

ISSUE BRIEF

Appropriations Update

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FY 2019 Appropriations Process**BACKGROUND***FY 2018 Omnibus Spending Bill*

Even though FY 2018 started on October 1, 2017, the federal government's budget for the year was not decided until late March through an **omnibus spending measure** that funds all federal agencies through September 30, 2018. That \$1.3 trillion bill, which was subject to intense negotiations, and a last-minute veto threat from President Donald Trump, resolved federal spending almost six months into the fiscal year. The process was full of ups and downs; two government shutdowns; a new *Bipartisan Budget Act of 2018*, which eliminated stringent budget caps and increased non-defense discretionary (NDD) spending for fiscal years 2018 and 2019; and a promise by the President never to sign a budget like this again. However, the final result was a good one for education advocates.

The final deal rejected President Trump's 30 proposed program eliminations as well as the majority of the 13 percent cuts in funding from existing accounts at the Department of Education (ED). This included the rejection of the significant proposed cuts to programs of interest to TESOL members. Instead of a \$1.4 million cut to English Language Acquisition Grants the program was level funded; and Adult Education State Grants were increased by \$35 million instead of being cut by \$96.2 million. Lastly, the President's budget proposal to eliminate all funding for the *Every Student Succeeds Act's* (ESSA) Title II's Improving Teacher Quality State Grant program was rejected and instead funded at \$2.056 billion. This program delivers funds via formula to all state education agencies (SEAs) and subgrants to local education agencies (LEAs) to provide English learners, low-income and minority students' greater access to effective teachers, principals and other school leaders.

Lastly, it is important to note that for the first time the bill did not equally increase non-defense discretionary (NDD) spending along with defense discretionary spending, an element that was a hallmark of spending bills during the Obama Administration.

Funding Rescissions

As was reported widely, President Trump begrudgingly signed the \$1.3 trillion *Consolidated Appropriations Act of 2018*, known as the "Omnibus." He took issue with its size and cost, and Office of Management and Budget Director Mick Mulvaney subsequently began developing a rescission package to return some of the appropriated funds to the Treasury, with strong support from House fiscal conservatives who join together as the "Freedom Caucus." (Director Mulvaney was a vocal member of this Caucus when he was a Congressional representative.) On

June 7th, the House narrowly passed this rescission package. The vote on the package that had been languishing for weeks was quite close with a tally of 210-206. The bill would cancel \$15 billion in unspent funds from FY 2017. Republicans see the bill as a starting point for taking on wasteful spending, even though the bill has little to no chance of being approved by the Senate. In addition, \$7 billion of the \$15 billion is unspent funds from the popular Children's Health Insurance Program known as CHIP, leaving Republicans who voted for the package open to attack ads on that point as mid-term elections approach. On the other side, however, Republicans say the money was leftover spending that would have been shifted to other programs and the Congressional Budget Office has said the move will not affect the number of individuals with insurance. The education community is watching this debate closely, as the White House and conservative Republicans say they'd like to see more—and larger—rescission packages be proposed and debated. However, given how difficult it was to develop and pass this modest package, that is unlikely to ever reach the President's desk, the prospects for future rescission packages seem dim.

FY 2019 APPROPRIATIONS PROCESS BEGINS

President Trump's FY 2019 Budget request

On Monday, February 12, the White House released its FY 2019 budget request. The budget proposal titled, "Efficient, Effective, Accountable: An American Budget," sets forth President Trump's priorities as Congress prepares for the current fiscal year. It calls for major cuts to Medicare, Medicaid, food stamps, and other social programs, reductions that have long been targeted by conservatives. It's notable that the plan would not eliminate the budget deficit after 10 years, which is an acknowledgment that large spending increases and a \$1.5 trillion tax cut are putting pressure on government debt.

At ED, the plan has some familiar elements. As in the FY 2018 proposal, funds are not requested for ESSA Title II's Supporting Effective Instruction State Grants (investments in educator professional development programs), along with 28 other programs "that do not address national needs, duplicate other programs, are ineffective, or are more appropriately supported with State, local, or private funds." Last year, the Trump Administration called for a \$9.2 billion, or 13.5 percent, cut to ED spending. This year, the White House has requested a \$63.2 billion in discretionary aid for the agency, which is a \$3.6 billion cut from current spending levels. Similar to last year, Congressional response was one of "thank you very much, we'll take it from here." In the words of Senate Budget Committee Chairman Mike Enzi (R-WY), "The President's budget is always a list of pretty good suggestions. It's not 'the' budget."

Not surprisingly, there is a new, large investment proposed to support school choice efforts. The budget materials say, in part, about the plan, "The Budget invests \$1.1 billion in school choice programs to expand the range of high-quality public and private school options for students, putting more decision-making power in the hands of parents and families. This investment serves as a down payment toward achieving the President's goal of an annual Federal investment of \$20 billion—for a total of an estimated \$100 billion when including matching State and local funds—in school choice funding. The Budget requests \$500 million to establish a new school choice grant program to support a wide range of innovative approaches to school choice. These include expanding existing private school choice programs to serve more low-income and at-risk students, developing new private school choice models, or supporting school districts' efforts to

adopt student-based budgeting and open enrollment policies that enable Federal, State and local funding to follow the student to the public school of his or her choice.”

There is also a proposed new \$43 million “School Climate Transformation” initiative to help school districts “implement multi-tiered, evidence-based strategies to prevent opioid misuse and address associated behavioral and academic challenges through interventions such as trauma counseling, violence prevention, and targeted academic support.”

