

PRESIDENT OBAMA'S FY 2011 BUDGET: EDUCATION

To reform public schools and help foster an educated and highly-skilled workforce, the President's budget proposes a new strategy for federal K-12 education policy supported with additional funding. At the college level, the budget also increases aid for low-income students, reforms Federal student aid programs, and strengthens support for community colleges. (Budget proposals for [early childhood development and education](#) are discussed in a separate section).

- The budget proposes to restructure the **Elementary and Secondary Education Act (ESEA)** and provides the largest increase in history for ESEA programs. It includes a \$3 billion increase in competitive funding, and up to \$1 billion more if Congress completes a reauthorization of ESEA consistent with the President's proposed reforms. The proposal also includes \$300 million to expand the teaching and learning of Science, Technology, Engineering, and Mathematics (STEM) subjects, particularly in high-need schools, which would help develop more opportunities for students from diverse backgrounds in these areas.
- To make college more accessible and affordable, the budget proposes an increase of \$7.1 million in **Pell Grant funding**. The President's proposals to improve Pell Grants include raising the maximum awarded per student to \$5,710, making the Pell Grant program mandatory, and making permanent the indexing of Pell grants to the Consumer Price Index plus 1%, to outpace inflation. The budget also streamlines the student aid application process and supports legislation that would **ensure better access to student loans** by eliminating wasteful subsidies to banks and providing loans directly to students. In addition, the budget provides \$7.5 billion over 10 years to expand the **Income-Based Repayment (IBR) plan** to help borrowers in the Federal postsecondary student loan programs who are overburdened with student loan debt. The proposal would make loan repayment more affordable for those with high debts and low incomes, and allow more students to take advantage of IBR options by reducing the maximum monthly payments and the length of time necessary for loan forgiveness.
- The budget includes \$10.6 billion over 10 years for the new American Graduation Initiative, which aims to improve and modernize **community colleges**, increase focus on college completion, and graduate 5 million more students by 2020.