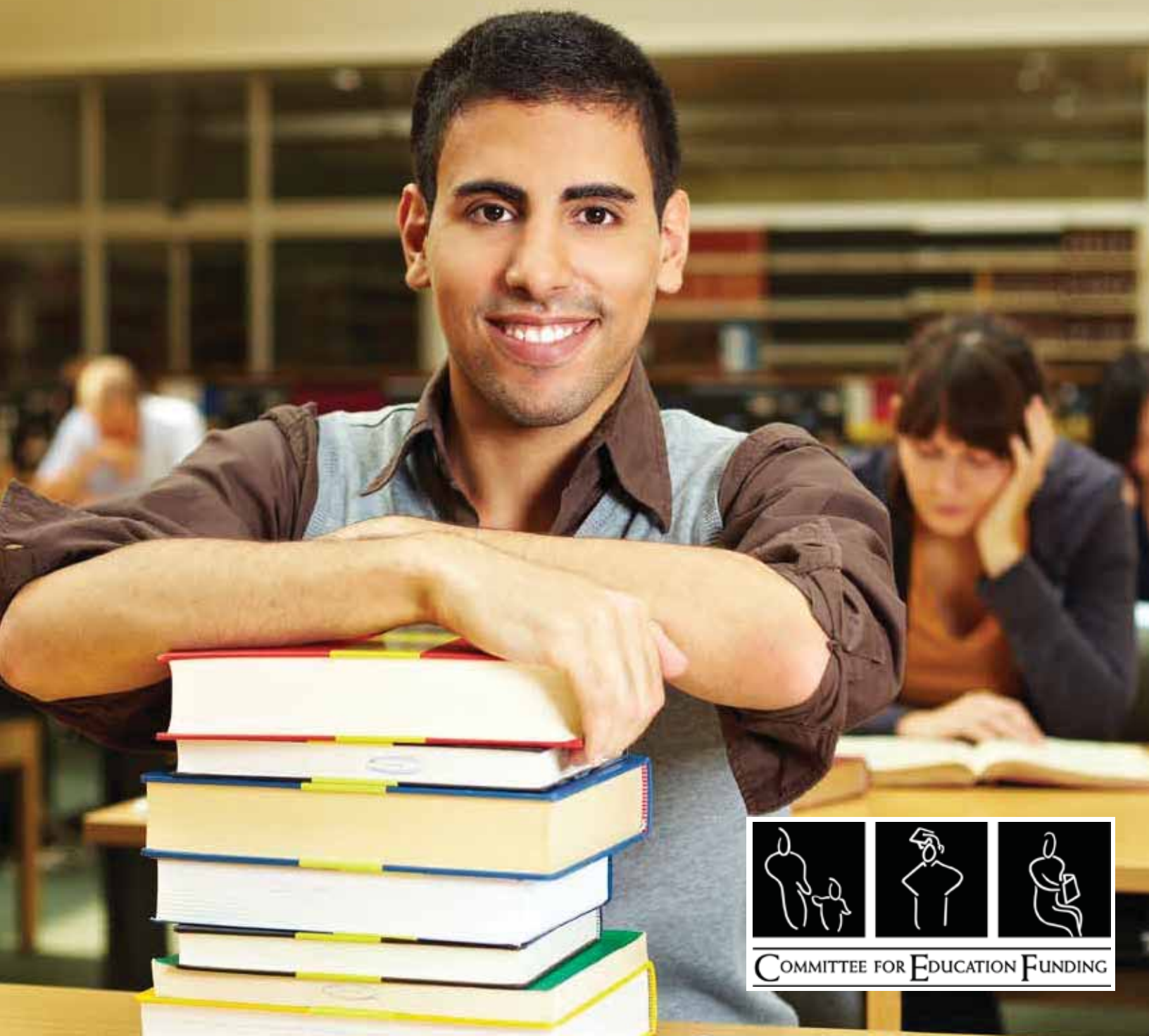


Committee for Education Funding

Budget Response

Fiscal Year 2014

*CEF's Position Statement on
President Obama's FY 2014 Budget Request*







About the Committee For Education Funding

The Committee for Education Funding (CEF) is a coalition founded in 1969 with the goal of achieving adequate federal financial support for our nation's educational system. The coalition is voluntary, nonprofit, and nonpartisan. CEF members include 108 educational associations, institutions, agencies, and organizations whose interests range from preschool to postgraduate education in both public and private systems.

The purpose of CEF is to provide members of the general public and government officials with information enabling them to better assess the need for funding of federal education programs. CEF takes positions on federal education funding issues that represent a consensus of its membership and then communicates those positions to federal government officials and members of Congress.

The Committee for Education Funding is managed by the Raben Group and is governed by the membership as a whole with a 16-member Board of Directors, including three officers elected from among the membership. CEF publishes timely updates, holds weekly meetings of its membership providing a forum for information exchange and policy discussions, and sponsors seminars on current policy issues led by recognized experts. CEF provides information and assistance to members of Congress and the Administration on education funding issues, as well as holding numerous briefings and policy meetings with congressional staff and Administration officials throughout the year. At its annual Gala, CEF honors outstanding advocates of federal education investment.

As the oldest and largest coalition of education associations in existence, the Committee for Education Funding provides a strong and unified voice in support of increasing federal education funding. We invite comments and inquiries regarding CEF membership or its publications.

When Our Students Succeed, Our Nation Succeeds!

A list of CEF member organizations is available at: <http://cef.org/who-we-are/member-organizations>. For questions or additional information, please contact Joel Packer, CEF Executive Director, at jpacker@cef.org.

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The Committee for Education Funding Commends the President's Budget for Investing in Education

Concerned About Funding Freeze for Most Formula Programs Urging Congress to Replace the Sequester Cuts

April 22, 2013

The Committee for Education Funding (CEF), a coalition of over 100 national education associations and institutions representing preschool to postgraduate education, commends President Obama's Fiscal Year (FY) 2014 budget for prioritizing investing in education as a proven strategy to increase jobs and improve our nation's economic growth and competitiveness.

The budget proposes to repeal the harmful sequester cuts starting in FY 2014 and replace them with a balanced package of deficit reduction. Sequestration cut education programs in FY 2013 by almost \$2.5 billion and Head Start by \$401 million. The most important step Congress can take to help students, schools, colleges, and libraries is to replace the sequester cuts.

Within a constrained fiscal environment and tight spending caps imposed by the Budget Control Act, the budget proposes a \$3.1 billion or 4.5 percent increase compared to the FY 2012 pre-sequester levels for discretionary funded programs in the Department of Education. Compared to the final FY 2013 post-sequester levels, the budget represents an increase of \$5.5 billion or 8.4 percent.

In addition, the budget proposes major new investments in education on the mandatory spending side for preschool, preventing further teacher and other educator layoffs and restoration of educator jobs lost, improving the preparation and quality of teachers and school leaders, and training workers through community colleges.

The budget also proposes to reduce the cost of financing for construction and repair of public schools, State universities, and school buildings sponsored by non-profit educational entities. This will be accomplished by issuing America Fast Forward school construction bonds, with an enhanced 50 percent interest subsidy in 2014 and 2015 to encourage immediate investment in school construction.

According to CEF president Myrna Mandlawitz, "We are very pleased the budget stops the devastating sequester cuts and with the overall level of education funding, but we are deeply concerned with the proposed freeze compared to the pre-sequester levels for virtually all current education programs." The large majority of the proposed discretionary increase is for new programs or increased funding for competitive grant programs.

Mandlawitz said further, "A funding freeze will actually result in a reduction in services to students when the impact of inflation, enrollment increases, and an increase in students in poverty is factored in."

At the elementary and secondary levels, the foundation programs – Title I and IDEA State grants – receive no increases. Indeed, the federal share of educating students with disabilities will decline to 15.4 percent from 16.3 percent in FY 2012. Other critical K-12 programs including Impact Aid basic support payments, English language acquisition grants, homeless education, literacy programs, rural education, teacher quality grants, magnet schools, and funding for State assessments all are frozen at their FY 2012 levels. CEF opposes the budget's proposed elimination of Impact Aid payments for federal property.

Beyond K-12 education, funding for career, technical and adult education State grants, SEOG, TRIO, GEAR UP, aid to historically black colleges and universities and other minority-serving institutions, HEP/CAMP, graduate education, and the regional education labs are also frozen at their FY 2012 levels.

CEF believes additional resources for key current programs will help achieve the Administration's goals of ensuring students graduate from high school college- and career-ready, improving educator quality, increasing college access and completion, and providing students with the skills they need for 21st century jobs.



CEF supports proposed increases for School Improvement Grants, Promise Neighborhoods, safe and healthy students, after school, STEM, high schools, school leadership, and the Institute of Education Sciences.

The Administration's budget proposes to consolidate several ESEA programs into new flexible funding streams. While such consolidations will be decided in the ESEA reauthorization, from a budgetary perspective CEF believes any program consolidations should not result in the elimination of essential functions such as improving teacher preparation at institutions of higher education, family engagement, or providing K-12 students with sufficient specialized instructional support personnel.

CEF is also pleased with the budget's support for college access through an increase in the Pell grant maximum award to \$5,785, a \$150 million increase for college work-study, and the permanent extension of the American Opportunity Tax credit.

CEF supports new and increased investments in early childhood education, including \$75 billion in mandatory funding over ten years for Preschool for All, the Preschool Development Grants, and the Early Head Start – Child Care Partnerships. CEF also supports proposed increases in Head Start, the Child Care and Development Block Grant (CCDBG), and IDEA grants for infants and families.

While CEF is pleased with overall education investments in the budget, the sequestration cuts enacted in FY 2013 represent a major threat to students, K-12 schools, and postsecondary institutions. The sequester cuts, which began on March 1, 2013, decreased all education programs other than Pell grants by 5 percent across-the-board. "Unless Congress enacts a balanced deficit reduction plan to replace the \$1.1 trillion in remaining sequestration cuts, education programs will be locked in to these lower levels. Indeed, non-Pell grant funding for the Department of Education in FY 2013 is lower than it was in FY 2004 – moving us nine years backward in efforts to close academic achievement gaps, improve overall student achievement and educator quality, and increase high school graduation, college access, and completion rates," said CEF Executive Director Joel Packer.

