



Initial Analysis of the Administration's FY2018 Budget Request to Congress

Today, President Trump released the Administration's FY2018 budget request to Congress which calls for a number of program eliminations within the U.S. Department of Education, a few of which would impact K-12 programs. For a number of programmatic changes that are proposed, the Administration is urging school districts and states to utilize existing Title I funding to address priority areas, such as those for effective teachers and leaders (Title II), tutoring, and extended day learning opportunities (Title IV). While the budget request calls for a record increase of \$1 billion to Title I grants for disadvantaged students, the increase in funding would be targeted to school choice.

The following initial summary of the budget request provides a synopsis that can be incorporated into your discussions with school board members and other stakeholders. In the coming days, NSBA will be engaged in congressional hearings with U.S. Secretary of Education Betsy DeVos to influence the discussions and highlight the policy priorities for education investments adopted by the NSBA Delegate Assembly.

NSBA's statement regarding the budget request is available here. "NSBA is committed to keeping public schools as a top priority in the upcoming budget deliberations," stated Thomas J. Gentzel, NSBA Executive Director and CEO. "The Association will vigorously oppose the cuts proposed by the Administration."

Please note that there may be discrepancies in budget documents, as some were prepared before the enactment of the FY2017 Consolidated Appropriations Act earlier this month. Therefore, when comparing final budget allocations with those proposed for FY2018, not all program levels may reflect the final enacted allocation. For example, the Appendix for the budget request shows Title II (Supporting effective instruction state grants) receiving funding, but the Major Savings and Reforms document confirms the program is deleted.

We will forward additional updates and insight as the budget and appropriations process formally begins for FY2018.

Title I Grants for Disadvantaged Students: Overall funding for Title I grants would be increased by \$334 million, compared to the current funding level of about \$16.1 billion. The composition of Title I grants, however, would be changed to accommodate new "Furthering Options for Children to Unlock Success (FOCUS) grants to local educational agencies to implement weighted student funding formulas combined with open enrollment systems."

School Choice: The new FOCUS grants would be funded at \$1 billion to promote school choice and would represent a "down payment" on the President's goal of investing \$20 billion annually in public and private school choice. The proposed FOCUS grants would provide supplemental

School Choice (cont.)

awards to school districts that agree to adopt weighted student funding combined with open enrollment systems that allow Federal, State, and local funds to follow students to the public school of their choice. According to Department budget documents, the proposal “would support LEAs in establishing or expanding student-centered systems that: (1) differentiate funding based on student characteristics, providing disadvantaged students more funding on a per-pupil basis than other students; (2) offer a range of viable school options and enable the Federal, State, and local funds to follow students to the public school of their choice; (3) make school performance and funding data easily accessible to parents; and (4) empower school leaders to use funds flexibly to address student and community needs. Under the Administration’s proposal, LEAs (including consortia of LEAs) that commit to developing and implementing these funding and open enrollment systems would be eligible for grants, which the Department would administer under the Flexibility for Equitable Per-Pupil Funding (Flexibility) authority in Title I, Part E of the ESEA.”

Additionally, the Administration is proposing a \$250 million increase for the Education Innovation and Research program to establish competitive awards for applicants to provide scholarships for students from low-income families to attend the private school of their choice and to build the evidence base around private school choice. The proposal includes an increase in charter school funding; \$167 million for the Charter Schools program to strengthen significant State efforts to start new charter schools or expand and replicate existing high-performing charter schools. The program also provides up to \$100 million to meet the growing demand for charter school facilities. The proposed increase in charter school funding brings the total charter school funding request to \$500 million.

Special Education Grants to States: The Administration requests \$11.9 billion for the Grants to States program, level with Fiscal Year 2017, to assist States and schools in covering the costs of providing special education and related services to children with disabilities ages 3 through 21. The request would provide an average of \$1,742 for each of the 6.8 million children with disabilities who are estimated to be served in 2018. The Federal contribution toward meeting the excess cost of special education and related services would be approximately 15 percent of the national average per pupil expenditures (APPE) under this request.

Level funding proposed for special education grants under the Individuals with Disabilities Education Act (IDEA) would equate to a reduction nationwide. For example, the average federal share of funding per pupil in FY2017 was \$1,777 and approximately 16 percent of APPE. The FY2018 proposal would represent a reduction averaging about \$35 per pupil.

Under the Individuals with Disabilities Education Act (IDEA), which provides the major source of federal funding to help school districts fund educational services to students with disabilities, the federal share of funding that Congress initially promised in 1975 is up to 40 percent of the average per pupil expenditure. However, the 40 percent promise has not been fulfilled; and, the

Special Education Grants to States (cont.)

federal share of special education funding would decline further under this request. Increasing the federal share of funding for special education is paramount, and should be addressed before considering future funding for newly created programs that may not have proven results for program effectiveness.

Impact Aid: The Administration is requesting roughly \$1.2 billion for Impact Aid payment programs, including \$1.16 billion for Basic Support Payments on behalf of federally connected children; \$48.2 million for Payments for Children with Disabilities; \$4.8 million for Facilities Maintenance for nine school facilities that originally were built to enable school districts and the U.S. Department of Defense to educate federally connected students; and, \$17.4 million for competitive school construction grants to eligible districts for emergency repairs and modernization projects.

