



FEDERAL UPDATE

LESN Seminar

Leading Education Reform in an Era of Limited Resources

Washington, D.C.

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FEDERAL BUDGET BATTLE

- **Continuing Resolution for FFY 13 through March 27, 2013**
- **Labor-HHS-ED appropriations far from done**
 - **Senate Appropriations acted on Labor-HHS-Education FY 2013 spending bill 6/14 on partisan vote**

SEQUESTRATION

January 2, 2013: domestic and defense discretionary spending cuts to produce \$1.2 trillion in savings over 9 years; cuts split evenly between defense and non-defense programs that aren't exempt.

IMPACT OF SEQUESTRATION ON FEDERAL EDUCATION SPENDING

- **Reduction for FY 2013, mandatory and discretionary spending**
 - **\$1.3 billion less for Title I**
 - **Just under \$1 billion less for IDEA**
- **Higher ed**
 - **Cuts in some financial aid and tech ed for adults**
 - **Pell Grants exempt**

IMPACT OF SEQUESTRATION ON FEDERAL EDUCATION SPENDING

Clarification from U.S. Department of Education

- **Four of the largest elementary and secondary education programs would not be cut until 2013-2014 school year.**
 - Title 1
 - IDEA
 - Title II teacher preparation
 - Career and technical education
- **Impact aid would be affected in the middle of the 2012-2014 school year.**

TAX SUBSIDY BOND PAYMENTS AND SEQUESTRATION

- **States and localities issued \$200 billion in infrastructure school and energy bonds**
 - **Qualified School Construction Bonds**
 - **Build America Bonds**
- **Interest is subsidized through federal direct payments to issuers**
- **These payments are subject to a 7.6% sequestration for FY 2013**
- **Only OMB can grant exception**

COLLEGE ACCESS CHALLENGE GRANTS

- **MOE provision: states must maintain state expenditures for public institutions, as well as any spending on private institutions, including financial aid, at levels equal to or greater than average spending for five most recent years.**
 - **In FY 2011, 22 states requested a waiver from this provision**
 - **Majority of the states expected to apply for waivers for FY 2012.**

January 8, 2012:
Happy Birthday, No Child Left Behind !?!?
ten years and counting...



ESEA REAUTHORIZATION: STALLED

- **If Congress isn't serious about ESEA, the Department of Ed won't devote much energy to reauthorization**
- **"Big 7 plus 3" efforts will continue**
- **Looking forward: need to hear from states about the waiver process**
- **Congressional players... familiar faces**

DIFFERENT APPROACHES, DIFFERENT ESEA BILLS

- **Both the House and Senate bills**
 - **Scrap AYP**
 - **Don't require student achievement targets for subgroups, BUT**
 - **Keep annual testing, disaggregation of data**
- **House and Senate bills**
 - **Differing approaches on highly qualified teachers**
 - **Differing approaches to intervention in low performing schools**
 - **Differing approaches to accountability**

SECRETARY DUNCAN'S SECOND TERM AGENDA

- **Second term issues include**
 - **revamping the teaching profession (focus on principals)**
 - **improving early childhood education**
 - **college affordability**
 - **School turnaround**
- **District NCLB waivers are not off the table**

NCLB WAIVERS

- **Flexibility regarding the 2013-2014 timeline for all students achieving 100% proficiency in reading/language arts and mathematics**
- **Flexibility regarding district and school improvement and accountability requirements**
- **Flexibility in the use of federal education funds**

In return for

- **Transitioning to college-and career-ready standards and assessments**
- **Developing systems of differentiated recognition, accountability and support**
- **Evaluating and supporting teacher and principal effectiveness**

STATES GRANTED NCLB WAIVERS

Feb. 2012

Colorado
Georgia
Florida
Indiana
Kentucky
Massachusetts
Minnesota
New Jersey
New Mexico
Oklahoma
Tennessee

May 2012

Connecticut
Delaware
Louisiana
Maryland
New York
North Carolina
Ohio
Rhode Island

Summer 2012

Arizona, Arkansas,
District of Columbia,
Kansas, Michigan,
Mississippi, Missouri,
Nevada, Oregon,
South Carolina,
South Dakota, Utah,
Virginia, Washington,
Wisconsin

Oct. 2012

Idaho

STATES GRANTED NCLB WAIVERS

(continued)

- **10 states await decision (plus Bureau of Indian Education and Puerto Rico)**
- **Montana, Nebraska, Pennsylvania, Texas, Vermont (withdrew application), Wyoming have not applied**

RACE TO THE TOP: THE NEWEST INCARNATION

- **\$400 million for a district level competition**
 - 372 applications, representing 1,100 districts
 - funding distributed by end of December
 - 61 finalists
 - 15-25 awards/ awards = \$5 million to \$40 million
- **\$133 million for second round of Early Learning Challenge grants**

RACE TO THE TOP DISTRICT COMPETITION

Governance Issues

- **Sign offs: district superintendents, local school board, local union president, elected officials**
- **State superintendent can comment on but cannot stop application**
- **2,000 students minimum, 40% low-income**

RACE TO THE TOP DISTRICT COMPETITION

Policy Issues

- **Implement evaluation systems by 2014-2015—teacher, principal and district superintendents**
- **Four assurances PLUS focus on individualized learning**
- **Data systems that can track student progress preschool to post-secondary and mechanism that links student performance to teachers**

COMMON CORE STATE STANDARDS

- **In the past, Administration suggested it would consider tying Title 1 dollars to adopting national standards**
- **What we will see is a continuation of tying federal funding to the adoption of “standards that are common to a significant number of states”**

HIGHER EDUCATION ACT REAUTHORIZATION

- **Law covers student loans, Pell grants and other scholarship and work study initiatives.**
- **Lawmakers want to tracking the value students receive from federal assistance and create measures to encourage state university systems to make tuition more affordable**
- **Other legislation: Perkins Act/Career and Technical Education (authorization expired in 2012), WIA**

FEDERAL STUDENT LOAN INTEREST RATES

- **Stafford loan interest rate was set to double July 1 to 6.8% on new loans.**
- **Issue was offsets**
- **H.R. 4348 fixed the issue... temporarily**
- **Approximately 7.4 million students would have been impacted**

COURT CHALLENGES OVER HIGHER EDUCATION REGULATIONS

- **Program Integrity**
 - **APSCU lawsuit: incentive compensation for student recruiters, misleading marketing, state authorization**
 - **Last summer– Court upheld rules EXCEPT state authorization of distance learning**
 - **June 5—U.S. Court of Appeals for District of Columbia decision**

COURT CHALLENGES OVER HIGHER EDUCATION REGULATIONS

- **Gainful Employment metrics**
 - **APSCU lawsuit, District Court of the District of Columbia vacated much of the rule June 30**
 - **U.S. Department of Education has authority to regulate gainful employment, can require disclosure**
 - **Vacated metrics to determine program performance, requirements about adding new programs and reporting requirements that went into effect last summer**

OTHER ISSUES

- **Teacher Preparation**
 - **Waiting for Department of Ed rules concerning requirements in the HEA that states report on the nature and quality of teacher prep programs to identify those that are “at risk” or “low-performing.”**
 - **Rules to address classification of programs and eligibility for TEACH grants**
- **Release of graduation rates under new measure**
- **Federal charter school funding**



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