



ITCA Update June 30, 2025

This update will cover the work of the Congress on passage of the Reconciliation bill as we approach the July 4th recess. The Senate was in session day and night throughout the weekend on its version of the bill and House members have been informed by Speaker Johnson they will likely be called back to session to consider the Senate bill as soon as Wednesday of this week.

Reconciliation Process The Senate has been in session for the last several days working to pass their version of the reconciliation bill. The Senate bill was released late Friday night. After much deliberation, and a 16 hour reading of the entire 940 page bill by Senate clerks, a vote by the full Senate on Sunday permitted the bill to proceed to the Senate floor for a vote.

After a break Sunday night, a 20-hour Senate “vote-a-rama” began with both parties offering amendments to the current bill before a final vote which is expected sometime early Tuesday morning. The Republican leadership can only lose 3 votes to ensure passage of the bill. As of Monday afternoon, two Republican Senators were expected to vote no on the bill, and it was unclear if others would join in defeating the bill.

The Senate bill is significantly different than the House bill. If the Senate bill passes, it will be sent to the House for consideration. The Speaker of the House has alerted House members they may be voting on the bill before the holiday. Several House members have already expressed disagreement with some of the Senate provisions and there are members of the House that may vote no on the bill which would prevent the bill from passage. If the House changes the bill again, it will need to come back to the Senate for consideration and a vote. Once the bill is finalized with passage by the full House and the full Senate, it goes to the President’s desk to be signed into law. The President has indicated that he understands if the bill takes longer than this week to be agreed to by both chambers as long as it passes.

According to the Congressional Budget Office (CBO) analysis of the Senate bill, it will add over \$3 trillion to the debt over 10 years, as compared to the House bill’s \$2.4 trillion increase. The Senate bill includes \$1 trillion in Medicaid cuts compared to the House bill

which cuts about \$700 billion in the program. The Senate bill is expected to result in 17 million people losing coverage over 10 years, including cuts in Medicaid and changes to the Affordable Care Act (ACA).

The Senate bill eliminates taxes on tips and overtime, which brings the size of the tax cut in the bill to about \$4.5 trillion. The House bill includes \$3.75 trillion in tax cuts. The Senate bill cuts about \$200 billion from SNAP and includes a required fiscal contribution from some states. The House bill cuts \$300 billion from SNAP.

While the amendments are being considered in the Senate, the Senate Parliamentarian continues to review provisions according to the Byrd rule. This rule requires all reconciliation policies to have a fiscal component which allows them to be passed by a simple majority instead of the usual 60 votes required in the Senate. Several provisions originally ruled ineligible under the rule have been revised to meet the Byrd rule. There is continuing disagreement about whether the Senate will follow the conclusions of the Parliamentarian or will allow Senate leadership and the Budget Committee chair to overrule these conclusions.

More Education Nominees Head To Senate for Confirmation The Senate Health, Education, Labor, and Pensions (HELP) Committee has voted to advance several individuals for roles at the U.S. Department of Education (ED). These include Penny Schwinn to serve as Deputy Secretary of Education. She held state education leadership roles in Tennessee, Texas, and Delaware and founded a charter school in California and is a strong proponent of school choice.

Kimberly Richey was also approved by the HELP Committee for consideration as Assistant Secretary for Civil Rights. Richey was the acting Assistant Secretary for Civil Rights during the first term of the Trump Administration. Both nominations will advance to the Senate floor for a final vote. It is not clear when this will occur.

FFY 2026 Appropriations Process The Labor, Health and Human Services, Education, and Related Agencies subcommittee is scheduled to mark-up its FFY 2026 appropriations bill on July 21st. This subcommittee funds all education programs, including IDEA, as well as all health and labor programs. The full Appropriations Committee will consider these subcommittee funding proposals on July 24th before the August recess.

The Congress and the President have until midnight September 30th to agree to a final appropriations bill which will set specific funding levels for all federal programs for the FFY 2026 year. A Continuing Resolution (CR) will be necessary to keep the government open and allow more time for agreement to be reached after October 1, 2025. These FFY 2026 funds will be allocated in the Part C awards, July 1, 2026.