



## ITCA Update April 28, 2025

Congress has returned to Washington DC after a two-week Spring recess. This week also marks the completion of the Administration's "First 100 Days".

**Budget Reconciliation** One of the major priorities facing the Congress as it returns from Spring recess is continuing the development and passage of a budget reconciliation bill that will include the Administration's planned tax cuts, increases in defense and border provisions, and significant cuts to domestic programs. According to the Budget Resolutions passed in the House and the Senate before the recess, committees have been given instructions to cut specific amounts to programs under their jurisdiction. House committees are expected to begin these mark-ups this week. Speaker Johnson has indicated he wants the House bill to be considered by the full House by the Memorial Day recess.

The House Energy and Commerce Committee has been charged with saving \$880 billion and is expected to begin its work on May 7<sup>th</sup>. Given the size of this cut and the total spending available under the committee, it is likely the cuts will need to come from Medicaid. Significant advocacy efforts are underway to stop any cuts to Medicaid. Leadership in the House and in the charged Committee have committed to not making cuts to eligible Medicaid benefits. Possible changes to Medicaid could include adding work requirements, increasing the frequency of eligibility redetermination, and decreasing the federal Medicaid share.

The House Agriculture Committee is expected to develop its mark-up on May 8<sup>th</sup>. The Committee has been instructed to cut \$230 billion from programs within its jurisdiction. One of the programs expected to receive significant cuts is the Supplemental Nutrition Assistance Program (SNAP). The House Education and Workforce Committee has been instructed to cut \$320 billion from education and possibly other programs under its jurisdiction. Mark-up is scheduled for tomorrow.

The House Ways and Means Committee, with jurisdiction over tax policy, ACA marketplace policies, Medicare, SSBG, SSI and TANF, is expected to meet to vote on its reconciliation package in the week of May 12<sup>th</sup>.

The Senate is expected to consider a reconciliation bill sometime in June. There has been discussion that the Senate will not mark its own version of the bill but will consider the final House bill. Final passage of a reconciliation bill is planned before the August recess.

**FFY 2025 Final Spending Levels** The final Continuing Resolution for FFY 2025 set an overall account level for all the programs under the IDEA and Special Olympics at a freeze of the FFY 2024 level. The Department of Education is in the process of determining final spending levels for specific programs under IDEA for this year. This Part C funding will be allocated to states July 1, 2025.

**President's Budget for FFY 2026** The “skinny” version of the President’s Budget request that includes top line numbers is expected to be sent to the Congress this week or next. The President’s full Budget request is expected sometime in May. Significant cuts in domestic programs are expected to be included in this Budget request. It is not known yet if the funding cuts and program eliminations leaked in the HHS document, “2026 Discretionary Budget Passback” will be included in this Budget request. The HHS draft request included a reduction of HHS funds from \$121 billion in 2024 to \$80 billion in 2026.

There is no Congressional vote on the President’s Budget request. The House and the Senate determine spending levels for all federal programs. Both bodies are beginning their work to develop an appropriations bill that must be agreed to by both chambers and the President by midnight September 30<sup>th</sup>. If a final appropriations bill is not signed into law by that time, a Continuing Resolution (CR) will be needed to continue to fund the government until agreement can be reached. If a CR is not passed and signed into law, the government shuts down.

**Legal Challenges to DEI Elimination Mandates** A number of courts have paused implementation of the Administration’s required DEI actions directed at State Chief State School Officers and local school districts. This directive required a new certification indicating that these agencies are not violating Title VI of the Civil Rights Act of 1964 through “illegal DEI practices.” The order also put state and local education leaders on notice that their certifications would constitute a “material condition” for the receipt of their federal funds. One of the court rulings indicated the definitions in the order were not clear and one court indicated the process used was not acceptable. Implementation of the order will continue to be reviewed through the judicial system.