



Federal Education Update I

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Topics

- ESSA
- Funding
- Infrastructure
- School nutrition
- Perkins/Career Tech
- Vouchers/School Choice

ESSA

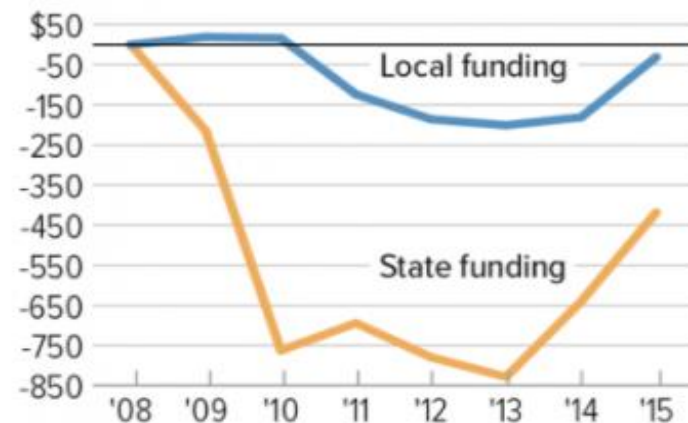
- What happened in 2017?
 - Rescission of accountability regulations
 - Approval of state plans
 - First year of implementation
 - NOT regs on supplement/supplant
 - NOT required reports (rural, homework gap, or Title I formula)
- What will happen in 2018?
 - Implementation
 - Revision to state plans?
 - Fiscal transparency requirement

A Punishing decade for school funding

- Twenty-nine states provided less overall state funding per student in the 2015 school year (the most recent year available) than in the 2008 school year, before the recession took hold.
- In 19 states, local government funding per student fell over the same period, adding to the damage from state funding cuts. In states where local funding rose, those increases usually did not make up for cuts in state support.

K-12 Funding Fell Sharply After Recession Hit

Change in funding per pupil compared to 2008, inflation adjusted



Note: Excludes Hawaii and Indiana due to lack of data.

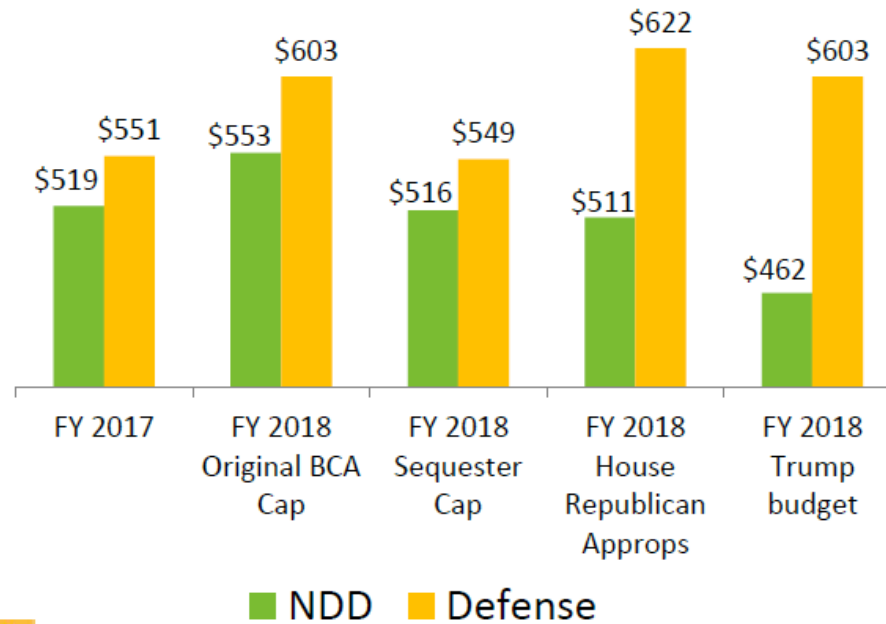
Source: CBPP analysis of U.S. Census Bureau, "Public Education Finances: 2015."

