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Summary & Analysis: President Trump's FY18 Budget Proposal

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On May 23, 2017, President Trump released his FY18 budget proposal. Federal fiscal year 2018 (FY18) starts October 1, 2017 and runs through September 30, 2018. These are the federal funds that will be in school districts for the 2018-19 school year. This year's budget proposal is the first from the Trump administration and represents a marked departure from recent budget proposals. Unlike recent years, which prioritized and protected education investment, this proposal disinvests in education across the entire continuum, reducing support for early education, elementary education, and secondary education programs.

This analysis is broken in to three parts: Background and Overview, AASA Analysis and Talking Points, and Related Charts and Statement by AASA Executive Director

Part I: Background & Overview

The overall budget comes in at $4.1 trillion. The budget eliminates 66 programs (totaling $26.7 billion). The education programs slated for elimination include:

- 21st Century Community Learning Centers
- Comprehensive Literacy Development Grants
- Federal Supplemental Educational Opportunity Grants
- Impact Aid Payments for Federal Property
- International Education
- Strengthening Institutions
- Student Support and Academic Enrichment Grants (ESSA Title IV)
- Supporting Effective Instruction State Grants (ESSA Title II)
- Teacher Quality Partnership

FY 18 TOP LINE NUMBERS

- Total spending: $4.1 trillion
- Total mandatory: $2.535 trillion
- Discretionary cap: $1.065 trillion
- Defense cap (Trump): $603 billion
- Defense cap (Law): $549 billion
- NND cap (Trump): $462 billion
- NDD cap (Law): $515.7 billion
- Interest: $315 billion

FY 18 AGENCY REQUESTS VS. FY 17 OMNIBUS ENACTED (CHANGE IN $S AND %)

- Veterans: $4.3 billion or 5.8%
- Homeland: $2.7 billion or 5.6%
- Agriculture: -$6.6 billion or -26.7%
- Health & Human Services: -$12.4 billion or -15.7%
- Education: -$9.2 billion or -13.5%
- Housing & Urban Development: -$4.3 billion or -12.1%

President Trump's proposal cuts funding for education by $7.9 billion (12%) when compared to FY17 enacted levels. [*Note: You may also see reports of a cut of $9.2 billion (13.5%); that includes a $1.3 billion rescission for Pell grants.]* This cut represents the single largest cut to USED (percentage wise), in more than three decades. While education investment currently accounts for just 2 percent of the federal budget, this budget proposal would reduce education and education-related funding to 1.8% of the budget.

- **Tough Decisions**. In the USED briefing held on May 23, USED staff kept reiterating the 'tough decisions' they had to make in balancing the budget. For all intents and purposes, the tough decisions resulted in very deep, damaging cuts to education and education-related programs that will undermine the ability of our nation's schools to adequately support the students they serve. Bottom line, this budget chooses to not invest in kids.
- **Dismantling ESSA**? The President's budget includes a series of cuts and policy changes to ESSA that run counter to Congressional intent and do nothing to support successful implementation of the program. While there is a $1 billion increase in Title I, it is for Title I Part E (a weighted student funding pilot). Title I Part E, as adopted, was never intended to be a proxy for choice, open enrollment or portability. In addition to the funding increase, President Trump's budget proposes increasing the program both in size (more than 50 LEAs) and scope (Expanding the allowable uses to support portability and open enrollment). His budget eliminates ESSA Title II Part A, the program that supports teacher professional development and classroom size reduction. The budget eliminates all of Title IV, an overwhelmingly bipartisan element of ESSA, designed as a flexible funding block grant to support and address critical non-academic factors that impact student learning, including well-rounded education, school climate, and education. All of these cuts run in direct conflict with the new ESSA. Congress signaled their deliberate support for these programs by including them in ESSA.
- **School Choice & Privatization**: As indicated in the analysis of the skinny budget, every new K12 dollar—in an overall education budget that cuts more than $7 billion—is for privatization and choice. This administration uses their budget to highlight their explicit prioritization of privatization, at the direct expense of investment in foundational federal formula programs (including Title I and IDEA). The President proposes $1 billion dollars for ESSA Title I Part E but would rewrite the program to support portability/open school enrollment. There is an increase for the charter school grants program and expanded funding for research for innovative school practices (which will be repurposed to research/promote vouchers).
- **Congress must act responsibly**. The biggest question stemming from this budget proposal is 'How will Congress respond?'. We saw, unfortunately, that Congress used the extreme FY17 budget proposals from the administration (including elimination of Title II and the 21st Century Community Learning grants) to normalize unacceptable behavior in their final FY17 funding package. When it comes to FY18, will Congress treat this flawed budget proposal as dead on arrival? Will they start from a baseline more reflective of the priorities and needs of the constituents they represent? Or, will they incorporate all or some of the President's priorities? Will they use the extreme nature of this proposal as a way to normalize deep cuts of their own? Will they advance a less-bad proposal (but still unacceptable), but try to pass it off as 'good'? (Hint: Just because it is 'less bad' doesn't make it 'good'.)

