



## Forecasts for Education Funding Post- Election

Moderator: [Mark Schneiderman](#), Senior Director of Education Policy, SIIA

Panelists:

- [Jennifer House](#), President, RedRock Reports
- [Cheryl Smith](#), Vice President, Government Relations, Kaplan Inc.

Reactor: [Anne Wujcik](#), Education Research Analyst, MDR



# After the Election...

Jenny House, Ph.D.  
RedRock Reports

# Impact on State and Local Ed

- Wins and losses
  - Some steps forward, others back
  - Disproportionate election funding
- State and local bond issues
  - Higher Ed
  - Renovations and modernization

California

Proposition 30  
&  
~~Proposition 38~~







**Florida:**

**Amendment 3  
&  
Vouchers**



**Georgia  
&  
Washington**

**Charter School  
Legislation**





Idaho

Overtured  
“Luna Laws”





**Idaho**

**Reversed  
\$180M  
laptop for  
every  
student  
initiative**





Michigan  
Proposal 2





**South Dakota**

**Defeated  
1 cent  
Sales Tax for  
Public  
Education**

**&**

**Referred Law  
16**





**Maryland**

**Approved  
State version  
Of  
Federal Dream  
Act**





Indiana

Possible  
Change in  
Direction for  
Charter  
Schools



# New Jersey

- State College Bond Issue - Passed
  - “Public Question 1”
  - \$750M for buildings & upgrades at state’s colleges
    - Most to research universities & public colleges
    - Other funds for 19 community colleges

# New Mexico

- Higher Ed & Special Schools Bonds - Passed
  - “Bond Question C”
  - \$120M for buildings & upgrades at state’s colleges



# Rhode Island

- Higher Ed Bonds Question - Passed
  - “Public Question 3”
  - \$50M for buildings & upgrades of academic buildings at Rhode Island College
    - Measure authorized the state government to issue general bonds of no MORE than \$50M
    - Renovations and modernization

# St. Paul Levy Increase

- Referendum to increase funding per pupil - Passed
  - \$842 per pupil over eight years
    - \$646 – renewal of expiring 2006 levy - \$30M/year
    - Remainder adds \$9M for new technology plan
  - \$63/year for average home of \$149K



## **WEATHERING THE STORM:**

# **HOW WILL EDUCATION FUNDING FARE IN THE NEXT FOUR YEARS?**

Cheryl L. Smith  
Vice President, Government Relations  
Kaplan Inc.







