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**TO:** Members of the State Board of Education  
**FROM:** Nancy S. Grasmick *Nancy*  
**DATE:** February 23, 2010  
**RE:** Federal Update

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**PURPOSE:**

The purpose of this agenda item is to update the State Board on the President's proposed budget for federal fiscal year 2011.

**BACKGROUND:**

On Monday, February 1, 2010, President Obama released his Fiscal Year 2011 budget proposal containing \$3.8 trillion in spending and tax cuts and the "blue print" focused on job creation with the intent to move the country from recession to recovery and beyond. The budget proposal paves the way for Congress to begin work on the priorities outlined and for the budget committees to start work on a budget resolution which provides spending levels for the 12 appropriations committees. Federal fiscal year 2011 begins on October 1, 2010.

Overall, the budget proposes a three-year freeze on discretionary spending with the exception of programs involving national security, Medicare, Medicaid, Social Security and education. Specifically, the budget proposal makes significant investments in education with the intent to build upon the assurances and goals of the American Recovery and Reinvestment Act of 2009 (ARRA) as well as to incentivize Congress to reauthorize a comprehensive Elementary and Secondary Education Act (ESEA).

**SUMMARY:**

**Total Discretionary Spending for Education**

The budget proposes \$49.7 billion in discretionary funding (excluding funding for Pell grants) for the US Department of Education (an increase of \$3.5 billion over FY 2010) along with an additional \$1 billion (\$50.7 billion) if Congress completes an ESEA reauthorization that includes the President's proposed reforms. The budget proposal supports the funding for a comprehensive restructuring of the ESEA program authorities.

**Education Priorities and Reforms**

The budget request aligns federal education resources with key priorities and principles that are guiding the development of the Administration's ESEA reauthorization proposal.



The education budget proposal is organized around the following priorities:

- Promoting Innovation in Education
- Effective Teachers and School Leaders
- Supporting Student Success
- Improving STEM Education
- All Students College-and Career-Ready
- College Access and Completion
- Higher Education Programs
- Improving Outcomes for Adult Learners
- Research, Statistics, and Data Systems

#### **Continuation of ARRA Competitive Funds:**

A key principle of the Administration's overall budget plan is an emphasis on positive incentives and recognition of and rewards for success. As part of that thinking, the administration's plan would ask for additional funding for two current competitive ARRA programs:

- Race to the Top (RTTT): an additional \$1.35 billion for state and local competition.
- Investing in Innovation (i3) Program: an additional \$500 million to develop and expand innovative strategies and practices.

#### **A Shift to Competitive Funding**

While the vast majority of funding will still be allocated on a formula basis, the administration's plan would shift from approximately 17% to 28% of the funds being awarded on a competitive basis. The key programs such as Title I and IDEA would still be allocated on a formula basis but the Administration is hopeful to have additional funds to be used in part to reward schools under certain criteria.

#### **ESEA Reauthorization and Funding**

The Administration's plan would include a \$3 billion increase for the key ESEA priorities (or \$4 billion if Congress approves the reauthorization consistent with the President's plan). The budget replaces and reorganizes several existing ESEA programs (such as Title I and Title II Teacher Quality), consolidates 38 authorities into 11 new programs and embeds proposed authorizing language requirements into many of the new programs as a signal of its intent to drive the ESEA reauthorization this year. As an additional demonstration of emphasizing incentives and rewards, the administration has proposed a "\$1 billion ESEA Contingent Reserve" to provide additional funding for certain programs to recognize and reward schools and LEAs that are making significant progress and closing achievement gaps; support high-quality assessments, including formative assessments; and support expanded learning time, community schools and other programs that provide additional time for students and teachers to succeed.

**Highlights of New/Restructured Programs** (Examples of Key Program Reconfiguration for ESEA)

College and Career-Ready (CCR) Students program (currently Title I): is funded at \$14.5 billion (level funded) and would include changes in the areas of standards and assessments, accountability and support for schools and LEAs, and teacher quality.

- States would need to adopt statewide standards that build toward CCR and to implement high-quality assessments aligned with CCR standards.
- States would be required to develop a definition of “effective teacher” that is based in significant part on student learning, and to put in place a system that links the academic achievement and growth of students to their teachers and school leaders.
- The reauthorization plan would replace “adequate yearly progress” with a broader picture of school performance that looks at student growth and school progress. States would measure school performance and differentiate schools on the basis of progress in getting all subgroups of students on track to CCR, the growth of individual students toward CCR, progress toward closing subgroup achievement gaps, graduation rates and other measures as appropriate.
- Schools that are showing significant improvement or showing progress towards the CCR goal for all groups of students in the school would be eligible for recognition and rewards. Persistently low-performing schools would be required to implement significant change. States would measure progress and differentiate rewards and interventions for LEAs in a manner similar to the requirements for schools.

School Turnaround Grants (currently School Improvement Grants): is funded at \$900 million to help LEAs carry out rigorous school intervention models in their lowest-performing schools. While states and LEAs would have new flexibility under the reauthorized ESEA to develop their own improvement strategies and interventions for most schools, they would be required to implement specific, meaningful intervention models in their lowest-performing schools and would receive school turnaround funding for this purpose.

Assessing Achievement program (currently State Assessments): is funded at \$450 million to support development and implementation of new assessments aligned with Common Core Standards.

Teacher and Leader Innovation Fund (combines Teacher Incentive Fund): is funded at \$950 million and builds on the strengths of the Teacher Incentive Fund (TIF) to support SEA and LEA efforts to develop and implement innovative improvements in human capital systems.