The Impact Aid program provides a vital source of support for 1,400 school districts across the nation that have a federal presence within their boundaries. These resources help districts provide educational services to students whose parents/guardians are enlisted in our Armed Forces, as well as those who reside on tribal trust lands.

The Administration has proposed the elimination of \$68 million in Impact Aid federal properties payments to school districts, per the summary on page four. Along with the National Association of Federally Impacted Schools (NAFIS), NSBA opposes this proposed elimination.

Career and Technical Education (CTE): The Administration is requesting a \$166 million reduction in Career and Technical Education State Grants (currently funded at approximately \$950 million). According to the Department, the requested 15 percent reduction would “provide significant resources to support CTE programs while also maintaining the fiscal discipline necessary to support the President’s goal of increasing support for national security and public safety without adding to the Federal budget deficit.”

The request includes a \$20 million increase for Career and Technical Education National Programs to promote the development, enhancement, implementation, or expansion of innovative CTE programs in science, technology, engineering and mathematics (STEM).

As Congress moves forward in reauthorizing the Carl D. Perkins Career and Technical Education Act through bipartisan legislation reported by the House Committee on Education and the Workforce on May 17, NSBA urges Congress to sustain investments in CTE that support college and career readiness for our students through the integration of stronger academic components, facilitation of greater career pathways, and strengthened public-private partnerships.

National School Lunch Program: The 2018 budget request would support approximately 5.4 billion lunches and snacks served to 31 million children in the National School Lunch Program. The total FY2018 request for the National School Lunch Program is \$13 billion, up from \$12.4 billion in FY2017. According to the U.S. Department of Agriculture, the maximum reimbursement rate for free and reduced priced school lunches is \$2.99 and \$3.39 respectively.

Programs proposed for elimination in FY2018

- The Administration has proposed the elimination of **21st Century Community Learning Centers** (\$1.164 billion), stating that, “While limited evaluation and survey data from certain States and individual centers highlights benefits from participation, such as improved behavior and classroom grades, overall program performance data show that the 21st CCLC is not achieving its goal of helping students, particularly those who attend low-performing schools, meet challenging State academic standards. For example, on average from 2013 to 2015, less than 20 percent of program participants improved from not proficient to proficient or above on State assessments in reading and mathematics.” The budget request also suggests that, “the provision of before- and after-school academic enrichment opportunities may be better supported with other Federal, State, local or private funds, including the \$15 billion Title I Grants to Local Educational Agencies program.”
- The budget request to Congress proposes eliminating **Impact Aid Payments for Federal Property** (\$68 million). These payments compensate school districts for the presence of non-taxable federal properties within their boundaries. The Administration contends that this program is not applicable to the presence of federally-connected students (such as those whose parents/guardians are enlisted in the Armed Forces), and therefore does not necessarily support the education of federally-connected students.

Along with the National Association of Federally Impacted Schools (NAFIS), NSBA asserts that Impact Aid Payments for Federal Property must be maintained for the benefit of all students in these districts. Cuts would cause financial harm as Impact Aid supports personnel and professional development, academic materials, transportation, technology, and other general operating expenses. Elimination of this funding stream would be a reversal on a 68-year commitment to federally impacted communities.

- Under the budget request, the new Title IV **Student Support and Academic Enrichment Grants** program (\$400 million) that was authorized under the Every Student Succeeds Act would be eliminated. The grant program was authorized to help support activities that provide students with a well-rounded education, ensure safe and supportive learning environments, and use technology to improve instruction. Under this new grant program, four previously authorized programs were consolidated: Mathematics

Programs proposed for elimination in FY2018 (cont.)

and Science Partnerships, Advanced Placement, Elementary and Secondary School Counseling, and Physical Education. The Administration contends that any subgrants that would be awarded “would result in award amounts of less than \$30,000 for the vast majority of school districts. The Administration does not believe limited Federal resources should be allocated to a program where many of its grants will likely be too small to have a meaningful impact.”

- The budget request would eliminate **Title II Supporting Effective Instruction (SEI) State Grants** (\$2.3 billion). Under ESSA, Title II programs for “Preparing, Training, and Recruiting High-Quality Teachers, Principals, or Other School Leaders” support class-size reduction initiatives, professional development and in-service training for teachers, technology integration into curricula, training on data usage to improve student achievement and student data privacy, parental/community engagement, development of STEM master teacher corps, civics, and implementation of performance-based compensation systems. In its explanatory statement, the Administration states that, “While the SEI State Grants program authorizes a wide range of activities, in school year 2015-2016, 52 percent of funds were used for professional development (PD) and 25 percent were used for class-size reduction. An LEA that identifies either activity as a key strategy for responding to a comprehensive needs assessment may use Title I, Part A funds for the same purpose.”

With ESSA implementation efforts underway that emphasize the role of effective teachers, principals and school leaders, the loss of Title II investments could impact state and local efforts to develop tools and incentives focused on strengthening instruction, improving student academic outcomes, and retaining effective educators, especially for schools in underserved communities.