Packer noted, "In FY 2011 and FY 2012, over 50 education programs were terminated, totaling \$1.2 billion in lost education funding. Since FY 2010, overall discretionary spending for education, exclusive of Pell grants, has been cut by almost \$4 billion. Due to restrictions on student aid eligibility and loan subsidies, college students have contributed \$4.6 billion to deficit reduction. At the State and local levels budget cuts have eliminated 358,000 public school employees' jobs in the past four years, and State per student support for higher education is at its lowest level in 25 years. That's why the investments proposed by the president are more important than ever. Students, schools, and colleges need stable, predictable sources of funding."

"We look forward to working with the Administration and Congress to overturn the sequester and reverse the largest education cuts in history and provide needed investments," said Mandlawitz. "The president's budget moves our country forward through investments that grow our economy and help students get the skills they need for jobs of the future, while sequestration moves us backward through unprecedented devastating cuts from preschool through graduate education."

#



SUMMARY/ANALYSIS OF THE PRESIDENT'S FY 2014 BUDGET FOR EDUCATION

April 16, 2013

BACKGROUND

President Obama issued his Fiscal Year (FY) 2014 budget on April 10. Before turning to the specifics for education, it is important to understand the context in which the budget is issued as well as the overarching policies.

Since January 2011 when Republicans gained the majority in the House of Representatives, the president and the Democrats on one side and House and Senate Republicans on the other have been engaged in a lengthy ongoing series of battles over federal budget issues.

While both parties are in general agreement on the need for long-term deficit reduction, they have expressed deep differences about how to reduce the deficit. The general Republican position is that the deficit should be reduced solely through additional spending cuts, defense spending should be protected from cuts as much as possible, and revenues should not be increased. The general Democratic position is the deficit should be reduced by a “balanced approach” which must include additional revenues from upper-income individuals and closing corporate tax loopholes, along with some targeted cuts to mandatory spending and defense, and investments in areas such as education, infrastructure, and research and development.

The previous Congress enacted several rounds of spending cuts. These included the FY 2011 Continuing Resolution which cut non-defense discretionary (NDD) spending, the Budget Control Act which produced savings through imposed caps on both defense and NDD spending, and the American Taxpayer Relief Act which increased revenues on upper-income taxpayers. In addition, on March 1 the sequester cuts took effect. Unless Congress acts to replace the sequester, those cuts will stay in effect through FY 2021.

According to the president's FY 2014 budget, cumulative spending cuts to date total \$1.444 trillion. The sequester will add an additional \$893 billion in cuts for a total of \$2.337 trillion. Total increased revenues equal \$660 billion. Thus, enacted spending cuts are more than three and one-half times greater than revenue increases.

KEY COMPONENTS OF THE PRESIDENT'S BUDGET

Overall, the president's budget replaces sequestration with a more balanced mix of spending cuts and revenue increases resulting in \$1.8 trillion in deficit reduction over the ten-year budget window — significantly more than sequestration. Specifically, he calls for \$583 billion in new revenues, \$600 billion in mandatory program savings, implementation of the chained CPI for Social Security benefits and other program inflation adjustments, and \$200 billion in discretionary savings split between defense and non-defense starting in 2017 from the pre-sequester levels.

The revenue increases come from two sources. \$530 billion is raised by limiting the value of tax deductions and exclusions to the 28 percent tax bracket, effectively capping their value for higher earners. The additional \$53 billion in revenue would come from implementation of the “Buffett rule” that would effectively impose a new 30 percent minimum tax for millionaires.

The president and his staff have made clear they will not accept the chained CPI or proposed mandatory spending cuts in the absence of revenue increases and the repeal of the sequester.

Because the president's budget was submitted much later than usual, the House and Senate have already passed their own budget plans. These budget resolutions, both passed on partisan votes, are radically different in their vision of the federal budget and the role of the federal government. The House-passed budget would maintain the sequester cap levels, but shift all of the proposed defense cuts to NDD programs, resulting in a cut to education and other NDD programs of almost 12 percent below the FY 2014 sequester level. Overall, the House budget would achieve a balanced budget in ten years through a total of \$4.6 trillion in additional spending cuts with no revenue increases. By contrast, the Senate-passed budget replaces the sequester, raises revenues by almost \$1 trillion, reduces defense, and imposes modest cuts to mandatory programs, while also investing in education.

The key issue facing education and other non-defense discretionary spending programs is whether or not Congress and the president can reach agreement on a balanced deficit reduction package to replace the sequester. Absent an agreement to replace the sequester it will be virtually impossible to enact and fund any of the proposed new education programs and/or increase funding for existing education programs proposed in the budget. Indeed, without replacing the sequester it will be very difficult to restore the \$2.5 billion in education cuts already enacted in FY 2013.



As of now, the two parties remain far apart on these issues. Republican leadership continues to oppose any new revenues and supports deeper cuts than are included in the president's budget to Medicare, Medicaid and other entitlements. On the other hand, liberal Democrats and allied organizations strongly oppose the chained CPI proposal that the president has agreed to support as part of a balanced deficit reduction package.

The next deadline that might result in some type of agreement on replacing the sequester is when the debt ceiling must again be addressed, which may not occur until the fall.

EDUCATION PROVISIONS

Education funding is a major priority in the president's budget, which would increase discretionary spending at the Department of Education by \$3.1 billion (+4.5 percent) compared to the FY 2012 pre-sequester level. Compared to the final FY 2013 post-sequester level it represents an increase of \$5.5 billion (+8.4 percent).

However, most of the proposed increase in funding is either for new programs such as Preschool Development Grants (\$750 million), High School Redesign (\$300 million), Race to the Top for higher education (\$1 billion) and First in the World (\$247 million); increases in competitive grant programs such as School Improvement Grants (+\$153 million), Promise Neighborhoods (+\$243 million) and Investing in Innovation (+\$73 million); or, increases in proposed new programs based on consolidation of existing programs such as Successful, Safe and Healthy Students (+\$84 million) and STEM Innovation (+\$273 million). [Note: All increases are compared to final FY 2013 levels.]

Most existing programs, including key foundational programs (Title I, IDEA, Impact Aid support payments, Language Acquisition State grants, TRIO, GEAR-UP, Career and Technical Education, and aid to HBCUs, Hispanic-Serving and other minority serving higher education institutions), are frozen at pre-sequester levels. Impact Aid payments for federal property would be cut by \$67 million below the FY 2012 pre-sequester level.

To reiterate, unless the sequester for FY 2014 is replaced, none of these post-sequester increases will occur. Indeed, under the House-passed budget, education programs would face far deeper cuts than the sequester levels.

Mandatory Funding

In addition to the discretionary increases and changes proposed, the budget includes significant mandatory funding for education:

- \$75 billion over ten years for Preschool for All (\$1.3 billion in FY 2014): "Funds would support grants to States for the implementation of high-quality preschool programs that are aligned with elementary and secondary education systems. The Department of Education would share costs with States to provide universal access to high-quality preschool for children from low and moderate income families and provide incentives for States to serve additional children from middle-class families."

OUTLOOK: The Administration has made this a big priority, but getting Republicans to agree to both a significant new mandatory funded program and to agree to pay for it with an increase in tobacco taxes will be a very heavy lift.

- \$12.5 billion for Education Jobs: "One-time Funds would support formula grants to States to retain, rehire, and hire early childhood, elementary, and secondary educators, including teachers, guidance counselors, classroom assistants, after-school personnel, tutors, and literacy and math coaches."

OUTLOOK: There is no real chance this will be enacted. Last year's budget proposed \$25 billion for a similar program which went nowhere.

- \$8 billion for Community College To Career Fund (\$4 billion each in the Departments of Education and Labor): "Beginning in 2015, provides \$8 billion (\$4 billion each in the Departments of Labor and Education) over three years to support and evaluate community college-based training programs that build the skills of American workers, with a particular emphasis on initiatives with strong State and community college partnerships with businesses. The Fund will be jointly administered by the Departments of Labor and Education and is the successor to the Trade Adjustment Assistance Community College and Career Training program in the Department of Labor, for which 2014 is the final year of funding."

OUTLOOK: As with other proposed new mandatory funded programs, this will need a "pay for." It will likely prove difficult to find \$8 billion in either tax increases or spending cuts to pay for this; however, since it is an extension of an existing program, it might have a chance.

- \$5 billion in one-time mandatory funds for the RESPECT Project: "Would help States and districts reshape the teaching profession through grants to States and consortia of districts with the most ambitious plans and policies for reforming the teaching profession. Funds would be used to reform teacher and principal preparation programs; strengthen teacher and principal evaluation and professional development systems; redesign educator career ladders and compensation systems to attract and retain top talent; and create conditions in schools that support effective teaching, including greater autonomy, shared leadership and responsibility for student outcomes, and time for collaboration."

OUTLOOK: There is virtually no chance Congress creates this program. It was proposed in last year's budget and went nowhere.

In addition to funding for the Department of Education, early education programs in the Department of Health and Human Services (HHS) would receive significant funding boosts as well, with Head Start increased by \$606 million (+8 percent over its final FY 2013 level) and \$1.4 billion for a new Early Head Start – Child Care Partnership program.

Tax Proposals

On the tax side, the budget proposes to permanently extend the American Opportunity Tax Credit that helps families pay for college costs.

OUTLOOK: This is unlikely since Congress in January just extended this program for five years and a further extension would need an offset.

The budget also proposes a new America Fast Forward (AFF) Bonds program. AFF will build upon the Buy America Bonds program in the Recovery Act, broadening it to include similar programs like the qualified private activity bonds program while also making the combined program more flexible. AFF Bonds will attract new sources of capital for infrastructure investment, including from public pension funds and foreign investors that do not receive a tax benefit from traditional tax-exempt debt.

As part of the AFF Bonds program, the budget proposes to reduce the cost of financing for building and repairing public schools, State universities, and school buildings sponsored by non-profit educational entities by issuing AFF school construction bonds, with an additional interest subsidy in 2014 and 2015 to encourage immediate investment in school construction. The proposal provides a temporary 50 percent federal subsidy for America Fast Forward Bonds for School Construction.

Eligible uses would include (1) original financing for governmental capital projects for public schools and State universities and (2) new money financing for section 501(c)(3) nonprofit educational entities, such as nonprofit schools and nonprofit universities that could use qualified section 501(c)(3) bonds. Issuers could choose to issue America Fast Forward Bonds for School Construction or traditional tax-exempt bonds.

