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MEMORANDUM

FROM: Penn Hill Group
DATE: December 10, 2014
SUBJECT: Summary of Education, Workforce and Related Programs in the FY 2015 Omnibus Appropriations Bill

Congressional leaders released the Fiscal Year 2015 (FY2015) Omnibus appropriations bill on December 9. The bill largely flat funds most education- and workforce-related programs compared to FY2014, with a few notable exceptions. The bill is expected to be considered by the House on Thursday this week with the Senate completing action later in the week. The existing continuing resolution (CR) expires on December 11, and as such, the House and Senate are expected to pass a short-term extension of this CR to allow the House and Senate time to approve the Omnibus.

Below is a summary of the major education- and workforce-related provisions of the bill and report, as well as a chart that compares funding of major programs to the FY2014 totals. The bill text and report language can be found [here](#).

Overview

For most education programs the bill provides flat funding compared to FY2014, with the notable exceptions being that the Administration's Race to the Top (RTTT) program is not funded, and funding for the Investing in Innovation program (i3) and Teacher Incentive Fund (TIF) programs has been reduced. The bill does include funding for the Administration's Preschool Development Grants proposal at the FY2014 level (\$250 million) but funds this program under the Fund for Improvement of Education (FIE) line item rather than RTTT. For the Department of Labor, major job training programs funded under the Workforce Innovation and Opportunity Act (WIOA) receive a slight increase. Under the Department of Health and Human Services, Head Start is level funded, AmeriCorps receives a slight increase and the Social Innovation Fund is level funded compared to FY2014.

Below is description of certain provisions included in the bill text or committee report, followed by a chart that compares funding of major programs to FY2014.

WIOA Implementation

The bill language permits the Secretary of Labor to use not more than 10 percent of the funds provided from the Dislocated Workers National Reserve to provide technical assistance and other activities related to the implementation of the recently passed Workforce Innovation and Opportunity Act (WIOA).

Increasing On-Board Strength at Job Corps Centers

The report “places a high priority” on maximizing student enrollment “within the appropriation provided.” The report directs the Department of Labor to provide a report on the policy and procedures in place to address this priority within 60 days of the passage of the bill.

School Improvement Grants (SIG)

The bill level-funds SIG at \$506 million. The report language asserts that the Department’s implementation of FY2014 provisions to implement state-determined school improvement strategies under SIG “falls short of Congressional intent.” The report language goes on to state that the Department’s implementation of the state-determined strategy option required the option to be aligned with turnaround principles and “imposed several additional requirements.” The report language directs the Department to strictly adhere to the bill language on this issue. Additionally, the bill language further refines the criteria on an LEA-implemented whole-school reform strategy to require “at least one” experimental or quasi-experimental study as moderate evidence of a statistically significant effect on student outcomes. The 2014 language on this issue requires more than one study (so at least two), rather than “at least one” (i.e. one is sufficient) study.

The bill language on this section maintains:

- (1) the ability for school districts to use a state-determined school improvement strategy that has been approved by the Secretary,
- (2) the ability to fund schools that have graduation rates below 60 percent,
- (3) the authority for awards to be up to five years; and
- (4) the authority for rural school districts to modify one element of the school improvement grant model.

The Secretary, as in FY2014, is permitted to use up to five percent of SIG funds to carry out activities that build state and school district capacity to effectively implement the SIG program.

Absolute Priority for High School Reform Strategies in i3

The report language directs the Department to establish an absolute priority in the Investing in Innovation program (i3) on comprehensive high school reform strategies that will increase the number and percentage of students who graduate from high school and enroll in postsecondary education without the need for remediation and with the ability to think critically, solve complex problems, evaluate arguments on the basis of evidence and communicate effectively. It is important to note that the i3 program is cut by approximately \$21 million (to \$120 million overall in FY2015) in this bill.

Title II, Teacher Quality

The bill would level-fund Teacher Quality State Grants at \$2.34 billion. It would allow up to 2.3 percent of this funding to be used for competitive awards from the Secretary for recruitment or training of teachers and principals, including in civic education instruction.

Title III, English Language Acquisition

The bill levels funds the main Title III formula program, but provides \$14 million in additional funding for grants to states with at least one county that has had 50 or more unaccompanied minors released to sponsors.

Race to the Top

The bill does not provide funding for this program.

Charter Schools

The bill increases funding for the Charter Schools Program by \$5 million to \$253.2 million, and provides that the Secretary shall use up to \$11 million to carry out the per-pupil facilities aid program and not less than \$13 million to carry out the Credit Enhancement authority. Up to \$75 million is reserved for multiple awards to non-profit charter management organizations for replication and expansion of charter school models. Additionally the Secretary shall reserve up to \$11 million to carry out national activities. The bill further provides that funds under the charter school program may be used for grants that support Pre-K in charter schools. The bill additionally requires that each state application shall: (1) include a plan to monitor and hold accountable authorized public chartering agencies; (2) contain assurances that each charter school operate under a legally binding charter or performance contracts, conduct annual timely and independent audits of a school's financial statements, demonstrate improve student academic achievement, and that increases in student achievement for all subgroups of students is used as one of the most important factors in renewal or revocation of a school's charter.

