Of Funding and Reauthorization: Appropriations and ESEA/ESSA

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NCE 2016
ESSA Warm Up

• Elementary and Secondary Education Act (ESEA) 1965
• No Child Left Behind (NCLB) 2001
• Every Student Succeeds Act (ESSA) 2015
• NCLB reauth started in Aug 2007 and lasted just over 8 years.
• The 114th Congress-2016 was a year of action!
• ESSA:
  – Passed the House 359-64; Passed the Senate 85-12
  – Bill signed into law December 10, 2015
What’s in the Bill?

• ESSA is a significant improvement over current law.
• Maintains federal role, but emphasizes role is to support/strengthen, not dictate/prescribe to, schools
• Returns pendulum of federal overreach and prescription back to state/local control
What’s in the bill?

• Standards: States must have high standards
• Assessments: Maintains annual assessments in Math and ELA, and grade-span testing in science
  – State Assessment Pilot will support selected states in creating/utilizing their own or regionally designed assessment (much like what NH has done)
  – Local high schools can, with permission from their state, use a local assessment in place of the state assessment, and this could include SAT or ACT
• Accountability: Maintains data disaggregation and graduation rate calculation
  – Outside of broad federal guardrails, significantly whittles back federal overreach and prescription
  – Mandates ID and intervention in bottom 5% and high schools graduating less than 67%
  – States must establish sub-group performance targets, but there is NOT consequence for intervention based on these targets
What’s in the bill?

• Title I, Other
  – Portability is OUT; weighted funding pilot is IN
  – No Title I Formula rewrite, but there is a Congressional Study

• Rural Education: REAP, USED Study, and consolidated grants

• Titles II (Professional Development) and Title IV (school climate) are block grants
  – Title II formula rewrite, toward deeper concentration of poverty
Timeline & Implementation

- Signed into law (Dec 2015); regulations in 2016
- Current waivers would expire July 31, 2016
- New provisions go into effect for 2017-18 school year
- 2016-17 school year could be ‘soft launch’ of new elements
- FY16 competitive funding will flow through current law construct; FY17 dollars will flow through ESSA construct (in schools for 17-18 school year)
- Set of AASA resources
Federal Fiscal Year (FY) runs Oct 1 – Sept 30
• We are in FY16 (Oct 1 2015- Sept 30 2016)
• FY16 dollars will be in schools for 2016-17 school year
• We are in the non-defense discretionary (NDD) portion of the budget
• Education $$ is in the LHHS-Edu approps bill
• Pres FY17 budget came out Feb 9.
NDD Spending Caps

FY 2015 Sequester Cap: $492
FY 2016 Sequester Cap: $493
FY 2016 President's Budget: $530
FY 2016 Budget Deal: $518
FY 2017 Sequester Cap: $504
FY 2017 Budget Deal: $519

Total: $527

Cap level
OCO fund nondefense increase
FY 2016 Spending Caps Fight

• The FY 2016 nondefense discretionary (NDD) sequester level spending cap was a freeze at the FY 2015 level.
• President Obama and Congressional Democrats proposed to raise the cap for NDD by $37 billion (would bring NDD cap to the presequester level) and also raise defense cap by $37 billion.
• The FY 2016 Congressional Budget Resolution maintained FY 2016 NDD freeze, while providing $38 billion increase for defense through the Overseas Contingency Operations (OCO) fund.
FY 2016 Appropriations

• Due to NDD freeze, House and Senate Appropriations Committees had no room for overall increases.
• In dividing up their pots of money, both committees increased funding for some bills (VA-MilCon, Energy/Water) which resulted in significant cut to Labor-HHS-Education.
• House allocation was aggregate cut of $3.7 billion.
• Senate allocation was aggregate cut of $3.6 billion.
• Within the bill, both the House and Senate prioritized NIH – leaving less money for education and other programs.
FY16 LHHS-Ed Appropriations