For America Fast Forward Bonds for School Construction issued in 2014 and 2015, the Treasury Department would make direct payments (through refundable tax credits) to State and local governmental issuers in an amount equal to 50 percent of the coupon interest on the bonds. This represents a deeper federal subsidy for temporary stimulus purposes than the existing permanent federal subsidy inherent in tax-exempt governmental bonds or qualified section 501(c)(3) bonds, or the proposed 28 percent federal subsidy rate for the permanent America Fast Forward Bond program.

OUTLOOK: Too soon to tell. Since this is not a spending program but a tax subsidy based on similar programs, it might have some viability. However, it will likely need to be included in a broader package of tax reforms.

EARLY CHILDHOOD EDUCATION

Early childhood education is a major new priority for the president, not just as a priority within the education budget but as an overall budget and policy priority.

The proposal includes three main components: \$75 billion in mandatory funding over ten years for States to expand access to preschool for children in families under 200 percent of the poverty line; \$15 billion in mandatory funding over the next ten years to extend the evidence-based home visiting program now funded through 2014 under the Affordable Care Act; and, \$1.4 billion in 2014 to expand high-quality early education for infants and toddlers through partnerships between Early Head Start and child care providers. (The budget also includes additional funding for discretionary and mandatory child care funding.)

Within Education, two pieces would receive funding in FY 2014:

- \$1.3 billion in FY 2014 and \$75 billion over 10 years in mandatory funding for “Preschool for All, a new Federal-State partnership that will support the implementation of high-quality preschool programs that are aligned with elementary and secondary education systems and help ensure that all children arrive in kindergarten ready to learn. The Federal Government would provide funding through a cost-sharing model with States to serve all children from low- and moderate-income families, create an incentive for States to expand access to high-quality preschool for additional middle-class families, and promote access to full-day kindergarten and high-quality early learning programs for children under the age of four.”

“States would use these funds to expand access to high-quality preschool to four-year-olds with incomes under 200 percent of the poverty line. States would be required to contribute their own funds to the initiative as well, with the State share of the costs growing over time. States that already offer universal preschool to low-income four year-olds could use the funds to expand full-day kindergarten for low-income students or, if full-day kindergarten is already in place, to expand preschool for low-income three-year-olds. States would have a financial incentive to increase access to high-quality preschool for middle-income students as well.”



- \$750 million for “competitively awarded Preschool Development Grants to help build State capacity to implement high-quality preschool programs. Funds would be awarded to States with preschool systems at various stages of development and would support activities needed to ensure that every State has the high-quality system needed to implement the Preschool for All program.”

The mandatory portion of the preschool initiative is financed by an increase in taxes on tobacco products, including an increase on cigarettes of \$0.94 per pack.

OUTLOOK: See comments above.

In addition to this proposed program, the budget provides an increase of \$20 million for Grants for Infants and Families under the Individuals with Disabilities Education Act (IDEA) “to help States implement statewide systems of early intervention services for all eligible children with disabilities from birth through age 2 and their families.”

In HHS, the budget requests \$1.4 billion to create Early Head Start – Child Care Partnerships “that will help states and communities to expand the availability of early learning programs that meet the highest standards of quality for infants and toddlers, serving children from birth through age three. Funds will be competitively awarded to new and existing Early Head Start programs that will partner with child care providers that serve a high number of children with child care subsidies. Through these partnerships, the Early Head Start program will work with child care providers to create high-quality slots that are full-day, offer comprehensive services that meet the needs of working families, and prepare children for the transition to preschool.”

The president has also proposed extending and expanding the evidence-based home visiting program. The Departments of Education and Health and Human Services will collaborate to ensure the investments at both agencies together will build a cohesive and well-aligned system of early learning from birth to age five.

ELEMENTARY AND SECONDARY EDUCATION

As in several previous Obama budgets, the FY 2014 budget proposes to fund programs authorized under the Elementary and Secondary Education Act (ESEA) based on the Administration’s ESEA blueprint released in March 2010 (<http://www2.ed.gov/policy/elsec/leg/blueprint/blueprint.pdf>).

OUTLOOK: There is little chance Congress will reauthorize ESEA this year and essentially no chance it will do so prior to action needed on the FY 2014 appropriations bills. Thus, most of the proposed consolidations and new programs are unlikely to occur. However, the appropriations bill can revise programs and fund new ones. Therefore, if the Administration pushes hard enough, it is possible some of these policy changes can be enacted. As noted above, absent a replacement of the sequester, funding any new programs will be extremely difficult.

Also as noted above, key programs would be frozen at their FY 2012 pre-sequester levels including Title I grants to school districts, Impact Aid basic support payments, Migrant Education, Neglected and Delinquent Children and Youth, Homeless Children and Youth, State assessment grants, rural education, Indian Student Education, Language Acquisition Grants, IDEA Grants to States, IDEA Preschool grants, Career and Technical Education State grants, and Adult Basic and Literacy Education State grants.

If the sequester cap is repealed, it is likely Title I and IDEA, among other programs, would receive modest increases. Members of Congress from both parties have expressed concerns with the increases in competitive grants compared to a freeze on these foundational programs.

Programs slated for increases above their pre-sequester levels include (all increases compared to the final FY 2013 funding levels):

- Investing in Innovation Fund (i3) = \$215 million (+\$73 million, +51.8%).
Thirty percent of funds would support “the Advanced Research Projects Agency-Education (ARPA-ED), a new entity modeled after similar agencies in the Department of Defense and Department of Energy that would pursue breakthrough developments in educational technology and tools.”
- The STEM Innovation Initiative = \$415 million (+\$273 million over Mathematics and Science Partnerships which would be replaced by this program).

This initiative has four parts:

- o \$150 million for the “proposed STEM Innovation Networks program which would provide competitive awards to LEAs in partnership with institutions of higher education, nonprofit organizations, other public agencies, and businesses to transform STEM teaching and learning by developing and validating evidenced-based practices in a set of ‘platform schools’ and implementing them across broader, regional networks of participating schools following validation of effectiveness.”

- o \$80 million for the “STEM Teacher Pathways proposal which would lay the groundwork for producing 100,000 new effective and highly effective STEM teachers over the next 10 years, providing competitive grants to create or expand high-quality pathways to teacher certification and other innovative approaches for recruiting, training, and placing talented recent college graduates and mid-career professionals in the STEM fields in high-need schools.”
- o \$35 million to establish the first cohort of the STEM Master Teacher Corps, “which would identify, recognize, and reward some of the Nation’s most talented STEM teachers, enlisting them in a national network to assist in building local and regional communities of practice that would help transform STEM teaching and learning while raising the profile of the STEM teaching profession.”
- o \$150 million for the Effective Teaching and Learning: STEM program that would “build on the experience of the current Mathematics and Science Partnerships program, making awards to SEAs, alone or in partnership with other entities, to implement a comprehensive strategy for the provision of high-quality STEM instruction and support to students.”

OUTLOOK: STEM is very popular, so pieces of this might have a chance.

- School Turnaround Grants = \$658.6 million (+\$152.9 million, +30.2%).

This proposal is a revised School Improvement Grants program. The proposed \$125 million increase over FY 2012 for School Turnaround Grants would fund a new competitive grant program that would “strengthen formula grant implementation by building district-level capacity to support school turnaround efforts and to sustain improvements in schools that have used funds to successfully implement a school intervention model. Up to \$25 million of these funds also could be used to expand the School Turnaround AmeriCorps, an initiative launched in partnership with the Corporation for National and Community Service in 2013 that uses AmeriCorps volunteers to help build local capacity to implement effective school turnarounds.”

OUTLOOK: The proposed increase seems unlikely.

- High School Redesign = \$300 million (new program).

The proposed High School Redesign program “would promote the whole school transformation of the high school experience in order to provide students with challenging and relevant academic and career-related learning experiences that prepare them to transition to postsecondary education and careers.”

“Funds would support competitive grants to LEAs in partnership with institutions of higher education and employers—including business and industry as well as non-profit and community-based organizations—for projects that (1) leverage existing Federal, State, and local resources to engage students in personalized learning opportunities tied to real world experience (such as career-based learning); (2) provide students with rigorous, challenging academic content aligned with college-level expectations, including programs that offer students access to college-level coursework and opportunities to gain postsecondary credit while still in high school; (3) help students learn not only academic content but also pertinent career-related competencies and employability and technical skills; and (4) offer meaningful college and career exploration opportunities and high-quality advisory services. The new program would give priority to partnerships in areas with limited access to quality career and college opportunities, such as high-poverty or rural LEAs.”

OUTLOOK: Creating a new \$300 million program seems unlikely.

- Teacher and Leader Innovation Fund = \$400 million (+\$116.2 million, +41%).

This replacement to the existing Teacher Incentive Fund (TIF) 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 and districts by creating the conditions needed to identify, reward, retain, and advance effective teachers, teacher leaders, principals, and school leadership teams in those schools, and enabling schools to build the strongest teams possible.”

OUTLOOK: The Senate has been less favorable to TIF, so a \$100 million increase seems unlikely.

- School Leadership = \$98 million (+\$69 million, +250%).

OUTLOOK: Some increase may be possible if the sequester caps are lifted.

- Effective Teaching and Learning for a Well-Rounded Education = \$75 million (+\$51.3 million, +217% over the Arts in Education program which would be consolidated into this new program).

“The Effective Teaching and Learning for a Well-Rounded Education program would support competitive grants to SEAs and high-need LEAs, alone or in partnership with other entities, to develop and expand innovative practices for improving teaching and learning in the arts, health education, foreign languages, civics and government, history, geography, environmental education, economics and financial literacy, and other subjects.”

OUTLOOK: It is very unlikely this new program will be funded.



- College Pathways and Accelerated Learning = \$102.2 million (+\$27.3 million, +36.5% over combined funding for High School Graduation Initiative and Advanced Placement which would be consolidated into this new program).

“This program would focus on increasing graduation rates and preparation for college matriculation and success by supporting 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 and International Baccalaureate 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 2 years of college credit simultaneously. The program would fund accelerated learning opportunities for students across the performance spectrum, including those who exceed proficiency standards, in high-poverty elementary schools. Grants also would support projects that re-engage out-of-school youth or students who are not on track to graduate.”

“The Department would be authorized to reserve funds to make grants to States to pay for the cost of advanced test fees for students from low-income families.”

OUTLOOK: It is very unlikely this new program would be funded. Continued funding for the two existing programs could be difficult, especially if the sequester caps are not lifted.

- Promise Neighborhoods= \$300 million (+\$243.3 million, +428.6%).

