

## NREAC Meeting Notes and Year-End Wrap Up

December 20, 2011



Conference Call Attendees: John Hill, Bill LaTarte, Barbara Havlicek, Dave Walrath, Don Rogers, Phil Gerik, Joe Guletard, Jerry White, Jimmy Cunningham, Joe Bard, Fred Nolan, Ray Patrick

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The only update from our last call was related to the final FY12 appropriations bills, which Congress managed to wrap up before adjourning for the holiday recess. Congress was only 11 weeks late in wrapping up the federal funding process, and used only 2 continuing resolutions (compared to 7 in FY11!). This was the earliest wrap up in seven years and the work came in two waves, with a three-bill minibus in November and a nine-bill megabus in December.

Highlights of the LHHS Appropriations:

- The LHHS appropriation includes a 0.189% across the board cut, in compliance with the budget caps resulting from the budget control act. Here are funding levels for selected programs BEFORE the application of the ATB cut:
  - Head Start: additional \$424 million
  - Title I: additional \$60 million
  - IDEA: additional \$100 million
  - RTTT funded at \$550 million
  - School Improvement Grant: \$534.6 m
  - Literacy: \$160 million (restoration from FY11)
  - Impact Aid: \$1.294 billion
  - Title II set aside in the competitive grant for professional development increases from 15 to 1.5%
  - Investing in Innovation: \$149.7 million
  - REAP: \$180 million
  - Teacher Incentive Fund: \$300 million
  - Promise Neighborhood: \$60 million
  - ESEA Title III: \$733.5
  - Career/Tech: \$1.739 billion
- [Funding Table](#): This table was prepared by our friends at the Committee for Education Funding. The omnibus numbers all have been calculated to include the effect of the 0.189% across-the board-cut included in the Labor-HHS-ED section, They do not include the 1.83% cut included in the separate disaster aid offset bill, because that bill will not be accepted by the Democrats. Please note that the line-item funding levels might be slightly off.

### The Year that Was: Congress and 2011

It seems fitting, as the calendar year draws to a close, to use one blog post to wrap-up what happened in Congress over the past 12 months as it relates to things AASA follows and advocates for.

It was a tense year on Capitol Hill, with Congress scoring a hat trick when it comes to bringing the federal government to the brink of shutdown: over FY11 appropriations in the spring, over the debt ceiling in the summer, and over a tax increase just before the holidays. Perhaps not coincidentally, Congress currently enjoys exceptionally low (single-digit) approval ratings. As the blog has reported over the year, the Republican-led House and Democrat-led Senate found little common ground, meaning legislation from one chamber was, more often than not, dead on arrival across the hill. This, for all intents and purposes, meant that the radical class of House

GOP freshmen made little ground on their push to roll back health care and banking laws. Delving closer to the issues that AASA follows, though, let's take a look at budget, appropriations and education.

**Budget:** Much of the conversation around budget in 2011 was tied up in the debt ceiling and super committee. The federal debt ceiling, which is actually raised on a somewhat regular basis, became a lightning rod this summer, when a partisan showdown dragged the debate to the 11<sup>th</sup> hour. The Budget Control Act of 2011 provided for an increase of the debt ceiling, and required the formation of a 12-member bipartisan, bicameral committee that would identify an additional \$1.5 trillion in deficit reduction over 10 years. If the so-called 'Super Committee' were to fail to identify the full \$1.5 trillion, then sequestration (across-the-board cuts) would be triggered. While the Super Committee did engage in intense discussions around spending cuts and additional revenues, Republicans and Democrats were ultimately unable to agree on a \$1.5 trillion plan, and the automatic sequestration cuts will take effect in January 2013. It should be noted that the Budget Control Act also established federal spending caps for the next ten years, starting with a \$1.043 trillion cap for FY12 and \$1.047 trillion cap for FY13. OMB Watch has a pretty good [FAQ](#) related to the Budget Control Act, including a chart of the spending caps.

**Appropriations:** The FY11 appropriations process (the dollars you see in the 2011-12 school year) can be described as a hot mess. Congress adjourned at the end of 2010 having passed none of the 12 appropriations bills, setting the stage for a partisan showdown when the new Congress convened in January 2011. Through a record-setting series of 7 continuing resolutions (including unprecedented funding cuts within CRs!), Congress dragged the FY11 appropriations process into the seventh month of FY11 before finally agreeing on a funding package that provided \$1.055 trillion in budget authority, a reduction of \$39.9 billion from current law. \$12 billion of the cuts came from the initial continuing resolutions, funding mechanisms that until this point had simply been used to level-fund government. The final appropriation included a 0.2% across the board cut, though [AASA reported](#) that 'across the board' took on different meanings in different programs. The FY11 appropriations package included a series of policy riders (let's not get started about using appropriations bills to move authorizing/policy language). Anyways, one of the relevant policy riders was related to the DC Opportunity Scholarship (VOUCHER!) program. The compromise bill includes \$15.5 million for vouchers in FY11, and removes the bar on new students. Even more frustrating, it includes the SOAR Act in its entirety, which would extend the voucher for 5 more years.

When it comes to FY12, Congress did a bit better, completing the FY12 appropriations process only 11 weeks behind schedule, the earliest finish in seven years. Congress passed a three-bill mini-bus in November and followed up with a nine-bill omnibus in December. FY12 had two short-term CRs before Congress passed the second of two funding packages. The final FY12 package is compliant with the \$1.043 trillion spending cap from the Budget Control Act of this summer. Looking more closely at the LHHS-Education appropriation, the Department of Education was essentially level funded. Check out an earlier AASA [blog post](#) for more detail, including a pretty succinct program-by-program [chart](#) for education funding levels.

**Education Policy:** The big game in town re: education policy could be considered the Elementary and Secondary Education Act, though not as much for the actual progress that was made in terms of getting schools the relief they need, but in how the legislative process is entering its fifth year and reauthorization in 2012 still seems a slim reality.

President Obama had indicated that if Congress were unable to reauthorize ESEA before the start of the 2011-12 school year, his administration would take action to provide schools with relief (see the last paragraph to see how this unfolded).

In October, the Senate moved its bipartisan, comprehensive reauthorization out of committee, though there are not expectations for the bill to move to the Senate floor any time soon. AASA analysis ran on the [blog](#).

Earlier in the summer, the House introduced three pieces of legislation, moving all three out of committee and one (the charter bill) through the full house. It is expected that a partisan process will drive the remaining two

piece expected from the House, with a piece related to teacher evaluation and accountability being introduced as soon as February. For more detail: [House Charter Bill](#); [House Funding Flexibility Bill](#); [House Program Eliminations Bill](#).

Honestly, when it comes to getting schools relief they need from a law widely recognized as 'in need of improvement', the Administration's ESEA waivers are the most popular bet, with 40 states expressing interest in adopting policy priorities in exchange for key flexibilities. While AASA opposes the conditional nature of the waivers, we agree with the areas identified for flexibility and think the policy priorities warrant further conversation, albeit within the construct of the traditional legislative process. Full details are in [this earlier blog post](#).