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MEMORANDUM

DATE: August 5, 2010
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: Senate Passes FY 2011 Proposed K-12 Budget and Edujobs/Offsets Bill Which the House is Likely to Pass

Last week, the Senate Appropriations Committee passed its proposed appropriation levels for K-12 education programs for FY 2011, the details of which are in the Special Report below. Both Title I and IDEA received more than \$400 million increases, while some new and existing early childhood initiatives and several middle/high school initiatives also received proposed funding increases. School Improvement Grants and 21st Century Community Learning Centers received more than was proposed by the House (reported in the last TechMIS issue) and, perhaps more importantly, included certain language changes which could have implications for many TechMIS subscribers. In late September, a Continuing Resolution -- which will fund programs at existing levels -- will likely pass with serious House and Senate Conference Committee focus beginning during a lame duck session after the November mid-term elections.

In a breaking story, within the last 24 hours, the Senate passed, by a 61 to 39 vote, "cloture" on a bill (HR1586) which included a \$16 billion extension of Medicaid payments to states through the end of the year and the \$10 billion Edujobs Bill. The Edujobs Bill had been passed earlier by the House then voted down by the Senate as part of a Defense Supplemental Appropriation; it was modified later with different proposed "offsets" and was tabled on Monday, August 2nd, but passed on August 4th. The Senate will likely pass the formal bill this week. The House is expected to return from summer recess next week for final passage, according to Politico (August 4). Many of the details and specific language are not yet available; however, the good news for most TechMIS subscribers is that the "offsets," which are used to make up for the \$10 billion increase in aid to districts to retain teachers and other staff, did not come out of Title I or IDEA non-obligated ARRA funds, which would have had a negative impact on TechMIS subscribers' K-12 sales in the immediate future. Rather, more than \$11 billion of the offsets would come from a roll back of added food stamp benefits in 2014 and only about \$60 million of Striving Readers and other USED rescissions. If passed by the House, much of the \$10 billion would be used to free-up local and other funding sources which otherwise would have been likely used to retain some of the staff which have already received "pink slips" and now could be

used for purchasing products and services. Once specific details are made available and other developments occur, we will send out a TechMIS Stimulus Funding Alert.

As always, contact Charles Blaschke or Blair Curry if you have any questions.

Special Report:
**Senate-Proposed FY 2011 Budget Would Increase Title I and IDEA by
Amounts Similar to House-Proposed Increases, but Would Place a
Higher Priority on Early Childhood Learning and High Schools While
Reducing Amounts for Some of the President’s Priorities More than
the House Version**

A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT

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During the last week of July, the Senate Appropriations Committee voted FY 2011 appropriations levels for the Department of Education which were similar to the House version passed a week earlier and which would place greater funding priority on early childhood education and high school programs. The Senate version would also reduce some of the President’s priorities--such as Race to the Top -- by even more than the House version, reflecting growing dissatisfaction with several of USED’s prescriptive reform initiatives.

Both the House and Senate versions would increase Title I from \$14.5 billion to \$14.9 billion and IDEA from \$12.6 billion to \$13 billion. About one-third of the proposed amounts for Title I and IDEA would be made available beginning in July 2011, with the remaining two-thirds allocated to states after October 1st. This is a similar pattern to “forward funded” allocations used prior to the passage of the ARRA Stimulus Act in 2009. All of the increases in Title I grants to LEAs would be in the “targeted” and “incentive” formula components which, for the most part, benefit Title I programs in large city districts. The Senate would create a new Early Learning Challenge Fund, with proposed funding at \$300 million, for competitive grants to states to implement high-quality cognitive, social, and emotional skills development programs and to coordinate quality improvement activities across early learning settings, including childcare, Head Start, and pre-K. Head Start would also receive an increase of almost \$1 billion to \$8.2 billion. An additional billion dollars would also be appropriated for Childcare Development grant programs, increasing the total funding to \$3.1 billion. The latter two programs are included in the budget of the Department of Health and Human Services.

The House budget would increase 21st Century Community Learning Centers by \$35 million, while the Senate would increase it by \$100 million to \$1.27 billion and would also include changes that would allow funds to be used to expand extended learning during school for both

academic and enrichment opportunities in a manner similar to that proposed in the Obama “Blueprint” for ESEA reauthorization. It should be noted that the Afterschool Alliance opposes the language changes included in the Senate version. The Senate Appropriations Committee report emphasizes, “In awarding grants to applicants that propose to expand learning time, the Committee intends that States consider applications proposing significant changes to the school calendar such as extended school days, Saturday classes and extended year approaches. It is the expectation of the Committee that in offering expanded learning time programs schools will ensure that students have more opportunity for academic learning, but are also offered additional enrichment activities...which are critical to a well-rounded education,” including the arts, and physical education. The report also noted, “This use of funds is in addition to those authorized under the ESEA.”

