



## **Talking Points on FY 2011 Budget Request by President Obama**

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On February 1, 2010, President Barack Obama released the FY 2011 federal budget (the 2011-12 school year). AASA applauds the administration's continued support for and investment in education within President Obama's 2011 budget proposal. The emphasis on improving teaching and strengthening teachers and school leaders is an important step toward long-term positive change in our schools. AASA also applauds the significant increase in funding for ESEA. The proposal would spend an additional \$3 billion on ESEA, with an additional \$1 billion available, contingent upon reauthorization of ESEA. The proposed budget consolidates 38 programs down to 11, regrouping programs to eliminate duplicative or ineffective programs while giving states and school districts more flexibility to meet program goals. AASA is encouraged by Secretary's Duncan regular outreach to engage school administrators in a meaningful dialogue around education reform, including both policy and budget discussions, and looks forward to building on this positive working relationship.

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- 1. The President's budget proposal includes a 65 percent increase in the proportion of discretionary education dollars distributed through competition programs, a significant policy decision to shift dollars away from long-time formula grant programs.**
  - 2. With state and local economies yet to experience the stability and recovery, Congress and the administration need to be alert to shell games and supplanting with federal funds.**
  - 3. The federal government level funds its investment in special education, holding steady at its commitment to 17 percent, less than half of the promised 40 percent of the national average per pupil expenditure.**
  - 4. As the economic recession pushes more students into poverty, the President's proposal level funds Title I, despite the increased need.**
  - 5. The President's ESEA budget proposal focuses on graduating every student college- and career-ready.**
  - 6. The Rural Education Achievement Program is level funded at FY10 levels and contains significant policy changes in the administration's ESEA proposal.**
  - 7. The new Excellent Instructional Teams program in the administration's ESEA proposal targets money at increasing the effectiveness of teachers and principals.**
  - 8. The Obama administration demonstrates its continued support for the total child through significant increased investment in Promise Neighborhoods.**
  - 9. The President's proposal consolidates six programs to create the Successful, Safe and Healthy Students program.**
  - 10. The President's budget strengthens nutrition assistance and promotes healthy eating.**

## **AASA Views on President Obama's FY11 Budget Proposal:**

- 1. The President's budget proposal includes a 65 percent increase in the proportion of discretionary education dollars distributed through competition programs, a significant policy decision to shift dollars away from long-time formula grant programs.** AASA has a strong position in support of formula grant funding.
  - While understanding the administration's commitment to rewarding and replicating successful programs and practices, AASA urges Congress to maintain formula grants to provide a more reliable stream of funding to local school districts. Such a strong emphasis on competition implies that competition alone produces innovation and student achievement. School districts and systems need a certain level of financial stability to undertake the ambitious innovation and reform proposed by the President's budget, a level of reliability and consistency that cannot be achieved through competitive funding.
  - Formula-driven funding represents the dedicated funding stream that allows school districts to appropriately plan for and invest in innovation and reform. AASA is concerned that competitive grants would have a disproportionate negative impact on rural and small districts.
  - With limited local resources, school districts do not have the time or the capacity to develop extensive competitive grant applications in order to be competitive. This will lead federal dollars away from students in poverty and to districts that have the resources for grant writing teams.
  - The President's budget consolidates the Improving Teacher Quality State Grants program (Title II, Part A) with the Ready to Teach Grant. The proposed funding level is almost \$500 million below FY10 levels. Many districts rely on these funds as a source for hiring teachers, and this cut would threaten the security of these jobs.
  
- 2. With state and local economies yet to experience the stability and recovery, Congress and the administration need to be alert to shell games and supplanting with federal funds.** As such, AASA would be remiss if we did not address the very trying economic environment school districts are living with.
  - The confluence of the end of ARRA funding and the delayed economic recovery (state/local recovery lags federal recovery by 18 to 24 months) represent a very real obstacle to schools as they try to balance increased emphasis on innovation with ever slimmer operating budgets.
  - AASA strongly encourages both Congress and the administration to recognize—and be prepared to react to—the possibility that the sizeable increase in federal education funding may not translate into funding increases at the local level. As demonstrated with ARRA dollars, short of other revenue sources or left with no other option, some SEAs/LEAs may replace what had been programs funded by ARRA with these new federal dollars. In those cases where federal dollars simply fill budget holes, it is very difficult to innovate and reform.

**3. The federal government level funds its investment in special education, holding steady at its commitment to 17 percent, less than half of the promised 40 percent of the national average per pupil expenditure.** Congressional support for IDEA continues to hover below its high point of 18.6 percent in FY 2005.

- The FY11 proposal of \$11.6 billion, while a slight nominal increase, represents level funding when calculated as the federal contribution, staying at 17 percent and effectively reducing the federal commitment at a time of increasing need. The burden for paying for special education will continue to be shifted to local districts, forcing school districts to raise local taxes or cut general education programs. In these difficult economic times, this remains an even bigger challenge. Congress must fulfill its commitment to schools and students throughout the country. AASA strongly supports Congress reaching the 40 percent level through mandatory funding of special education.
- Mandatory funding IDEA would ensure school districts received the full federal commitment in just seven years. While the IDEA investment included in ARRA was significant, the impact of those dollars was limited. As one-time funding, districts had difficulty spending ARRA IDEA dollars to expand services to students with disabilities without knowing if the federal funding at that level (a temporary jump to 25 percent of the national average per pupil expenditure) would continue. The president’s budget does not make this commitment.

