

## Is Federal Education Funding at a Crossroads?

By Jeff Simering, *Director of Legislation*

The flurry of legislative activity from Congress and the Trump administration in the first week of May has fueled a growing apprehension over the outlook for federal education funding in the upcoming school year and beyond. Even with the enactment of the long-delayed omnibus funding bill (H.R. 244), covering nearly all federal agencies for the remaining five months of FY 2017, school districts still do not have a viable estimate of how much federal funding will be available to implement the *Every Student Succeeds Act* (ESSA) when school begins later this summer. And the House-passed health care “repeal and replacement” bill (H.R. 1628) threatens to strip school districts of support for Medicaid services provided to hundreds of thousands of students with disabilities.

In fact, political wrangling over a range of controversial and high-profile issues in the FY 2017 appropriations left K-12 programs in the Education Department with only a nominal increase in funding. Congress provided a mere 0.04 percent increase across all ESSA appropriations accounts to implement the highly-touted, bipartisan federal education law. The cornerstone Title I program for disadvantaged students and the Individuals with Disabilities Education Act (IDEA) program for students with disabilities, for instance, each received less than a one percent increase. The Title II program supporting teacher training and reductions in class size was cut by 12.5 percent.

At the same time it was considering the funding measure, the U.S. House of Representatives narrowly passed the American Health Care Act (AHCA) to repeal and replace the Affordable Care Act (ACA aka Obamacare). Nearly a trillion dollars in the new ACHA legislation is underwritten by cuts to the federal Medicaid program and the termination of medical entitlement services for low-income children and adults. Schools receive some \$2 billion in federal reimbursements for a portion of their costs in providing medical services to Medicaid-eligible students, primarily students with disabilities. These medical services include: physical therapy, audiology, speech therapy, nursing services, medical screening, case management and medical referrals, psychological



and mental health services to list but a few. Arguably, only the ESSA Title I program for disadvantaged students, the IDEA program for students with disabilities, Title III for English language learners, and the national school lunch program provide more critical federal resources to the nation's public school students.

The nation's school officials now await apprehensively the upcoming FY 2018 Federal Budget request from the Trump administration at the end of May. An abbreviated blueprint of the Trump budget proposal was provided in March, although it dealt only with a quarter of the \$4 trillion

in annual federal spending subject to annual appropriations. This preview, nonetheless, was alarming. The Education Department was slated to be cut by \$9 billion or 13 percent. The \$2 billion Title II program for teacher training and class-size reduction would be eliminated, as would the \$1 billion 21<sup>st</sup> Century Afterschool Program. A proposal for a new Title I “funding portability” initiative, if similar to the proposal rejected during the ESSA reauthorization process, would undercut long-established funding principles in Title I that were based on the concentration of poverty. And a new \$250 million private school choice program was promised by the Administration as well.

The competing priorities reflected in the just-enacted bipartisan omnibus funding bill does not bode well for federal education funding long-term. Increases in defense spending, medical research, and border security, for example, squeezed out other areas of federal discretionary spending like education. Partisan battles over “policy riders” – such as agency regulations, sanctuary cities, Planned Parenthood, gun control, as well as funding for a border wall – continue to divert attention and political capital away for other critical education funding needs. After only a few months under the 115<sup>th</sup> Congress and the new Trump administration, it may be too early to predict long-term federal education funding trends, but the decades-old funding priorities spanning multiple presidential administrations – Democrat and Republican – are now being challenged like never before.