Part II: AASA Analysis & Talking Points

1. **Education Cuts Don't Heal**. AASA remains deeply opposed to a funding approach premised on deep cuts to education programs, the depths of which are only exacerbated when we consider that every single new dollar proposed for K12 funding supports privatization. This proposal would harm our nation's global competitiveness and economic future by completely undermining progress on improving student achievement, closing achievement gaps and increasing high school graduation and post-secondary education attendance.
2. **Continued Pressure of Funding Caps and Non-Defense Discretionary Funding**: The success of our nation is shaped by the success of our public schools and the students they serve. We strongly urge Congress to support negotiations that not only maintain parity between defense and non-defense discretionary funding, but also raise the caps on non-defense discretionary funding, even beyond those of the 2015 Bipartisan Budget Act. It is vital that the non-defense discretionary and defense caps be raised by an equal amount to ensure that we have the resources necessary to ensure security and opportunity for students, their families, and our nation. Continuing the caps only increases and exacerbates the pressure on subcommittee allocations and continues to tie the hands of appropriators to more adequately invest in education.
3. **President Trump proposes to cut the federal government's investment in federal flagship formula programs (IDEA and Title I local level allocations), programs designed to level the playing field.**
   - Cutting IDEA will further reduce the federal share to less than 16%, less than half of the promised 40 percent of the additional cost of educating students with special needs.
   - Federal funding effort for IDEA continues to fall: The federal share has dropped from its recent high mark of 18.6 percent in FY 2005, to more recent levels of 16 percent in FY16.
   - The burden for paying for special education will continue to be shifted to local districts, forcing school districts to raise local taxes or cut general education programs. AASA strongly supports Congressional efforts to reach the full-funding (40%) of IDEA.
   - While the proposed budget includes a $1 billion increase for ESSA Title I, it is for a revamped Part E, and would be prioritized for portability/open enrollment. AASA opposes the programmatic changes, and supports the $1 billion being either reallocated to Title I Part A state grants OR for implementation of the money through Part E as intended by Congress (AASA is opposed to the President's proposed policy change).
   - The $1 billion increase for school choice is paid for, in part, by a $578 million cut in the base Title I formula. The current budget proposal will reduce the amount of Title I money available at the local level, and the following states stand to face the steepest cuts:
     - Alaska (4.5%)
     - Colorado (4.4%)
     - Idaho (4.2%)
     - Iowa (4%)
     - Maine (4%)
     - Montana (4.2%)
     - New Hampshire (4.2%)
     - New Mexico (4%)
     - Ohio (4.5%)
     - Utah (4.2%)
     - Wisconsin (4.5%)

4. **AASA opposes the deep cuts to the Medicaid program, which would negatively impact the ability of school districts to provide services to students.**
   - Rather than close the gap and eliminate the rate of uninsured children in America, the current proposal will ration the health care America's most vulnerable children receive and undermine the ability of districts to meet the educational needs of students with disabilities and students in poverty.

- The President's FY18 budget proposal will jeopardize student's ability to receive comprehensive care at schools and create barriers to access.
- The FY18 budget proposal will undermine critical healthcare services school districts provides to children. It will lead to layoffs of school personnel, the potential for new taxes to compensate for the Medicaid shortfall, and shifting general education dollars to special education programs to compensate for these cuts.

