**September Federal Update from NREAC Advocates Leslie, Noelle and Sasha**

**Call to Action – Tell the IRS to Close the Private School Tax Shelter**

For many years the IRS has permitted taxpayers in 12 states to turn a profit by financially supporting private school voucher programs. This profitable tax shelter has fueled rapid growth in these voucher programs, leading to a major transfer of public dollars into private schools. Moreover, the profits being pocketed by these taxpayers come at the expense of state and federal budgets and do not find their way into any public school or public works project.  The profiteering facilitated by these tax credit vouchers schemes is neither accidental nor incidental. Tax accountants, private schools, and others in many states with tax credit voucher [programs have long marketed these programs](http://www.aasa.org/vouchertaxshelter/) as tools for exploiting the federal charitable deduction.

Given the Trump Administration’s love of vouchers, we were quite surprised that the IRS has proposed regulations that would shut down this tax shelter and could significantly weaken the popularity and growth of the voucher programs in these 12 states. We have an opportunity as public education advocates to weigh in with the IRS and support these regulations, but the IRS is already facing [extreme pressure by pro-privatization entities and members of Congress](https://www.politico.com/newsletters/morning-tax/2018/08/24/salt-regs-have-arrived-327328) to keep them on the books. Please take 5 minutes to [check out the AASA blog](http://aasa.org/policy-blogs.aspx?id=42968&blogid=84002), access the template, and to file comments with the IRS. This is an opportunity to send more dollars into public schools both at the federal and state level. If you have any questions about this call to action, please contact Sasha Pudelski ([spudelski@aasa.org](mailto:spudelski@aasa.org))

**House and Senate Complete FY19 Education Funding Deal**

Recently, the House and Senate completed their efforts to conference the FY19 LHHS appropriations bill. It is part of a three -piece package: a bill to fund LHHS, a bill to fund defense, and a bill that would provide a continuing resolution (CR) for the remaining portions of government through December 7. The conference bill provides an increase of close to $2 billion for all of LHHS which resulted in nominal increases to a handful of education programs.

The final bill provides a $581 million increase in funding for USED, bringing the total to nearly $71.5 billion. The bill rejects the Trump administration’s proposals to fund vouchers and privatization priorities, as well as proposed program eliminations and the proposal to consolidate USEDD with the Department of Labor. Tracking a few key programs, here are some that received increases (Title I, $100 million; Title II I is level funded; IDEA, $87 million; Title IV, $70 million)21st Century, $10 million; Impact Aid, $32 million; Perkins Career & Technical Education, $95 million; and Head Start, $200 million).

View chart with education program funding levels [PDF Attached]

Outside of funding levels, two items of note:

* The final bill did NOT include language to prohibit federal education funds from being used to arm school personnel or provide arms training. The bill did eliminate a long-standing rider that prohibited the use of federal funds for transportation to help increase integration. The elimination of the language is a big equity win, and something AASA has been tracking.
* It is unclear, however, whether the president would sign the package if it reaches his desk or hold out in an effort to secure more funding for a wall along the U.S.-Mexico border by pushing the government to the brink of shutdown as the Sept. 30 deadline approaches. .

**Two Education Funding Reports Released**

Earlier this month, Reclaim Our Schools released a report focused on the under investment in education, at the federal level, and includes a focus on the neediest (ie, brown/black, those in poverty, and those with disabilities) student populations. You can find that report [here](http://educationdebt.reclaimourschools.org/wp-content/uploads/2018/08/Confronting-the-Education-Debt_FullReport.pdf). The Center for American Progress released its report, [*Fixing Chronic Disinvestment in K12 Schools*](https://www.americanprogress.org/issues/education-k-12/reports/2018/09/20/457750/fixing-chronic-disinvestment-k-12-schools/). It focuses on how the 2008 recession decimated state budgets, sending education funding into a tailspin. But as the recovery has picked up, many states have made policy choices, such as tax cuts that have further decreased state revenue. These policy decisions can be devastating for schools and students, since research increasingly shows that money matters in education, particularly for low-income students.

