Child Nutrition Reauthorization Act

Child Nutrition Reauthorization (CNR) – which directly impacts the School Lunch and Breakfast programs – is set for renewal this year. Intel from Capitol Hill suggests that the Senate will most likely be the first chamber to release bill text, mainly due to Chairman Roberts' impending retirement in 2020.

Currently, it's clear that the Senate Agriculture (AG) Committee is still in the early process of reauthorizing the Russell Brand Child Nutrition Act, as they have yet to introduce priorities or an official release date for the bill. As of July 1, Roberts' latest indication was that the agriculture committee would release its draft bipartisan bill sometime before the August recess.

From our meetings with the Senate committee to date, we are optimistic the bill will exclude provisions that give us pause, including proposals to limit states' ability to broaden Categorical Eligibility, raise the Community Eligibility Provision (CEP) threshold, and increase free/reduced-price lunch (FRPL) verification from 1% to 3%. We are not yet in the clear, though. Our work with the committee staff indicates that GOP members, in particular, remain focused on the rate of improper payments to the Federal School Meals programs. This could turn out two ways in the final Senate bill text: (1) Enhanced flexibilities around the administrative provisions of the bill, or (2) Additional reporting requirements for districts.

Contrary to the Senate, the House CNR proposal is still in its infancy as we await Sen. Roberts to make the first move. However, Chairman Scott has stated that "All else equal," he'd like to get CNR done this year. Our primary concern on the House side is the rate of bills aimed at tackling School Meal Debt, which incorrectly applies a one-size-fits all approach to a myriad of state policies on this issue. To fight against the previously mentioned proposals from the House and Senate that would hurt our members, AASA and ASBO International have issued a letter to House and Senate leadership that set the following priorities for this year's CNR:

1. Return to a Five-Year Administrative Review Cycle, which would limit excessive reporting mandated under the shorter three-year Administrative Review (AR) cycle;
2. Modify the Smart Snacks in Schools Rule to ensure all foods sold a la carte and in vending machines meet school nutrition standards;
3. Increase USDA Foods (Commodities) Support for the School Breakfast Program to cover an expected 27-cents hike in price for school breakfast meals;
4. Oppose any effort to Block Grant the School Meals Programs.

Talking Points:

- In the Senate, advocate for more funding (e.g., "Increase USDA Foods [Commodities] Support for the School Breakfast Program to cover an expected 27-cents hike in price for school breakfast meals.")
- Provide cover for members to oppose federal regulations on unpaid school meals.
    - o **Ex 1:** ESSA states policies for unpaid school meal debts should be determined by state and local government that contextually understand how to meet communities' needs.
    - o **Ex 2:** In 2018, five states passed laws to regulate how schools address the lack of repayment and debt related to school meals, and an additional 19 states introduced one or more bills on the subject. States are addressing this issue, and we're working to do what's best for students. At this point, federal legislation would create duplicative regulations and exacerbate districts' ability to operate the federal school meals programs.
- Reiterate your opposition against proposals to block grant the School Meals Programs.
    - o **Ex:** The success and sustainability of school meal programs depend on continued federal involvement. Block grants would dismantle an effective federal program. Congress must oppose any efforts to block grant school nutrition programs.
- Urge Congress to modify the Smart Snacks in Schools Rule, so that schools can serve nutritionally rich food (e.g., hummus, guacamole and vegetables tossed in olive oil, egg salad and tuna salad, and even green salads paired with low-fat dressing) a la carte.

Medicaid in Schools

For more than 30 years, Medicaid has helped cover the costs for certain medically necessary services provided in school-based settings to children eligible for special education services. Medicaid can also reimburse school districts for health and mental health services delivered in schools to students and for providing other screening, diagnosis and treatment services like vision and hearing screenings, and diabetes and asthma management.