“In coordination with the Department of Housing and Urban Development (HUD), the Department would reserve a portion of 2014 funds for planning grants to communities that intend to apply for funding under both the Promise Neighborhoods and HUD’s Choice Neighborhoods programs. The request will also target a portion of funds to newly designated Promise Zones—communities with highly concentrated poverty in which Federal agencies will partner with local leaders to break down barriers and coordinate the resources and expertise they need to create jobs, leverage private investment, increase economic activity, reduce violence, and improve educational opportunities.”

OUTLOOK: An increase this large is unlikely, but Promise Neighborhoods may well receive a modest increase.

- Successful, Safe, and Healthy Students = \$280 million (+\$94.3 million, +50.1% over the total for the consolidated programs).

“Under this proposed consolidation of Safe and Drug-Free Schools and Communities National Activities, Elementary and Secondary School Counseling and Physical Education Program, 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, alcohol use, bullying, harassment, or violence; (2) improve students’ physical health and well-being through comprehensive services that improve student nutrition, physical activity, and fitness; and (3) improve student’s mental health and well-being through expanded access to comprehensive services, such as counseling, health, mental health, and social services.

“The new program would also include a national activities authority, under which the Department would reserve funds for several initiatives that are included in Now Is The Time, the President’s common-sense plan to make our schools safer and protect our children from gun violence. These initiatives include \$30 million for grants to SEAs to help their LEAs develop, implement, and improve their emergency management plans; \$50 million for School Climate Transformation Grants and related technical assistance to help schools train their teachers and other school staff to implement evidence-based behavioral intervention strategies to improve school climate; and \$25 million for Project Prevent grants to LEAs to help schools in communities with pervasive violence break the cycle of violence. Funds requested under National Activities would also be used to help LEAs and IHEs recover from emergencies under Project SERV (School Emergency Response to Violence), and for data collection, dissemination, outreach, and related forms of technical assistance for other activities that promote safe and healthy students.”

OUTLOOK: The gun violence prevention bill considered by the Senate had a very modest school safety component, but it did not include any of these provisions. As an amendment to that bill, the Senate adopted the provisions of S. 689, the Mental Health Awareness and Improvement Act of 2013. S. 689 includes additional provisions that promote school-wide prevention through the development of positive behavioral supports and encourages school-based mental health partnerships. However, it does not provide any additional funding. Some additional funding for school safety might be possible if the sequester is repealed.

- 21st Century Community Learning Centers = \$1,251.7 million (+\$160.2 million, +14.7%).
“The proposal would permit States and eligible local entities to use funds to support expanded-learning-time programs as well as full-service community schools.”
OUTLOOK: This policy change may be included in a final appropriations bill.
- Expanding Educational Options = \$294.8 million (+\$53.3 million, +22.1%).
This is the proposed replacement for the Supporting Effective Charter Schools grants program.
OUTLOOK: This new program is unlikely to be created. Charter school grants will continue to be funded.
- IDEA Grants for Infants and Families = \$462.7 million (+\$43.2 million, +10.3%).

Other policy changes:

- Effective Teachers and Leaders State Grants = frozen at FY 2012 level (Funding for Transition to Teaching and the higher education Teacher Quality Partnerships would be eliminated as they are proposed to be consolidated into this new program.).
This is the proposed replacement to the current Improving Teacher Quality State Grants which “would provide formula grants to States and districts to support the Administration’s ESEA reauthorization proposal, which would require States to develop definitions of ‘effective’ and ‘highly effective’ teachers and principals that would be used in the development of State and local teacher and principal evaluation systems. States and LEAs would have flexibility in how they use formula grant funds, but would be accountable for improving their teacher and principal evaluation systems and for ensuring that low-income and minority students have equitable access to teachers and principals who are effective at raising student achievement. In addition, the Department would reserve up to 25 percent of the appropriation to recruit, train, and support effective teachers and school leaders; fund competitive grants to States and LEAs to improve educator evaluation and licensure systems and develop rigorous accountability systems for educator preparation programs; and to invest in other efforts to enhance the teaching and leadership professions.”
OUTLOOK: It is unlikely this new program will be created. However, Congress may expand an existing 1.5 percent set-aside from Teacher Quality State grants to perhaps 5 percent for the Supporting Effective Educator Development (SEED) Grant.
- Effective Teaching and Learning: Literacy = frozen at FY 2012 combined level of programs proposed for consolidation.
This proposed program, which would consolidate Ready-To-Learn Television and Striving Readers, “would provide competitive grants to State educational agencies (SEAs), alone or in partnership with other entities, for comprehensive State and local efforts to improve literacy instruction, especially in high-need schools, for children and youth from preschool through grade 12. The program would build on the revised Striving Readers program, which replaced literacy programs segmented by age and grade level with a more comprehensive program that serves children from birth through 12th grade. The reauthorized program would strengthen education for literacy by (1) ensuring that all the elements of a comprehensive literacy program are embedded in State and local strategies; (2) strengthening performance expectations; (3) supporting the identification and scaling-up of innovative methods of teaching reading, writing, and language arts; and (4) giving States and school districts the flexibility to target resources based on identified needs.”
OUTLOOK: It is unlikely this new program will be created and funded. Striving Readers is likely to continue to receive funding.

CAREER, TECHNICAL AND ADULT EDUCATION

Both Career and Technical Education State Grants and Adult Basic and Literacy Education State Grants would be frozen at their FY 2012 pre-sequester levels.

Programs slated for increases include (all increases compared to the final FY 2013 funding levels):

- CTE National Programs = \$17.8 million (+\$10.4 million, +140.3%).
“The request includes \$10 million, along with up to \$32 million that the Department is requesting under the GPR Data/HEA Program Evaluation program in the Higher Education account, to create a \$42 million fund to support and evaluate dual-enrollment programs that target local workforce needs.”



- Adult Education National Leadership Activities = \$14.3 million (+\$3.6 million, +33.5%).
“The proposed \$3.0 million increase would be used for new awards to support reentry education models, building on the fiscal year 2013 Promoting Reentry Success through Continuity of Educational Opportunities competition.”

Other Policy Proposals:

- Career and Technical Education:
State Grant “Funds for the CTE program would support the first year of activity under a reauthorized Carl D. Perkins Career and Technical Education Act. In April of 2012 the Administration released Investing in America’s Future: A Blueprint for Transforming Career and Technical Education, which outlined the Administration’s proposal for reauthorizing the Perkins Act in order to ensure that all CTE programs become viable and rigorous pathways to postsecondary and career success.”
OUTLOOK: It is very unlikely that CTE will be reauthorized this year.
- Adult Basic and Literacy Education State Grants:
“The request for State Grants includes \$74.7 million for the English Literacy/Civics Education set-aside to help States and communities provide adults learning English with expanded access to high-quality English literacy programs linked to civics education.”

HIGHER EDUCATION

The budget proposes to fund several new programs, revise the campus allocation formula for the campus-based student aid programs, and restructure student loan interest rates.

As with the K-12 side of the budget, many higher education programs are frozen at the FY 2012 pre-sequester levels. These include Supplemental Educational Opportunity Grants, aid for institutional development (including Strengthening HBCUs grants and aid for Hispanic-serving institutions), TRIO, GEAR UP, and the High School Equivalency (HEP) and College Assistance Migrant (CAMP) Programs.

Programs slated for increases include (all increases compared to the final FY 2013 funding levels):

- Work-Study = \$1,126.7 (+\$201 million, +21.7%)
The 2014 request “would change the allocation formula for Work-Study to benefit institutions that keep net tuition down, serve low-income students effectively, and provide good value to students, in part by offering them more meaningful work-study opportunities that will help to prepare them for work and life after graduation.”
OUTLOOK: Any proposed revision to the campus-based aid formula will not occur in the context of the FY 2014 appropriations bill but will be considered when Congress reauthorizes the Higher Education Act (HEA), perhaps in 2014 or 2015.
- Presidential Teaching Fellows = \$190 million in mandatory funds (new program).
“The 2014 request would replace the TEACH Grant program with the new Presidential Teaching Fellows program, which is specifically focused on ensuring that recipients enter, remain, and thrive in the field of teaching. The new program would provide formula grants to States to fund scholarships of up to \$10,000 for students attending “high-performing” teacher preparation programs.”
OUTLOOK: Unlikely. This is more of an HEA reauthorization issue.
- International Education and Foreign Language Studies = \$80.9 million (+\$10.8 million, +15.4%).
- Race to the Top = \$1 billion (+479.8 million, +92.2%).
“The Department is requesting \$1 billion for a new Race to the Top-College Affordability and Completion competition aimed at catalyzing State efforts to pursue systemic higher education reforms and promote innovations to improve college affordability, access, completion, and quality; achieve better student outcomes; and increase institutional capacity to graduate more students with high-quality credentials. The request would allow the Department make awards to up to 10 States that can demonstrate a commitment to reforms in areas such as (1) sustaining fiscal support for higher education while modernizing funding policies to constrain costs and improve outcomes, (2) removing barriers preventing the creation of innovative methods of student learning and new degree pathways, (3) empowering consumer choice through increased transparency, and (4) smoothing transitions into college and between institutions of higher education.”

OUTLOOK: There is virtually no chance Congress will fund a \$1 billion Race to the Top (RTTT) program for higher education. Indeed, the fact that the Administration proposes to shift all the funds for RTTT from K-12 to higher education makes it more likely no funds will be provided in FY 2014 for any version of RTTT.

- First in the World (FITW) = \$247.2 million (new program).
 “Up to \$175 million of FITW funds would be used to support an evidence-based grant competition, which would apply the lessons of the successful Investing in Innovation (i3) program for K-12 to the challenge of improving college attainment and productivity. First in the World would provide ‘venture capital’ to encourage innovative approaches to improving college completion, research support to build the evidence of effectiveness needed to identify successful strategies, and resources to scale up and disseminate proven strategies. The competition would include a priority for projects designed to improve college access and selection for high-need secondary school students. In addition, up to \$75 million, to be available until expended, would be used to support (1) projects to develop third-party validation systems that identify competencies, assessments, and curricula for specific fields, and (2) Pay for Success awards to providers of free 2-year degrees, especially in fields supported by validation systems. These initiatives build alternative pathways for programs that are non-accredited, and therefore do not qualify for Federal grants and student loans, to receive Federal support if they can demonstrate positive student outcomes.”

OUTLOOK: Last year the Senate included \$49 million in its bill to start FITW. Therefore, if the sequester is repealed, it may well receive a small amount of initial funding.