TESOL’s Interests

For programs of importance to many TESOL members, the President once again proposed significant cuts. For FY 2019, the President’s budget recommends a little more than a **\$130 million cut from FY 2018 funding levels** for Adult Education State Grants, which “reflects the tough decisions needed to achieve the President’s goal of increasing support for national security and public safety without adding to the Federal budget deficit. States and providers across the country are still working to implement changes in adult education requirements made as a result of the enactment of the *Workforce Innovation and Opportunity Act* (WIOA) in July 2014; future decisions regarding the program will be informed by the statutorily required program evaluation and performance data based on the full implementation of WIOA.” National Leadership Activities would remain level funded at \$13.7 million in addition to a set aside for Integrated English Literacy and Civics Education programs per statute. This is the exact language used in the FY 2018 budget justification to cut the program.

The budget would maintain level funding for English Language Acquisition Grants at \$737.40 million. Funds for disadvantaged students known as Title I and distributed by formula to SEAs would see a small decrease of about \$300 million. Also, a program to support the development and implementation of model teacher and leader preparation and residency programs to improve the quality of teaching in high-need schools known as Teacher Quality Partnerships would be eliminated (\$43 million).

CONGRESSIONAL ACTION

With a renewed sense of determination, Congressional appropriators have pledged to work diligently to follow “regular order” in FY 2019 so that President Trump is not presented with one final omnibus bill containing 12 different spending measures. As stated above, after signing the FY 2018 *Consolidated Appropriations Act*, he stated he would never sign such a large spending measure again. Consequently, House and Senate Appropriations Subcommittees have been holding numerous hearings where Cabinet secretaries have been invited to testify and defend the Trump Administration’s budget. On March 20, Secretary of Education Betsy DeVos appeared before the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies (LHHS), and on June 5th, she testified in front of the Senate LHHS Appropriations Subcommittee on the Department of Education’s budget proposal. In each hearing, DeVos’s appearance featured testy exchanges that focused on the significant proposed cuts to education programs favored by a number of appropriators; the importance of giving all students equal access to quality education opportunities; criticism regarding the approval of some states’ ESSA plans; and the lack of transparency behind the Federal Commission on School Safety chaired by the Secretary. A number of comments made by Members of Congress on both sides of the aisle indicate that once again the Trump budget proposal is “dead on arrival.”

House Education Bill

The mark up schedule for FY 2019 spending bills has begun with the House Appropriations Committee already completing work on 9 of its 12 appropriations bills. On Friday, June 15th, the House LHHS Appropriations Subcommittee marked up its bill for the departments of Education, Health and Human Services and Labor and the full Committee markup is slated for Wednesday, June 20th. While once again, Congressional appropriators largely disregarded the Trump Administration's education priorities in their proposed budget, no Democrats voted for the bill in Subcommittee. This was due to “poison pill” policy riders included in the measure and the lack of bipartisanship negotiations over the final text. Overall the bill would provide a \$43 million increase for ED, funding it at \$71 billion in FY 2019. House appropriators passed a bill that provides increases to a number of programs the Trump Administration's budget called for cutting or eliminating. And like last year, the bill mostly does not include the expansion of school choice programs put forth by Secretary DeVos. The spending bill would also continue to prohibit ED from dismantling or reorganizing the agency's budget office. That provision was first included in the FY 2018 Omnibus in response to the Secretary's plans to decentralize parts of ED's budget office. Additional increases to education programs in the bill are targeted for special education state grants; career and technical education (CTE); early childhood education initiatives and charter schools.

TESOL's Interests

For programs of importance to many TESOL members, the House bill rejects the President's proposed cuts to Adult Education State Grants and funds it at the FY 2018 level of \$630 million. It also maintains level funding for English Language Acquisition Grants at \$737.40 million. In addition, ESSA Title II is level funded at last year's level of \$2.056 billion. Education advocates breathed a sigh of relief that the Subcommittee did not eliminate professional development funds for teachers and leaders as the Administration proposed. Lastly, Title I was level funded as well.

Senate Education Bill

The Senate LHHS Appropriations Subcommittee is scheduled to mark up its FY 2019 spending bill by the end of June before Congress adjourns for the July 4th recess.

Conclusion

With the mid-term elections quickly approaching, and sound arguments for the House or Senate to change radically, marginally, or not at all, the Congressional agenda for the rest of the year will be limited - except for getting FY 2019 must pass spending bills across the finish line. Already the House has passed its first “mini-bus” spending package composed of three “easy” and non-controversial measures: Military Construction and Veteran Affairs; Energy and Water and Legislative Branch titles. This three-bill bundle funds efforts like veterans' health care, nuclear security and military infrastructure. On Thursday, June 14th, Majority Leader McConnell (R-KY) announced the Senate would take up the House-passed mini-bus the week of June 18th and pass it by June 22nd. While this is ambitious, Senators, like their counterparts in the House of Representatives want to go home to share some sort of legislative accomplishments with their constituents.

Passing the remainder of the FY 2019 spending bills, however, may be a bit more difficult to complete by October 1st, the start of FY 2019, and there is a good chance that several of them

will *not* get across the finish line until after the mid-term elections. Overall, this most likely will be another year where Congress will not make the deadline to complete all of its spending measures, and Members on both sides of the aisle agree that it will be difficult to avoid a “continuing resolution” (CR) when the fiscal year ends on September 30th. Some analysts believe--depending on the outcome of the mid-terms-- there is even the chance that the year’s spending debate will be resolved by a full-year CR. But like many things in Washington these days - we will just have to wait and see.

Throw in a fight this summer about a new deal with North Korea and the ongoing debates around healthcare, entitlement reform and potential new investments in infrastructure and you know there are many budget battles to come. As a result, advocacy by TESOL members is occurring at an opportune time to explain to Members of Congress why program areas of interest to ESL students, teachers, principals and other school leaders must not be cut.