Unfortunately, the complex administrative and paperwork requirements necessary to obtain Medicaid reimbursement can significantly hinder school district participation in the program, particularly for small and rural high-poverty schools. As districts are faced with more children with critical health and mental health care needs and increasing demands for school personnel to provide those services, AASA has sought a policy solution that will enable more small and rural districts to participate in the Medicaid program.

The soon-to-be introduced bipartisan legislation will require the Centers for Medicare and Medicaid (CMS) to offer states and districts a more streamlined approach to processing Medicaid claims, which will considerably reduce the red-tape that disincentivizes districts to bill Medicaid. While not all states may be interested in this new flexibility it is important that this be explicitly allowed by CMS as it would enable the application of a uniform, cost-based reimbursement methodology that would lower barriers to participation in Medicaid and reduce burdensome and duplicative paperwork for districts.

Why is this bill important? If more districts are able to pull down Medicaid funding with greater ease then districts can provide more healthcare services to children and ensure our providers are spending more time on the provision of direct care to our students rather than filling out Medicaid paperwork. In addition, many districts that currently out source their Medicaid billing to third parties would be able to manage the billing in-house therefore recouping money they can use to pay vital school personnel, expand healthcare services to children and meet mandates under IDEA.

Talking Points:

- Share why schools are such essential healthcare providers for children today. What health services is your district delivering and why? Do you bill Medicaid? If so, why?
- Ask your MoC to please support the forth coming bill and its inclusion in any major healthcare and funding bills that must be passed before the end of September.

AASA THE SCHOOL SUPERINTENDENTS ASSOCIATION

ASBO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

E-Rate

E-Rate is the fourth largest stream of federal support in the nation's public schools, though it is not a part of federal appropriations. E-Rate is funded through the Universal Service Fund (USF), through a contribution factor assessed to telecommunications firms, who pass the contribution factor on to consumers in the form of a user fee. A recent proposal from the Federal Communications Commission (FCC), under the leadership of Chairman Ajit Pai (Republican), would place limits on the amount of money the E-Rate program could make available to support school and library efforts to improve internet access. Unlike previous proposals we have responded to the FCC, which have been narrow in scope and focused on E-Rate, this latest proposal targets the broader umbrella program—the Universal Service Fund (USF)—that includes three other sister programs (Rural Health Care, the Connect America Fund, and Lifeline). Currently, each of the four USF programs operate under their own cap.

The E-Rate funding cap currently sits at just over $4 billion and was established in the 2014 E-Rate Modernization Order. The FCC's proposal would set a cap for the overall USF. The proposed cap is nearly $2 billion above current levels. Specific to E-Rate, the proposal would pair E-Rate with Rural Health Care under a single cap. This is of concern to us because while E-Rate is currently undersubscribed, school and library demand will only continue to grow. Even if connectivity prices continue to fall, the reality of increasing demand and skyrocketing costs with Rural Health Care create a scenario whereby USF programs are pitted against each other, with rural schools competing with rural health care for connectivity needs. This should not be an "either, or" funding approach. The USF program was designed to address four distinct connectivity needs, a core tenet this proposal blatantly disregards.

The new funding cap proposal will follow the normal comment period. As an initial reply, AASA and ASBO International partnered with our EdLiNC coalition to request an extension on the filing deadline. We need to make sure both the FCC and Congress hear loud and clear about the importance of the E-Rate program, how the proposed cap creates an arbitrary competition between complementary programs and threatens to undermine the viability of the overarching program. Our efforts will focus on the FCC, as this is where the proposal originated and where the decision will be made. We also exert messaging effort on Capitol Hill, as Congress oversees the FCC and the Telecommunications Act, the authorizing statute under the overall USF program.

