



Briefing:

**Historic Underfunding of Education and Long-Term
Needs**

October 26, 2021

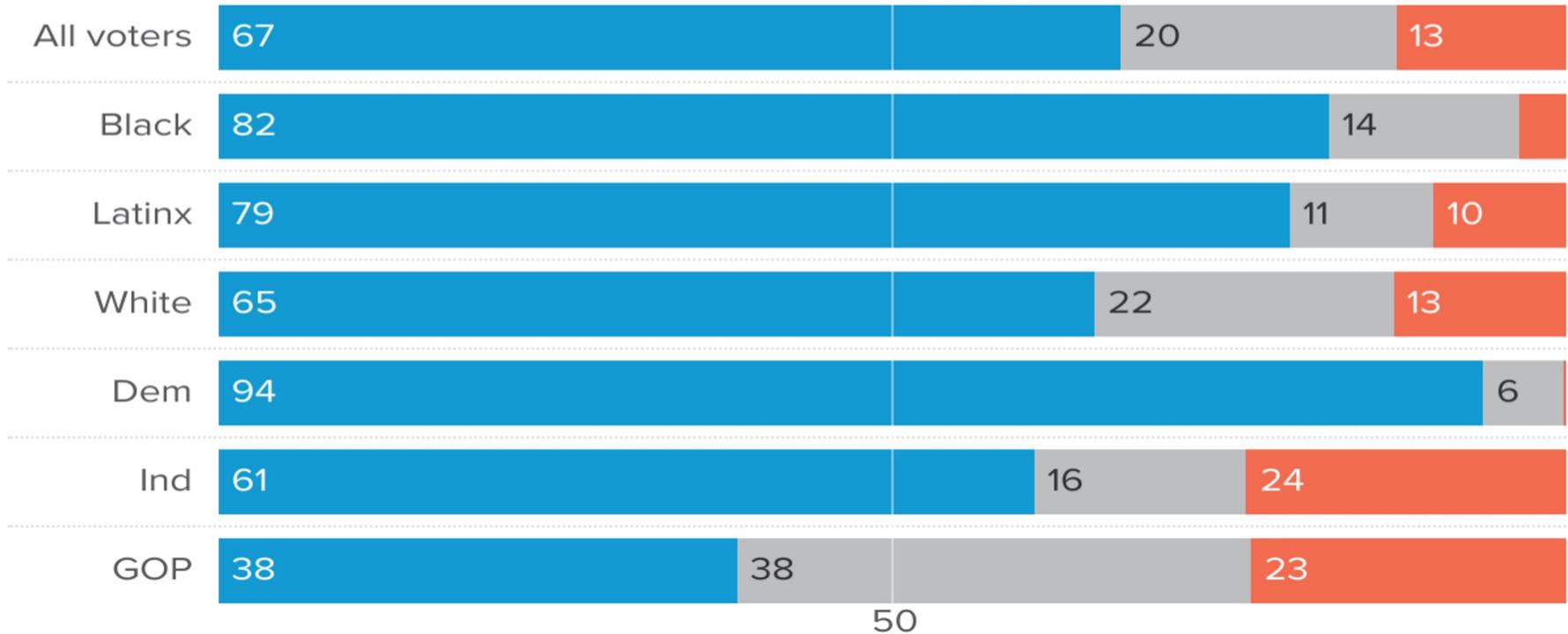
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Two Thirds of Voters Believe the US Spends Too Little on Education

