

March 5, 2014

TO: CCSESA

FROM: Bob Canavan, Federal Management Strategies

SUBJECT: **President's Budget, CCSESA Washington Trip**

**President's Budget: Proposed Level Funding for Title I and IDEA**

**The President's Budget for Fiscal Year 2015 was released this week. The Administration's budget proposes a total of \$3.9 trillion in outlays for fiscal 2015, a \$250 billion increase over the \$3.6 trillion estimated for Fiscal 2014.** The Budget stays within the two year budget deal of the Bipartisan Budget Act. It includes a total base for discretionary FY 2015 spending of \$1.014 trillion, compared to \$1.012 trillion in 2014.

Congress will now review the Administration Budget which puts proposed agency budgets within the limits of the two year budget agreement. However, the Administration's Budget also includes policy and specific spending recommendations that Congress will have to decide whether or not to accept.

The Administration's proposed Budget for the Department of Education includes a number of proposals and recommendations that may or may not be adopted by the Congressional authorizing and appropriating committees. For example, the Education budget proposes to level fund overall Title I funding, but suggests a series of new initiatives under Title I. Congress would have to approve these new programs either through authorization by the House Education and the Workforce and the Senate Health, Education, Labor, and Pensions Committees or by the House and Senate Appropriations Committees.

Overall the Education Department (ED) would receive \$68.6 billion in discretionary funding under the President's budget, \$1.3 billion more than in fiscal year 2014. \$300 million would go toward a new Race to the Top competitive grant program to link state and local data on school finances, student achievement and human resources. The initiative, Race to the Top Equity and Opportunity, "will reward tracking resources at the school level and using data, including return on investment metrics, to target intensive interventions to schools that most need the extra help," the Administration said in the ED budget.

The Administration's Budget includes \$1.3 billion for Preschool for All in Fiscal 2015, and \$75 billion over 10 years. The Preschool for All program would provide mandatory funding for preschool for all 4-year-olds from low- and middle-income families.

At the same time, funding for long-standing elementary and secondary education formula grant programs such as Title I and IDEA are not increased under the proposed 2105 budget.

**Title I formula grants would be funded at a total of \$14.4 billion, the same level as FY 2104.** But, the Administration and the Department of Education Budget are suggesting a series of new proposals under Title I including:

- formula grants to school districts to aid academic support of college and career-ready standards,
- grants to help the worst-performing schools in each state, and
- programs to aid the education of children of migratory workers and for the education of homeless children.

**IDEA:** The ED budget also basically proposes flat funding for the Individuals with Disabilities Education Act (IDEA) formula grants to states. IDEA grants would be funded at \$11.6 billion, about \$100 million more than enacted Fiscal 2014 levels. But, the additional \$100 million would be in a proposed incentive grant program for states to improve the delivery of special-education services to children from birth through age 21.

The Administration's IDEA budget request does not reflect the request of the bipartisan group of House members last month which asked the President to increase IDEA funding to states and to work toward a commitment to reach full funding for IDEA. The federal government committed to funding 40 percent of the additional cost of educating special-education students but has never funded more than 18.5 percent of IDEA.

(California members who signed the IDEA letter to the President led by Congressman Jared Huffman and Congressmen McKinley (R-WV) Polis (D-CO) and Harper (R-MS) include: Mike Honda, Julia Bromley, Judy Chu, Zoe Lofgren, Henry Waxman, Lois Capps, Mike Thompson, Lucille Roybal-Allard, Mark Takano, Doris Matsui, Jackie Speier, Tony Cardenas, Maxine Waters, Gloria Negrete-McLeod, Scott Peters, Linda Sanchez, Jim Costa, Susan Davis, Alan Lowenthal, John Garamendi, Adam Schiff, Jerry McNerney and Karen Bass.)

**Impact Aid:** Funding for Impact Aid, which compensates school districts that have large populations of students that live on non-taxable federally-owned property like military bases, would decrease \$67 million to \$1.2 billion for Fiscal 2015.

**Technology:** The White House in its ConnectED proposal has called for an overhaul and expansion of the E-Rate program, through which the Federal Communications Commission levies charges on consumer phone bills in part to fund Internet access at schools. In the Fiscal 2015 budget, the Administration is requesting \$200 million and another \$300 million for professional development so teachers can best leverage technology in the classroom.

**Preschool:** The Administration is proposing \$1.3 billion for the program in fiscal 2015 and \$75 billion over 10 years. The Preschool for All program would provide mandatory funding for preschool for all 4-year-olds from low- and middle-income families.

**STEM Innovation:** The Administration is proposing \$170 million for a new STEM Innovation program to replace Mathematics and science partnerships (ESEA II, Part B).

**Secure Rural Schools:** The Budget also proposes to Reauthorize Secure Rural Schools at a level of \$581 billion over ten years.

### **Next Steps: Congressional Budget and Appropriations**

Usually the President's Budget is a beginning point in the annual budget and appropriations process. The Bipartisan Budget Act, Murray-Ryan budget agreement, adopted last year established overall budget levels for Fiscal Years 2014 and 2015. The President's overall Budget stays within that agreement.

The next steps will be taken by Congress. Senator Patty Murray (D-WA), Chair of the Senate Budget Committee, has said the Senate will operate under the 2015 levels set by the Bipartisan Budget Act and will not adopt a new budget this year. The Senate Budget Committee will hold hearings on the President's budget. House Budget Committee Chair Paul Ryan (R-WI) is expected to hold hearings on the President's budget and to move forward with a budget plan. The Senate Appropriations Committees will begin work on 2015 Appropriations bills this spring and summer. The House Appropriations Committee will follow suit once the House decides what budget parameters it will use.

The Congressional Budget and Appropriations Committees will make major decisions this year on funding agency programs including Education. The President's budget will serve as one benchmark in this process. The final funding levels for programs such as Title I, IDEA, STEM education and Preschool will be set by Congress in legislation that will need a Presidential signature.