In refuting the proposal, reference the following responses: This proposal

- <u>Conflicts with original intent of 1996 Telecommunications Act:</u>
  Express opposition to the idea of a cap for USF and explicit opposition to not only a funding cap for E-Rate, but a cap that would position E-Rate and Rural Health Care under the same cap, pitting them against each other. This is a vicious 'Hunger Games' scenario that will ultimately undermine the ability of both programs to support their critical mission. The proposal to consolidate E-Rate and Rural Health Care is in direct conflict with the underlying original statute. The 1996 Telecommunications Act established two separate and distinct programs for schools/libraries and rural health care providers. Section 254(h) contains two distinct subparts—one for schools and libraries and another for rural health care providers to provide telehealth—intended to support telecom services in different ways for different purposes. Combining these two programs under a single spending cap *de facto* merges the programs financially, which will become abundantly clear *when* (not *if*) the funds hit the merged cap. A plain reading of the statute shows that the bipartisan Congressional authors—championed by Sens. Rockefeller (D-WV) and Snowe (R-ME)—specifically intended for these two programs to exist separately.

- <u>Unnecessarily Pits Rural Health Care and Schools/Libraries Against Each Other:</u>
  If E-Rate and Rural Health Care are merged under a single spending cap, they may come into financial conflict (i.e., competition), thereby forcing prioritization between the worthy beneficiaries of each program. While the E-Rate program's current demand is below its authorized $4 billion cap, that demand may grow substantially soon as schools and libraries seek to upgrade their internal connections to achieve the 1 Gbps per 1,000 student goal

established in the E-Rate Modernization Order, or as new eligible services are added. Rural Health Care program beneficiaries have ramped up their demand significantly in recent years, exceeding that program's cap in 2016. The program's actual commitments have increased from $83 million in 2010 to $521 million in 2017. In 2018, the Commission raised the program's cap to $571 million and demand is estimated to quickly outstrip that number. If the Rural Health Care program is placed under a single cap with E-Rate, there is every reason to presume that Rural Health Care will continue growing beyond its 2018 authorized cap and will begin to consume the unused part of E-Rate funding almost immediately. This establishes a troubling precedent of one program taking from another that may lead to a permanent change in the E-Rate's cap level. The goals of E-Rate and Rural Health Care differ significantly, making the combining of their caps unnecessary and potentially competitive. Administrative ease is not an excuse for wreaking havoc with E-Rate beneficiaries' expectations.

***Talking Points**:*

- Though Congress has no role in determining the changes to E-Rate, policymakers do engage in oversight of and conversations with the FCC Commissioners. As such, make sure your senators and representatives know the critical role that E-Rate dollars play in school connectivity and how important those dollars are for supporting equitable access to affordable broadband in your schools.
- Talk to your representatives and senators about the importance of the E-Rate program and how much more you can accomplish with the program in its current format and at its current funding level.

AASA THE SCHOOL SUPERINTENDENTS ASSOCIATION

ASBO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

Higher Education Act Reauthorization

The Higher Education Act (HEA) is again up for reauthorization this year. You'll recall that the House Education Committee—under the leadership of former Chairwoman Foxx—attempted to pass the partisan PROSPER Act last year.

This year, all eyes are on the other side of Capitol Hill, where Sens. Lamar Alexander (R-TN) and Patty Murray (D-WA) are hard at work negotiating a bipartisan bill, laying out their vision for the nation's higher education system. Bill text for HEA was set to drop in April. However, negotiations over Title IX (e.g., sexual assault reporting), Title II (e.g., Public Service Loan Forgiveness [PSLF], Teacher Quality Partnership and TEACH grants), and Title IV programs (e.g., student financial aid programs) have thus far delayed the reauthorization process. To further complicate HEA reauthorization in the Senate, Chairman Alexander has been out for the past month for knee surgery, so the bottom line is its looking less likely that we will see text for the bipartisan act until shortly before the August recess, if at all.

That said, its far too early to discount that the Senate Health, Education, Labor and Pensions (HELP) Committee leadership won't get the job done, especially since Chairman Alexander wants one more win before his impending retirement in 2020.

