Federal Budget Tip Sheet: Education Spending

Key Fact: Education spending for elementary, secondary and higher education is projected to account for 6 percent of total federal discretionary spending in fiscal 2015, a figure that has held roughly constant for decades despite consistent polling that shows education is a top priority for most Americans.

What Federal Spending Funds: The federal government provides funding for education programs ranging from early-childhood education in Head Start to the Title I program for underserved public schools to Pell grants and Stafford loans for college students.

President Obama’s 2015 Budget: The president’s budget requests $66 billion over 10 years to expand pre-kindergarten education under his Preschool for All Initiative. This initiative would be paid for by raising the cigarette tax from $1.01 per pack to $1.95. The budget also includes funding to expand the existing Head Start program, and for job training programs that would pair a college education with apprenticeships – a proven way to help graduates connect with jobs.¹

Challenges in Education: In 1995, the U.S. was second in the world in rate of college graduations, but has since fallen to 12th². Meanwhile, the maximum federal Pell grant once covered three-quarters of tuition at the average four-year public school; today it covers less than a third. The average grant in the 2011-2012 year was $3,555³, and more than half of Pell grant recipients had family incomes under $20,000.⁴ With college costs rising, student loans have ballooned – filling the widening gap between tuition and available student aid. Americans now owe more than $1.2 trillion in student loan debt, compared to just $300 billion a decade ago.⁵

Public Opinion: More than half of Americans (53 percent) say they are dissatisfied with the quality of education children are receiving in kindergarten through high school⁶ and 69 percent of Americans say improving our educational system should be a top priority for the president and Congress in 2014.⁷

To See How Much Federal Funding Flows Into Your Local School District:
data.nationalpriorities.org/other/schooldistrict/

More About Education Spending: bit.ly/nppeducation

¹ Office of Management and Budget, Fiscal Year 2015 Budget of the Federal Government.
² The Organisation for Economic Co-operation and Development, Indicator A3: How Many Students are Expected to Finish Tertiary Education.
³ National Association of Student Financial Aid Administrators. National Student Aid Profile: Overview of 2014 Federal Total Education Spending At-a-Glance

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
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<tbody>
<tr>
<td>$81 billion</td>
<td>Requested by President in FY2015</td>
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<tr>
<td>$70 billion</td>
<td>FY2014 Estimated Spending Level</td>
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<tr>
<td>$66 billion</td>
<td>Requested by President in FY 2014</td>
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⁴ Source: OMB National Priorities Project

⁵ Updated 9/23/14
Programs.
v Gallup poll, conducted August 9-12, 2013.