- GPRA Data/HEA Program Evaluation = \$67.6 million (+\$67 million, +11,657.7%).
 “The request includes \$32 million to support a demonstration and evaluation of dual enrollment programs, to be co-funded with \$10 million from Career and Technical Education National Programs. Funds would be used to establish or expand dual enrollment programs aligned with career pathways and local workforce needs that offer high school and adult students the opportunity to earn college credits while enrolled in a high school or GED program. In addition, funds would support an on-going evaluation of the Pell grant expansions under the Experimental Sites Study, and a number of other studies of strategies for providing student aid in ways that improve postsecondary access and outcomes.”

OUTLOOK: Too soon to tell. An increase will be difficult unless sequester caps are repealed.

Other Policy Proposals:

- Pell Grants: “The 2014 request of \$29.9 billion for Pell Grants would continue to make college more affordable for 9.4 million students by increasing the maximum Pell award by \$140, from \$5,645 in award year 2013-2014 to \$5,785 in award year 2014-15, while also fully funding the program through award year 2015-2016.”

In the long-term when Pell faces ongoing funding shortfalls, the budget proposes “reforming and expanding the Perkins Loan program and reducing the costs associated with providing defaulted loan borrowers opportunities to repair their credit standing. The savings associated with these proposals would help offset the growing costs of the Pell Grant program in future years while still ensuring that aid is available to the neediest college students.”

OUTLOOK: The Pell grant program now has a surplus instead of the shortfalls of the past several years. The maximum award will automatically increase unless Congress takes steps to block it. If the sequester caps remain in place, Congress may be tempted to use some of the FY 2014 Pell surplus to restore cuts to other programs, but doing so would make the FY 2015 shortfall greater.

- Supplemental Educational Opportunity Grants: “The request would reform the institutional allocation formula to direct funding toward institutions that keep net tuition down, provide good value, and serve low-income students effectively.”

OUTLOOK: As noted above, this proposed change to the formula won’t happen this year.

- Perkins Loans: “The Administration is proposing to create an expanded, modernized Perkins Loan program as part of its overall effort to improve and strengthen the campus-based programs. The proposal would provide \$8.5 billion in new loan volume annually—eight and a half times the current annual Perkins volume—and reach students at up to 2,700 additional postsecondary education institutions. These reforms would also address the scheduled expiration of the program. Under the Administration’s proposal, Unsubsidized Perkins Loans would carry the same annually-determined fixed interest rate as that proposed for Unsubsidized Stafford Loans. Loan limits for both undergraduate and graduate students would remain the same as in the current Perkins program.”

OUTLOOK: This seems unlikely and is more likely to be addressed in the Higher Education Act reauthorization.



- Student loans:

“The 2014 request proposes to change the interest rate structure for new student and parent loans to market-based rates that better reflect current economic conditions. This proposal maintains the current policy of providing a lower rate on Subsidized Stafford loans, which are awarded on the basis of financial need, than on other Federal student and parent loans. These market-based rates for newly originated loans also would maintain the current policy of providing a lower rate on loans based on the financial need of students and families, with somewhat higher rates for student and parent loans made regardless of need. These rates would be determined annually and fixed for the life of the loan. Under the proposal, new rates would be equal to the 10-year Treasury note rate with add-ons of 0.93 percentage points for subsidized Stafford loans, 2.93 percentage points for Unsubsidized Stafford loans, and 3.93 percentage points for PLUS loans. The proposal does not include a cap on interest rates, and the existing cap of 8.25 percent on new consolidation loans would be eliminated.

“The Administration also proposes to expand eligibility for the Pay As You Earn plan to all borrowers. The benefits of this program are currently only available to borrowers who had no outstanding loans as of October 1, 2007, and had received a Direct Loan disbursement on or after October 1, 2011. The Budget proposes to expand this to all borrowers beginning July 1, 2014, regardless of when their loans were originated. All Stafford, Grad PLUS, and Consolidation loans that repaid Stafford and Grad PLUS loans made under the Direct Loan or FFEL programs, and that are not in default, are eligible for this program. Borrowers who take part in the Pay As You Earn plan would be eligible to have their student loan payments capped at 10 percent of their prior-year discretionary income, and to have any remaining balances forgiven after 20 years of repayments.”

OUTLOOK: Something will happen on student loan interest rates by the July 1 deadline. Now that the Administration has abandoned its previous support for maintaining the interest rate on subsidized loans at 3.4 percent and instead supports a market rate, its position is closer to proposals offered by Republicans. However, some Democrats are unhappy about the lack of a maximum rate cap.

RESEARCH/STATISTICS

Programs slated for increases include (all increases compared to the final FY 2013 funding levels):

- Research, Development, and Dissemination = \$202.3 (+\$22.4 million, +12.5%).
“The request also includes funds to support a new program, Partnerships and Collaborations Focused on Problems of Practice or Policy, which would support research focused on understanding strategies intended to support continuous improvement at the level of education systems.”
- Statistics = \$122.7 (+\$19.7 million, +19.1%).
- Research in Special Education = \$59.9 million (+\$12.6 million, +26.7%).
- Statewide Data Systems = \$85.0 (+\$48.9 million, +135.5%).

The proposed increase “includes \$36 million for new grants emphasizing early childhood data linkages and better use of data in analysis and policymaking and \$10 million for postsecondary data initiatives designed to improve information on students as they progress from high school to postsecondary education and the workforce.”

OUTLOOK: Some of these increases might occur but only if the sequester is replaced.

Education Programs and Earmarks Terminated
Fiscal Years 2011 and 2012 Appropriations
(in millions)

1.	Teaching American History	\$118.95
2.	Fund for the Improvement of Postsecondary Education (earmarks)	\$121.54
3.	Educational Technology State grants	\$100.00
4.	Tech Prep Education State grants	\$102.92
5.	Fund for Improvement of Education (earmarks)	\$88.79
6.	Smaller Learning Communities	\$88.00
7.	Even Start	\$66.45
8.	Leveraging Educational Assistance Partnerships	\$63.85
9.	Byrd Honors Scholarships	\$42.00
10.	Parental Information and Resource Centers	\$39.25
11.	Civics Education	\$35.00
12.	Alcohol Abuse Reduction	\$32.71
13.	Foreign Language Assistance	\$26.87
14.	Voluntary Public School Choice	\$25.77
15.	National Writing Project	\$25.65
16.	Reading is Fundamental	\$24.80
17.	Voc Rehab Projects with Industry	\$19.20
18.	Literacy in School Libraries	\$19.15
19.	Teach for America	\$18.00
20.	Workplace and Community Transition for Incarcerated Individuals	\$17.19
21.	IDEA Technology and Media Services (earmarks)	\$15.33
22.	Recording for the Blind and Dyslexic, Inc.	\$13.25
23.	Arts in Education (earmarks)	\$12.55
24.	National Board for Professional Teaching Standards	\$10.65
25.	Course Material Rental Program	\$10.00
26.	Exchanges with Historic Whaling and Trading Partners	\$8.75
27.	Special Olympics education programs	\$8.10
28.	Javits fellowships	\$8.08



29.	Javits Gifted and Talented	\$7.46
30.	Demonstrations to Support Postsecondary Institutions in Educating Students with Disabilities	\$6.76
31.	Centers for Excellence for Veteran Students Success	\$6.00
32.	Mental Health Integration in Schools	\$5.91
33.	Voc Rehab Demonstration and Training Projects (earmarks)	\$5.14
34.	Legal Assistance Loan Repayment Program	\$5.00
35.	New Leaders for New Schools (earmark)	\$5.00
36.	Thurgood Marshall Legal Education Opportunities	\$3.00
37.	Voc Rehab Recreational Projects	\$2.47
38.	Women's Educational Equity	\$2.42
39.	Teachers for a Competitive Tomorrow	\$2.18
40.	Underground Railroad Program	\$1.95
41.	Close-Up	\$1.94
42.	American History and Civics Academies	\$1.82
43.	Institute for International Public Policy	\$1.55
44.	Erma Byrd Scholarships	\$1.50
45.	Excellence in Economic Education	\$1.44
46.	Foundations for Learning	\$1.00
47.	Rehab Services Evaluation	\$1.22
48.	B.J. Stupak Olympic Scholarships	\$0.98
49.	Rehab Services Program Improvement	\$0.85
50.	Off-Campus Community Service	\$0.75
51.	Reading Rockets Program (earmark)	\$0.74

TOTAL
\$1,229.88



STOP THE LARGEST EDUCATION FUNDING CUTS EVER!!

- Because Congress failed to repeal or replace the sequester, on March 1, 2013, all federally-funded education programs (other than Pell grants which are exempt from the first year cut) were subject to a 5 percent automatic across-the-board cut as part of an overall FY 2013 \$85 billion sequestration spending cut.
- The last Congress enacted almost \$2.6 trillion in deficit reduction. Not counting interest savings, \$1.44 trillion was from spending cuts — virtually all from discretionary spending — while only about \$660 billion was from increased revenue. Thus, almost 70 percent of deficit reduction has been from spending cuts. If the sequester is not replaced, total spending cuts will increase to \$2.4 trillion and the share of deficit reduction from spending cuts will increase to more than 78 percent.
- It is critical that Congress replace the sequester with a balanced approach, including revenues and mandatory spending cuts, that protect education and other nondefense discretionary (NDD) programs from further spending cuts.
- These sequestration cuts chopped funding for programs in the Department of Education by \$2.5 billion. In addition, Head Start was slated for a \$401 million cut. These are the largest cuts EVER to education programs. Sequestration has moved us backward by slashing Department of Education non-Pell grant discretionary funding below the FY 2004 level.
- In addition, the final FY 2013 Continuing Resolution added an additional 0.2 percent across-the-board cut to all education and other NDD programs, cutting another \$136 million.
- Additional cuts to education programs, including Pell grants, will likely occur in FY 2014 through FY 2021 due to even lower “caps” on discretionary-funded programs, which include virtually all education programs (other than student loans) and Head Start.
- Institutions of higher education have also been hit hard by cuts to vital research programs, including NIH (-\$1.55 billion) and NSF (-\$361 million).
- Critical programs – including Title I aid to high-poverty schools, IDEA funds for students with disabilities, Impact Aid, teacher quality grants, after-school grants, charter and magnet school aid, English Language Acquisition grants, career, technical and adult education, campus-based student aid, aid to minority-serving institutions, and TRIO and GEAR UP – have all been slashed.