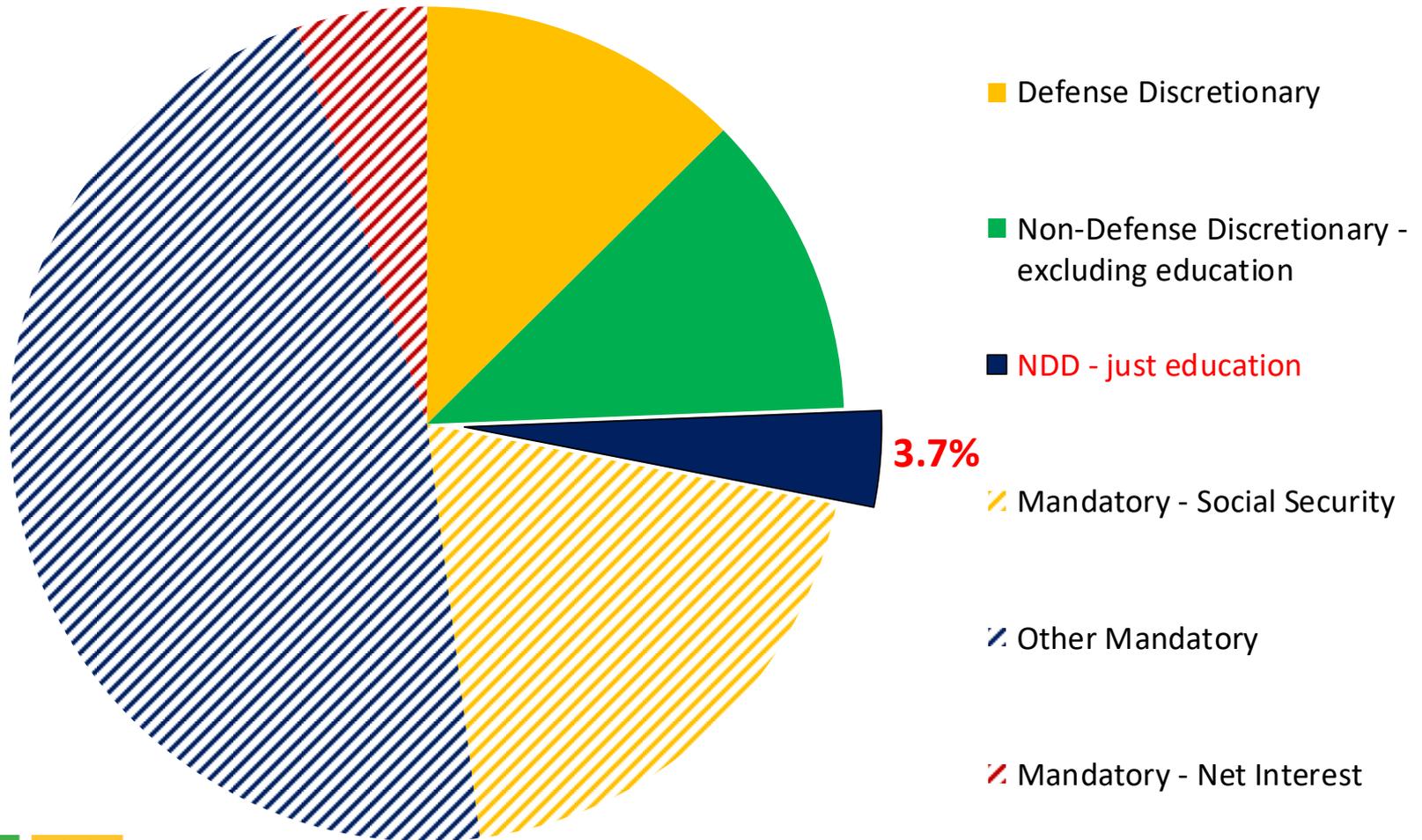
"Approximately 2% of the regular federal budget is spent on education. Do you think this amount is too little, about right, or too much?"

