

FY23 Appropriations Process: Off to A Strong Start! President Biden's Budget Continues Support for Education Investments

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The ink on the final FY22 budget is barely dry, and we are already off and running with all the FY23 budget fun. ICYMI: check out the blog with all our details on the <u>final FY22 budget</u>.

Federal fiscal year 2023 (FY23) will run from October 1, 2022 through September 30, 2023. The federal education dollars in FY23 will largely be in your K12 schools for the 23-24 school year. If Congress were to complete its appropriations process on time and in normal order, it would be completed before October 1. Congress hasn't completed its budget on time and in normal order since the mid 1990s; when this happens, we either have a federal shutdown or—more common—Congress utilizes a series of continuing resolutions (CRs) to buy themselves more time to complete the funding work. It is widely anticipated that Congress will adopt a CR—freeing members up to be home to campaign in the midterm elections—and leaving the real question to be: will the CR be into the lame duck and the fiscal work concluded by the current Congress, or will they punt into the new year and new Congress, which could feasibly include a change in chamber leadership? Luckily, we don't need to answer that in today's blog post, and can instead just give a quick overview of what is in President' Biden's FY23 budget proposal.

First, now seems an excellent time to share one of my favorite all time quotes from President Biden, something he attributes to HIS dad: "Don't tell me what you value. Show me your budget, and I'll tell you what you value." If that's the case, we are pleased to see that President Biden continues to value and prioritize investments in education, schools, children and equity.

What do you need to know?

- First, this is an initial step in a very drawn-out appropriations process. We may or may not get standalone budgets from the House and Senate, and they may or may not align with the President's budget in terms of dollar amount and/or priorities.
- In recent years, the President's budget has been dead on arrival, with the Senate and House initial proposals playing a larger role in shaping what final investments looked like. That was not the case in FY22, and we will have to see if the Democrats in the House and Senate remain in closer alignment with this proposal.
- Because of the timing of this year's budget, the proposal was based on a final FY22 package that assumed a year-long CR (so, level funding) based on FY21 actual levels. We know that the final FY22 budget included the largest increase in education in a decade, meaning that the president's budget—when compared to actual FY22 levels—appears to call for cuts to 34 programs. Please note that is not the intent of the President's Budget (he does not propose to cut or consolidate any programs), and we are waiting to see how/if USED will address/reissue budgetary documents.
- You can access the USED summary book here.
- Funding Levels
 - The budget includes \$88.327 billion in funding for the Department of Education, a \$11.9 billion or 15.6% increase over FY2022.
 - The largest increases in the USED budget request are proposed for the core programs -Title I, Individuals with Disabilities Education Act (IDEA), and Pell Grants. Additionally,
 FY23 increases can be largely attributed to initiatives to address the health and well-being
 of students; Education, Innovation, and Research (EIR) Grants; postsecondary supports;
 efforts to enhance institutional capacity at Minority-Serving Institutions (MSIs); and
 student loan servicing.
 - The FY23 budget request proposes \$20.5 billion in discretionary funding for Title I, which is an increase of \$3 billion or 17.1% above FY22.
 - Additionally, \$16 billion in mandatory funding is requested in FY23 for Title I. The combined total level (discretionary + mandatory) requested is \$36.5 billion; however, mandatory funding for Title I is unlikely to advance through the annual appropriations process.
 - The FY23 request also proposes to reserve \$100 million for direct grants to States to implement voluntary School Funding Equity Commissions and to local educational agencies (LEAs) to implement voluntary resource equity reviews.
 - The FY23 budget request includes \$2.92 billion increase for Special Education Grants to States to a total of \$16.26 billion. The budget request also includes increases for IDEA Preschool Grants (\$93,071,000 above FY2022) and IDEA Grants for Infants and Families (\$435,694,000 above FY2022).

At the end of the day, the big take away is that the President clearly wants to prioritize investments in education, and we want to remain hopeful that final FY23 numbers will align more closely to FY23 proposals than FY22 finals compared to proposed. You need not pay obsessive attention to program funding levels until we get a bit further in the process, until we start to see what the House and Senate are looking at as it relates to 302b allocations. That's about 4 steps (and a few months) away. Hold tight, and stay tuned to AASA advocacy (on twitter, the AASA Advocacy App and on the blog).