

Federal Funding Uncertainties Plague the Upcoming School Year

By Jeff Simering, *Director of Legislation*

The United States Congress has one primary job each year, i.e., to pass annual appropriations bills. Unfortunately, both the prior 114th Congress and the current 115th Congress have failed to perform this one key legislative task.

Now seven months into the new federal fiscal year (FY 2017), Congress has resorted to using short-term appropriations bills or continuing resolutions to keep the federal government open for business, but which do not provide year-long funding levels for the federal agencies and the programs they run.

To be sure, school districts begin their annual budgeting process at the start of each calendar year for the upcoming school year. School principals typically receive their budget allocations from their school district in early spring, so programs can be initiated or extended and staff can be hired or retained.

The lack of congressional action on this year's annual funding bill leaves schools without a legitimate way of estimating their key federal funding for the school year starting in August or September. This is particularly true for the \$15 billion Title I program for disadvantaged students, which serves some 55 percent of the nation's public schools.

Traditionally, the U.S. Department of Education provides estimated Title I allocations for each school district in the nation by late February or early March. These estimated local-level allocations are particularly critical for school district budgeting purposes, since annual poverty updates can skew school district funding levels by large percentages from year to year.



In fact, many large urban school districts have seen double digit decreases in their poverty counts, which could substantially lower their Title I funding levels for the upcoming 2017-18 school year. Yet, the Education Department has not yet provided any projections to states or school districts.

We understand that the final congressional appropriations levels have not yet been set, but the Education Department is fully capable of calculating Title I estimates at either current funding levels or proposed House or Senate appropriations levels from last summer.

On top of this issue, the recently enacted *Every Student Succeeds Act* (ESSA) will increase state-level set-asides that will be taken off-the-top of local Title I allocations, further reducing allotments for the upcoming school year. The state school improvement set-aside was increased from 4 percent to 7 percent (an additional \$450 million in state Title I funds).

In addition, ESSA authorized a new optional 3 percent state-level set-aside for "direct student services" (or yet another \$450 million in potential state reservations of Title I funds).

While we understand that a new Congress and new Administration need time to get their "sea legs," we don't understand why Congress can't get its critical appropriations business done. And we don't understand why the Department of Education has not provided an estimate (based on one or more of the above options) of how much federal funding school districts might have to work with in the first year of ESSA implementation beginning July 1.