

TO: AESA Members
FROM: Noelle Ellerson Ng, Tara Thomas
DATE: March 13, 2024
RE: President Biden's FY2025
Budget Proposal

OVERVIEW: On March 11, 2024 President Biden released his budget proposal for federal fiscal year 2025 (FY25). FY25 runs October 1, 2024 through September 30, 2025 and FY25 funding will be in schools for the 2025-26 school year. This document provides an overview of what the budget proposal includes. The budget is widely received as 'dead on arrival', with the House and Senate expected to advance their own budget proposals and priorities. The numbers below are a proposal and likely differ significantly from what will be in the final funding package. These numbers are a reference point. As Congress moves through its appropriations work, pay attention to which proposal and draft you are referencing, to ensure you are looking at the latest numbers.

Final FY25 allocations are months away and before Congress even rolls up its sleeves to work on annual appropriations, they will need to first finish their FY24 work, which is more than six months late. Congress passed the bipartisan Fiscal Responsibility Act in 2023, a bill that both raised the debt ceiling and established funding caps for FY24 and FY25. The act caps non-defense discretionary funding for FY24 at roughly \$704 billion, followed by a 1% increase in discretionary spending in FY25. These caps will be enforced through sequestration. As a point of comparison, appropriations have grown by 17% since FY21 (when prior caps ended) and by 37% since FY17.

- Important Note: While FY25 is anticipated to have a 1% increase in discretionary spending, once you account for allowed adjustments, FY25 allocations will be at a cap lower than that of FY24.

As a reminder, while FY25 starts on October 1, it is very unlikely (and in fact, very much the norm) that Congress will not complete its work on time, especially in an election year. When Congress is unable to finish on time, they will likely exercise a continuing resolution (CR), a legislative proposal that allows government to stay open, freezing federal funding levels and buying Congress more time to complete its appropriations work.

AESA maintains that a budget, whether that of our organization or the schools that AESA members serve, reflects our mission and priorities: we fund what we support, and we support what we fund. To that end, President Biden's proposed FY25 budget continues his trend of introducing federal budget proposals that not only support but prioritize support for strengthening our nation's public schools and the students they serve. We applaud his consistent support and funding for programs that are fundamental to educating students.

ANALYSIS: The President's budget includes \$82 billion for the US Education Department (USED). This represents an increase of \$3.1 billion (4%) over the USED FY23 budget, and a \$2.8 billion increase above anticipated FY24 spending (though that is yet to be finalized). This year's proposed increase is smaller than that of \$10.8 billion in FY24 and \$15.3 billion in FY23, stemming from the constraints in the Fiscal Responsibility Act.

Generally speaking, the budget freezes funding for federal education programs at the FY2023 level.

Almost all of the \$3.1 billion increase is in Pell grants (\$2.1 billion) and USED Staffing. The other two major increases are for Title I and IDEA Part B/Grants to States, which both receive a proposed increase of \$200 million (1.1% for Title I, 1.5% for IDEA).

The following programs are slated for cuts: charter schools (\$40 million cut, down to \$400 million); education innovation and research (a \$15 million cut, down to \$269 million); comprehensive centers (\$5 million cut, down to \$50 million); and international education/foreign language (\$4 million cut, down to \$82 million).

The proposal includes \$8 billion for scaling evidence-based practices for accelerating student learning (think: addressing chronic absenteeism, tutoring, and extended learning).

At the higher education level, the budget includes a \$750 increase in the Pell Grant award level (to \$8,145), \$12 billion for a new program focused on reducing the cost of college (with the lion's share of those dollars intended to expand dual enrollment programs), and a \$143 million increase in institutional aid, through Titles III and IV of the Higher Education Act.

While USED is proposed to receive a significant increase, there are many programs that do not receive a funding increase at all, including Title II, 21st Century Community Learning Centers, Rural Education Achievement Program (REAP) and Impact Aid. It also includes zero funding for school facilities/infrastructure.

Given the unfinished state of FY24 appropriations, we must keep in mind that this FY25 request may look better or worse once we see what Congress provides for FY24, and we can update funding comparisons to FY24 from FY23.

Helpful Links

- [*President's FY25 Budget Request Justifications*](#)
- [*USED FY25 Budget Summary & Background Information*](#)
- [*USED FY25 Budget Key Highlights*](#)
- [*USED FY25 Sec. Cardona Statement*](#)
- [*USED FY25 Funding by State*](#)

Thank you to Committee for Education Funding, the Children's Budget Coalition, Education Week/Politics K12 and Politico for great budget day coverage, analysis, and reporting.

Appendix A: FY25 Funding Summary (in billions)

Program Name	2023 Final Level	2025 Budget Request	Change +/- 2023	% Change vs 2023
ESSA Title I	18.387	18.587	0.2	1.10%
Comprehensive Literacy Development Grants	0.194	0.194	0	0.00%
Innovative Approaches to Literacy	0.03	0.03	0	0.00%
Migrant Education	0.376	0.376	0	0.00%
Neglected/Delinquent	0.049	0.049	0	0.00%
Impact Aid	1.618	1.618	0	0.00%
ESSA Title II	2.19	2.19	0	0.00%
21st Century Learning Community Learning Centers	1.33	1.33	0	0.00%
State Assessment	0.39	0.39	0	0.00%
Education for Homeless Children	0.129	0.129	0	0.00%
Native Hawaiian Education	0.046	0.046	0	0.00%
Alaska Native Education	0.045	0.045	0	0.00%
Rural Education	0.215	0.215	0	0.00%
Comprehensive Centers	0.055	0.05	-0.005	-9.10%
ESSA Title IV	1.38	1.38	0	0.00%
School Safety National Activities	0.216	0.216	0	0.00%
School-Based Mental Health Services Grants	0.0559	0.02	-0.036	-64.50%
Promise Neighborhoods	0.091	0.091	0	0.00%
Full Service Community Schools	0.15	0.2	0.05	33.30%
Education Innovation and Research	0.284	0.269	-0.015	-5.30%
Teacher and School Leader Incentive Grants	0.173	0.173	0	0.00%
Supporting Effective Educator Development	0.09	0.09	0	0.00%
Charter School Grants	0.44	0.4	-0.04	-9.10%
Magnet Schools Assistance	0.139	0.139	0	0.00%
English Language Acquisition	0.89	0.94	0.05	5.60%
Special Education Grants to States	14.194	14.394	0.2	1.40%
Perkins Career & Technical Education (State grants)	1.43	1.43	0	0.00%
Perkins Career & Technical Education (Natl Prog)	0.032	0.032	0	0.00%
Outside of USED				
Head Start (incl Early Head Start) (HHS)	11.997	12.541	0.544	4.50%
Child Care Development Block Grant (HHS)	8.021	8.521	0.5	6.20%
Cyber Security (Homeland Security/CISA)	2.955			