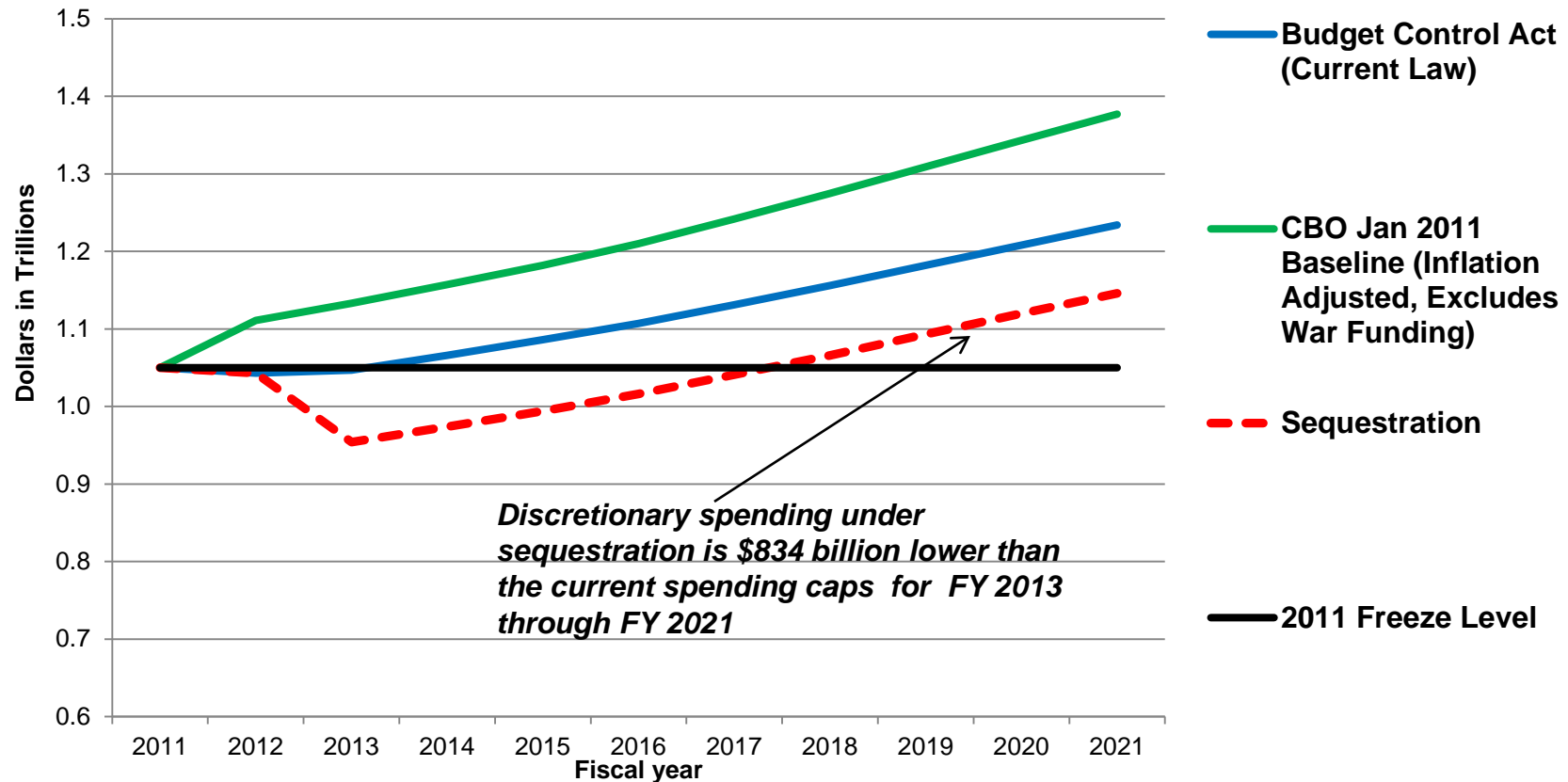
## THE “FISCAL CLIFF”....



## **AUTOMATIC SPENDING CUTS ON JANUARY 2nd IF LAW IS NOT CHANGED**

- For FY 2013
  - ☐ \$93 billion (8.9%) total cut in discretionary spending
  - ☐ \$4.1 billion (8.2%) education cut, excl. Pell Grants
  - ☐ 2013-2014 school year impacted for most districts
- For FY 2014 – 2021
  - ☐ Budget caps for discretionary programs, including education, would be lowered by \$741 billion

## DISCRETIONARY SPENDING UNDER SEQUESTRATION





# OBAMA WIN INCREASES THE POSSIBILITY OF NO EDUCATION CUTS



“There are some tough things that have to be done, but there is a way of doing this that ... allows us to continue to invest in those things that make us grow, like basic research and **education, helping young people afford going to college.**”

11/13/12 White House Press Conference

- But ... entitlement spending, including Pell grants and student loan interest subsidies, is under scrutiny

