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## MEMORANDUM

**TO: Interested Parties**  
**FROM: Penn Hill Group**  
**DATE: May 2, 2017**  
**SUBJECT: FY2017 Omnibus Appropriations Legislation (LHHS)**

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Congressional leaders released the fiscal year (FY) 2017 Omnibus Appropriations bill on Monday, May 1. The bill provides for modest increases for various education- and workforce-related programs and reductions in certain programs, but most programs are being level-funded compared to FY2016. The existing continuing resolution (CR) passed last Friday, April 28, expires on Friday, May 5, giving Congress this week to pass this Omnibus bill, which will fund the government until September 30. The bill is expected to be considered by the House and Senate this week, with the House as early as Tuesday, May 2.

Below is a summary of the major education and related provisions of the bill, as well as a chart that compares the bill's funding for major programs to the FY2016 funding levels. The bill text and report language can be found [here](#) (note that the Labor, Health and Human Services, Education, and Related Agencies (LHHS) provisions are located in "Division H" of the bill).

### **Overview**

Several education-and workforce-related programs received increases. Title I Grants to Local Education Agencies (LEAs) and Individuals with Disabilities Education Act (IDEA) Part B State grants received increases of \$100 (not including the \$450 million from the former School Improvement Grant program, which was moved into Title I) and \$90 million, respectively, compared to the FY2016 levels. Several programs were cut – most notably, the Title II, Elementary and Secondary Education Act (ESEA) Supporting Effective Instruction program was cut by \$254 million.

The bill funds the U.S. Department of Education (ED) at \$68.24 billion in discretionary funding, approximately \$60 million less than the FY2016 level.

Notable changes include the restoration of Summer Pell Grant awards (also known as year-round Pell). It is important to note that \$1.31 billion in unobligated Pell Grant funding is rescinded in the bill, along with a reduction of \$254 million in Pell Grant mandatory funds for FY2017. These reductions do not include outlays necessary to fund the restoration of year-round Pell Grants, which will increase the overall cost of the Pell Grant program. In addition, the legislation would provide modest increases to Title I, IDEA State grants, and charter schools. The bill also includes \$400 million for the Student Support and Academic Enrichment Grants, originally authorized at \$1.6 billion under the Every Student Succeeds Act (ESSA), with both report and statutory language allowing the option for States to provide subgrants to LEAs on a competitive basis.

The U.S. Department of Health and Human Services (HHS) is funded at \$77.7 billion, a \$2.7 billion increase compared to FY2016, including a \$2 billion increase for the National Institutes of Health (NIH), and \$801 million for Centers for Disease Control and Prevention (CDC),

Substance Abuse and Mental Health Services Administration (SAMHSA), and Health Resources and Services Administration (HRSA) to fight opioid abuse, as well as slight increases for the Child Care and Development Block Grant (CCDBG) and Head Start (\$95 million and \$85 million, respectively). The U.S. Department of Labor (DOL) is funded at \$12.09 billion, \$83 million below the FY2016 level, with a modest increase for Job Corps and level funding for YouthBuild. In addition, the Corporation for National and Community Service is funded at \$1.03 billion, a decrease of \$65 million compared to FY2016, and the Institute of Museum and Library Services is funded at \$231 million, an increase of \$1 million compared to FY2016.

Additionally, the bill provides a three-year reauthorization of the Scholarships for Opportunity and Results Act, which authorizes the continuation of the D.C. Opportunity Scholarship Program and provides \$45 million for school improvement in the District of Columbia. Note that these provisions are located in “Division E Financial Services and General Government” appropriations.

## **U.S. Department of Education**

### *Statutory Language*

The FY2017 legislation includes several statutory provisions that impact ED’s programs and policies. Key provisions are summarized below:

**Promise Neighborhoods** – The bill supports the extension of high-quality Promise Neighborhoods grants to permit existing grantees to have grant periods consistent with the current ESEA statute (5 years plus 2 additional years).

**Student Loan Servicing** – The bill language directs the Secretary (no later than September 30, 2017) to permit borrowers who are consolidating their student loans to choose their Federal student loan servicer.

**Endowment Funds Supported with the Higher Education Act (HEA) Title III or V** – The bill maintains language that would permit the use of income from endowments, supported with funds from Title III or V of HEA, to be used for scholarships. The bill states that this authority is to have been considered as allowable under previous appropriations acts and is in effect until Titles III and V are reauthorized.

**The National Advisory Committee on Institutional Quality and Integrity (NACIQI)** – The bill language extends the authority for NACIQI through September 30, 2017.