● Too little ● About right ● Too much Numbers are percents



Education Accounts for 3.7% of President's 2022 Budget

Outlays, Includes COVID-Relief Spending



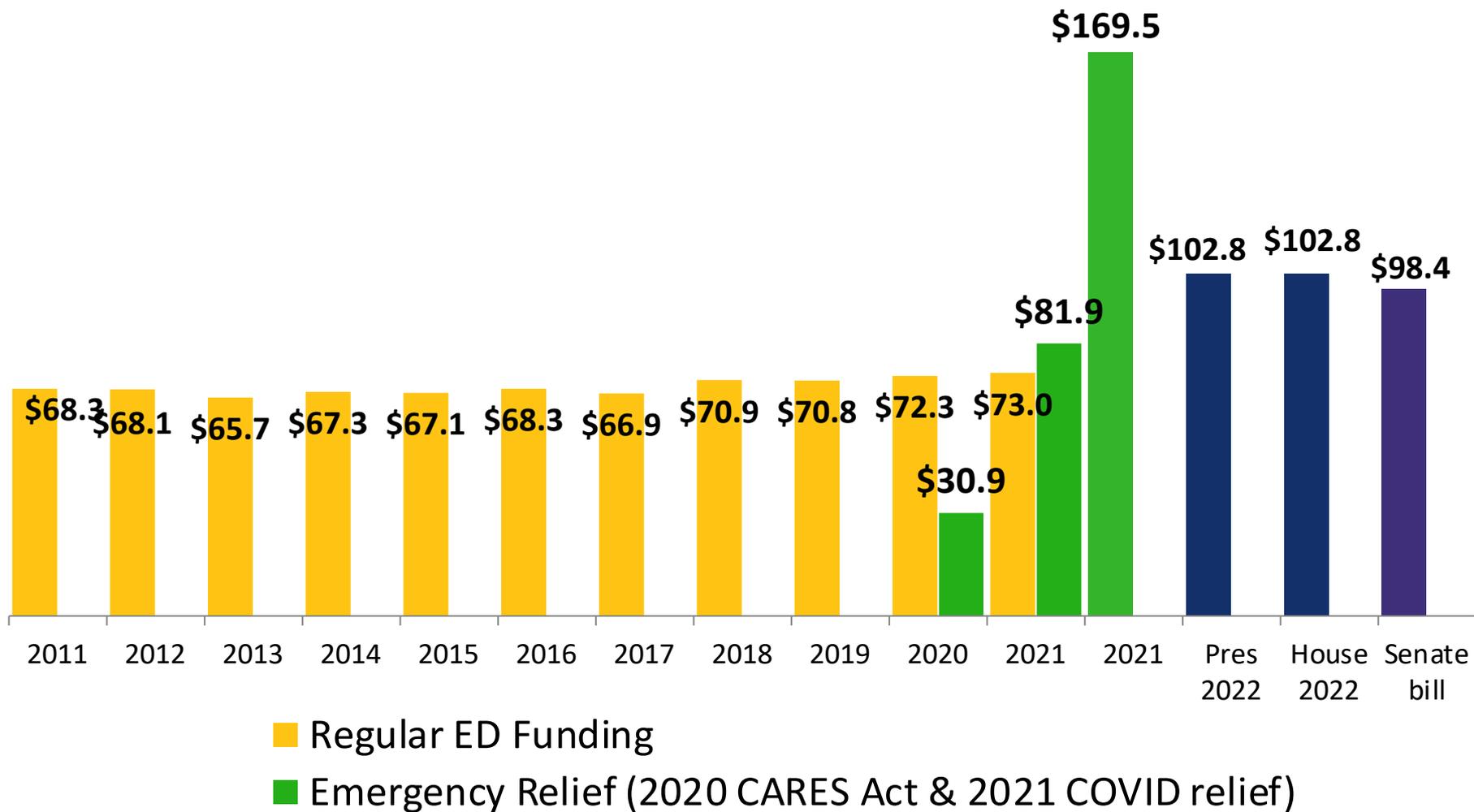
3.7%

- Defense Discretionary
- Non-Defense Discretionary - excluding education
- NDD - just education
- ▨ Mandatory - Social Security
- ▨ Other Mandatory
- ▨ Mandatory - Net Interest

SOURCE: CEF based on FY2022 OMB Budget

FY 2022 Could Be Historic Level of Regular Education Funding After Years of Flat Funding

(Department of Education Discretionary Funding in Billions of Dollars)



■ Regular ED Funding

■ Emergency Relief (2020 CARES Act & 2021 COVID relief)



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The FY 2022 President's Budget

A **student-centered and education-centered budget**, no programs were eliminated nor were funding levels decreased

Includes **\$102.8 billion in new discretionary Budget Authority**, a \$29.8 billion or 41 percent increase above the fiscal year 2021 appropriation.