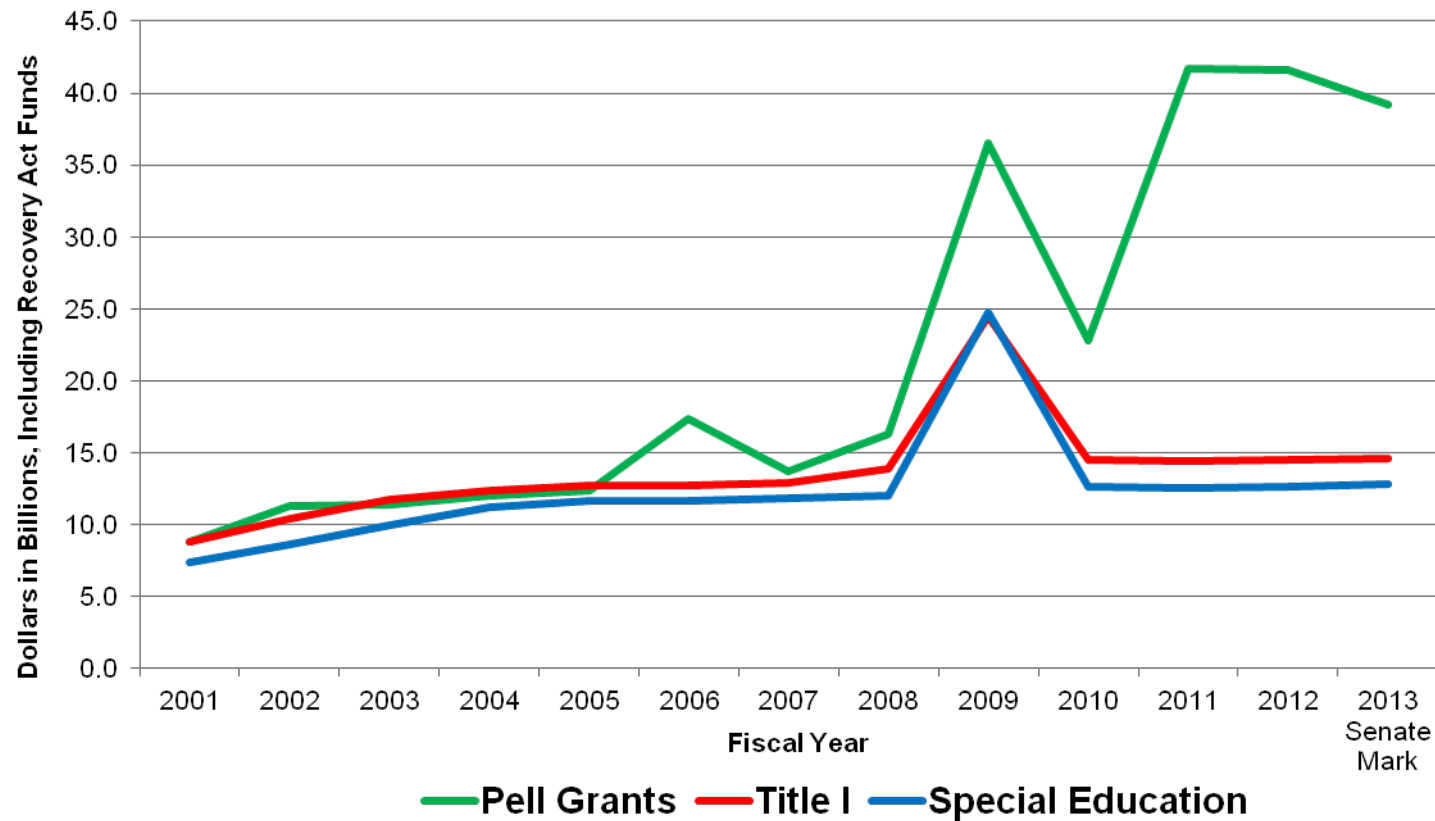


## AND, THE GLORY DAYS ARE OVER

### Discretionary Budget Increases for Education

- +59%, Clinton Administration, 2<sup>nd</sup> term
- +12%, Bush Administration, 2<sup>nd</sup> term
- + 8%, Obama Administration, 1<sup>st</sup> term  
[plus \$100 billion under Recovery Act]
- +??%, Obama Administration, 2<sup>nd</sup> term

# PELL GRANT SPENDING GROWTH OUTPACES CORE K-12 PROGRAMS





## OBAMA K-12 PRIORITIES

- NCLB Waivers
- Race to the Top for Districts and Early Learning
- School Improvement Grants
- Investing in Innovation
- Promise Neighborhoods