Some examples:

- o Head Start was cut by \$401 million which will cut services to 70,000 low-income children.
- o Title I was cut \$727 million, threatening instructional support to almost 1.2 million educationally disadvantaged children and causing the possible elimination of over 10,00 educator jobs.
- o IDEA K-12 funding for special education was cut by \$580 million which will adversely affect over 350,000 students with disabilities and cause the possible elimination of another 7,000 educator jobs.
- o Funding for Teacher Quality grants was cut by \$124 million.
- o While Pell grants are exempt from sequestration in FY 2013, other student financial aid programs such as Supplemental Educational Opportunity Grants and Work-Study were cut by \$86 million, which may cut off more than 33,000 students from campus jobs and deny grants to almost 71,000 needy students.



- o TRIO, GEAR UP and other higher education programs were cut by a combined \$129 million.
- o Career and Technical and Adult Education were cut by \$87 million, undermining services to 624,000 high school and community college students and 128,000 adult learners.
- U.S. Secretary of Education Arne Duncan said that the sequester, “just means a lot more children will not get the kinds of services they need, and as many as 40,000 teachers could lose their jobs.” He also said, “The long-term impact of sequestration could be even more damaging. By reducing education funding now and in the coming years, it would jeopardize our Nation’s ability to develop and support an educated, skilled workforce that can compete in the global economy.”
- These cuts will be on top of education cuts adopted by Congress in 2011. Funding for education programs (exclusive of changes to Pell grants) was cut in the aggregate by \$1.25 billion (-2.7 percent) in FY 2011, which generally provided support to schools and colleges for the 2011-12 school year.
- The FY 2012 omnibus appropriations bill cut aggregate funding for the Department of Education by an additional \$233 million. Between FY 2010 and FY 2012 more than 50 education programs totaling \$1.2 billion have had funding completely eliminated.
- These cuts have already been particularly disruptive to school districts receiving Impact Aid and to Head Start centers because cuts to those programs took effect in March 2013 – the middle of the 2012-13 school year.
- State/local governments and school districts have very limited capacity to soften the cuts of sequestration. According to a survey conducted by the American Association of School Administrators (*Cut Deep: How the Sequester Will Impact Our Nation’s Schools*), “Nine of ten (90 percent) school administrators replied that their state would be unable to absorb or offset the cuts of sequestration, equal to the 89.5 percent indicating that their district would be unable to absorb the cuts.”
- Based on Bureau of Labor Statistics data, 358,000 public school educator jobs have been eliminated since the start of the recession.
- Cuts of this magnitude will be harmful to jobs and the economy. A person with a Bachelor’s degree has lifetime earnings more than twice as great as a high school dropout. This benefits not only those individuals and their families, but our society and government through payment of higher taxes and less reliance on social services.
- According to *The Economic Impact of the Budget Control Act of 2011 on DOD and Non-DOD Agencies* issued by the Aerospace Industries Association, 2.14 million American jobs could be lost if sequestration cuts takes effect. “The unemployment rate will climb above 9 percent, pushing the economy toward recession and reducing projected growth in 2013 by two-thirds. An already weak economy will be undercut as the paychecks of thousands of workers across the economy will be affected from teachers, nurses, construction workers to key federal employees such as border patrol and FBI agents, food inspectors and others.”
- CEF joined with 3,200 national, State and local organizations in the nondefense discretionary (NDD) community to urge Congress and the president to avert sequestration by adopting a “balanced approach to deficit reduction that does not include further cuts to discretionary programs.” See: *NDD United Letter: 3,200 Organizations Say No More Cuts to Discretionary Programs, Balanced Approach Needed* (Feb. 11, 2013).
- Under the funding caps established in the bipartisan Budget Control Act, even without the sequester cuts by 2021 NDD programs will decline to just 2.5 percent of GDP, the lowest level in at least 50 years.
- The American public is strongly opposed to cutting federal support for education:
 - o A February 2013 national survey by the Pew Research Center for the People & the Press finds that cuts in federal education spending are particularly unpopular. Only 10 percent of the public supports decreasing funding for education programs, while 60 percent want to increase spending. Increasing funding for education had more support from the American people than increasing funding for 18 other areas of the federal budget including defense, Medicare, health programs, Social Security and veterans’ benefits.
 - o A Bloomberg News poll released in February 2013 found 67 percent of the public believes education funding should not be cut at all. Once again, education funding had the highest support from the public compared to other areas of the budget.
 - o A CEF-FEI December 2012 poll also found that two-thirds of the public supported protecting education from the sequester cuts.

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Fiscal Year 2014 Discretionary Funding for Selected Department of Education and Related Programs

PROGRAM	FY 12 P.L. 112-77	FY 13 FINAL P.L. 113-6 ¹	FY 13 FINAL v. FY 12	PRESIDENT FY 14 ²	PRESIDENT v. FY 13
(in thousands of dollars)					
Title I Grants to LEAs	14,516,457	13,760,219	-756,2381	14,516,457	+756,238 (+5.5%)
Title I Evaluation	3,194	3,028	-166	0	-3,028 (-100.0%)
School improvement State grants	533,552	505,756	-27,796 ³	658,552	+152,796 (+30.2%)
Migrant	393,236	372,751	-20,485	393,236	+20,485 (+5.5%)
Neglected and delinquent	50,231	47,614	-2,617	50,231	+2,617 (+5.5%)
Education for homeless children and youth	65,173	61,771	-3,402	65,173	+3,402 (+5.5%)
Preschool development grants (proposed program)	NA	NA	NA	750,000 ⁴	+750,000 (NA)
Impact Aid total	1,291,186	1,223,649	-67,537	1,224,239	+590 (+0.0%)
Effective Teaching and Learning: Literacy (proposed program)	NA	NA	NA	186,892 ⁵	+186,892 (NA)
Striving readers	159,698	151,378	-8,320	0	-151,378 (-100.0%)
Ready-to-Learn television	27,194	25,771	-1,423	0	-25,771 (-100.0%)
Effective Teaching and Learning: Well-Rounded Education (proposed program)	NA	NA	NA	75,000 ⁶	+75,000 (NA)
Arts in Education	24,953	23,648	-1,305	0	-23,648 (-100.0%)
College Pathways/ Accelerated Learning (proposed program)	NA	NA	NA	102,200 ⁷	+102,200 (NA)
High school graduation initiative	48,809	46,267	-2,542	0	-46,267 (-100.0%)
Advanced placement	30,055	28,483	-1,572	0	-28,483 (-100.0%)
State assessments	389,214	368,900	-20,314	389,214	+20,314 (+5.5%)
Rural education	179,193	169,840	-9,353	179,193	+9,353 (+5.5%)
Comprehensive Centers	51,113	48,445	-2,668	51,113	+2,668 (+5.5%)
Education for Native Hawaiians	34,181	32,397	-1,784	34,181	+1,784 (+5.5%)
Alaska Native Education Equity	33,185	31,453	-1,732	33,185	+1,732 (+5.5%)
Promise Neighborhoods	59,887	56,754	-3,133	300,000	+243,246 (+428.6%)
Successful, Safe and Healthy Students (proposed program)	NA	NA	NA	280,000 ⁸	+280,000 (NA)
Safe and drug-free schools and communities national programs	64,877	61,484 ⁹	-3,393	0	-61,484 (-100.0%)
Elementary and secondary school counseling	52,296	49,561	-2,735	0	-49,561 (-100.0%)
Carol M. White Physical Education Program	78,693	74,577	-4,116	0	-74,577 (-100.0%)
21st century community learning centers	1,151,673	1,091,564	-60,109	1,251,673	+160,109 (+14.7%)
Indian Education total	130,779	123,93	-6,840	130,779	+6,840 (+5.5%)
Race to the Top	548,960	520,247	-28,713	1,000,000 ¹⁰	+479,753 (+92.2%)





Fiscal Year 2014 Discretionary Funding for Selected Department of Education and Related Programs

PROGRAM	FY 12 P.L. 112-77	FY 13 FINAL P.L. 113-6 ¹	FY 13 FINAL v. FY 12	PRESIDENT FY 14 ²	PRESIDENT v. FY 13
Investing in Innovation	149,417	141,602	-7,815	215,000 ¹¹	+73,398 (+51.8%)
STEM innovation (proposed program)	NA	NA	NA	414,716 ¹²	+414,716 (NA)
Mathematics and science partnerships	149,716	141,902	-7,814	0	-141,902 (-100.0%)
High school redesign (proposed program)	NA	NA	NA	300,000 ¹³	+300,000 (NA)
Effective Teachers and Leaders State Grants (proposed program)	NA	NA	NA	2,466,567 ¹⁴	+2,466,567 (NA)
Teacher quality State grants	2,466,567 ¹⁵	2,337,567	-128,737	0	-2,337,567 (-100.0%)
Transition to teaching	26,054	24,691	-1,363	0	-24,691 (-100.0%)
Teacher quality partnership (HEA)	42,833	40,592	-2,241	0	-40,592 (-100.0%)
School leadership	29,107	27,584	-1,523	97,994	+70,410 (+255.3%)
Teacher and Leader Innovation Fund (proposed program)	NA	NA	NA	400,000 ¹⁶	+400,000 (NA)
Teacher incentive fund grants	299,433	283,771	-15,662	0	-283,771 (-100.0%)
Expanding Educational Options (proposed program)	NA	NA	NA	294,836 ¹⁷	+294,836 (NA)
Charter schools grants	254,836	241,507	-13,329	0	-241,507 (-100.0%)
Magnet schools assistance	96,705	91,647	-5,058	99,611	+7,964 (+8.7%)
Fund for the Improvement in Education total includes:	40,823	38,687	-2,136	46,276 ¹⁸	+7,589 (+19.6%)
• Literacy initiative – non-add	28,600	27,104	-1,439	0 ¹⁹	-27,104 (-100.0%)
English Language Acquisition	732,144	693,848	-38,296	732,144	+38,296 (+5.5%)
IDEA State grants	11,577,855	10,974,866 ²⁰	-602,989	11,577,855	+602,989 (+5.5%)
IDEA Preschool grants	372,646	353,238	-19,408	372,646	+19,408 (+5.5%)
IDEA Grants for infants and families	442,710	419,653	-23,057	462,710	+43,057 (+10.3%)
IDEA State personnel development	43,917	41,630	-2,287	45,011	+3,381 (+8.1%)
IDEA Technical assistance and dissemination	46,781	44,345	-2,447	46,781	+2,447 (+5.5%)
IDEA Personnel preparation	88,299	83,700	-4,599	85,799	+2,099 (+2.5%)
IDEA Parent information centers	28,917	27,404	-1,513	28,917	+1,513 (+5.5%)
IDEA Technology and media services	29,588	28,047	-1,541	29,588	+1,541 (+5.5%)
Special Olympics education programs	8,000	7,583	-417	8,000	+417 (+5.5%)
PROMISE: Promoting Readiness of Minors in SSI	1,996	1,892	-104	0	-1,892 (-100.0%)
Career and technical education State grants	1,123,030	1,064,446	-58,584	1,123,030 ²¹	+58,584 (+5.5%)
CTE National programs	7,829	7,421	-408	17,829 ²²	+10,408 (+140.3%)
Adult basic and literacy education State grants	594,993	563,955	-31,038	594,993	+31,038 (+5.5%)