Higher Education

The bill and report include numerous provisions of note related to higher education:

- *Enrollment and Graduation of Pell Grant Recipients* – The report language requires the Department of Education to submit a report to House and Senate appropriations committees on enrollment and graduation information for Pell Grant recipients included in the National Student Loan Data System (NSLDS) Enrollment Reporting roster files for the 2013—2014 Pell award year. The report would include this enrollment and graduation information for Pell Grant recipients by individual institutions of higher education. The report should also include an updated proposal to improve tracking of enrollment and graduation rates for students that transfer and nontraditional students, as well as strategies to increase enrollment and improve graduation rates for Pell recipients.
- *Ability to Benefit* – The bill language amends the Higher Education Act (HEA) to include a partial restoration of the ability-to-benefit provisions struck from law several years ago. Students who both enroll in a career pathways program and demonstrate an ability to benefit would be eligible for student financial aid. This would be effective for students who first enrolled in an eligible program of study on July 1, 2014.
- *Update on For-Profit Interagency Task Force and Student Complaint System* – The report requests an update on the progress of the interagency task force on oversight of for-profit institutions of higher education and the recently expanded student complaint

system as part of the FY2016 Congressional Budget Justifications for the Department of Education.

- *Student Loan Servicing* – The Department is directed to hold a “full and open” competition to allow eligible not-for-profit (NFP) servicers to compete for student loan servicing contracts, including NFP servicers that were not able to enter into contracts due to the impact of sequestration.
- *First in the World* – A report is requested providing various information on the FY2014 competition for this program. \$60 million is provided for this program, including \$16 million to continue the set-aside for minority serving institutions. New bill language is included to allow up to 2.5 percent of the funds for this program to be used for technical assistance and evaluation.
- *Competency-Based Education* – The report includes language that supports the Department’s efforts to develop and test methods for delivering federal financial aid for competency-based education programs, including through the Experimental Sites authority. The report “encourages” the Department to continue to incentivize this concept.
- *Use of Income from Endowments Funded with Titles III and V Funds for Scholarships* – The bill includes language that permits institutions of higher education to use the income proceeds from endowments funded with appropriations from Titles III and V of HEA for scholarships for students. The bill further states that past use for this purpose should be considered acceptable and that this clarification should remain in effect until these titles of HEA are reauthorized.
- *FAFSA addition* – The bill includes language that requires the Department of Education to add a line on the Free Application for Federal Student Aid (FAFSA) for applicants to designate if they are or were a foster child. The Department would then notify these students of their eligibility for federal student aid, including the John H. Chafee Foster Care Independence Program.

Institute for Education Sciences (IES)

NAEP – The report states the National Assessment Governing Board should schedule the 4th and 12th grade History, Civics and Geography assessments to be conducted as soon as is feasible.

Operating Plan for Evaluation Authority - The report “directs” the Secretary, in consultation with the Director of the Institute for Education Sciences (IES) to submit an operating plan within 45 days of enactment of the bill detailing how IES plans to use evaluation authority as well as the source appropriation for such activities.

Year-Round Learning Activities

The report requires the GAO to conduct a study on the use of state, local, federal and philanthropic funds to support year-round learning activities, barriers to using funds to implement year-round school calendars, and a review of the effectiveness of summer learning in improving student achievement and retention.

Non-Cognitive Skills Initiative

Under the Fund for the Improvement of Education, \$2 million is allocated for a non-cognitive skills initiative that would provide competitive grants to develop and test interventions to improve student's non-cognitive skills.

U.S. Department of Education Administrative and Servicing Funding

The bill funds the salaries and expenses line item of the Department of Education at \$410 million, an \$11.9 million decrease from FY2014, and \$30.5 less than requested by the Administration for this fiscal year. It is rare that this line item is reduced below the previous year. In addition, due to the loss of mandatory funds to pay for the servicing of student loans with the passage of the Murray-Ryan budget deal last year, this bill allocates \$219 million in discretionary spending for this purpose.

Corporation for National and Community Service (CNCS)

The report directs the Corporation to allow current high-performing Social Innovation Fund (SIF) grantees to apply for renewal funding and to compete for new SIF funding for projects not currently funded by SIF.

The bill provides \$70 million for the Social Innovation Fund, and allows up to twenty percent to be used for pay-for-performance activities (as was also allowed in the FY2014 bill).

Performance Partnerships

The bill authorizes an additional 10 performance partnership pilots administered by the Departments of Education, Labor, and Health and Human Services to improve outcomes and educational services for disconnected youth. These would be in addition to the existing pilots that were authorized to be funded in the FY2014 appropriations bill.

Institute of Museum and Library Services

The bill provides \$227.86 million for the Institute of Museum and Library Services (IMLS) to support programs for museums and libraries. Within this allocation, \$180.9 million is reserved for the Library Services and Technology Act (LSTA) and \$28.72 million is reserved for the Museum Services Act (MSA).