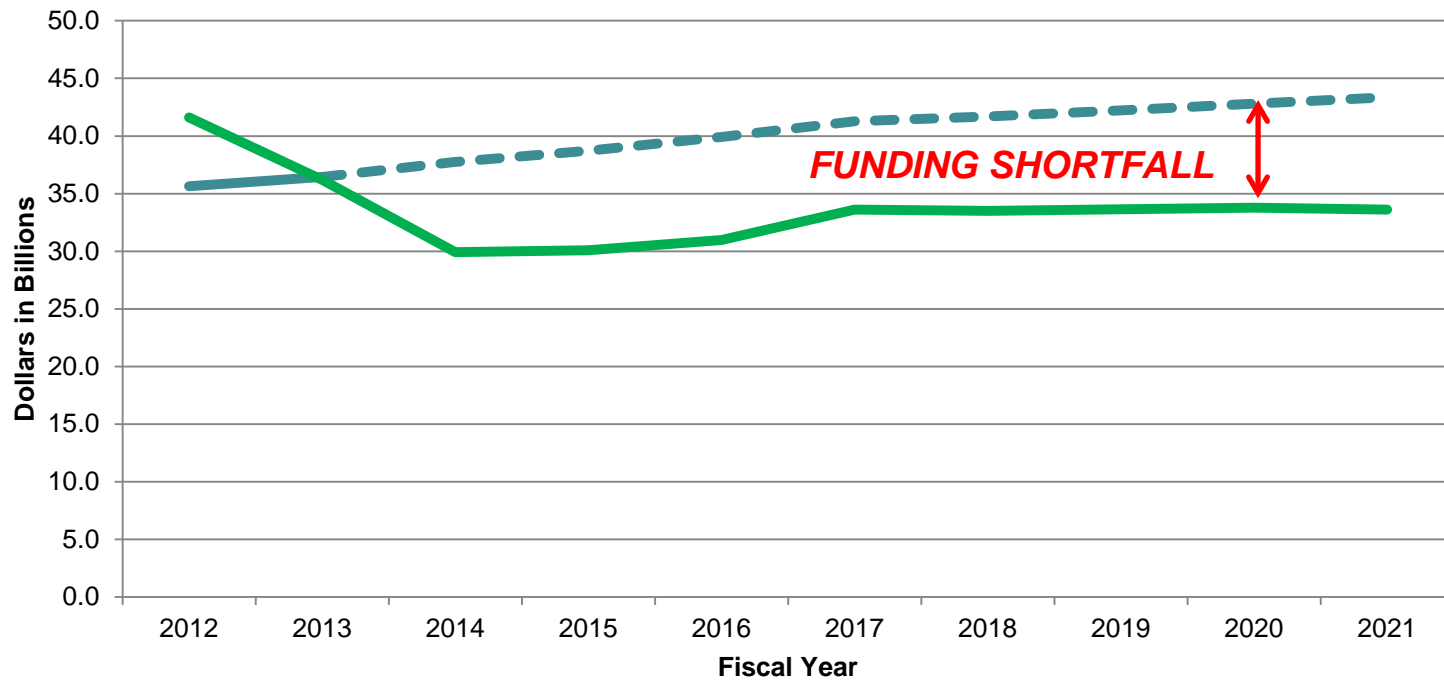


## OBAMA HIGHER ED PRIORITIES

- Solve the Pell Grant “Funding Cliff”
- Freeze Student Loan Interest Rates
- Race to the Top for Colleges
- Community College Initiative
- American Opportunity Tax Credit