**Student Loan Administrative Costs** – The bill language extends the authorization of appropriations for ED’s student loan administrative costs through FY2017.

**Summer/Year-Round Pell** – The bill reestablishes a version of the previously repealed Summer (or year-round) Pell Grant program. Under the bill, an eligible student who is attending at least half time could receive a second Pell Grant in the same award year. The total amount of Pell Grants awarded would be limited to 150 percent of a student’s Pell Grant award. The additional Pell Grant award would count toward the lifetime limit on Pell eligibility.

**Pell Grant Funding** – The bill rescinds \$1.3 billion in unobligated balances under the Pell Grant program. The bill also reduces the mandatory funding available to the Pell Grant program in FY2017 by \$254 million. These two funding reductions do not account for the resources



necessary to pay for the restoration of Summer/Year-Round Pell Grants, which will add to the overall cost of the Pell Grant program. The Pell Grant program is projected to have a surplus of over \$10 billion.

**Student Support and Academic Enrichment Grants** – The bill includes \$400 million for the new formula block grant program established under ESSA to support activities that provide students with a well-rounded education, ensure safe and supportive learning environments and increase the use of technology. The bill also includes language that allows these grants to be distributed within a State on a competitive basis at the State’s discretion. If a State chooses to administer these grants competitively, it must distribute funds to LEAs or consortia across 3 priority activity areas: safe and healthy students, well-rounded education, and effective use of technology. Grants must be distributed to LEAs with the greatest need and be at least \$10,000. LEAs no longer have to spend funds across all of the 3 priority areas but can choose one or two.

**Ready to Learn Funding** – The statutory language directs that \$2 million in unobligated funds from Program Administration and Student Aid Administration be made available for obligation under the Ready to Learn program.

#### Report Language

The Committee Report includes a number of provisions that would impact ED’s programs and policies. The key provisions are summarized below:

**Pay for Success** – The report states the Committee’s concern about ED’s use of national activities authorities under ESEA during FY2016 for Pay for Success projects. Specifically, the report mentions that these projects were only authorized under ESSA in three instances. The report directs ED to submit operating plans describing the intended use of national activities funding 45 days prior to the announcement of available funds for such projects.

**Ready to Learn** – The report describes additional funding to help Ready to Learn grantees meet their program objectives and describes a continued concern by the Committee about ED’s management in administering this program.

**Supporting Effective Educator Development Grants** – The report states that programs funded under this authority should support teachers in all grade levels and across disciplines, students, families and community members, in high-need rural areas. In addition, the report lists activities that the grant could fund, including: professional development and on-site programing for teachers and school administrators throughout the year; youth writing and literacy programs; and community-based workshops for students and families.

**Promise Neighborhoods** – The report describes the statutory extension of the maximum grant period that was provided for under the bill language.

**Pell Grants** – The report describes the bill language providing for the reinstatement of Summer/year-round Pell Grants. The report also states that ED “should implement this provision to maximize flexibility for institutions of higher education and avoid unnecessary administrative burdens while ensuring the best interests of students.” The report directs ED to issue guidance on Summer/year-round Pell grants by July 2017.

**Student Loan Servicing** – The report describes the bill language requirement to provide borrowers who are consolidating their student loans with the ability to choose their servicer. The report also directs ED to make common performance metrics available to borrowers to guide their selection of a servicer. ED is directed to brief the Authorizing and Appropriations Committee(s) on how it will carry out the directive on borrower access to performance metrics.

**TRIO Competition** – The report states that ED is strongly encouraged to provide flexibility to recent applicants who had their applications rejected due to formatting errors. The report further states that ED should “include consistent formatting requirements across all TRIO competitions in the future.”

### **U.S. Department of Health and Human Services**

**Head Start** – The bill includes an \$85 million increase compared to FY2016 levels for Head Start to support increases for all current Head Start programs, which will help programs keep up with costs, recruit and support highly qualified staff, maintain enrollment levels and continue to provide high quality, comprehensive services for children and families. The bill also provides a \$95 million increase for the Child Care and Development Block Grant, for a total funding level of \$2.9 billion as well as the Preschool Development Grants program at a total of \$250 million.

### **U.S. Department of Labor**

**Job Corps** – The report notes that the Committee remains deeply concerned about the issue of student safety on Job Corps campuses, citing findings by DOL’s Office of Inspector General regarding the enforcement of Job Corps’ disciplinary policies, potentially exposing students to unsafe environments. The report also strongly urges DOL to take corrective actions to ensure the safety of students and staff.

