

OVERVIEW OF LEGISLATIVE AND FUNDING ISSUES

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AGENDA

- Basics of federal funding/budget process
- Overview of FY 2020 funding levels
- Looking ahead to FY 2021
 - President's budget
 - What to expect from Congress

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FEDERAL FUNDING 101

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WHY IS CONGRESS IN CHARGE OF FUNDING?

“No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”



– U.S. Constitution, Article I, section 9, clause 7

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THE BASICS

Authorization v. Appropriation

Substantive policy bills authorize a particular amount of spending for each program

- Can be a specific amount or “such sums as may be necessary”
- Policy drafters’ way of saying
 - How important a program is
 - How much should be spent on it
- Why do drafters need input?
 - Not on both committees
 - Elections happen

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THE BASICS

Authorization v. **Appropriation**

- Appropriation allows federal agencies to make payments from U.S. Treasury

(allows agencies to spend the money that has previously been authorized)



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THE BASICS

Mandatory v. Discretionary spending

- Mandatory spending = obligations of the federal government
- Discretionary spending = everything else

Budget documents further divided into defense/
non-defense

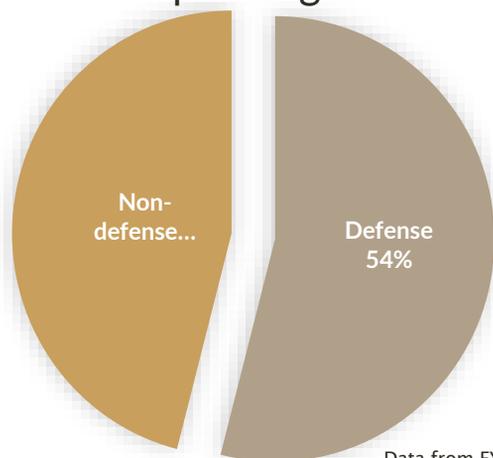
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Mandatory and Discretionary Spending

Data from FY 2015

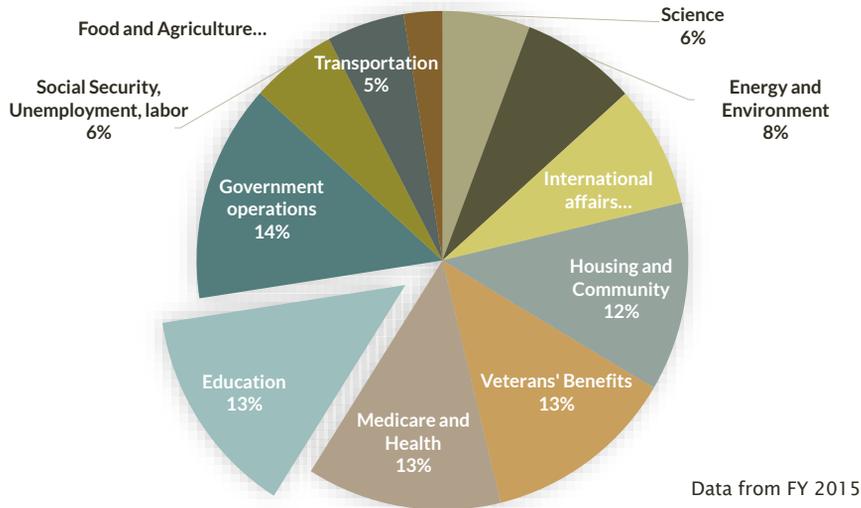
Defense and Non-Defense Spending



Data from FY 2015

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NON-DEFENSE DISCRETIONARY SPENDING



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BUDGET VS. APPROPRIATIONS

Budget

- 10-year outlook
- Not binding beyond next fiscal year
- Only top-line spending numbers government-wide
- “big ideas” process

Appropriations

- 1-year outlook
- Binding for that year
- Individual program-level funding
- “detail-oriented” process

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BUDGET VS. APPROPRIATIONS



BASIC MECHANICS

Federal fiscal year (FY) runs from October 1 to September 30

Congress must pass an appropriations bill every year to fund agencies and their programs

No appropriations bill = government shutdown



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“FORWARD” FUNDING

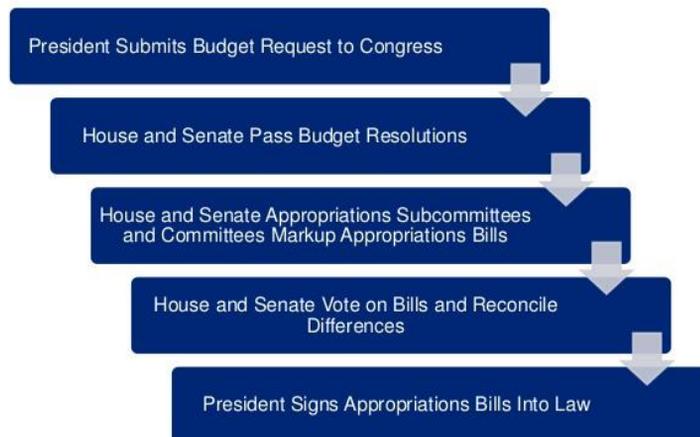
Refers to allocating money to agencies one fiscal year in advance of when it will go out to grantees