Reverses years of underinvestment in Federal education programs and begins to address the significant inequities that millions of students—primarily students of color—and teachers confront every day in underserved schools across America.

Recovery & Rebuilding: Education Provisions in the *Build Back Better* package

Strengthening School Infrastructure

- **\$100 billion to rebuild and modernize public K-12 schools** to help close the opportunity gap created by unsafe and ill-equipped school facilities in high-poverty school districts
- **\$12 billion to improve community college facilities** and build new facilities in education deserts

Expanding Access to Broadband

- **\$100 billion to bring high-quality, reliable broadband to all American families** which will close the homework gap

Recovery & Rebuilding: Education Provisions in the *Build Back Better* package

Adds at Least Four Years of Free Education

- **2 Years of Free Early Education** – \$200 billion for universal, high-quality pre-k for all 3- and 4-year-olds
- **2 Years of Free Community College** – \$109 billion so every student can obtain a degree or certificate, plus another \$62 billion to close college completion gaps

Expanding Access to High-Quality Childcare

- **\$225 billion** to invest in the childcare workforce, early learning curriculum, and so that families can afford high-quality childcare options

Historic Increases for Key Federal Programs that Serve Students Furthest from Opportunity

Title I

A \$20 billion increase to Title I, bringing total investment to \$36 billion for public elementary and secondary schools in the most underserved communities

The increase is **a down payment on the President's commitment to triple funding for Title I** students, teachers, and schools—that would help address long-standing funding disparities between under-resourced school districts and their wealthier counterparts

Pell Grant

A \$85 billion investment in Pell, which increases the individual award to **approximately \$1,400** in additional federal grant assistance for low-income college students, including DREAMers, to access higher education.

The increase is **a down payment on President Biden's commitment to double the maximum award**

Additional Investments to Support Students

Boost in support for Children with Disabilities

\$17.5 billion for special education programs, with \$15.5 billion for IDEA, a \$2.6 billion increase over FY 21 and the largest increase to the program in two decades

Support for Physical and Mental Well-Being of Students

\$1 billion to double the number of school counselors, nurses, and mental health professionals in k-12 schools, especially in the most underserved schools

Support for Educators

Building the Pipeline of Teachers

- **\$200 million** for Teacher Quality Partnership grants to effectively prepare aspiring teachers
- **\$40 million** for Augustus Hawkins Centers of Excellence to help diversify the teacher pipeline

Educator Training and Support

- **\$1.6 billion** to support additional certifications for more than 100,000 educators in high-demand areas like special education, bilingual education, career and technical education, and science, technology, engineering, and mathematics
- **\$30 million** to recruit and train school leaders



Averi Pakulis

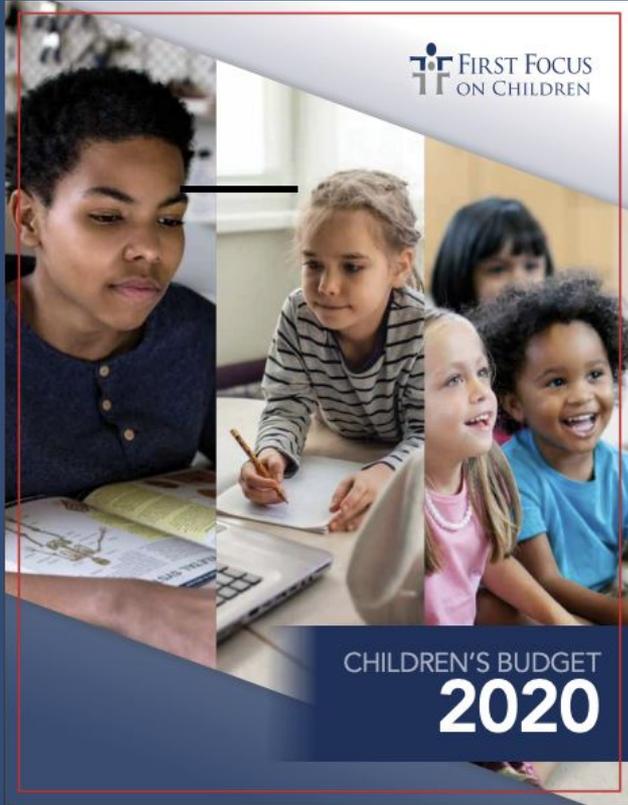
VP Early Childhood and Public Health Policy