**Apprenticeships Grants** – The report states that DOL should prioritize grant applications that engage, recruit and serve women and other under-represented populations

### **Corporation for National and Community Service (CNCS)**

The bill includes a \$65 million cut to CNCS but maintains level funding for core national and community service programs, including \$38 million for AmeriCorps and \$202 million for Senior Corps programs, which are level with FY2016 funds. The bill does not include funding for the Social Innovation Fund.

### **Institute for Museum and Library Services (IMLS)**

The bill includes a \$1 million increase for IMLS to support programs for museums and libraries that encourage innovation, provide lifelong learning opportunities, promote cultural and civic engagement and improve access to a variety of services and information.

**Funding Comparison of Select Programs under the FY2017 Senate Labor, Health and Human Services, Education, and Related Agencies Appropriations Legislation**  
(in millions)

- Funding levels noted in **red** reflect a reduction in programmatic funding from FY2016
- Funding levels noted in **green** reflect an increase over FY2016 funding

Department of Education	FY 2016 Funding Level	FY 2017 Budget Request	FY 2017 House LHHS	FY 2017 Senate LHHS	FY 2017 Omnibus LHHS
<b>Office of Elementary and Secondary Education</b>					
Title I (Grants to LEAs)	\$14,909.8	\$15,359.8	\$15,359.8	\$15,409.8	\$15,459.8
School Improvement Grants (SIG)	\$450.0	\$0	\$0	\$0	\$0
Comprehensive Literacy State Development Grants (Striving Readers)	\$190	\$190.0	\$160.0	\$190.0	\$190.0
Improving Teacher Quality State Grants (ESEA Title II)	\$2,349.8	\$2,250.0	\$1,949.8	\$2,055.8	\$2,055.8
Mathematics and Science Partnerships	\$152.7	\$0	\$0.0	\$0	\$0
21 <sup>st</sup> Century Community Learning Centers	\$1,166.6	\$1,000.0	\$1,166.6	\$1,050.0	\$1,191.6
State Assessments	\$378.0	\$403.0	\$300.0	\$378.0	\$369.1
Comprehensive Centers	\$51.4	\$55.4	\$48.4	\$51.4	\$50.0
Promise Neighborhoods	\$73.2	\$128.0	\$63.2	\$73.0	\$73.2
<b>Office of Innovation and Improvement</b>					
Education Innovation and Research (formerly i3)	\$120.0	\$180.0	\$0.0	\$120.0	\$100.0
Teacher and School Leader Incentive Grants	\$230.0	\$250.0	\$0.0	\$213.0	\$200.0
School Leader Recruitment and Support	\$16.3	\$30	\$0.0	\$16.3	\$14.5
Charter Schools Program	\$333.1	\$350.0	\$333.1	\$343.1	\$342.2
Advanced Placement (AP)	\$28.4	\$28.4	\$0.0	\$0.0	\$0
Ready-to-Learn Television	\$25.7	\$25.7	\$25.7	\$25.7	\$25.7
Arts in Education	\$27.0	\$27.0	\$0.0	\$27.0	\$27.0
Innovative Approaches to Literacy	\$27.0	\$27.0	\$0.0	\$27.0	\$27.0
Student Support and Academic Enrichment Grants (Block Grant)	\$0.0	\$500	\$1,000	\$300	\$400
<b>Office of English Language Acquisition</b>					
English Language Acquisition (ESEA Title III, Part A)	\$737.4	\$800.4	\$737.4	\$737.4	\$737.4
<b>Office of Special Education and Rehabilitative Services</b>					
IDEA Part B – (Grants to States)	\$11,912.8	\$11,192.8	\$12,412.8	\$11,952.8	\$12,002.8
IDEA Part C – (Infants and Families)	\$458.5	\$503.5	\$458.5	\$458.5	\$458.5
Parent Training and Information Centers	\$27.4	\$27.4	\$27.4	\$27.4	\$27.4
<b>Office of Career, Technical, and Adult Education</b>					
CTE State Grants	\$1,117.6	\$1,192.6	\$1,117.6	\$1,117.6	\$1,117.6
Adult Education State Grants	\$582.0	\$582.0	\$582.0	\$582.0	\$582.0
<b>Federal Student Aid</b>					
Pell Grant Discretionary Funding	\$22,475.3	\$22,475.3	\$21,165.3	\$22,475.3	\$22,475.3
Pell Grant Maximum (with mandatory add-on)	\$5,815.0	\$5,935.0	\$5,935.0	\$5,935.0	\$5,920.0
<b>Office of Postsecondary Education</b>					
Strengthening Institutions	\$86.5	\$86.5	\$86.5	\$86.5	\$86.5
Strengthening HBCUs	\$244.7	\$244.7	\$244.7	\$244.7	\$244.7
Strengthening Historically Black Graduate Institutions	\$63.3	\$63.3	\$63.3	\$63.3	\$63.3
First in the World (under FIPSE)	\$0.0	\$100.0	\$0.0	\$0.0	\$0.0
Federal TRIO Programs	\$900.0	\$900.0	\$960.0	\$900.0	\$950.0
GEAR UP	\$322.7	\$322.7	\$344.7	\$322.7	\$339.7
<b>Institute of Education Sciences</b>					