On the House side, now under Democratic leadership, it's also unclear whether Chairman Scott and Ranking Member Foxx will come to a bipartisan agreement on HEA. Remember the 115th session of Congress' PROSPER (Republican) and AIM HIGHER (Democrat) acts were very different visions for the future of the nation's higher education system, and neither party wants to reopen barely healed wounds. Current intel from Capitol Hill suggests that the leadership on the House Education and Labor Committee is still hopeful that the Senate will move first on HEA. That said, if the worst-case scenario does happen and the Senate fails to produce bipartisan legislation or passes a narrow HEA that only focuses on a few titles, Chairman Scott has stated that it's unlikely he'll take up the issue.

While we do not have a comprehensive HEA bill we can respond to, earlier this year, AASA endorsed the Preparing and Retaining Education Professionals (PREP) Act, which offers Congress a practical approach for updating Title II of HEA. Although ASBO International did not take an official position on the PREP Act, it supports HEA Title II programs including TEACH grants and the PSLF program because of the role they play in helping districts recruit and retain high-quality educators.

If teacher shortages are hurting your district, feel free to discuss how PREP:

1. Improves teacher preparation through the formation of teacher quality partnerships between elementary, secondary and postsecondary institutions;
2. Increases recruitment of diverse educators and Grow Your Own programs; and,
3. Promotes the use of clinical based practices such as teacher residency, induction and mentoring models.

Talking Points:

- Urge your senators and representatives to support a bipartisan HEA bill.
- Discuss how teacher shortages are hurting your district, and the importance of Title II programs (e.g., TEACH grants and PSLF).
- For Republicans, discuss the need to preserve HEA Title II, and the effectiveness of Teacher Quality Partnership Grants for recruiting/retaining highly qualified educators in rural districts.
- Advocate for the PREP act by discussing how it's a commonsense proposal for improving the state of teacher preparation.
- Finally, feel free to ask staffers, representatives, or senators where they are in HEA reauthorization. You may get lucky and get some new insider knowledge.

FY20 Appropriations

Congress continues to have to address funding cliffs and funding caps, all stemming from the 2011 Budget Control Act, which triggered 10 years of budget caps (running through FY21) and sequestration. The confluence of the sequester cuts and funding caps means that unless Congress takes explicit action to raise the caps each year, federal funding—including our slice of the pie in the Labor, Health and Human Services, and Education and Other (L-HHS-ED) bill—faces steep funding cliffs and cuts. The conversation about raising the budget caps is salient and relevant to current FY20 negotiations. To date, the President has released his budget proposal for FY20. His proposal complies with the budget caps, resulting in deep cuts to Department of Education (ED) programs (totaling approximately $10 billion, or more than 12%), eliminating nearly 30 different programs. This budget proposal is dead on arrival and a non-starter for Congress, but we analyze and respond to the proposal out of respect to the Office of the President and the budget process. That means all eyes are on Congress to see how they will wrap up their effort to fund the federal government for FY20 (which starts October 1, 2019 and includes the federal dollars that will be in schools for the 2020–2021 school year).

To date, the House is the chamber out in front when it comes to funding the government. Their proposal, for both their overall budget and individual appropriations, absolutely restores the cuts from the sequester and raises the annual funding caps. Specific to L-HHS-ED, the House passed a bill that would not only fund ED at FY19 levels, but also provide an additional $4 billion, including significant funding increases to both ESSA Title I and IDEA. They also reject the President's calls to eliminate ESSA Title II, ESSA Title IV, and the 21st Century Community Learning Centers program. However, the House numbers are candidly too high for the Senate and the President, meaning that the real work remains in the House, Senate, and White House being able to reach consensus on three questions. 1) Will they raise the caps? 2) Will they raise the caps for one year or two years? 3) Will they incorporate an increase in the debt ceiling as part of this deal? Congress has raised the funding caps each year since they have been put in place, so the more realistic question is not if they will raise the caps, but by how much.