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**FBI Alert About Ed Tech and School Data Collection**

Last week, the Federal Bureau of Investigation (FBI) released a [Public Service Announcement (PSA)](https://www.ic3.gov/media/2018/180913.aspx) today that encourages public awareness of cyber threat concerns related to K-12 students. Schools across the country lack funding to provide and maintain adequate security.  Sophisticated corporations employ Chief Information Security Officers and routinely bifurcate responsibility for cybersecurity and IT support, allowing security professional to mitigate threats and IT staff to troubleshoot users’ everyday tech support needs.  Schools rarely have the resources to establish dedicated security staff, leaving technologists with a full plate – combating malicious access attempts while also handling humdrum IT issues and attempting to comply with [new state student privacy laws](https://ferpasherpa.org/state-laws/); more than 120 laws were passed in 40 states since 2013. Now that the FBI has focused  attention on these concerns, policymakers must step up and fund impactful security programs. The PSA recommends that stakeholders get “involved with organizations that can provide support and resources for navigating the integration of technology and cybersecurity into schools.” Full details are on the [blog by Future of Privacy Forum](https://ferpasherpa.org/fbipsa/).

**Child Abuse Item**

Last week, as part of the Victims of Child Abuse Reauthorization Act, the Senate committee passed the Child Abuse Reporting Act. This is a bill that AASA endorsed, and would grant greater immunity for teachers, administrators and other school staff who are considered mandatory reporters of child abuse and neglect. Specifically, the bill would ensure that teachers/school personnel who do more than just “report” child abuse, but also engage in whatever follow-up with CPS or investigation is necessary, are immune from prosecution.

**Arming Educators**

AASA joined four other national education organizations--the Association of School Business Officials International, Association of Educational Service Agencies, the National Rural Education Association, and the National Rural Education Advocacy Consortium—in a letter to the House and Senate LHHS appropriations conference committee urging them to include language to prohibit the use of federal funds to arm educators. The final appropriations bill did not include the prohibition. Read [the letter](http://aasa.org/uploadedFiles/Policy_and_Advocacy/files/FY19LHHS%20Conferree%20Letter%20091318.pdf).

**Tax Bill 2.0**

AASA joined four other national education organizations--the Association of School Business Officials International, Association of Educational Service Agencies, the National Rural Education Association, and the National Rural Education Advocacy Consortium—to oppose the House Tax Cuts 2.0 bill. The bill is seen as campaign partisan fodder and the Senate is not expected to pick up the bill. The groups sent a letter to oppose the bill, focusing on the proposed expansion of 529 plans to support homeschooling expenses and the proposal to make permanent the cap on State and Local Tax Deductions. This bill is the opposite of reform and represents more of the same failed policies in the December 2017 Tax Cuts and Jobs Act. Read [the letter](http://aasa.org/uploadedFiles/Policy_and_Advocacy/files/Tax%202.0%20091318.pdf).

**Transportation Rider**:

This is in follow up to the item referenced in the appropriations FY19 paragraph. The FY19 LHHS bill removed the problematic provisions from sections 301 and 302 of the appropriations text. Our work is not over, though. We still need Congress to vote for the final FY19 package, and we need to remove section 426 of GEPA. These are outdated statutes which acts as an anti-integration provision. This problematic language bars the use of federal funds to transport students for purposes of racial integration. This prohibition undercuts Congress’ intent in reauthorizing the Magnet School Assistance Program (MSAP), constrains school improvement strategies, and undermines the ability of education innovators to implement new school improvement techniques.

These provisions reduce state and local district efforts to flexibly implement the education program that best serves the needs of their students and communities. We applaud the House and Senate for the steps they have taken to remove sections 301 and 302 and ask that work will be completed with the removal of 426 from GEPA. This is a relatively easy GEPA fix, and this is something we hope to see action on in the new year and new Congress. Check out our [blog post from June](http://aasa.org/policy-blogs.aspx?id=42640&blogid=84002) for more context.

**Speak Up press release**

Last week, Speak Up released the first of a series of briefing papers titled “The Educational Equity Imperative: Leveraging Technology to Empower Learning for All” at a Congressional Briefing held in Washington, DC. The report is part of the roll out of national findings from the Speak Up 2017-18 brief and the event included a panel discussion with students, teachers and administrators who shared their first-hand perspectives on the role of technology in supporting a variety of learning experiences. View press release [PDF]