5. **AASA urges the President to increase investment in the Carl D. Perkins Career and Technical Education Program.** The proposed cut of $168 million completely ignores the important role that CTE plays in helping prepare and secure a strong talent pool to grow a better, more innovative American economy.
    - The Perkins program provides the training and skills our nation's student will need to fill technical jobs that power our economy and country.
    - A cut of this magnitude is in direct conflict with the needs and warnings of employers, who consistently signal that a lack of skilled workers leaves countless high-wage, high-skill careers unfilled—the number of which will only continue to grow, should this cut not be restored.
6. **AASA is concerned by the fact that the only federal education funds available to schools for education technology (including connectivity, infrastructure and professional development) are from the FCC and are not federal appropriations**. As the nation's schools work to prepare their students to be college and career ready, it is unacceptable that USED does not support investment in infrastructure, connectivity and professional development.
    - AASA strongly supports the FCC's E-Rate program and the continued support it provides the nation's schools and libraries, helping them afford their telecommunications connectivity.
    - AASA acknowledges that USED provides funding for state grants to support the online assessments. These funds, however, are limited and were designed to support the development of online assessment.
    - AASA is opposed to the elimination of ESSA Title IV, which would provide critical complementary investment in education technology devices, training, and curriculum.
7. **AASA remains opposed to continued reliance on competitive grants**. Given the federal government's limited role in funding public education, AASA believes those federal dollars should be targeted to fulfill the federal government's initial commitments to historically disadvantaged students, including the poor and those with disabilities.
    - Formula grants represent a more reliable stream of funding to local school districts. Continued reliance on competition implies that competition alone produces innovation and student achievement. School districts and systems need a certain level of financial stability to undertake the ambitious innovation and reform proposed by the administration's competitive grants.
    - A competitive funding mechanism creates a default position of 'winner' and 'loser'. If education is to be both perceived and treated as a civil right, then no school or student should find themselves outside of the winner circle. The proper role of federal funding is to help level the playing field, and that requires providing opportunity—and resources—to all.
    - Continued reliance on competitive grants undermines the concept of not having student's zip code be a determining factor in the quality of their education. Given the current reality where not all schools have the same capacity to compete (not to be confused with willingness to compete), a student's zip code is very much a proxy for whether or not they will have access to competitive funds, and that is not a level playing field.

Part III: Related Charts & Statement by AASA Executive Director

Chart A: Funding Changes to Select Federal K12 Education Programs

in billions				Change from 2017	
Program	**2016**	**2017**	**2018 Proposal**	**Dollar**	**Percent**
ESSA Title I Grants to LEAs	14.91	15.46	14.881	-0.578	-4
NEW Title I program (choice)			1	1	100
School Improvement Grants	0.45	--	--	--	--
State Agency (Migrant)	0.375	0.375	0.374	-0.001	0
State Agency (Neglected/Delinquent)	0.048	0.048	0.048	0	0
Impact Aid	1.306	1.329	1.236	-0.092	-7
ESSA Title II Effective Instruction	2.256	2.056	0	-2.056	-100
21st Century Community Learning	1.17	1.192	0	-1.192	-100
State Assessments	0.378	0.369	0.377	0.008	2
McKinney Vento (Homeless)	0.07	0.077	0.07	-0.007	-9
Rural Education (REAP)	0.176	0.176	0.176	0	0
ESSA Title IV (Student Support)		0.4	0	-0.4	-100
Promise Neighborhoods	0.073	0.073	0.06	-0.013	-18
Full Service Community Schools	0.01	0.01	0	-0.01	-100
Education Innovation and Research	0.12	0.1	0.37	0.27	270
Charter School Grants	0.333	0.342	0.5	0.158	46
Magnet Schools assistance	0.097	0.098	0.096	-0.001	-1
English Language Acquisition	0.737	0.737	0.736	-0.001	0
IDEA State Grants	11.913	12.003	11.89	-0.113	-1
IDEA PreSchool Grants	0.368	0.368	0.368	-0.001	0
IDEA Infants/Families	0.459	0.459	0.458	-0.001	0
Career/Technical Education	1.125	1.125	0.977	-0.148	-13
Head Start (including Early Head Start)	9.168	9.253	9.168	-0.085	-1
Child Care and Development Block Grant	2.761	2.856	2.761	-0.095	-3

Statement By AASA Executive Director Daniel Domenech (May 23, 2017)

"When I was a school superintendent, our budget reflected our mission. We funded what we supported and we supported what we funded. Our mission and commitment to serving our students was only as meaningful as our willingness and ability to invest in and support that important work and those students.

"With today's FY18 budget, we are left to wonder not only if the administration supports our nation's public schools, but also why the budget is so deliberate to make deep, damaging cuts.

"We are deeply concerned by cuts to the Individuals with Disabilities Education Act (IDEA) as well as wide-spread cuts throughout the Every Student Succeeds Act (ESSA), which include cuts at the local level for Title I, complete elimination of Titles II and IV, and troubling language related to Title I Part E.

"While AASA supported Title I Part E as authorized, we will be steadfast in our opposition to any language changes to the underlying statute that attempt to repurpose Title I Part E dollars for portability or vouchers. It is shocking to see an administration, allegedly committed to local control, advance a flawed policy that undermines the most local of education decisions, how students are enrolled in and have access to schools.

"The path, outlined today, is anything but forward. The President's budget calls for more than $10 billion in education cuts and $800 billion in Medicaid cuts. Layered on top of cuts to child nutrition programs, we are looking at a confluence of failed funding policy that will leave our students sick, hungry and without adequate education program support.

"We look forward to working with Congress to move forward with FY18 funding conversations, ensuring they do not use this failing budget proposal to justify unacceptable cuts, and to provide appropriate targeted education investment such that all students have access to a great public school."

You can access the statement online*.*