



## BILL SUMMARY

### EDUCATION & THE WORKFORCE COMMITTEE

### **State and Local Funding Flexibility Act (H.R. 2445)**

**Background:** The federal government operates a host of elementary and secondary education programs, each with its own set of strict rules dictating exactly how funds may be spent by state and local school leaders. The manner in which funding is funneled through separate streams severely limits states' and school districts' ability to apply limited resources toward meeting the unique needs of their students.

States and school districts need flexibility to develop solutions that adequately prepare all students for college or the workplace. That is why Chairman John Kline (R-MN) and Committee Republicans introduced the State and Local Funding Flexibility Act (H.R. 2445), a proposal that provides states and school districts maximum flexibility in how they spend federal dollars on education programs. The bill will allow states and local educational agencies to use funds received under the Elementary and Secondary Education Act (ESEA) for additional activities authorized under the law, providing state and local officials with greater control over their education decisions, eliminating bureaucratic red tape, and encouraging local innovation to reform public education.

### **Providing Funding Flexibility for Every State and School District**

The State and Local Funding Flexibility Act will provide every state and school district in the country the flexibility currently provided to rural school districts under the Rural Education Achievement Program, which is currently authorized under Title VI of ESEA. That authority, commonly known as REAP Flex, has been widely used by rural school districts to direct federal resources to meet the needs of their students. The bill will build upon the success of this program by applying it to all states and school districts and expanding the program to include ESEA formula funds (except the Impact Aid program) and the EduJobs Fund. This will allow states and school districts to use those funds on state and local activities authorized under ESEA.

The bill defines the list of programs that states and districts could use for an alternative purpose if it chooses to do so.

States could use funds from:

- School Improvement Grants (State Administration)
- Aid for the Disadvantaged (State Administration)
- Migrant Education

- Neglected and Delinquent Programs
- Teacher Quality State Grants
- English Language Acquisition Grants
- 21<sup>st</sup> Century Community Learning Centers
- Education Jobs Fund

School districts could use funds from:

- Aid for the Disadvantaged
- Migrant Education
- Neglected and Delinquent Programs
- Teacher Quality State Grants
- English Language Acquisition Grants
- Indian Education
- Education Jobs Fund

Activities for which the funds could be used include:

- School Improvement Grants
- Aid for the Disadvantaged (State Administration) – States only
- Aid for the Disadvantaged – school districts only
- Reading First
- Migrant Education
- Neglected and Delinquent Programs
- Teacher Quality Grants
- Math and Science Partnerships
- English Language Acquisition Grants
- 21<sup>st</sup> Century Community Learning Centers
- Innovative Programs
- Grants for State Assessments – States only
- Rural and Low-Income School Program
- Indian Education
- Early Intervening Services under Section 613(f) of the Individuals with Disabilities Education Act – school districts only

For example, if a state or school district receiving formula funds under the Teacher Quality State Grant program wanted to use those funds to purchase new computers or create a new literacy program for English Language Learners, it could do so unencumbered by federal requirements dictating how federal funds are to be spent. The State and Local Funding Flexibility Act will maintain monitoring, reporting, and accountability requirements for states and school districts under existing ESEA programs. This ensures states and school districts continue to focus on improving the academic achievement of special populations of students, including disadvantaged students, migrant students, at-risk students, and English Language Learners (ELLs).

The State and Local Funding Flexibility Act also includes a reasonable annual notification requirement, similar to what is currently included in REAP Flex. Under the proposal, school districts will notify the state how they plan to use their funds, and states will notify the Secretary of Education how they plan to use their funds. The bill does not require an application or approval process to utilize the flexibility. Further, the legislation ensures states and school districts intending to exercise funding flexibility will receive their allocations at the same time as those choosing not to utilize the authority, an assurance also included under the existing rural flexibility program.

### **Reducing the Federal Role in Public Education**

By maintaining a focus on student performance and enabling states and school districts to determine how best to deliver those results, the State and Local Funding Flexibility Act will help restore state and local control of education and reduce the federal role in public education.