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NDD and Education funding

Possible FY 2018 Nondefense Discretionary (NDD) and Defense Levels

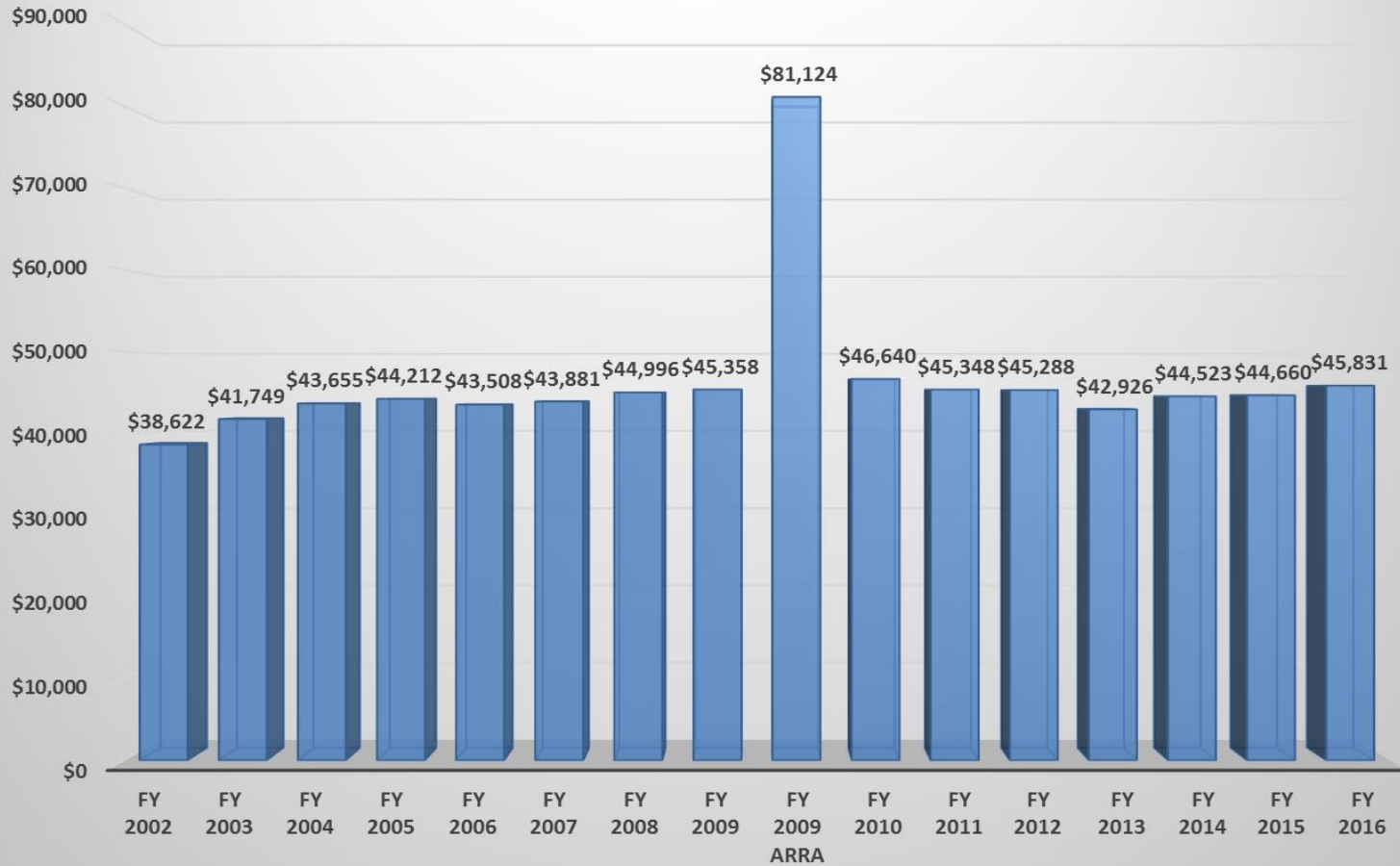
(in billions)



FUNDING

Total ED Discretionary Funding Excluding Pell

in millions



FY18 Appropriations

- President proposal was bad, House proposal was less bad, Senate proposal was least bad
- Less bad \neq GOOD
- Current status:
 - Continuing Resolution (CR) through Mar 22
 - Politics of caps and debt ceiling resolved in Feb 8 bill
 - Must reconcile different starting numbers
 - Reality of potential mini-sequester b/c FY18 cap is below FY17 levels (relevant in CR scenario)
 - House and Senate are adopting budget resolutions will need to reconcile those numbers if we are to get a funding deal by Mar 22

