Federal Education Policy: Looking Back and Looking Forward

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What happened

- Impact Aid voucher proposal
- Perkins
- Tax Reform
- SCOTUS: Janus and Wayfair

What is happening

- Appropriations
- Farm Bill (implications for SNAP and school nutrition?)
- Immigration: DACA, Public Charge
- IRS Regulations on SALT D/Tax Loophole

What might happen

- Higher Education Act
- Student Data/ Privacy (fall out from Facebook?)
- Consolidation Plan
- ESSA: Will we see a Title I report?
- E-Rate changes
Impact Aid Voucher Proposal

- Last Spring, school choice advocates tried to put a voucher program into the National Defense Authorization Act.
- Would have allowed students of military families to use their Impact Aid funding as a voucher.
  - Impact Aid school districts could lose up to $450 million dollars or 39% of the total funding for the program.
- Even Betsy DeVos opposed - said Impact Aid is not the correct funding stream.
- They WILL try again.
Perkins CTE Reauthorization

- In July the House and Senate passed Perkins V, the newest reauthorization of the Perkins CTE Act
- It was a bipartisan process, but not one that contained a lot of sound policy changes
  - The House had twice passed a bipartisan reauthorization of Perkins that contained all but one of the top priorities for AASA
  - The Senate version did not contain our two top priorities—reducing administrative paperwork and streamlining the accountability system
  - The Senate version prevailed due to extreme pressure from the White House
Perkins V Accountability System

- **Accountability:**
  - Remaining: graduation rates, academic attainment, student placement, and non-traditional fields
  - Added: a measure of “CTE program quality” that must include one of the following:
    - Student attainment of recognized postsecondary credentials
    - Student attainment of postsecondary credits in their CTE program/program of study
    - Percentage of students participating in work-based learning
    - Any another measure if it is statewide, valid, reliable, comparable across the state

- **Unit of accountability:** CTE concentrator was defined in federal law as a student who completes at least two courses in a single CTE program area.

- **Disaggregation requirements:** subgroups defined in ESSA plus districts will have to disaggregate data for CTE concentrators by CTE program of study or career cluster
Perkins V Accountability Targets

- Each state will develop performance targets for each accountability metric. A district can either accept the State determined levels of performance each year or negotiate with the State to reach agreement on an alternative level of performance.

- District must demonstrate that it is making “meaningful progress toward improving the performance of all CTE concentrators including subgroups of students and special populations.”

- Each year’s performance targets must be higher than the average actual performance levels over the past 2 years.

- In contrast to current law, the district cannot revise performance targets if they are operating under an improvement plan for failing to meet performance targets.
Perkins V Accountability Sanctions

- If a district fails to meet at least 90% of its local level of performance for any of the core indicators it must implement an improvement plan.

- The State may withhold funding from a district that fails to meet at least 90% of the local level of performance for that indicator for three consecutive years (the year that triggers the improvement plan requirement and two years after implementing the plan).
Perkins Paperwork

Each eligible entity (local education agencies, educational service agencies, area career technical education schools) receiving Perkins funding must complete a new comprehensive needs assessment once every two years.

Complete a local application with 9 “minor” elements

Examples of “minor” elements:

a description of how the eligible recipient will provide activities to prepare special populations for high-skill, high-wage, or in-demand occupations that will lead to self-sufficiency; prepare CTE participants for non-traditional fields; provide equal access for special populations to CTE courses, programs, and programs of study; and ensure that members of special populations will not be discriminated against on the basis of their status as members of special populations;

a description of how the eligible recipient will coordinate with the eligible agency and postsecondary educational institutions to support the recruitment, preparation, retention, and training - including professional development - of teachers, faculty, administrators, and specialized instructional support personnel and paraprofessionals who meet applicable State certification and licensure requirements (including any requirements obtained through alternative routes to certification), including individuals from groups underrepresented in the teaching profession;
Perkins Dollars

Districts are now required to dedicate resources to the areas of greatest need that were exposed during the local needs assessment process.

In addition, districts must demonstrate they are spending money (federal, state or local) on the following CTE-related activities as a condition of receiving Perkins funding:

1. providing career exploration and career development activities through an organized, systematic framework;
2. providing professional development for a wide variety of CTE professionals;
3. providing students within CTE the skills necessary to pursue high-skill, high-wage or in-demand industry sectors or occupations;
4. supporting the integration of academic skills into CTE programs;
5. planning and carrying out elements that support the implementation of CTE programs and programs of study and that result in increased student achievement; and
6. developing and implementing evaluations of the activities funded by Perkins.

The bill also allows Perkins funding to be spent on CTE programs for students in middle grades, which can include students in grades 5-8.
Tax reform - why we care

- SALT-D - reduction of the state and local tax deduction
  - This could tie the hands of districts to raise local taxes, because that money would be double-taxed by the local district and the federal government
  - Would most definitely lead to lower education spending at the local level - especially in a high-tax state like New York

- Vouchers - expansion of 529 plans
  - Expands 529 college savings plans to be used for K-12 private schools as well
  - Most state tax legislation echoes federal legislation, so this would expand state 529s as well

- Qualified Zone Academy Bond (QZABs)
  - Repeals tax-exempt status for bonds, thus increasing the interest rates available to school districts and the long-term costs

- $1.5 trillion added to deficit
  - Will pressure Congress to make cuts elsewhere, may trigger more across-the-board sequester cuts
Supreme Court

- **Janus**
  - Limits the ability of unions to charge all employees for non-political actions
  - Will weaken teachers unions

- **Wayfair**
  - Allows states to accept sales tax on out-of-state online purchases
  - Could be used to increase education funding
Final FY18 Budget Deal