FY10 Level	FY11 Request
\$11.5 billion	\$11.8 billion

**4. As the economic recession pushes more students into poverty, the President’s proposal level funds Title I, despite the increased need.** The proposed budget includes \$14.5 billion for the College- and Career-Ready Students program (formerly Title I Grants to LEAs). This is level funding from both FY09 and FY10 levels, and represents a cut, when adjusted for inflation and increasing demand.

- While ARRA Title I dollars represented a significant increase in Title I funding for schools in the 2008-09 and 2009-10 school years, the ARRA Title I dollars—which played a vital role in supporting education budgets in states and districts that have yet to show signs of economic recovery—will no longer be available in 2011-12, a funding cut that will be compounded by the proposal to level fund the FY11 levels.

FY10 Level	FY11 Request
\$14.5 billion	\$14.5 billion

**5. The President’s ESEA budget proposal focuses on graduating every student college- and career-ready.** States would adopt standards that build toward college and career readiness, implement high-quality assessment aligned with CCR standards and measure individual student growth toward those standards. AASA supports the use of growth measures and the goal of rigorous world-class standards. AASA seeks further clarification as to what—if any—overlap exists between CCR and the Common Core standards, as well as if the administration is endorsing a common nation-wide assessment.

**6. The Rural Education Achievement Program is level funded at FY10 levels and contains significant policy changes in the administration’s ESEA proposal.** REAP helps rural districts overcome the additional costs associated with their geographic isolation, smaller number of students, higher transportation and employee benefit costs, and increased poverty. Funding from this program has helped districts increase reading achievement through the hiring of reading specialists, update their technology through the purchasing of computers for students and hire highly-qualified teachers.

- The administration’s ESEA proposal would allow the Secretary to set aside an unspecified amount of REAP dollars to provide competitive grants to innovative rural districts. Given that REAP funding has always represented a dedicated stream of formula funding to rural schools, AASA strongly urges Congress to block any attempts to make any component of REAP funding competitive funding. Competitive bidding puts unneeded pressure on rural districts’ limited resources, in direct conflict with the Secretary’s stated desire to help ‘rural districts overcome capacity constraints.’
- As other federal education programs are cut or eliminated and more dollars are distributed through competitive grants, funding for REAP becomes even more important to help fill the funding shortfall in many districts. An increase in REAP funding would help offset not only the impact of formula cuts for small rural districts, but also the impacts of the increased emphasis on competitive grants for federal education funding.

FY10 Level	FY11 Request
\$174.9 million	\$174.9 million

**7. The new Excellent Instructional Teams program in the administration’s ESEA proposal targets money at increasing the effectiveness of teachers and principals.** EIT represents the consolidation of 10 federal programs into three and is aimed at helping states and LEAs increase the effectiveness of teachers and principals. The proposal funds EIT at \$3.9 billion, \$350 million more than the antecedent programs. Within EIT, the Teacher and Leader Innovation Fund more than doubles the investment for the Teacher Incentive Fund. This funding would continue a national competitive grant program to create and implement locally negotiated alternative compensation plans. The request for a significant increase signals the administration’s continued support to allow this program to scale up local practices and search for new ways to recruit and retain teachers and principals.

FY10 Level	FY11 Request
\$3.5 billion *	\$3.9 billion

*\*FY10 level calculated as sum of antecedent programs*

**8. The Obama administration demonstrates its continued support for the total child through significant increased investment in Promise Neighborhoods.** Created in FY10, Promise Neighborhoods represents the administrations focus on meeting the needs of the total child, a program designed to integrate the range of services available to help students combat the impacts of poverty. Funding would grow more than twenty-fold, from \$10 million in FY10 to \$210 million in FY11. This would help fund a major portion of AASA’s ESEA proposal, to provide for integrated services in high poverty schools in order to serve the range of issues that will help students be successful in school and live.

FY10 Level	FY11 Request
\$10 million	\$210 million

- 9. The President’s proposal consolidates six programs to create the Successful, Safe and Healthy Students program.** SSHS will provide resources and supports necessary for safe, healthy, and successful students. Competitive grants will be made to SEAs (and in turn, LEAs or consortia of LEAs) demonstrating need for programs designed to improve student mental and physical health and well-being, reduce violence and substance abuse, and promote social and emotional learning so that school climates can better contribute to student academic achievement and overall well-being.
- a. AASA supports reinstatement of the Safe and Drug Free Schools State Grants Program. Cut from the FY10 budget and absent from the FY11 proposal, the Safe and Drug Free Schools State Grants Program represented a reliable stream of funding that states and districts were able to use to provide students with a safe learning environment.

FY09 Level	FY10 Level	FY 11 Request
\$294.8 million	\$365 million*	\$410 million

*\*Combined funding for 6 antecedent programs*

- 10. The President’s budget strengthens nutrition assistance and promotes healthy eating.** President Obama requests \$10 billion over 10 years for program reforms aimed at improving program access, establishing high standards for the nutritional quality of food available in school, exploring new strategies for reducing hunger and improving children’s food choices, and strengthening program management. This increase is intended to support the First Lady’s nutrition and obesity initiative as well as support the reauthorization of the Child Nutrition Act which is under consideration by Congress.