Comparison of Select Education and Related Programs – FY2014 and FY2015 *(Amounts in Thousands)*

Program	FY2014 Omnibus	FY2015 Budget Request	FY2015 Omnibus	FY2015 vs. FY2014
Department of Education				
Title I (Grants to LEAs)	\$14,384,802	\$14,384,802	\$14,409,802	+ \$25,000
IDEA Part B – (Grants to States)	\$11,472,848	\$11,572,848	\$11,497,848	+ \$25,000

Program	FY2014 Omnibus	FY2015 Budget Request	FY2015 Omnibus	FY2015 vs. FY2014
IDEA Part C – (Preschool)	\$353,238	\$353,238	\$353,238	Level Funded
School Improvement Grants	\$505,756	\$505,756	\$505,756	Level Funded
CTE State Grants	\$1,117,598	\$1,117,598	\$1,117,598	Level Funded
Race to the Top	\$250,000	\$300,000	\$0	(-\$250,000)
i3	\$141,602	\$165,000	\$120,000	(-\$21,602)
Pell Grant Maximum (including mandatory add-on) ¹	\$5,730	\$5,830	\$5,830	+ \$100
Pell Grant Discretionary Funding	\$22,778,352	\$22,778,352	\$22,475,352	(-\$303,000)
21 st Century Community Learning Centers	\$1,149,370	\$1,149,370	\$1,151,673	+ \$2,303
Charter Schools Program	\$248,172	\$0	\$253,172	+ \$5,000
ESEA Title II (Teacher Quality State Grants)	\$2,349,830	\$2,000,000	\$2,349,830	Level Funded
ESEA Title III (English Language Acquisition)	\$723,400	\$723,400	\$737,400	+ \$14,000
Adult Education State Grants	\$563,955	\$563,955	\$568,955	+ \$5,000
Regional Education Laboratories	\$54,423	\$54,423	\$54,423	Level Funded
Comprehensive Centers	\$48,445	\$48,445	\$48,445	Level Funded
IES Research, Development and Dissemination	\$179,860	\$190,273	\$179,860	Level Funded
Special Education Research	\$54,000	\$54,000	\$54,000	Level Funded
Statewide Data Systems	\$34,539	\$70,000	\$34,539	Level Funded
NAEP	\$132,000	\$124,616	\$129,000	(-\$3,000)
Advanced Placement	\$28,483	\$0	\$28,483	Level Funded
Parent Training and Information Centers	\$27,411	\$27,411	\$27,411	Level Funded
Ready to Learn	\$25,741	\$0	\$25,741	Level Funded
First in the World (under FIPSE)	\$75,000	\$100,000	\$60,000	(-\$15,000)
Strengthening Institutions	\$79,139	\$79,139	\$80,462	+ \$1,323
Hispanic Serving Institutions	\$98,583	\$98,583	\$100,231	+ \$1,648
Strengthening Historically Black Colleges (HBCUs)	\$223,783	\$223,783	\$227,524	+ \$3,741
Strengthening Historically Black Graduate Institutions	\$57,872	\$57,872	\$58,840	+ 968
Servicing Activities (under Student Aid Administration)	\$502,749	\$771,700	\$721,700	+ \$218,951
GEAR UP	\$301,639	\$301,639	\$301,639	Level Funded
TRIO	\$838,252	\$838,252	\$839,752	+ \$1,500
Preschool Development Grants (under FIE)	\$250,000	\$500,000	\$250,000	Level Funded
Innovative Approaches to Literacy (under FIE)	\$25,000	\$0	\$25,000	Level Funded
Non-Cognitive Skills Initiative (under FIE)	\$0	\$0	\$2,000	+ \$2,000
Salaries and Expenses (under Departmental Management)	\$421,917	\$440,487	\$410,000	(-\$11,917)
Department of Labor				
WIA Funding (Adult, Dislocated Worker and Youth)	\$2,588,108	\$2,588,108	\$2,624,108	+ \$36,000
Job Corps	\$1,688,155	\$1,688,155	\$1,688,155	Level Funded
Department of Health and Human Services				
Head Start (including Early Head Start)	\$8,598,095	\$8,868,389	\$8,598,095	Level Funded
NIMH	\$1,446,172	\$1,440,076	\$1,463,036	+ \$16,864
NICHD	\$1,282,595	\$1,283,487	\$1,286,571	+ \$3,976
Other Agencies				

¹ Pell Grant maximum is for individual grants (i.e. \$5,830 is the maximum Pell Grant an individual may receive)

Program	FY2014 Omnibus	FY2015 Budget Request	FY2015 Omnibus	FY2015 vs. FY2014
National Science Foundation	\$7,171,918	\$7,255,000	\$7,344,205	+ \$172,287
NSF – Education and Human Resources	\$846,500	\$889,750	\$866,000	+ \$19,500
NSF – Research and Related Activities	\$5,741,398	\$5,739,460	\$5,866,125	+ \$124,727
IMLS	\$226,860	\$226,448	\$227,860	+ \$1,000
Corporation for National and Community Service				
AmeriCorps State and National Grants	\$335,430	\$335,430	\$335,430	Level Funded
Social Innovation Fund	\$70,000	\$70,000	\$70,000	Level Funded