The Senate Committee would increase School Improvement Grants from \$545 million this year to \$625 million -- less than the \$900 million requested in the Blueprint. SEAs could use SIG funds to expand the number of Title I eligible students through another competitive grant round for schools that had not made AYP for at least two years, or that were in the state’s lowest quintile of performance based on proficiency rates. Each school could receive up to \$2 million and forty percent of each state’s allocation must target middle and high schools. The report notes that, currently, “one-third of the nation’s 2,000 so-called ‘dropout factories’ are not eligible for school improvement under the current structure of the program.” The Committee asks the Department to assist states in encouraging and supporting LEAs in their use of school improvement funds, including those made available under the 4% set-aside established in Section 1003 (a) of ESEA on those activities with evidence bases rated strong or moderate as defined in the regulations for the Investing in Innovation program.” By using the i³ regulatory definition of “strong” or “moderate” evidence ratings, the FY 2011 appropriations language if adopted, could be recognized as “an official replacement” for the confusing definition of “scientifically-based research” (SBR) used during the Bush Administration.

In addition to the continuing focus of School Improvement Grants on persistently lowest-performing middle and high schools, the Senate would double the funding under the High School Graduation Initiative to \$100 million, noting, “Only 1 in 4 receive Title I funds and the total amount they receive is merely 10 percent of Title I funding.” Competitive grants for LEAs which focus on high school graduation or reentry strategies could serve students beginning in grade six in schools which have dropout rates above the state’s average. Slightly more than \$20 million of the \$250 million Striving Readers Initiative recommended level would be allocated to Adolescence Literacy, and 40 percent of the state subgrants under Striving Readers would be set aside to serve students in middle and high schools through grade 12.

Under the Senate version, the Title I English Language Acquisition program would continue receiving an increase -- from \$750 million this year to \$800 million in FY 2011. The Safe School and Citizenship Education program would receive \$426 million in FY 2011 compared to \$403 million this year. The Administration’s high-priority Teacher Incentive Fund would be level-funded at \$400 million. As stated in the report, “The Committee urges the Department to award grants for short-term planning for the development of performance-based compensation systems as well as for implementation. Recognizing that such systems should be aligned with

other educational improvement efforts, in awarding grants, the Committee urges the Department to give priority to those applications that demonstrate a link between proposed projects and the instructional strategy or other key reforms undertaken by the relevant schools or LEAs.” While the Career, Technical, and Adult Education program would see a overall slight reduction, the Adult Education component would increase to \$653 million up from \$639 million in FY 2010. The committee recommends that the English Literacy and Civics Education state grant set-aside (within Adult Education) of approximately \$75 million continue focusing on recent immigrants and limited English proficient populations. The E²T² State Technology Grants program would be level-funded at \$100 million with a provision allowing states to award up to 100 percent of their funds through grant “competitions” rather than previously used “formula” grants. Funds could be used to purchase hardware, software, and teacher training on integrating technology into the curriculum, as well as to improve communications with parents, and for other related purposes. Other programs which would receive approximately the same amount they received this year include State Grants for Improving Teacher Quality (\$2.9 billion), and Math and Science Partnerships (\$180 million).

Some Administration priorities would, in the Senate, suffer even greater reductions than the House “marks,” including the Race to the Top fund which would be funded at \$675 million (versus the House’s \$800 million mark and about half of the amount proposed in the “Blueprint”). The Investing in Innovation (i³) fund would also be reduced from \$500 million this year to \$250 million next year. One of the biggest casualties, however, would be Promise Neighborhoods which the Administration proposed to increase from \$10 million to \$210 million in FY 2011. The House “mark” was \$60 million while the Senate version would provide only \$20 million. However, the report notes, “Awards from the fiscal year 2010 appropriations have not yet been made and the Committee intends to re-examine the need for additional funds upon reviewing the plans of the winners of the current grant competition.” The Senate agreed with the Obama Blueprint which proposed to eliminate about 20 education programs totaling a net savings of about \$370 million.

As we noted in the last [Washington Update](#) on the proposed House Bill, it is very unlikely that the final FY 2011 budget will be taken up seriously once again until a “lame duck” session is called after the mid-term November elections.