



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF PLANNING, EVALUATION AND POLICY DEVELOPMENT

January 12, 2017

Memorandum to:
Chief State School Officers

From:
Erica Navarro
Director, Budget Service
U.S. Department of Education

Subject: The FY 2017 Continuing Resolution and State Formula Grant Programs

I am writing to clarify the impact of the second Fiscal Year (FY) 2017 Continuing Resolution (Public Law 114-254, or CR) on Department of Education (Department) programs. The second CR generally, with the exception of a small across-the-board reduction, provides funding through April 28, 2017 for Department programs at the same levels and under the same terms and conditions as the FY 2016 appropriation, and it allows obligations to occur at the same level and time period that has occurred in the past.

We do not expect the CR to impede normal operations for most Department formula grant programs because those programs are “forward-funded,” which means that funds are typically appropriated in advance of the upcoming school year and are obligated on July 1 (and in some programs, on October 1 as well) of the fiscal year. Thus, Department formula grant programs for the current 2016-2017 school year were funded by the FY 2016 appropriations act, and were obligated to States last July and October. These funds are generally not affected by the CR.

There are some exceptions to this general rule. There are small (less than two-tenths of one percent) across-the-board reductions to FY 2016 allocations for the four accounts with advance appropriations—Education for the Disadvantaged (Title I, ESEA), School Improvement Programs (Title II, ESEA), Special Education (IDEA Part B), and Career, Technical, and Adult Education (Perkins State Grants). In addition, the Impact Aid program relies on FY 2017 appropriations to fund program activities in the current 2016-2017 school year. The Department is currently working with the Office of Management and Budget to minimize the impact of these exceptions and ensure normal operations for the affected programs.

The CR also will also result in the delay of the normal release of information on final appropriations levels for FY 2017. For example, the Department typically would release preliminary FY 2017 allocations for State formula grant programs in February or March of 2017. This fiscal year, because the Department must wait for final appropriations action to publish preliminary allocations, we anticipate that this information will not be available until late spring or early summer of 2017, or just prior to the usual announcement of final allocations on July 1.

The CR also impacts programs authorized by the Elementary and Secondary Education Act of 1965 (ESEA), which was recently reauthorized by the Every Student Succeeds Act (ESSA). The ESSA eliminated several previously authorized programs, while also establishing new programs. The CR, however, would nominally continue to fund certain expired programs. The Department, relying on both the ESSA and preliminary House and Senate action on the FY 2017 appropriations bill, does not anticipate continued operation of the expired programs (*i.e.*, School Improvement Grants, Mathematics and Science Partnerships, Transition to Teaching, Elementary and Secondary School Counseling, the Physical Education Program, and Advanced Placement). The Department further intends to administer all ESEA programs for which funding is anticipated in FY 2017 consistent with the requirements of the ESSA, including all applicable regulations, rather than the previous version of the ESEA referenced in the CR. This approach is consistent with both the transition provisions of the ESSA and Congressional intent as expressed in preliminary House and Senate FY 2017 appropriations bills.

If you have additional questions or concerns, I encourage you to reach out to your program office contacts or me and we will do everything possible to assist you.