Related to this conversation, while their cap increases to date have all been two-year deals, there were some rumblings that Congress might consider a cap increase for just FY20, leaving the cap increase conversation for FY21 for next year. This seems very unlikely, given the politics of a cap increase, especially in a presidential election year, and that the cap increase conversations create a vacuum in which other laws and Congressional proposals are unable to get attention or floor time. If Congress can answer the three questions, the specifics around the level at which to fund individual programs will fall into place. There is an outside threat of a shutdown, though we remain optimistic Congress can avoid it.

Talking Points

- Thank your members of Congress for the final FY19 package, which included modest increases to the U.S. Department of Education, a critical investment that worked to restore the continued pressure of recession cuts. The FY19 allocations must be the starting point for any FY19 discussions. Even with the significant funding increases in FY18 and FY19, the final allocations remain below what they would have been if Congress had level funded the Department since FY12 and just adjusted for inflation.
- AASA and ASBO oppose any effort to direct public dollars to private education. We oppose all vouchers and privatization schema. We ask Congress to continue to prioritize investment in critical formula programs designed to level the playing field, including IDEA, Title I and Title IV.
- Urge your delegation to increase investment in the LHHS bills, and direct a larger share of the overall increase in non-defense discretionary funding to LHHS, to support education.
- Encourage your members of Congress to advocate for—and support—continued parity between defense and non-defense discretionary funding, and to oppose any budget that does not increase the caps to at least level-fund at FY19 levels.
- Talk to your members about the importance of continued investment in education. Investing in education builds a stronger nation. We need a well-trained and educated workforce ready to compete in a global economy and support our military.

AASA THE SCHOOL SUPERINTENDENTS ASSOCIATION

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

IDEA Full Funding

When it comes to federal priorities, both AASA and ASBO International have a strong emphasis on support for Congress meeting its commitment to IDEA Full Funding. In 1975, our country took a major step forward in promoting the inclusion and equality of one of our most disenfranchised groups of citizens. Passage of the Education for All Handicapped Children Act, now known as the Individuals with Disabilities Education Act (IDEA), assured that all children with disabilities would receive a free, appropriate public education (FAPE). Millions of children with disabilities are no longer limited by their families' ability to afford private education, forced to attend costly state institutions, or worse, forced to stay home and miss out entirely on the benefits of an education. IDEA ensures that children with disabilities may attend public schools alongside their peers. Despite all that has been accomplished on behalf of children with disabilities, much more remains to be done.

When IDEA passed in 1975, Congress understood that it was creating a law that would have increased financial impact at state and local levels. It promised to pay a significant share (40%) of the excess costs of educating a child with a disability compared to a general education student. In the 1997 reauthorization, the 40% of excess cost was changed to 40% of the National Average Per Pupil Expenditure (NAPPE) for every child enrolled in special education. Funding the federal, state and local partnership to provide an equal educational opportunity for all students has not worked very well from the local district perspective. While special education funding has received significant increases over the past 18 years, funding has leveled off and even been cut in recent years. The closest the federal government has come to reaching its 40% commitment was 18% in 2005.

Investing in IDEA, a federal flagship formula program designed to help level the education playing field for students with disabilities, is an investment in our nation's students and their future. It indicates that Congress is serious in keeping its word to help school districts support all students. Our organizations strongly support full federal funding for IDEA. IDEA is the major—but not sole—vehicle for providing education to students with disabilities. In fact, students with disabilities are general education students first, with nearly two-thirds of students with disabilities spending at least 80% of their time in a general education setting.

Talking Points:

- Share the impact the special education shortfall has on your district, including the encroachment on your general education budget. Explain to your members of Congress the financial relief that would come at the local level when Congress fully funds its share.
- Urge your senators and representatives to safeguard IDEA funding in the FY 20 appropriations process and to invest as much money as possible, with a priority on ensuring that IDEA funding is funded at a level that at least matches that of FY 19. Reiterate the importance of IDEA and its pressures on your local budgets and urge them to oppose any effort to further reduce federal effort in the chronically underfunded program.
- Urge your representative and senators to support the IDEA Full Funding Act (H.R. 1878 / S. 866).