First Focus on Children



First Focus on Children is a bipartisan advocacy organization dedicated to making children and families the priority in federal policy and budget decisions.

“



President Biden often quotes his father:

“Don’t tell me what you value. Show me your budget, and I’ll tell you what you value.”



↑ 3.5%

INCREASE IN SHARE OF FEDERAL SPENDING GOING TO EARLY CHILDHOOD FROM FY 2016 TO FY 2020

TOTAL SPENDING ON EARLY CHILDHOOD

	2016	2017	2018	2019	2020	Trump 2021
Spending Level	\$ 16.33 B	\$ 16.51 B	\$ 19.53 B	\$ 19.81 B	\$ 20.96 B	\$ 20.92 B
Real Change from Previous Year	5.37%	-0.96%	15.54%	-0.43%	3.21%	-2.44%
Share of Total Spending	0.43%	0.41%	0.47%	0.45%	0.44%	0.45%

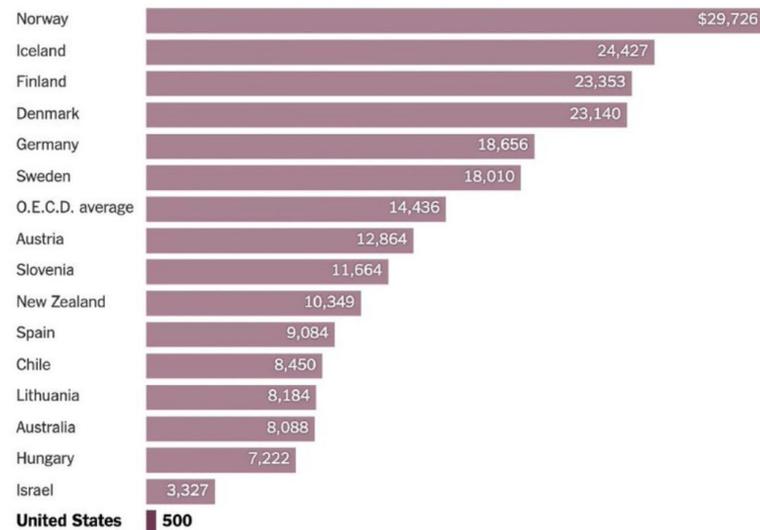
Federal Funding for Early Learning Programs

	FY2019	FY 2020	FY2021	President's FY22 Proposed	House FY22 Proposed	Senate FY22 Proposed
Head Start/Early Head Start	\$10.063 B	\$10.613 B	\$10.748 B	\$11.932 B	\$12.2 B	\$11.9 B
Child Care and Development Block Grant	\$5.276 B	\$9.326 B	\$54.911 B	\$7.377 B	\$7.377 B	\$7.31 B
Preschool Development Grants	\$250 M	\$275 M	\$275 M	\$450 M	\$450 M	\$502.6 M
IDEA Part B Preschool Grants	\$391.1 M	\$394.1 M	\$397.6 M	\$506.2 M	\$502.6 M	\$502.6 M
IDEA Part C Grants for Infants and Families	\$470 M	\$477 M	\$481.9 M	\$731.9 M	\$731.9 M	\$731.9 M