For most major formula-funded education programs:

- Money appropriated by Congress at the beginning of fiscal year given to States in two cycles:
 - July 1 of that fiscal year
 - October 1 (the first day) of the next fiscal year
- So, money appropriated by Congress for FY 2020 will go out to States on:
 - July 1, 2020
 - October 1, 2020 (First day of FY 2021)

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THE FEDERAL FUNDING PROCESS



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THE FEDERAL FUNDING PROCESS - STEP 1

President submits budget request to Congress

- Traditional deadline is first Monday in February of each year, but often happens later
- Can be entirely based on existing laws, OR can make suggestions based on new legislative proposals
- Congress is in no way obligated to listen to the President



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THE FEDERAL FUNDING PROCESS - STEP 2

Budget Resolution

- Traditional deadline is April 15th
- Passed by House and Senate Budget Committees
- Sets top-line spending numbers for federal government for that year (302(a) caps)
- Should be passed by House, Senate but not necessary to move forward
 - Can be “deemed as passed” instead
- No Presidential signature needed
- Only simple majority needed in House, Senate to pass (cannot be filibustered in Senate)

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THE FEDERAL FUNDING PROCESS - STEP 3

Appropriations Bills – Committee Level

- House/Senate Appropriations Committees made up of 12 subcommittees (one for each account)
 - Education paired with Depts. of Labor and Health and Human Services
- Top-line allocation divided among 12 accounts (302(b) allocation)
- Subcommittees take 302(b) allocation and determine individual program funding levels

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THE FEDERAL FUNDING PROCESS - STEP 3

Appropriations Bills – Committee Level

- After subcommittee drafts legislation, holds a markup to advance bill to full committee
- Full House/Senate Appropriations Committee holds markup to advance to the full chamber

Target date for completion: early summer

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THE FEDERAL FUNDING PROCESS - STEP 4

Appropriations Bills – Full House/Senate

- 12 bills advanced by Committee debated and voted on in House and Senate
- If different legislation passed on each side of Congress, representatives meet to reconcile differences
- House/Senate consider the compromise legislation
- If passed, sent to the President to sign by Sept. 30th

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Sound familiar??



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FEDERAL FUNDING PROCESS IN PRACTICE



Process does not typically function this smoothly

Some steps may be skipped

If work not completed by Sept. 30th, could have continuing resolution or government shutdown

Multiple bills are likely to be passed together in one single package (omnibus) or several smaller packages (minibuses)

- E.g.: Dept. of Education funding passed with Defense spending for FY 2019

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WHAT SLOWS DOWN THE APPROPRIATIONS PROCESS?

Debate over large-scale budget goals

Debate over program-level funding

Debate over policy riders

- Policy-related provisions attached to spending bills
- Condition funding on agencies taking certain actions, or not taking them



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WHAT SLOWS DOWN THE APPROPRIATIONS PROCESS?

Lack of bargaining power

- Members used to use “earmarks” as bargaining chip
 - Earmarks eliminated when Republicans took over Congress in 2012

Discussion on bringing back earmarks

- President Trump: "Our system lends itself to not getting things done, and I hear so much about earmarks – the old earmark system – how there was a great friendliness when you had earmarks"
 - House Democrats discussion this year

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WHAT SLOWS DOWN THE APPROPRIATIONS PROCESS?

Congressional calendar

- Many other things on the legislative agenda
 - Other must-pass, deadline-based legislation
 - Policy legislation
- Elections
 - Members leave Washington to campaign

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WHAT SLOWS DOWN THE APPROPRIATIONS PROCESS?

Presidential Wild Card

- Threat of veto at any stage in the process can change dynamics and force negotiations OR shutdown
- More difficult to smooth over the later this threat occurs



Ex: FY 2019 (government shutdown)

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WHERE ARE WE NOW?

FY 2020 Funding Levels

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WHERE ARE WE NOW?

2019 Budget Deal

- Passed ahead of summer recess
- Raised budget caps for FYs 2020 and 2021
 - 4% increase for non-defense programs for FY 2020
- Suspended debt ceiling until July 2021
- Allows Budget Control Act to expire in 2021 = No future threat of sequestration!

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WHERE ARE WE NOW?