- The final FY18 budget deal raised caps ($80 b for DD, $63 b for NDD)
- $1.3 trillion, with $579 for NDD overall
  - $3.9 b increase to USED (to $70.9 b)
    - If USED FY12 allocation ($68.1 b) kept pace with inflation, it would be $74.8 b in 2018 constant dollars
  - Rejects new choice proposals (does fund DC vouchers)
  - Head Start up $610m
  - ESSA Title I up $300 m, Title II level funded, Title IV up $700 m to $1b
  - $275 m increase for IDEA state grants
  - $75 m increase for Perkins
  - $3 b increase for programs to respond to opioid crisis
  - Impact Aid increase of $86 m
  - First year of funding for SRS since 2015
- Less bad doesn’t make it good.
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
  - Includes the infrastructure proposal ($200 b)
FY19 Outlook

- Likely scenario is House and Senate pass some of the individual approps bills, but will need some sort of short term continuing resolution to get us to Nov

- Big issue now is discrepancy between House and Senate allocations to LHHS
  - House allocation level funds LHHS to FY18 levels (which was below FY12); Senate provides $2 b increase (no guarantees for education)
  - Reminder: NDD increases $18 b (3.1%) FY18 to FY19; a proportional increase to LHHS would be $5.5 b
  - Goal: spend to FY19 cap and have FY18 levels be starting point
Senate FY19 LHHS Bill

- For the first time in nearly a decade, the House and Senate passed its LHHS appropriations bill
- Total education spending up more than $500 million compared to FY18
  - Rejects privatization and consolidation proposals
    - Title I, $100 million increase
    - Title II I is level funded
    - IDEA, $87 million increase
    - Title IV, $70 million increase
    - 21st Century, $10 million increase
    - Impact Aid, $32 million increase
    - Perkins Career & Technical Education, $95 million increase
    - Head Start, $200 million increase
    - $45 million increase for charters
The House narrowly passed a bill to reauthorize the Farm Bill, which includes SNAP (formerly Food Stamps)

The bill increases work requirements for SNAP recipients

- Could cause more than 1 million low-income households with about 2 million people to lose their benefits altogether or have them reduced - particularly low-income working families with children

Narrows categorical eligibility - lowering eligibility for SNAP

- Directly impacts schools using categorical eligibility to enroll students in lunch and breakfast programs
The Senate passed a bipartisan Farm Bill
- Does not impact nutrition programs, besides administrative tweaks

Conferencing the two bills will be very difficult
- Work requirements for SNAP beneficiaries will be very important to House chairman Conaway
- Current iteration expires September 30
  - Will they make it?
Immigration

- DACA
  - Gave Congress six months to come up with an alternative - they didn’t
  - Impacts about 250,000 students, 20,000 teachers or teacher candidates

- Public Charge
  - Discouraging legal immigrants from using public services
    - Proposed including school lunch and breakfast, did not include
    - Will include SNAP and Medicaid
IRS Regulations

- 12 states now have tuition tax credit programs where taxpayers can profit off of donations through using both state and federal tax credits
- After tax reform, some states created a SALT work-around, going to public schools or other public services
- The IRS recently regulated that BOTH are to be disallowed
- Comment by October 11 to support this regulation
Federal Student Loan Forgiveness/Grant Programs

- Public Service Loan Forgiveness
  - If a teacher makes 10 years of on-time income-based payments, the remainder of the loans are forgiven

- Teacher Loan Forgiveness
  - If a teacher works in a low-income school for five years, he/she can have up to $17,500 (math, science, or special education) or $5,000 forgiven

- Perkins Loan Cancellation
  - Forgives federal Perkins loans for teachers for each year spent teaching at a low-income school or ESA or a high-needs subject area

- TEACH Grants
  - Up to $4,000 per year given to college students who have an expressed interest in teaching in a low-income school. The graduate must teach at least four of the eight years following graduation in a low-income school or ESA
Higher Education Act Reauthorization, House

- The House committee passed partisan (GOP) bill - the PROSPER Act
  - Eliminates all of Title II - teacher preparation programs
  - Eliminates TEACH Grants
  - Eliminates public service loan forgiveness
  - Creates “one loan, one work-study, two repayment plans” framework
    - Teachers would have the same options as every other graduate
Higher Education Act
Reauthorization, Senate

- Senator Alexander declared HEA to be dead in the Senate for this Congress
  - Bipartisan talks broke down over ESSA implementation, differing priorities
    - Alexander’s priorities are FAFSA simplification, repealing Obama-era regulations
    - Murray’s priorities are access, affordability, and accountability
Student Data and Privacy

- FERPA was first AND last authorized in 1974
- Out of date, hard to understand in modern contexts
- Focus on privacy may lead to changes
- We are looking for updated definitions, assurances that districts are not responsible for app/service data breaches
Consolidation Plan

- Plan to consolidate Department of Labor and Department of Education
- Will NOT happen
ESSA

- What happened in 2017?
  - 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
FCC Chairman Pai has advanced a set of policy priorities that demonstrate either a lack of understanding of, or regard for, the importance of connectivity for schools and students:

- E-Rate: proposed policy that would eliminate/cut funding for internal connections
- Lifeline: reversed policy that would allow the program to help address the homework gap
- Network Neutrality: NN protections ended on June 11

Collectively, these changes undermine what should be an obvious focus and priority for these FCC programs: ensuring continued affordable and equitable access to connectivity and related content.
AASA Legislative Agenda

- ESSA
- School Nutrition
- Perkins Career/Tech
- IDEA
- Rural Education (REAP, Forest Counties, Impact Aid)
- School Vouchers
- E-Rate/Lifeline/EBS
- Student Data & Privacy
- Medicaid/CHIP
- Higher Education Act
- Early Education
- Affordable Care Act
- Regulations: DoL and EPA
- Immigration / DACA
- Taxes
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