FY18 Appropriations

- What was in that budget deal?
 - Education-related items in emergency funding
 - \$2.7 b for education recovery
 - Headstart: \$650m for recovery expenses
 - Extends debt ceiling through Mar 2019
 - Discretionary Caps
 - Raises caps for 2 years, but maintains sequester caps in 2020 and 2021
 - FY18 NDD cap is \$579 b (\$63b above sequester level)
 - FY19 NDD cap is \$597 (\$63 b above sequester level)

FY19 Budget Proposal

- President released his FY19 budget proposal on Feb 12
 - \$63.2 b to USED, a cut of \$3.6 b/5%)
 - Continues prioritization of privatization
 - Budget proposal was modified to reflect cap increases, but those additional dollars went largely to doubling the amount available for choice (from \$500 m to \$1 b)
 - Eliminates: Title II, Title IV, 21st Century, Teacher Incentive Grants, Comprehensive Lit Grants, Forest Counties
 - Cuts: Impact Aid, Medicaid, SNAP
 - Freezes Title I, nominal increase to IDEA, freeze REAP, small increase to Perkins, cut to program that would support opioid abuse prevention

School Nutrition

- 114th Congress
 - House and Senate introduced bills last year, did not make it out of Committee
- 115th Congress
 - Attention in the Senate to be on the Farm Bill instead this year
- USDA Proclamation
 - Secretary Purdue signed proclamation ordering flexibilities
 - Essentially status quo
 - Holding sodium limits at Target I
 - Allows for waiver of whole grain requirement to 50%
 - Allows 1% flavored milk to be served

Infrastructure

- As part of his FY19 budget proposal, President Trump announced details of his infrastructure plan
 - US would spend \$200 b to spur state activities, and state/local governments and private sector would raise the \$1.3 trillion balance
 - The pay-fors for the \$200b is within the FY19 budget
 - No explicit allocation for education, though states could choose to include schools
 - Lacks money dedicated to broadband
- Lead in school water remains a state-level issue
 - Proposals in Congress and the EPA to require water utilities to test all schools

Perkins CTE

114th Congress

- House passed bipartisan legislation in July 405-5 to reauthorize Perkins
- Senate didn't take action

115th Congress

- In June, the House passed a very similar bill
- There is much to like in the bill
- Addresses the onerous administrative requirements for Perkins funding
- Addresses paperwork burden by allowing districts to fill out a simple, easy-to-complete local application
- Streamlines the accountability system and align performance measures with those set by each state under ESSA

Types of Vouchers



Traditional Vouchers

- All Students
- Targeted
 - Military
 - Disabilities
 - Poverty
 - Poor Performing Schools
 - Foster Child



Backdoor Vouchers

- Tuition Tax Credits
- Education Savings Accounts



Portability

- A Step Towards Vouchers
- Title I funds "follow the student"

Reasons to Oppose Voucher Schemes

Violate Principles
of Religious
Freedom

Don't Improve
Education

Don't Help
Students with
Disabilities

Don't Improve
Public Schools

Lack
Accountability

Students Lose
Rights

Schools Choose
the Kids

Vouchers Don't
Help Kids in
Poverty

Vouchers Aren't
Popular

Impact Aid Voucher or Other Voucher Program for Military-Connected Students

- Could be attached to NDAA (must-pass annual bill)
- Would assign families a set dollar amount from Impact Aid funding they could use as an education savings account and put towards tuition at private school, virtual school, homeschool, etc.
- Greatly undermine the Impact Aid funding stream and programs available for military-connected kids
- Very unpopular on the Hill to touch Impact Aid funding
- BUT, that's not all: What about a pilot program on 5 military installations for vouchers for military-connected kids or special education military-connected students?

Native American Educational Opportunity Act

- Allow families eligible for BIE program to receive an education savings accounts for private, virtual school options (as well as homeschooling)
- Easy target: BIE schools are not great
- 90% of native kids are served in public schools. These kids, if they qualify for BIE, would also be eligible for vouchers
- Logistical barriers to making this happen
- McCain is ill and he's the lead on this.

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Questions?