Fiscal Year 2014 Discretionary Funding for Selected Department of Education and Related Programs

PROGRAM	FY 12 P.L. 112-77	FY 13 FINAL P.L. 113-6 ¹	FY 13 FINAL v. FY 12	PRESIDENT FY 14 ²	PRESIDENT v. FY 13
Adult Education National leadership	11,302	10,712	-590	14,302	+3,590 (+33.5%)
Pell grants discretionary	22,824,000	22,778,352 ²³	-45,648	22,824,000	+45,648 (+0.2%)
Pell grant maximum award (in whole dollars)	5,550	5,645	+95	5,785	+140 (+2.5%)
Supplemental educational opportunity grants	734,599	696,175	-38,424	734,599 ²⁴	+38,424 (+5.5%)
Work-study	976,682	925,595	-51,087	1,126,682	+201,087 (21.7%)
Student Aid Administration	1,043,387	988,812	-54,575	1,050,091	+61,279 (+6.2%)
Strengthening institutions	80,623	76,406	-4,217	80,623	+4,217 (+5.5%)
Strengthening tribally controlled colleges and universities	25,713	24,368	-1,345	25,713	+1,345 (+5.5%)
Strengthening Alaska Native and Native Hawaiian-serving institutions	12,859	12,186	-673	12,859	+673 (+5.5%)
Strengthening HBCUs	227,980	216,056	-11,924	227,980	+11,924 (+5.5%)
Strengthening historically Black graduate institutions	58,958	55,874	-3,084	58,958	+3,084 (5.5%)
Strengthening predominately Black institutions	9,262	8,778	-484	9,262	+484 (+5.5%)
Strengthening Asian American and Native American Pacific Islander-serving institutions	3,119	2,956	-163	3,119	+163 (+5.5%)
Strengthening Native American-serving nontribal institutions	3,119	2,956	-163	3,119	+163 (+5.5%)
Minority science and engineering improvement	9,466	8,971	-495	9,466	+495 (+5.5%)
Developing Hispanic-serving institutions	100,432	95,179	-5,253	100,432	+5,253 (+5.5%)
Promoting post baccalaureate opportunities for Hispanic Americans	9,011	8,540	-471	9,011	+471 (+5.5%)
International education and foreign language studies total	74,037	70,164	-3,873	80,938	+10,774 (+15.4%)
Fund for the improvement of postsecondary education (FIPSE)	3,494	3,311	-183	260,000	+256,689 (+7,752.6%)
• First in the World (proposed program) - non-add	NA	NA	NA	247,200 ²⁵	+247,200 (NA)
Programs for students with intellectual disabilities	10,957	10,384	-573	0 ²⁶	-10,384 (-100.0%)
Tribally controlled postsecondary career and technical institutions	8,131	7,705	-426	8,131	+426 (+5.5%)
High School Equivalency Program/College Assistant Migrant Program	36,526	34,623	-1,903	36,526	+1,903 (+5.5%)
Federal TRIO programs	839,932	795,998	-43,934	839,932	+43,934 (+5.5%)





Fiscal Year 2014 Discretionary Funding for Selected Department of Education and Related Programs

PROGRAM	FY 12 P.L. 112-77	FY 13 FINAL P.L. 113-6 ¹	FY 13 FINAL v. FY 12	PRESIDENT FY 14 ²	PRESIDENT v. FY 13
Gaining early awareness and readiness for undergraduate programs (GEAR UP)	302,244	286,435	-15,809	302,244	+15,809 (+5.5%)
Graduate assistance in areas of national need	30,909	29,293 ²⁷	-1,616	30,909 ²⁸	+1,616 (+5.5%)
Child care access means parents in school	15,970	15,134	-836	15,970	+836 (+5.5%)
HEA program evaluation	607	575	-32	67,607 ²⁹	+67,032 (+11,657.7%)
Research, development, and dissemination	189,787	179,860	-9,927	202,273 ³⁰	+22,413 (+12.5%)
Statistics	108,748	103,060	-5,688	122,748	+19,688 (+19.1%)
Regional educational laboratories	57,426	54,423	-3,003	57,426	+3,003 (+5.5%)
National assessment (NAEP)	129,616	122,836	-6,780	124,616	+1,780 (+1.4%)
National Assessment Governing Board	8,690	8,235	-455	7,690	-545 (-6.6%)
Research in special education	49,905	47,295	-2,610	59,905	+12,610 (+26.7%)
Statewide data systems	38,077	36,085	-1,992	85,000 ³¹	+48,915 (+135.6%)
Special education studies and evaluations	11,415	10,818	-597	11,415	+597 (5.5%)
Department of Education Discretionary Appropriations total (excluding Pell Grants)	45,288,289	42,926,354	-2,361,935³²	48,385,062	+5,458,708 (+12.7%)
Department of Education Discretionary Appropriations total	68,112,289	65,704,706	-2,407,583³³	71,209,062	+5,504,356 (+8.4%)
Head Start (in HHS)	7,968,544	7,585,173	-383,371	8,190,694	+605,521 (+8.0%)
Early Head Start - Child Care Partnerships	NA	NA	NA	1,430,376	+1,430,376 (NA)
Child Care and Development Block Grant (in HHS)	2,278,313	2,209,043	-69,270	2,478,313	+269,270 (+12.2%)
Library Services Technology Act State Grants	156,365	148,186	-8,179	150,000	+1,814 (+1.2%)
Museum Services Act	29,449	27,909	-1,540	31,513	+3,604 (+12.9%)

Endnotes

¹ The final FY 2013 levels reflect an across-the-board cut of 0.2% from the levels set in the Consolidated and Further Continuing Appropriations Act. These levels are then reduced by the 5.0% sequester cuts applicable to all Nondefense Discretionary programs. The sequester cuts are based on the OMB ordered cut of 5.0% from the March 27 CR levels, which included a 0.612% across-the-board increase. However, for four programs with advanced appropriations (Title I, ESEA Title II, IDEA State Grants and Career/Technical Education state grants), the 5% cut is applied to the advanced appropriations provided in the FY 2012 omnibus for FY 2013 (which does not include the 0.612% ATB increase) and to the FY 2013 annual appropriation level provided in the CR which included the ATB increase. All of the cut will be taken from funds made available in June 2013 for the 2013-14 school year. For additional details see [July 2012 memo](#) from Anthony W. Miller, Deputy Secretary, U.S. Department of Education.

The final FY 2013 levels generally represent a cut of 5.23% below FY 2012 (except for programs such as Head Start which received a specific pre-sequester increase in the FY 2013 CR).

ⁱⁱ In addition to these discretionary funded programs, the budget proposes the following new mandatory funded programs:

- \$75 billion over ten years for the Preschool for All program. \$1.3 billion is proposed for ED in FY 2014.
- \$5 billion in one-time mandatory funds for the RESPECT Project
- \$12.5 billion in one time funds for an educator jobs fund (provided in FY 2013).
- \$4 billion in mandatory funds, beginning in FY 2015, for a Community College to Career Fund that would support community college-based training programs and other activities that help prepare workers for jobs in high-growth and high-demand sectors. An additional \$4 billion would be provided through the Department of Labor.
- \$190 million for the Presidential Teaching Fellows program, which is specifically focused on ensuring that recipients enter, remain, and thrive in the field of teaching.

ⁱⁱⁱ The proposed increase would fund a new competitive grant program that would strengthen formula grant implementation by building district-level capacity to support school turnaround efforts and to sustain improvements in schools that have used funds to successfully implement a school intervention model. Up to \$25 million of these funds also could be used to expand the School Turnaround AmeriCorps, an initiative launched in partnership with the Corporation for National and Community Service in 2013 that uses AmeriCorps volunteers to help build local capacity to implement effective school turnarounds.

^{iv} The grants would address fundamental needs like facility creation and workforce development, as well as quality improvement efforts and the scale-up of proven preschool models. Eligible applicants would include: (1) low-capacity States (those with small State-funded preschool programs and those without any State-funded preschool programs) seeking to develop the critical physical and program quality infrastructure needed to enable them to partner with the Federal Government in the Preschool for All program; and (2) States with more robust State-funded preschool systems that commit to improving the quality of existing programs and supporting the expansion of high-quality local programs that could serve as models for the Preschool for All initiative.

In addition to this new discretionary program the budget proposes \$1.3 billion to launch a 10-year, \$75 billion mandatory investment in the Preschool for All program, which would support State efforts to provide access to high-quality preschool for all 4-year-olds from low- and moderate-income families.

^v The Effective Teaching and Learning: Literacy program would provide competitive grants to State educational agencies (SEAs), alone or in partnership with other entities, for comprehensive State and local efforts to improve literacy instruction, especially in high-need schools, for children and youth from preschool through grade 12.

^{vi} The Effective Teaching and Learning for a Well-Rounded Education program would support competitive grants to SEAs and high-need LEAs, alone or in partnership with other entities, to develop and expand innovative practices for improving teaching and learning in the arts, health education, foreign languages, civics and government, history, geography, environmental education, economics and financial literacy, and other subjects.

^{vii} This program would focus on increasing graduation rates and preparation for college matriculation and success by supporting 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 and International Baccalaureate 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 2 years of college credit simultaneously. The program would fund accelerated learning opportunities for students across the performance spectrum, including those who exceed proficiency standards, in high-poverty elementary schools. Grants also would support projects that re-engage out-of-school youth or students who are not on track to graduate.

The Department would be authorized to reserve funds to make grants to States to pay for the cost of advanced test fees for students from low-income families.



^{viii} Under this proposed consolidation of several programs, 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, alcohol use, bullying, harassment, or violence; (2) improve students' physical health and well-being through comprehensive services that improve student nutrition, physical activity, and fitness; and (3) improve student's mental health and well-being through expanded access to comprehensive services, such as counseling, health, mental health, and social services.