How Much Governments Spend On Child Care for Toddlers

Annual public spending per child on early childhood care



Source: Organization for Economic Cooperation and Development and Elizabeth Davis and Aaron Sojourner for the Hamilton Project





Build Back Better

\$450 Billion in Early Learning Funding

Child Care

- Limit most families' out of pocket pay to 7% of income (the level HHS has deemed affordable)
- Increase wages and training/development opportunities for early learning professionals to equal that of public kindergarten teachers
- Funding for physical child care facilities
- Will allow families to choose which setting is right for their child - center, family, home-based, Early Head Start

Universal Pre-K

- A partnership with states to provide free pre-K to all 3- and 4-year olds
- Will provide families choice in the setting that is best for them - public school, child care, Head Start
- Increase wages and training/development opportunities for early learning professionals to equal that of public kindergarten teachers

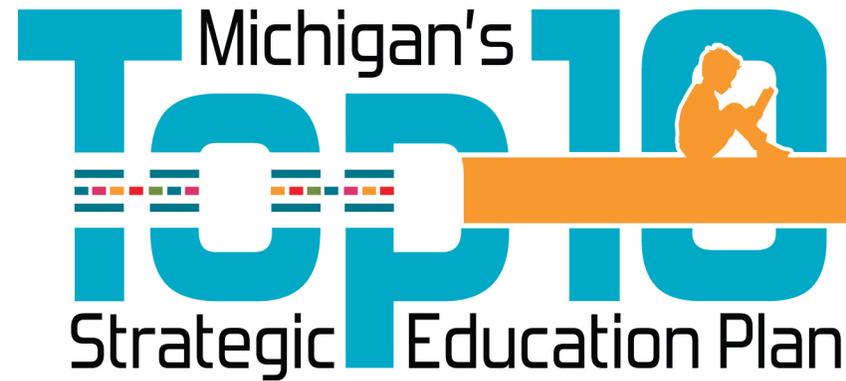
Will give more than 8 million additional infants, toddlers, and preschoolers access to early learning opportunities.



Thanks!

Averi Pakulis

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Committee for Education Funding Briefing
Tuesday, October 26, 2021

Michael F. Rice, Ph.D., Michigan Superintendent of Public Instruction



A Few Quick School Funding Facts

- Pre-pandemic, more than 90% of pre-K-12 revenue nationally was state or local. The federal share was less than 10%.
- There are large differences in per pupil revenue ***across states***.
- There can also be large differences in per pupil revenue ***within states***.



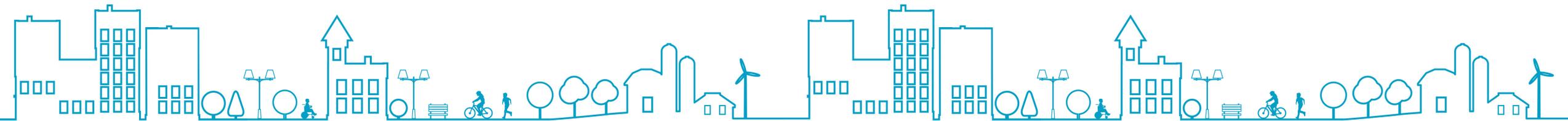
A Tale of Two States

A **low-tax, low-spend** district in Northern New Jersey

versus

A **slightly-above-average-tax, slightly-above-average-spend**
district in Southwest Michigan

Question: Which state and district provide better school
resources for their students?



A Tale of Two States

Answer: The low-tax, low-spend district in Northern N.J.

Two quick examples:

- A nurse in every elementary school (NJ district) v. 3 nurses in the whole MI district, a district larger than the NJ district
- A certified librarian in each of the 14 elementary schools v. two certified librarians for the 17 elementary schools in the whole district in Michigan.