## PELL GRANT “FISCAL CLIFF”



— CBO March 2012 Estimate of Program Cost

— Baseline (Mandatory and Discretionary) Resources in Nominal Terms



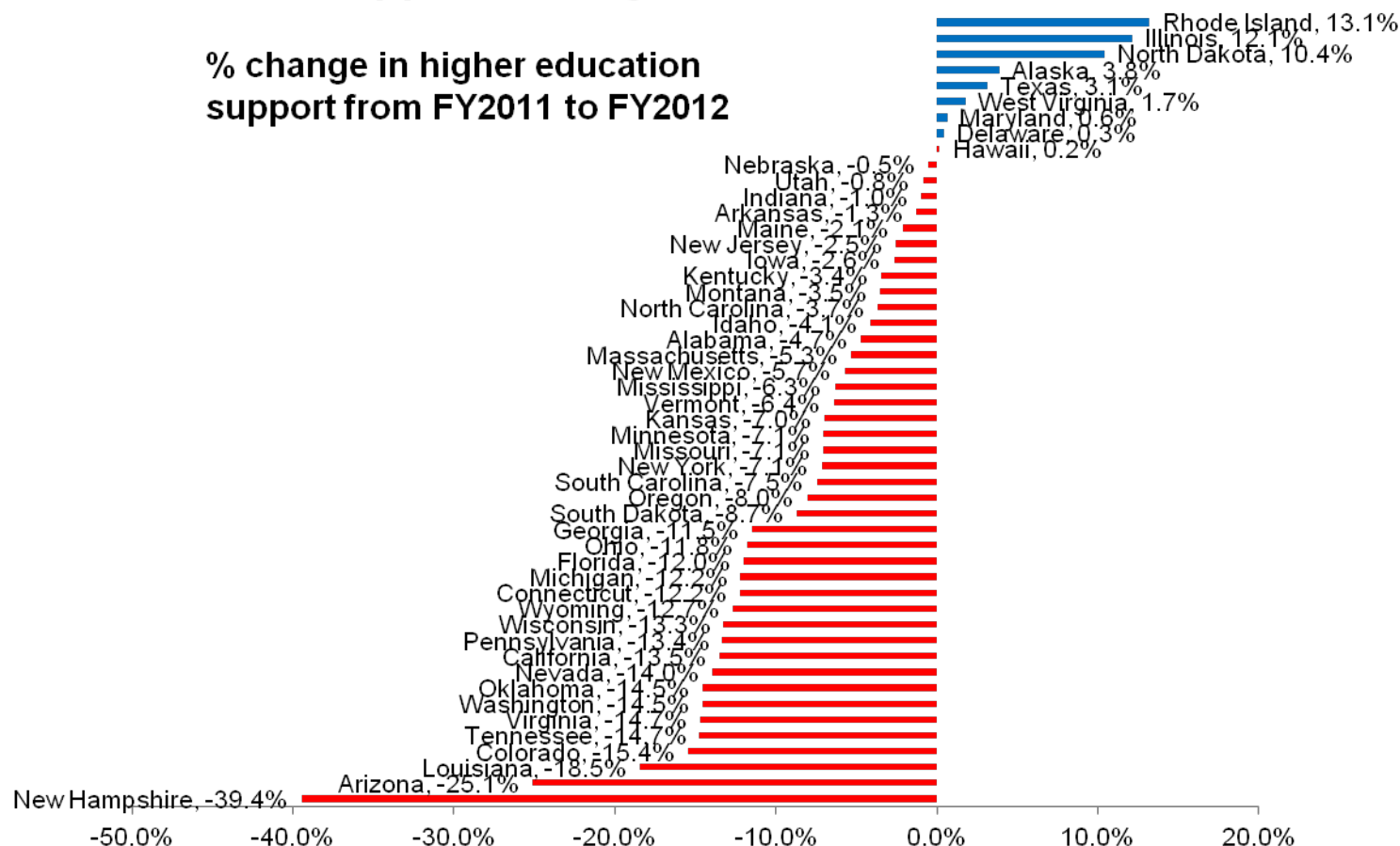
## STATES CONTINUE TO FACE FISCAL CHALLENGES

- State revenues are starting to improve but remain 5% below pre-recession levels in real terms
- 31 states faced budget gaps in the current fiscal year
- K-12 cuts have slowed, but 26 states provided less per-student K-12 aid in real terms in the current fiscal year than in the prior year -- median cut was 1.7%
- States continue to cut higher education -- 7.5% average cut in the current fiscal year

Sources: Center on Budget and Policy Priorities; Grapevine Project, Illinois State University

## State Support for Higher Education Down In Most States

% change in higher education  
 support from FY2011 to FY2012



Source: Grapevine Project. Illinois State University



# Reaction

Q & A