



Insight

# Highlights of Biden's Education Budget

TOM LEE | MARCH 14, 2023

## Executive Summary

- President Biden's fiscal year 2024 budget includes \$90 billion for the Department of Education and contains several initiatives from the American Families Plan, such as making preschool and two years of community college tuition free for all.
- Under the president's budget, the federal government's role in public education would be greatly increased, as it would be the lead source of funding for pre-primary and post-secondary education.
- The president's budget estimates that the free national preschool and community college programs would together increase the federal budget deficit by \$290 billion over the next decade.

## Introduction

On March 9, the Biden Administration released the president's fiscal year (FY) 2024 budget, which includes \$90 billion for the Department of Education—a \$10.8 billion or 13.6 percent increase from the 2023 enacted level.<sup>[1]</sup> The budget contains several initiatives from President Biden's American Families Plan, such as expanding publicly funded and tuition-free education to eventually include preschool and two years of community college. The budget proposes to achieve these goals by creating federal-state partnerships where the federal government would provide most of the funding for states to administer free preschool and community college programs. Notably, this would make the federal government primarily responsible for funding public pre-primary and post-secondary education, while the states would continue to be primarily responsible for public K-12. The president's budget estimates that the free national preschool and community college programs would together increase the federal budget deficit by \$290 billion over the next decade.

## Education in the Budget

Below is a review of some of the key education components President Biden's FY 2024 budget.

### *Free National Pre-K Program*

The budget proposes a “mandatory funding proposal for a Federal-State partnership” to provide free preschool offered by “public schools to child care providers to Head Start.”<sup>[2]</sup> It also includes \$500 million for “demonstration grants” for free preschool for children eligible to attend Title I schools. These proposals mirror those in President Biden's American Families Plan to create a primarily federally funded national free preschool program.<sup>[3]</sup> Through a federal-state partnership, the federal government would take the lead in funding preschool by distributing taxpayer funds to state and local educational agencies that would then distribute those funds to the public schools, licensed childcare providers, and Head Start programs offering free preschool. The state and local educational agencies would be expected to provide a certain matching percentage to the federal funds they received. The administration estimates the fully scaled free preschool program would increase the

federal budget deficit by about \$200 billion through FY 2033.[4] Notably, the federal government already provides free preschool through Head Start for children ages 1 to 5 years old for families who meet low-income guidelines.

### *Free Community College*

Also mirroring the American Families Plan, the president’s budget proposes a federal-state partnership to provide free community college. While the president’s budget does not include a specific federal-state funding ratio, the American Families Plan stated that the federal government would provide 75 percent of the funds, with states funding the remaining tuition and other fees.[5] The president’s budget also includes \$500 million in a new discretionary grant program to “provide two years of free community college for students enrolled in high-quality programs that lead to a four-year degree or a good-paying job.” This can be seen as a pilot program where the federal government would award funding to programs it considers successful at the local and state level, and then eventually attempt to replicate such funding and practices at the national level. The administration estimates the fully scaled free community college program would increase the federal budget deficit by about \$90 billion through 2033.[6]

### *Title I*

For Title 1, the budget proposes \$20.5 billion, a \$2.2 billion or 12 percent increase from the 2023 enacted level. Title I, which is the federal government’s primary spending program for K-12 education, provides funding to state and local education agencies based on the percentage of children from low-income families.[7] These agencies then allocate those funds to their public schools. The budget’s requested increase in Title I funding largely mirrors those of previous Democratic administrations. For FY 2024, however, there is still a large amount of COVID-19 emergency education funds that have not been spent by schools.[8]

### *Expanded Pell Grant Funding*

The budget also proposes an increase of \$500, or 7 percent, to the maximum Pell Grant award relative to the 2023–2024 enacted level.[9] This increase would follow a \$900 total increase over the past two fiscal years; the administration has stated its intent to see the Pell Grant amount doubled by 2029.[10] Pell grants are provided by the federal government to help low-income students pay for their undergraduate tuition. Unlike student loans, Pell Grants do not need to be paid back. The administration’s budget estimates that its current proposal would increase the federal budget deficit by about \$96 billion through 2033.[11]

[1] [budget\\_fy2024.pdf \(whitehouse.gov\)](#)

[2] [Head Start and Early Head Start | Childcare.gov](#)

[3] [FACT SHEET: The American Families Plan | The White House](#)

[4] [https://www.whitehouse.gov/wp-content/uploads/2023/03/budget\\_fy2024.pdf](https://www.whitehouse.gov/wp-content/uploads/2023/03/budget_fy2024.pdf)

[5] [FACT SHEET: The American Families Plan | The White House](#)

[6] [budget\\_fy2024.pdf](#) (whitehouse.gov)

[7] [Title I, Part A Program](#) (ed.gov)

[8] [“Emergency” Stimulus Money for Schools Mostly Unspent](#) (senate.gov)

[9] [Pell Grant Maximum for 2023–24 Announced | Federal Student Aid](#)

[10] [budget\\_fy2024.pdf](#) (whitehouse.gov)

[11] [budget\\_fy2024.pdf](#) (whitehouse.gov)