Federal Funds

- While federal funds cannot be the answer to every funding equity issue across states or across districts within states, they can and certainly should close the gaps between what districts **HAVE** to educate children with profound challenges, including poor children, children with disabilities, and English learners, among others, and what they **NEED** to educate the same children.



Historic Federal Underfunding: An Example

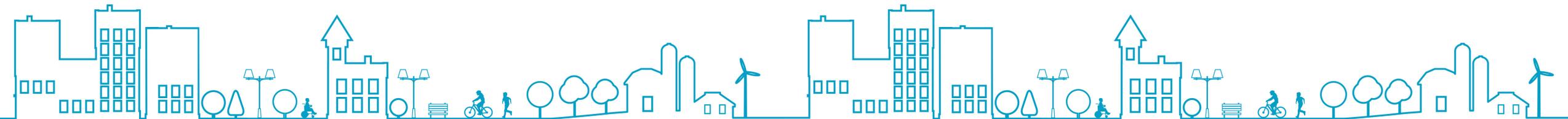
- When Congress passed P.L. 94-142 in 1975, it pledged to fund 40% of the excess cost of providing special education and related services for our children.
- It currently provides roughly 15 percent.



Federal Funding: Is It Sufficient?

One state's answer:

- IDEA Funding: \$2692/student with a disability (less than a third of the state's per pupil foundation allowance, compared to 70%/115%/full reimbursement weights for the funding of students with mild, moderate, and severe disabilities, respectively, in the aforementioned SFRC study).



Federal Funding: Is It Sufficient?

One state's answer:

- Title I Funding: \$660/poor student (less than 7% of the state's per pupil foundation allowance, compared to the 35% weight called for in the 2018 School Finance Research Collaborative (SFRC) study of the state's school funding).



Federal Funding: Is It Sufficient?

One state's answer:

- English learner: \$142/student (less than 2% of the state's per pupil foundation allowance, compared to 30%/50%/70% weights recommended in the aforementioned SFRC study).



So Now What?

- A stronger investment in public education by the federal government will help close reduce gaps for children in funding, access, and opportunity.
- A stronger investment in public education will reduce the likelihood that the accident of a child's birth will affect a child's opportunities in life.