**House FY 16**
- Cut discretionary Department of Education (ED) funding by $2.77 billion or 4.1%. Most cuts to K12.
- Increased IDEA State Grants by $502 million.
- BUT cut ESEA overall by $2.5 billion.
- Increased Head Start by $192 million.
- Eliminated 12 programs including
  - Striving readers
  - Preschool development grants
  - Investing in innovation
  - First in the World

**Senate FY16**
- Cut discretionary ED funding by $1.36 billion or 2%.
- Increased IDEA State Grants by $100 million
- Increased Title I by $150 million
- Cuts ESEA overall by $873 million
- Eliminated 16 programs including
  - Striving readers
  - Preschool development grants
  - Investing in Innovation
  - First in the World
Bipartisan Budget Act of 2015

- October 2015: Congress passed the Bipartisan Budget Act of 2015
- Increased spending caps for defense and nondefense discretionary (NDD) spending by $50 billion in fiscal year 2016 and $30 billion in fiscal year 2017, equally divided between defense and non-defense spending each year.
- In addition, both defense and NDD received an additional $8 billion per year through the Overseas Contingency Operations (OCO) fund, effectively raising the NDD cap by $33 billion in FY 2016 and by $23 billion in FY 2017.
FY16 Omnibus

• Background:
  – President Obama vowed to veto approps bills that didn’t maintain parity between defense and NDD
  – Congress passed short term CR (thru Dec 11)
  – Push to ‘Raise the Caps’
• Based on new higher NDD cap, the omnibus increased funding for a broad range of NDD programs.
  • ED discretionary increased by $1.71 billion (+1.74%).
  • ED discretionary excluding Pell grants increased by the same $1.171 billion (+2.62%).
  • Total discretionary funding for ED (excluding Pell grants) is still below the FY 2010 level prior to accounting for inflation.
FY16 Education Increases: ESSA

• ESEA total = +$639.1 million (+2.7%)
• Title I = +$500 million (+3.5%)
• Striving Readers = +$30 million (+18.8%)
• Impact Aid Basic support payments = +$17 million (+1.5%)
• 21st century community learning centers = +$15 million (+1.3%)
• Promise Neighborhoods = +$16.5 million (+29.1%)
• Indian Education Special Programs = +$20 million (+111.2%)
• Charter Schools = +$80 million (+31.6%)
• Magnet Schools = +$5 million (+5.5%)
• Rural Education Achievement Program = + $6 million (+3.5%)
FY16 Education Increases

Special Education
• State grants = +$415 million (+18.7%)
• Preschool grants = +$15 million (+4.3%)
• Grants for infants and families = +$20 million (+4.6%)

Adult Education
• State grants = +$13 million (+2.3%)

• Head Start = +$570 million (+6.6%)
• Child care Development Block Grant = +$326 million (+13.4%)

One major K12 cut:
• School improvement State grants = -$55.8 million (-11.0%)
Looking Ahead: FY17

- Stated goal of FY7 approps bills on floor staring in mid-March, w/ floor time
- Last time all 12 bills separately passed and signed into law was 1994.
- FY 2017 will be first year of funding under Every Student Succeeds Act (ESSA).

Issue with Title I allocations:
- In FY 2017 States must reserve 7% of Title I funds for school improvement. For that one year, the LEA hold harmless is not in effect. Could result in initial cuts to LEA allocations.
- ESSA block grant (Student Support and Academic Enrichment Grants) funding will likely be significantly below authorized level of $1.65 billion.
  - With overall NDD freeze, overall ED increase may be negligible, making it difficult to obtain significant increase for the block grant.
- Under current law, the FY 2018 NDD cap will decline compared to FY 2017 level by $12 billion!
President’s FY 17 Budget Request

- $69.4 b in discretionary funding, an increase of $1.3 b (2%)
- $139.7 b in mandatory funding over 10 years, including computer science initiative, RESPECT Best Jobs, and Preschool for All
- State Assessments $25 m increase
- Migrant students level funded
- Neglected students level funded
- Title I increase ($450 m)
- IDEA level funded (16%)
- Title II $2.25 b
- Title III $800 m (increase of $63 m)
- Title IV $500 m w/ policy language
- REAP level funded
- Impact Aid level funded
Questions? Comments?

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