Teacher and Leader Pathways (consolidates 5 current programs): is funded at \$405 million to promote alternative routes to certification for teachers and school leaders and improve existing teacher and principal preparation programs into a more flexible competitive grant program with a greater focus on student outcomes.

Effective Teaching and Learning for a Complete Education (consolidates many current programs): is funded at \$1 billion and is designed to improve instruction to support CCR standards, in part through the use of technology to deliver high-quality content. There are three components:

1. Literacy
2. STEM
3. A Well-Rounded Education

Expanding Educational Options (consolidates 5 current programs): is funded at \$490 million to support the creation and expansion of effective charter schools, other effective autonomous schools and comprehensive systems of public school choice.

Promise Neighborhoods: is a new program funded at \$210 million to make competitive awards to community-based organizations for comprehensive neighborhood programs designed to combat the effects of poverty and improve educational and life outcomes for children.

Successful, Safe, and Healthy Students (consolidates 6 current programs): is funded at \$410 million designed to give local communities the flexibility to focus on their greatest needs in the areas of improving school climate and safety: promoting student physical and mental health, preventing student drug and alcohol use, and expanding family and community engagement.

### **Program Elimination**

The budget is proposing to eliminate 7 programs for a total of \$122.6 million. The two largest programs include:

- Leveraging Educational Assistance Partnerships (\$64 million)
- Byrd Honors Scholarships (\$42 million)

### **ACTION:**

For Information Only

Attachments (2)

**Specific Consolidation of ESEA Reauthorization Programs (Crosswalk)**

Effective Teachers and Leaders:		Ready to Teach Teacher Quality State Grants
Teacher and Leader Innovation Fund		Advanced Credentialing Teacher Incentive Fund
Teacher and Leader Pathways		School Leadership Teach for America Teacher Quality Partnership Teachers for a Competitive Tomorrow Transition to Teaching
Effective Teaching and Learning for a Complete Education	Effective Teaching and Learning: Literacy	Even Start Literacy through School Libraries National Writing Project Reading is Fundamental Ready-to-Learn Television Striving Readers
	Effective Teaching and Learning: STEM	Mathematics and Science Partnerships
	Effective Teaching and Learning for a Well-Rounded Education	Teaching American History Academies for American History and Civics Civic Education Close-Up Fellowships Excellence in Economic Education Foreign Language Assistance Arts in Education
	National Activities	Educational Technology State Grants
College Pathways and Accelerated Learning		Advanced Placement High School Graduation Initiative Javits Gifted and Talented Education
Successful, Safe and Healthy Students		Alcohol Abuse Reduction Elementary and Secondary School Counseling Foundations for Learning Mental Health Integration in Schools Physical Education Safe and Drug Free Schools and Communities National Activities
Expanding Educational Options		Charter Schools Grants Credit Enhancement for Charter School Facilities Parental Information and Resource Centers Smaller Learning Communities Voluntary Public School Choice

**FY 2011 Key Programs**  
*(Program funding comparison against previous years)*

<b>Federal Program</b>	<b>FY09</b>	<b>FY10 (Enacted with omnibus bill)</b>	<b>FY11 Budget Request</b>
CCR (Replace Title I)	\$14.5 billion	\$14.5 billion	\$14.5 billion
School Turnaround	\$546 million	\$546 million	\$900 million
Assessing Achievement	\$411 million	\$411 million	\$450 million
Special Education (IDEA)	\$11.5 billion	\$11.5 billion	\$11.8 billion
IDEA Preschool	\$374 million	\$374 million	\$374 million
IDEA Infants Part C	\$439 million	\$439 million	\$439 million
Career Tech	\$1.16 billion	\$1.16 billion	\$1.264 billion
Tech Prep	\$103 million	\$103 million	0
Race to the Top			\$1.35 billion
Investing in Innovation			\$500 million
Statewide Longitudinal Data	\$65 million	\$58.3 million	\$65 million
Effective Teaching and Learning <i>(consolidates many programs)</i>	\$979 million With Title II D (Ed Tech grants)	\$920 million With Title II D	\$1.02 billion Imbeds Title IID in programs
Effective teachers and leaders <i>(replaces Title II, A (Teacher Title IIA))</i>	\$2.95 billion <i>Title II, A (Teacher Quality)</i>	\$2.95 billion	\$2.5 billion
Teacher and leader Innovation	\$108 million <i>Includes TIF and Advanced Credentialing</i>	\$411 million <i>Includes TIF and Advanced Credentialing</i>	\$950 million
Teacher and leader pathways <i>(consolidates many programs)</i>	\$115 million	\$136 million	\$405 million
College Pathways and Accelerated Learning <i>(consolidates 4 programs)</i>	\$51 million	\$103.3 million	\$100 million
Assessing Achievement	\$411 million	\$411 million	\$450 million
Expanding Educational Options <i>(six current)</i>	\$370 million	\$409 million	\$490 million

<i>programs)</i>			
Promise Neighborhoods	0	\$10 million	\$210 million
Successful, Safe and Healthy Students	\$310 million	\$365 million	\$410 million
21 <sup>st</sup> Century community Learning Centers	1.13 billion	1.17 billion	1.17 billion
English Learner Education ( <i>Title III</i> )	\$730 million	\$750 million	\$800 million

\*This grid attempts to align the proposed changes to many of the current programs. Therefore, the funding levels may not be exact.