

# WASHINGTON WATCH



## RSA END OF YEAR FEDERAL WRAP UP

As we approach year's end, let's check in on federal issues affecting our rural schools:

**ESSA:** The major issue for ESSA right now continues to be fiscal transparency.



From the perspective of practitioners, while the data is important (in terms of implementation) we are most concerned with the ability of school and educational service

agency administrators to effectively and clearly communicate the meaning of the data and to account for why there may be discrepancies in per pupil funding between schools. AASA recently hosted a webinar on the topic. The recording is available here (<http://www.aasa.org/content.aspx?id=38093>) Here also are two related articles: <https://www.edweek.org/ew/articles/2018/08/29/district-spending-is-about-to-get-a.html> and <https://www.edsurge.com/news/2018-11-19-the-actual-dollars-that-will-shape-the-new-k-12-investment-ecosystem>

**Farm Bill:** The House and Senate reached a compromise on a Farm Bill. As a recap, the House Farm Bill included two elements that RSA opposed: stricter work requirements for SNAP that could lead to millions of students losing access to meals at home and changes to categorical eligibility, which automatically enrolls 265,000 students in school meals. The compromise bill only includes administrative updates to nutrition – neither of the elements we were concerned about were included.

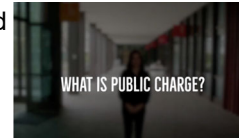


**Nutrition Regulations:** The USDA recently released a final rule for its proposed changes to school meal standards. The final rule ushers in broader flexibilities in the whole wheat, sodium and milk standards than previously suggested. Under the final rule, the whole grain requirement will be lowered from 100 percent whole wheat to 50 percent whole wheat. Many districts have been eligible for an annual waiver from the 100 percent requirement, but under this rule all districts will only be held to the 50 percent requirement. The rule also holds steady on the sodium limit, postponing the planned decreased allowance for four years and cancelling the final planned decrease. Phase II of the sodium restrictions will now take effect in the 2024-25 school year and will be the final stage. The rule also allows schools to sell and to serve one percent flavored milk in addition to the nonfat milk currently allowed. This change will make it easier to buy, sell and serve milk that is familiar and perhaps more appealing to students.

**Public Charge:** There is an opportunity for educators to weigh in ASAP on a proposed immigration regulation that could jeopardize the ability of your



immigrant students to gain access to healthcare, food and housing. Specifically, the public charge regulation would amend a policy that has been on the books for decades and is intended to ensure that immigrants who have entered the U.S. legally are not granted green cards or lawful permanent resident cards if they are "likely to become primarily dependent on the government for subsistence." The administration is changing the definition of a "public charge" to anyone who receives any assistance with health care, nutrition or housing. Because of the complexity of the new regulation, it is predicted that families (not just a family member who would be considered a public charge) will refuse to participate in Medicaid/CHIP, SNAP (food stamps) and public housing programs like Section 8. Specifically, this means that families with children who qualify for healthcare, nutrition and housing benefits will forego securing these benefits for fear it could jeopardize a family member's ability to stay in the U.S. [Read more](#) about how this could impact district finances. Comments on the proposed rule should be submitted immediately. Find more information and a template for comments [here](#).



**Title IX Regulations:** In mid-November, Secretary DeVos released her proposed rewrite of the Title IX guidance (Title IX is the federal law that prohibits sexual discrimination in education), to replace an Obama-era civil rights directive that [DeVos revoked](#) in September 2017. While most of the debate over Title IX typically focuses on higher education, the new guidance will affect K-12 schools, too. We are still working with practitioners to prepare an appropriate response to the proposed guidance.

## TITLE IX

**FY19 Appropriations:** The federal government is currently funded through a combination of final appropriations bills (including Labor Health Human Services Education or LHHS) and a handful of bills under a Continuing Resolution that expired on Dec 7. In terms of LHHS: It is not new news, but it is highly atypical: Congress completed its funding work for the Labor Health Human Services Education & Other (LHHS) slice of the federal funding pie ahead of schedule. LHHS is the appropriations bill that funds USED and provides the bulk of federal education dollars to K12 schools. Federal fiscal

year 2019 (FY19) started October 1. In recent years—spanning more than a decade—Congress has failed to complete its funding work on time and has needed to implement a continuing resolution (CR) for parts or all of the budget to avoid a federal shutdown. LHHS was always one of the funding pieces left to the end, often used to absorb cuts to pay for increases elsewhere. Different political pressures aligned for 2019 and resulted in LHHS being funded on time. Here's a quick rundown:

- Overall allocation to USED is \$71.5 billion, an increase of \$581 million. The final bill rejects the proposal to consolidate USED with the Department of Labor, as well as the administration's privatization agenda. The bill does NOT include language to prohibit the use of federal education dollars to arm school personnel.
- Programs receiving an increase: Title I (\$100 m); Title IVA (\$70 m); IDEA Part B (\$100 m); 21st Century (\$10 m); Charter School grants (\$40 m); Perkins Career Tech (\$70 m); Impact Aid (\$32 m);
- Programs that are level funded: Title II A; Title III;
- [Full chart](#) courtesy of Committee for Education Funding.

The government is currently funded through December 21, after a two week postponement. But top congressional leaders have yet to spell out how they plan to organize the appropriations bills in votes on the House and Senate floors and face a partial shutdown at the end of this week, with the president holding firm to his demands for \$5 billion for a border wall and fencing. Senate Minority Leader Chuck Schumer (D-N.Y.) said on the floor yesterday his chamber's Democrats could support \$1.6 billion for border barriers, but no more.

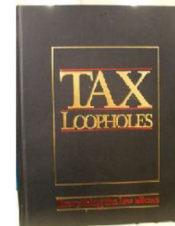
**ERate:** The FY19 application window for ERate will open in January. We want to make sure school districts are accessing the full amount of ERate funding



available to them in light of the 2014 funding increase. In current years, hundreds of millions of ERate dollars have been left on the table. In an effort to expand enrollment and help schools better access this funding for FY19, we will be doing a coordinated outreach with USAC administrator Radha Sekar. In the meantime, here is the link where you can sign up for USAC and ERate

webinars, including monthly ERate webinars in preparation for the FY19 application window: <https://www.usac.org/sl/about/outreach/default.aspx>

**IRS and Tax Loophole Regulations:** Last month the IRS heard arguments from [school superintendents](#) and voucher proponents about the possibility of the IRS closing down a tax shelter in 12 states that allows voucher supporters to profit from their donations to voucher tax credit programs. Superintendents from across the country submitted comments to the IRS in October urging them [to not carve-out voucher programs](#) from this larger tax regulation impacting state tax credits. While we were outnumbered at the IRS hearing, we had the stronger tax arguments. The IRS ruling is expected in January or February.



#### **Report Round Up:**

- **Uptick in Uninsured Children:** A new report out from Georgetown University shows an uptick in uninsured children, reversing almost a decade of declines. The share of children without health insurance nationally increased from 4.7 percent in 2016 to 5 percent in 2017. Three-quarters of the children who lost coverage between 2016 and 2017 live in states that have not expanded Medicaid coverage to parents and other low-income adults. The uninsured rates for children increased at almost triple the rate in non-expansion states than in states that have expanded Medicaid. Find the report [here](#).
- **Continued State Education Funding Issues:** A new report out from the Center on Budget and Policy Priorities shows decades of disinvestment in public schools in many states. The cuts from the recession are still being felt in many states across the country. Worse, some of the deepest-cutting states have also cut income tax rates, weakening their main revenue source for supporting schools. This calls into question the stability of future funding in these states. The report can be found [here](#).

**HAPPY HOLIDAYS FROM RSA!**



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