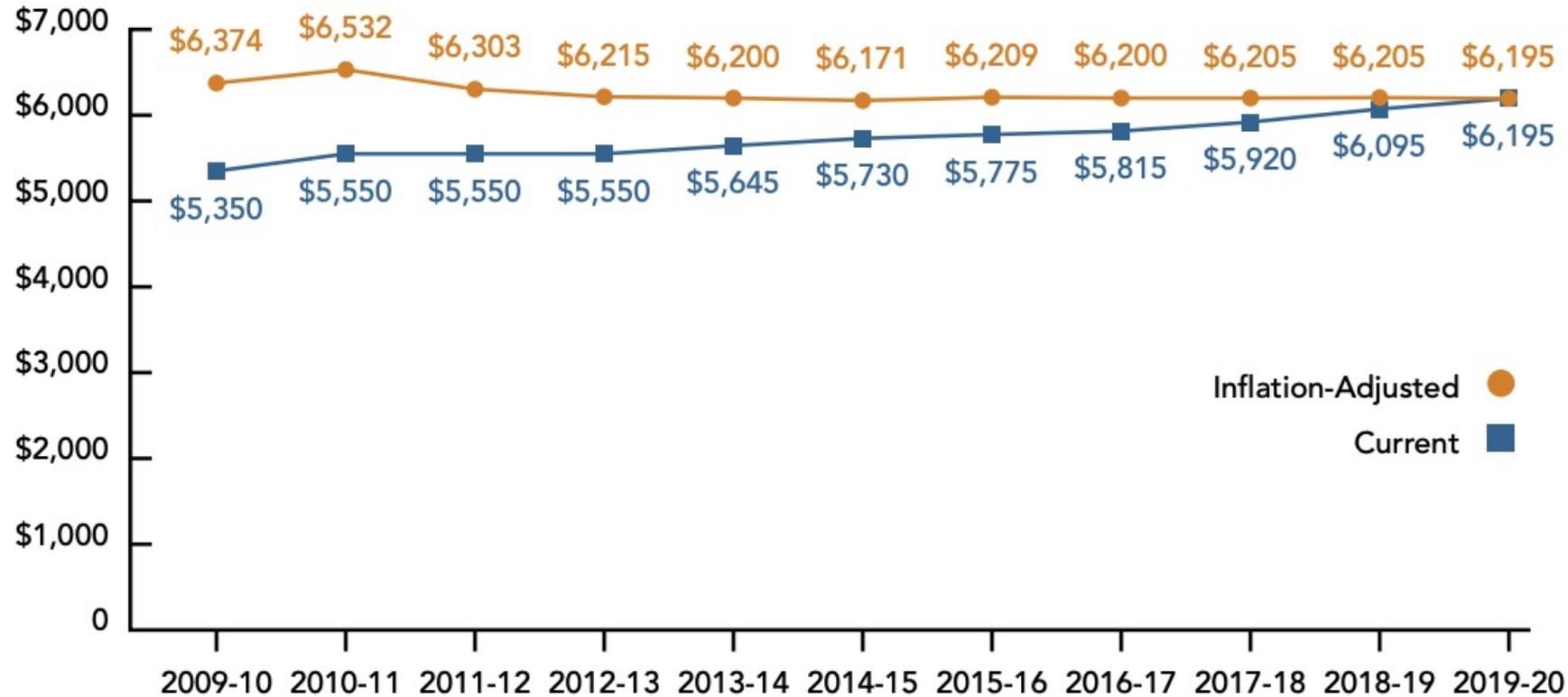


So Now What?

- Any of the currently considered federal education budgets will help us move beyond essentially flat (nominally) to declining (if inflation-adjusted) federal revenue over the last several years.
- More to the point, any of these budgets will help us to improve the lives of children.
- If not us now, then who and when?



FIGURE 1: MAXIMUM PELL GRANT AWARD IN CURRENT AND INFLATION-ADJUSTED DOLLARS, 2009-10 TO 2019-20



Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2017-2018; FSA data from website, 2020. Inflation-adjusted to 2019 dollars calculated by NASFAA, using the Consumer Price Index (CPI-U) for the July beginning the academic year.



**TABLE 3. SHARE OF COLLEGE EXPENSES COVERED BY 2021-22
MAXIMUM PELL GRANT & DOUBLED MAXIMUM PELL GRANT**

Sector (living arrangement)	Total Cost of Attendance (COA)	Percent of COA Covered by 2020-21 Maximum Pell Grant	Percent of COA Covered by Maximum Pell Grant if Doubled to \$13,000
Public 2-year (in-state, living off campus not with family)	\$20,803	31.2%	62.5%
Public 2-year (in-state, living off campus with family)	\$11,320	57.4%	114.9%
Public 4-year (in-state, living on campus)	\$25,048	25.9%	51.9%
Private 4-year (living on campus)	\$43,873	14.8%	29.6%

Notes: Cost of attendance data reflects averages costs during the 2019-20 academic year. Analysis uses Integrated Postsecondary Education Data System (IPEDS) data on student charges for the 2019-20 academic year, and the 2021-22 maximum Pell Grant of \$6,495. Within IPEDS approximately 190 schools are classified as four-year institutions even though they primarily award associate degrees. This table classifies those schools as two year institutions.

Average Annual Borrowing by Pell Recipients in 1995-96 and 2015-16, in 2015-16 dollars

	Average Amount Borrowed in 1995-96	Average Amount Borrowed in 2015-16	% Increase Between 1995-96 and 2015-16
All Pell Recipients	\$5,922	\$6,863	16%
Public 2-Year Pell Recipients	\$4,038	\$4,766	18%
Public 4-year Pell Recipients	\$6,149	\$6,930	13%
Private/Nonprofit 4-Year Pell Recipients	\$6,755	\$7,397	10%



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