

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.

Total Education Spending At-a-Glance

\$81 billion: Requested by President in FY2015

\$70 billion: FY2014 Estimated Spending Level

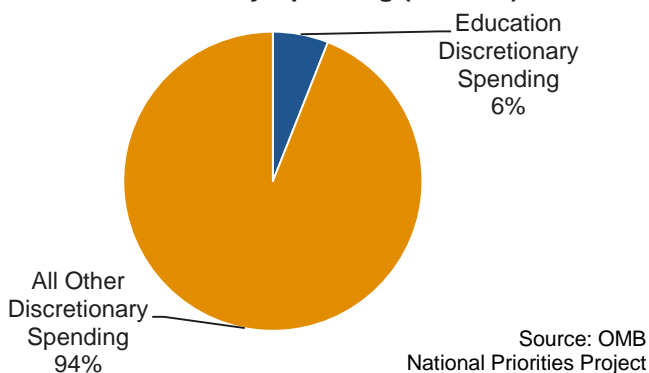
\$66 billion: Requested by President in FY 2014

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.ⁱ

Challenges in Education: In 1995, the U.S. was second in the world in rate of college graduations, but has since fallen to 12thⁱⁱ. 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 \$3,555, and more than half of

Pell grant recipients had family incomes under \$20,000.ⁱⁱⁱ 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.^{iv}

Projected Discretionary Spending on Education and All Other Discretionary Spending (FY 2014)



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 school^v and 69 percent of Americans say improving our educational system should be a top priority for the president and Congress in 2014.^{vi}

To See How Much Federal Funding Flows Into Your Local School District:

data.nationalpriorities.org/other/schooldistrict/

More About Education Spending: bit.ly/nppeducation

ⁱ Office of Management and Budget, [Fiscal Year 2015 Budget of the Federal Government](#).

ⁱⁱ The Organisation for Economic Co-operation and Development, Indicator A3: [How Many Students are Expected to Finish Tertiary Education](#).

ⁱⁱⁱ National Association of Student Financial Aid Administrators. National Student Aid Profile: Overview of 2014 Federal

Programs.

^{iv} The White House, “Factsheet: Making Student Loans More Affordable,” June 2014.

^v Gallup [poll](#), conducted August 9-12, 2013.

^{vi} [Pew Research](#) poll, conducted Jan. 15-19, 2014.