The new program would also include a national activities authority, under which the Department would reserve funds for several initiatives that are included in *Now Is The Time*, the President's plan to make our schools safer and protect our children from gun violence. These initiatives include \$30 million for grants to SEAs to help their LEAs develop, implement, and improve their emergency management plans; \$50 million for School Climate Transformation Grants and related technical assistance to help schools train their teachers and other school staff to implement evidence-based behavioral intervention strategies to improve school climate; and \$25 million for Project Prevent grants to LEAs to help schools in communities with pervasive violence break the cycle of violence. Funds requested under National Activities would also be used to help LEAs and IHEs recover from emergencies under Project SERV (School Emergency Response to Violence), and for data collection, dissemination, outreach, and related forms of technical assistance for other activities that promote safe and healthy students.

^{ix} \$3 million in funds available under the Department of Education Safe Schools and Citizenship account are to be used to assist educational institutions impacted by school violence.

^x These funds are all for a new Race to the Top—College Affordability and Completion competition aimed at catalyzing State efforts to pursue systemic higher education reforms and promote innovations to improve college affordability, access, completion, and quality; achieve better student outcomes; and increase institutional capacity to graduate more students with high-quality credentials.

^{xi} The request would also support the Advanced Research Projects Agency-Education (ARPA-ED), a new entity modeled after similar agencies in the Department of Defense and Department of Energy that would pursue breakthrough developments in educational technology and tools.

^{xii} Includes \$150 million for proposed STEM Innovation Networks program would provide competitive awards to LEAs in partnership with institutions of higher education, nonprofit organizations, other public agencies, and businesses to transform STEM teaching and learning by developing and validating evidenced-based practices in a set of "platform schools" and implementing them across broader, regional networks of participating schools following validation of effectiveness. Also includes \$80 million for the STEM Teacher Pathways proposal which would provide competitive grants to create or expand high-quality pathways to teacher certification and other innovative approaches for recruiting, training, and placing talented recent college graduates and mid-career professionals in the STEM fields in high-need schools. Also includes \$35 million for to establish the first cohort of the STEM Master Teacher Corps, which would identify, recognize, and reward some of the Nation's most talented STEM teachers, enlisting them in a national network to assist in building local and regional communities of practice that would help transform STEM teaching and learning while raising the profile of the STEM teaching profession. Also includes \$149.7 million to create an Effective Teaching and Learning: STEM program that would build on the experience of the current Mathematics and Science Partnerships program, making awards to SEAs, alone or in partnership with other entities, to implement a comprehensive strategy for the provision of high-quality STEM instruction and support to students. States would be permitted to reserve up to 20 percent of grant funds for State-level activities to support the development and implementation of a coherent approach to providing high-quality, evidence-based STEM instruction in high-need schools.

^{xiii} Funds would support competitive grants to LEAs in partnership with institutions of higher education and employers—including business and industry as well as non-profit and community-based organizations—for projects that (1) leverage existing Federal, State, and local resources to engage students in personalized learning opportunities tied to real world experience (such as career-based learning); (2) provide students with rigorous, challenging academic content aligned with college-level expectations, including programs that offer students access to college-level coursework and opportunities to gain postsecondary credit while still in high school; (3) help students learn not only academic content but also pertinent career-related competencies and employability and technical skills; and (4) offer meaningful college and career exploration opportunities and high-quality advisory services. The new program would give priority to partnerships in areas with limited access to quality career and college opportunities, such as high-poverty or rural LEAs.

^{xiv} Proposes to reserve up to 25 percent of the appropriation to recruit, train, and support effective teachers and school leaders; fund competitive grants to States and LEAs to improve educator evaluation and licensure systems and develop rigorous accountability systems for educator preparation programs; and to invest in other efforts to enhance the teaching and leadership professions.

^{xv} Up to 1.5% must be set-aside for a national competitive grant program for educator professional development (SEED).

^{xvi} 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 and districts by creating the conditions needed to identify, reward, retain, and advance effective teachers, teacher leaders, principals, and school leadership teams in those schools, and enabling schools to build the strongest teams possible.

^{xvii} The proposal includes two authorities: Supporting Effective Charter Schools grants and Promoting Public School Choice grants. The Supporting Effective Charter Schools grants program would support competitive grants to SEAs, charter school authorizers, charter management organizations, LEAs, and other nonprofit organizations to start or expand effective charter and other autonomous public schools. Funds would also be available for competitive grants for charter schools facilities programs. The Promoting Public School Choice grants program would support competitive grants to LEAs, individually or in a consortium, and to SEAs in partnership with one or more high-need LEAs, to develop and implement a comprehensive choice program that increases the range of high-quality educational options available to students in high-need schools. In FY 2014, the Department would fund only the Supporting Effective Charter Schools program, with the proposed \$40 million increase focused on the replication and expansion of high-quality charter schools.

^{xviii} The request includes \$30 million to fund a math initiative, to be administered jointly with the National Science Foundation, to develop, validate, and scale up evidence-based approaches to improve student learning at the K-12 level through the transition to postsecondary education. The request also would provide \$10 million to support interagency strategies to strengthen services to disconnected youth, \$1.3 million to continue the Data Quality Initiative, which helps ensure that program management decisions are based on sound information, and \$5 million for a Youth Data Pilot that would enhance communities' tracking of and performance on multiple outcomes for youth.

^{ixx} See proposed Effective Teaching and Learning: Literacy (proposed program).

^{xx} Clarifies that penalties paid by States for violating maintenance of effort under part B of the IDEA shall be reallocated to States by formula to those States that did not violate those requirements. The language further clarifies that both the reduced State allocations due to penalties paid and increased amounts under the reallocation shall not be considered in FY 2013 or future years for allocations under the statutory formula. This is needed for the Department of Education to distribute in 2013, \$36 million in IDEA Part B funds that were withheld in 2012 from States that did not meet their maintenance of efforts requirements and to ensure states penalized in 2012 are not penalized again in 2013 for the same violation. Specifically, the Department penalized Kansas for \$1 million and South Carolina for \$35 million in 2012. Without the language, the Department of Education will not be able to re-set penalized States' funding allocations to their pre-penalty levels in 2013. In effect, these States would be penalized twice for the same maintenance of effort infraction.

^{xxi} The request for CTE State Grants includes up to \$100 million for a competitive CTE innovation fund, including \$10 million for "Pay-for-Success" projects. Initial investments under this set-aside might include projects to develop programs or strategies to (1) provide services that help disconnected youth access career pathways in high-skill, high-wage jobs; (2) expand the capacity of rural and remote communities to provide access to articulated pathways to industry-recognized postsecondary credentials or degrees for in-demand industry sectors and occupations; or (3) use technology to improve service delivery and provide learning experiences to students through the use of virtual simulations of workplace equipment.

^{xxii} CTE National Programs would support implementation of a reauthorized Perkins Act through research, evaluation, data collection, technical assistance, and other national leadership activities aimed at improving the quality and effectiveness of career and technical education. The request includes \$10 million, along with up to \$32 million that the Department is requesting under the GPRA Data/HEA Program Evaluation program in the Higher Education account, to create a \$42 million fund to support and evaluate dual-enrollment programs that target local workforce needs.

^{xxiii} The Pell grant program is exempt from the across-the board sequester cut but was subject to the 0.2% ATB cut.



^{xxiv} The request would revise current allocation formulas for Supplemental Education Opportunity Grants and Work-Study to reward institutions that keep their tuition and tuition increases low, enroll and graduate high numbers of Pell-eligible students, and provide good value.

^{xxv} The FY 2014 request would provide approximately \$260 million for the First in the World (FITW) fund. Up to \$175 million of FITW funds would be used to support an evidence-based grant competition, which would apply the lessons of the successful Investing in Innovation (i3) program for K-12 to the challenge of improving college attainment and productivity. First in the World would provide “venture capital” to encourage innovative approaches to improving college completion, research support to build the evidence of effectiveness needed to identify successful strategies, and resources to scale up and disseminate proven strategies. The competition would include a priority for projects designed to improve college access and selection for high-need secondary school students. In addition, up to \$75 million, to be available until expended, would be used to support: (1) projects to develop third-party validation systems that identify competencies, assessments, and curricula for specific fields; and (2) Pay for Success awards to providers of free 2-year degrees, especially in fields supported by validation systems. These initiatives build alternative pathways for programs that are non-accredited, and therefore do not qualify for Federal grants and student loans, to receive Federal support if they can demonstrate positive student outcomes.

^{xxvi} The request also includes \$11 million in funding under FIPSE that would be used to cover continuation costs for projects previously funded under Model Transition Programs for Students with Intellectual Disabilities in Higher Education.

^{xxvii} Allows continuation awards for Javits Fellowship recipients under the Graduate Assistance in Areas of National Need program. Congress consolidated the two programs last year. This language allows 100 Javits recipients to receive their last year of funding.

^{xxviii} The 2014 request would support approximately 683 fellowships, including continuation awards for Javits fellowship recipients.

^{xxix} The request includes \$32 million to support a demonstration and evaluation of dual enrollment programs, to be co-funded with \$10 million from Career and Technical Education National Programs. Funds would be used to establish or expand dual enrollment programs aligned with career pathways and local workforce needs that offer high school and adult students the opportunity to earn college credits while enrolled in a high school or GED program. In addition, funds would support an on-going evaluation of the Pell grant expansions under the Experimental Sites Study, and a number of other studies of strategies for providing student aid in ways that improve postsecondary access and outcomes.

^{xxx} Includes funds to support a new program, Partnerships and Collaborations Focused on Problems of Practice or Policy, which would support research focused on understanding strategies intended to support continuous improvement at the level of education systems.

^{xxxi} Up to \$25 million would be used for awards to public or private agencies and organizations to support activities to improve data coordination, quality, and use at the local, State, and national levels. The proposed \$46.9 million increase includes \$36 million for new grants emphasizing early childhood data linkages and better use of data in analysis and policymaking and \$10 million for postsecondary data initiatives designed to improve information on students as they progress from high school to postsecondary education and the workforce.

^{xxxii} In addition to this discretionary sequester cut, the sequester cuts \$207 million from mandatory programs and increases origination fees for student loans.

^{xxxiii} In addition to this discretionary sequester cut, the sequester cuts \$207 million from mandatory programs and increases origination fees for student loans.