Department of Education	FY 2016 Funding Level	FY 2017 Budget Request	FY 2017 House LHHS	FY 2017 Senate LHHS	FY 2017 Omnibus LHHS
Research, Development and Dissemination	\$195.0	\$209.3	\$154.5	\$190.0	\$187.5
Statistics	\$112.0	\$125.4	\$103.0	\$112.0	\$109.5
Regional Educational Laboratories	\$54.4	\$54.4	\$54.4	\$54.4	\$54.4
NAEP	\$149.0	\$149.0	\$129.0	\$149.0	\$149.0
Special Education Research	\$54.0	\$54.0	\$49.3	\$54.0	\$54.0
Statewide Longitudinal Data Systems	\$34.5	\$81.0	\$27.2	\$34.5	\$32.2

Program	FY 2016 Funding Level	FY 2017 Budget Request	FY 2017 House LHHS	FY 2017 Senate LHHS	FY2017 Omnibus LHHS
<b>Department of Labor</b>					
WIOA (Adult, Dislocated Worker, and Youth Funding)	\$2,930.6	\$3,078.7	\$2,849.7	\$2,636.0	\$2,709.8
Job Corps	\$1,689.2	\$1,754.6	\$1,700.3	\$1,709.9	\$1,704.2
Apprenticeship Grants	\$90	\$90	\$0	\$100	\$95
<b>Department of Health and Human Services</b>					
Head Start (including Early Head Start)	\$9,168.0	\$9,601.7	\$9,309.7	\$9,203.0	\$9,253.0
CCDBG	\$2,761.0	\$2,961.6	\$2,801.0	\$2,786.1	\$2,856.0
NIMH	\$1,519.0	\$1,519.7	\$1,599.7	\$1,620.0	\$1,601.9
NICHHD	\$1,338.0	\$1,338.0	\$1,373.4	\$1,396.0	\$1,380.2
Preschool Development Grants	\$250.0	\$350.0	\$250.0	\$250.0	\$250.0 <sup>1</sup>
<b>Corporation for National and Community Service</b>					
CNCS Total Funding	\$1,094.9	\$1,096.8	\$1,081.7	\$1,030.3	\$1,030.4
AmeriCorps State and National	\$386.0	\$386.0	\$386.0	\$386.0	\$386.0
Social Innovation Fund	\$50.0	\$50.0	\$50.0	\$0.0	\$0
<b>Institute of Museum and Library Services (IMLS)</b>					
IMLS Total Funding	\$230.0	\$230.0	\$230.0	\$231.0	\$231.0
Library Services and Technology Act (LSTA)	\$182.9	\$182.4	\$183.3	\$183.8	\$183.0
Grants to States	\$155.7	\$154.8	\$155.9	\$156.1	\$156.1
Native American Library Services	\$4.0	\$3.8	\$4.1	\$3.8	\$4.1
National Leadership: Libraries	\$13.0	\$13.7	\$13.1	\$13.4	\$13.4
Laura Bush 21 <sup>st</sup> Century Librarian	\$10.0	\$10.5	\$10.0	\$10.0	\$10.0
Museum Services Act (MSA)	\$29.8	\$30.2	\$29.7	\$30.4	\$30.2
Museums for America	\$21.1	\$20.2	\$21.1	\$20.3	\$21.1
Native American/Hawaiian Museum Services	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9
National Leadership: Museums	\$7.7	\$9.1	\$7.7	\$9.1	\$8.1
African American History Culture Act	\$1.4	\$1.4	\$1.4	\$1.4	\$1.5

<sup>1</sup> ESSA moved this program from the Department of Education to HHS.