Fiscal Year 2020 funding (funds to be released to you on July 1)

- Passed into law in mid-December after two continuing resolutions
 - Packaged with seven other appropriations accounts
- Provides total of \$72.8 billion for ED, or increase of \$1.3 billion from FY 2019

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FISCAL YEAR 2020 FUNDING

Program	FY 2019 Level	FY 2020 Level	Percent +/-
Perkins State Grants	\$1,262,598,000	\$1,282,598,000	+1.58%
ESSA Title I: Grants to LEAs	\$15,859,802,000	\$16,309,802,000	+2.84%
ESSA Title II-A: Supporting Effective Instruction State Grants	\$2,055,830,000	\$2,131,830,000	+3.70%
ESSA Title III: English Language Acquisition	\$737,400,000	\$787,400,000	+6.78%
ESSA Title IV-A: SSAE Grants	\$1,170,000,000	\$1,210,000,000	+3.42%
ESSA Title IV-B: 21 st CCLC Grants	\$1,221,673,000	\$1,249,673,000	+2.29%
IDEA Part B State Grants	\$12,364,392,000	\$12,764,392,000	+3.24%

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LOOKING FORWARD

What to expect
in FY 2021

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SNAPSHOT OF FY 2021 BUDGET

Submitted to Congress Feb. 10th

\$6.1 billion overall cut to Department of Education

- Total request = \$66.6 billion



Smaller proposed cuts than past two years

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ELEMENTARY AND SECONDARY EDUCATION

Elementary and Secondary Education for the Disadvantaged (ESED) Block Grant

- Proposal to consolidate 29 ESEA programs into single block grant
 - Allocated to States/LEAs based on formula
 - States would still be held to accountability standards in ESSA, including interventions for bottom 5% schools and significant subgroup achievement gaps
- Approximately \$4.7 billion cut compared to current funding for all programs included in block grant

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ESED BLOCK GRANT

- Title I-A, C, D
- Title II-A
- Title III
- Title IV-A, B,
- Rural Education
- McKinney-Vento
- Comprehensive Literacy Development Grants
- Innovative Approaches to Literacy
- High School Equivalency Program
- Native Hawaiian and Alaska Native Education
- Comprehensive Centers
- School Safety National Activities
- Promise Neighborhoods
- Full-Service Community Schools
- Education Innovation and Research
- Teacher and School Leader Incentive Grants
- American History and Civics Education
- Supporting Effective Educator Development
- Charter Schools Grant
- Magnet Schools Assistance
- Ready to Learn Programming
- Arts in Education
- Javits Gifted and Talented
- Statewide Family Engagement Centers
- Teacher Quality Partnerships

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CAREER AND TECHNICAL EDUCATION



- Increase Perkins State grants funding by \$680 million, or 53 percent compared to FY 2020
- Proposes increasing H-1B visa fees and allocating 15 percent of extra funding to Perkins State grants
 - Estimated amount of \$117 million for FY 2021

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OTHER PROPOSALS

- Education Freedom Scholarships: State-run tax-credit school choice program
 - Included in last two budget requests
 - Legislation introduced in House, Senate
 - Mentioned in 2020 State of the Union
- Proposed increase of \$100 million for IDEA Grants to States

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WHAT WILL HAPPEN TO PRESIDENT'S BUDGET?



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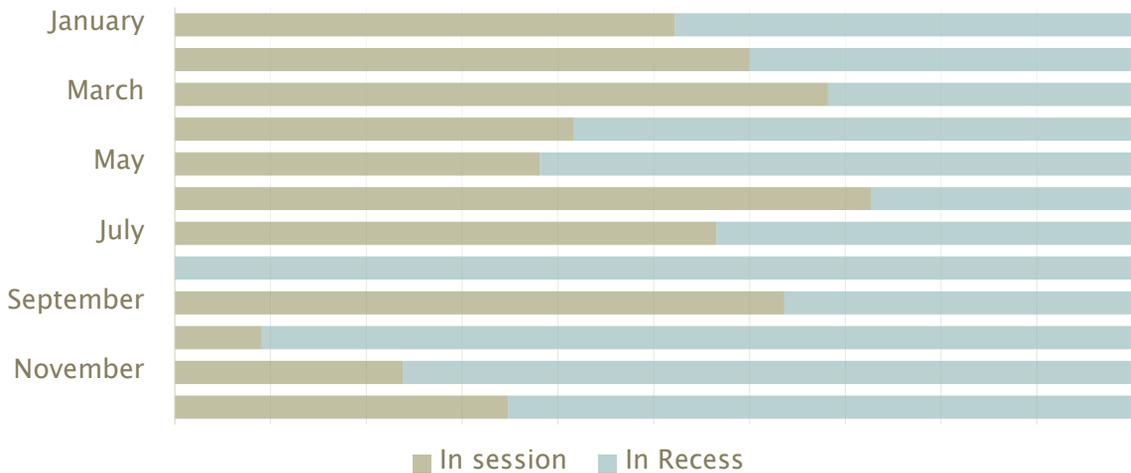
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WHAT TO EXPECT IN COMING MONTHS

- House, Senate appropriations subcommittees to holding hearings on budget request
 - Agency heads come to testify, further explain the requests
- Proposed House timeline:
 - April 21: start subcommittee markups
 - April 28: begin full committee markups
 - May 19: all markups completed
 - Goal of passing all 12 bills on House floor by beginning of July
- Proposed Senate timeline:
 - ?????

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CONGRESSIONAL CALENDAR 2020



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WHAT TO EXPECT IN COMING MONTHS



Temporary Continuing Resolution (CR) at least through end of fiscal year on September 30th

- Will likely continue into early January to new Congress

Small increase to overall funding levels

Bigger changes will come from including new census data in calculations!

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