Forest Counties & Infrastructure

Forest Counties: The Secure Rural Schools (SRS) safety net program for forest communities is based on historic precedent and agreements that began in 1908, removing federal lands from local tax bases limiting local community management, economic activity and development. Burned national forests and communities are suffering human and economic devastation as the SRS safety net continues to unravel. Forest counties, communities, schools and students pay the price as dangerous fires devastate local communities, causing the loss of irreplaceable essential fire, police, road and bridge, community and educational services. The 115th Congress funded the SRS program for the short term, which extended SRS funding for fiscal year (FY) 2017–2018. The short-term FY 17–18 SRS funding that provided financial support for the disintegrating SRS safety net and served 9 million students and county citizens in 4,400 school districts in 775 forest counties in 41 states, has now expired. SRS is critical to support essential safety, fire, police, road and bridge, and education services in your community. Congress must act to protect and preserve this program in both the short and long term. Over the short term, Congress must act to ensure funding for FY20, and retroactively for FY19, via the annual appropriations process. Over the long term, they must enact the Forest Management for Rural Stability Act to provide permanent funding for county and education services as forest communities and schools fight for economic survival. Stable SRS funding helps keep payment in lieu of taxes (PILT) payments stable.

***Talking Points**:*

- Neither the FY19 final budget nor the proposed FY20 budget included annual funding for SRS. Ask your senators and representative to support funding for the program—at least a two-year plan to cover both FY19 and FY20—as part of the broader FY20 appropriations effort.
- The Forest Management for Rural Stability Act (S 1643), sponsored by Sens. Crapo (R-ID) and Wyden (D-OR), establishes a permanent fund as a long-term replacement for the SRS program. Burned national forests and forest communities are suffering human and economic devastation as the SRS safety net continues to unravel. Forest counties, communities, schools and students pay the price as dangerous fires devastate local communities causing the loss of irreplaceable essential fire, police, road and bridge, community and educational services.

Infrastructure: When it comes to school infrastructure, AASA and ASBO International are engaged in two conversations: 1) To ensure that the nation's public schools have an explicit path of engagement and support in any broader infrastructure package and 2) To address tax extenders, school construction, and tax credit bonds. The House Ways and Means Committee considered their tax extender package at the end of June, and we asked the committee—through our participation in the [Re]Build America's Schools Coalition (BASIC)—to include part of the Rebuild America's Schools Act (H.R. 865) to restore tax credit bonds. We support these programs, as Qualified Zone Academy Bonds (QZABs) and other tax credit bonds help local communities finance school infrastructure projects. QZAB tax credit bonds have been used effectively in every state since 1999 to renovate, repair, and modernize school infrastructure to advance student achievement and generate local jobs. This effort is far from over. We will continue to work with the coalition and the committee to build House support for not only the tax extenders, but also the Rebuild America's Schools Act (H.R. 865) and the broader infrastructure package. If you are asked about infrastructure, you can say that we are interested in an infrastructure proposal. Our nation's public schools are one of the oldest and largest forms of public infrastructure in the U.S., and as such, any plan coming out of Congress must include an explicit provision to support schools, and should incorporate the Rebuild America's Schools Act as introduced in both the House and Senate. This could include funds directly supporting renovation, repair and new building, as well as financing and tax policy and bonding options.

Talking Points

- Ask your senators and representatives to support efforts to reinstate QZABs as part of a broader tax extenders package. In the House, the bill to advocate support for is H.R. 3301, the Taxpayer Certainty and Disaster Tax Relief Act of 2019.
- Ask your elected officials to sign on to the Rebuild America's Schools Act (H.R. 865 / S. 266).