

Federal Update

November 18, 2005

House Budget Reconciliation Bill Passed Early This Morning

As reported last Friday, the House did not vote on the budget reconciliation bill last week and many wondered if a vote would happen before the House recesses for two weeks. The House did however take up the bill early this morning and passed it on a very close vote of 217-215. House leaders stripped a number of controversial provisions from the bill, most notably oil drilling in Alaska's Arctic National Wildlife Refuge (ANWR), to create a bill with nearly \$49 billion in spending cuts. Members were persuaded to vote for the bill after small alterations to Medicaid, food stamp and student loan funding. Details are not yet posted, but will be forthcoming. With the student loan cuts, students are likely to face greater debt, and will need to work more or borrow more from private sources to attend college. The bill is significantly different from the Senate bill and will head next to conference committee to iron out those differences.

Labor, HHS, and Education Bill Unexpectedly Defeated in House

Yesterday the House unexpectedly defeated the Labor, HHS, Education Appropriations conference committee report by a vote of 209-224. This is the bill that funds the Departments of Education and Health and Human Services for FY2006. This is the first time since 1995 that the final version of a spending bill was defeated on the House floor. The bill would have held the maximum Pell grant to \$4,050 for the fourth year in a row, even though the program is projected to develop a surplus of \$500 million in 2006. **Rep. Jerry Lewis (R-Calif.)**, chairman of the Appropriations Committee, attributed the defeat to nearly \$1 billion worth of earmarks that were cut from the bill to include initiatives such as providing more funding for the Low Income Housing Energy Assistance Program, providing grants to needy people to pay for heating this winter, the Center for Disease Control and Prevention, and Title 1 education for disadvantaged students and special education. **Rep. Lewis** said he favors a continuing resolution measure that would fund government programs covered by the bill in 2006 at the 2005 spending levels. The House did approve a temporary continuing resolution yesterday that would provide financing for programs covered in the bill at 2005 levels through December 17.

The bill will now go back to conference committee, made up of both House and Senate members. They could try to come up with a bill with more-palatable numbers and seek another vote in December. Another possibility is for the bill to be combined in an omnibus bill with other appropriations bills not yet passed. Stay tuned.

Perkins Reauthorization on Hold

Despite best efforts by the House and Senate, it is very unlikely that the Perkins Act will be reauthorized this year. Due to Congress' growing agenda, the time to convene a conference committee to work out the differences between the two bills became very difficult to arrange. Perkins continues to be a top education priority, and while nothing is

definite, it is expected Congress will pick up Perkins early in 2006. The bills that will be considered by this committee in 2006 are those which passed each chamber earlier this year (H.R. 366 and S. 250). This means that the work on reauthorization will pick up exactly where left off and continue to progress forward.

In an effort to move the bill forward, **Gov. Tim Pawlenty**, who chairs the National Governors Association's (NGA) Committee on Education, Early Childhood and Workforce, along with **Gov. Kathleen Sebelius** of Kansas, wrote a letter to the Senate and House committee leadership on behalf of NGA asking to include the following provisions in the bill: uphold unspent funds provision; support the flexible basic state grant allocation, oppose two percent cap on state administration funding; provide states with the option to combine tech prep funding with basic state grants; and preserve Section 118, Occupational and Employment Information.