



COMMITTEE ON APPROPRIATIONS

DAVID R. OBEY (WI-07), CHAIRMAN

FACT SHEET

JULY 1, 2010

EDUCATION REFORM & TEACHER JOBS

The proposed \$800 million in rescissions from certain Education Department grant programs represents a very modest contribution to the over \$16 billion in offsets that are included in the House supplemental amendment. That amendment provides major benefits to education, including \$10 billion in aid to local school districts to avert massive teacher layoffs and \$5 billion to help close the current shortfall in Pell Grants for college students—the absence of which would seriously imperil education funding for fiscal year 2011.

These rescissions were selected to come from new grants for new activities. They will not affect the continuation of funding to any existing grantees. It seems only reasonable to defer some new activities and expansions in order to help address the urgent fiscal crisis facing our school systems. In addition, the rescissions in no way damage the future funding prospects in better economic times for these programs.

Charter Schools

- A \$100 million rescission is taken from charter school grants, which go to cover startup costs of establishing *new* charter schools, not on-going operations. Again, what is being done is to defer some funding for new activities and new starts, in order to address a more urgent need.
- Charter schools, which rely on state funding support, will benefit along with traditional public schools from the \$10 billion Education Jobs Fund to which this rescission contributes. The Education Jobs Fund will help keep teachers in the classrooms of existing charter schools, which seems a higher priority at present than new rounds of grants to start new charter schools.
- The rescission will still leave \$156 million in FY 2010 appropriation for charter school grants. That amount is well more than *twice* what is needed to cover the cost of continuing existing grants, which is identified as \$60 million in the budget materials submitted to Congress by the Department of Education.

Teacher Incentive Fund

- A rescission of \$200 million is taken from the total of \$600 million appropriated in the FY 2010 Labor-HHS-Education bill and the Recovery Act for the Teacher Incentive Fund, which makes grants to reform teacher compensation systems to provide rewards for student achievement. Prior to the Recovery Act, funding for this program never exceeded \$99 million. Thus the \$400 million left after the rescission will still be triple the previous funding. It will also be ample for continuation costs and some new awards.

Race to the Top

- Finally, there is a \$500 million rescission from the new “Race to the Top” program, which was established in the Recovery Act with \$4.350 billion in funding. The first round competition produced only two winning states (with awards of about \$600 million expected). Even with this rescission, the Department will still be able to award \$3.2 billion of the previously expected \$3.7 billion in the second round. This small reduction (in a new and untested program) will be redirected to the urgent need of preventing teacher layoffs.