



Thursday, July 20, 2017

Dear CEF Members:

- What a week! In the span of six days we had CEF's big event producing our analysis of the President's FY 2018 budget, markup of the House's FY 2018 education funding bill, and the House Budget Committee's markup of the FY 2018 budget resolution! Those events would normally be spread from March through July, with the appropriations bill coming last. Whew! Below is the wrap-up of yesterday's House Appropriations Committee markup of the Labor-HHS-Education funding bill, and the House Budget Committee markup of the Republican budget resolution.

I. House Appropriations Committee markup

- **NDD funding left on the table** – One refrain from Democrats at the House Appropriations Committee markup of the FY 2018 education funding bill was that the Committee was leaving \$5 billion on the table, and could afford to do more than it was for education or other priorities. That is because the House Appropriations Committee, and the House Budget Committee at its markup of the FY 2018 budget resolution, chose to set nondefense discretionary (NDD) funding at \$5 billion below the sequester-level cap in law for FY 2018. To fit under that lower NDD level, the Appropriations Committee chose to cut its suballocation – the “302(b) allocation” – for the Labor-HHS-Education bill by \$5 billion below last year's level. (The Committee also cut NDD funding in subcommittee bills but not by as much, and increased NDD funding primarily for veterans health care and homeland security.)
- **Education-related amendments at yesterday's Appropriations Committee markup of Labor-HHS-Education bill** – As is usual, the Democratic amendments were rejected at the markup yesterday. CEF tweeted about the votes on the education-related amendments. In a few cases, Subcommittee chair Tom Cole (R-MO) promised to work to try to accommodate specific priorities if this bill ultimately gets allocated more funding. However, he did ultimately oppose those amendments, which included Rep. David Price's (D-NC) amendment rejecting the elimination of the \$7 million Fulbright-Hayes international education program and Ranking Member Rosa DeLauro's (D-CT) amendment on afterschool funding.

II. House Budget Committee markup

- **House Budget Committee markup** – The Budget Committee rejected Democratic amendments and approved a budget that matches the FY 2018 NDD total that the House Appropriations Committee has allocated among its 12 government funding bills, and that makes deep cuts in future years. Two education amendments were offered and rejected:
 - **Rep. Jackson-Lee (D-TX) Pell grant amendment** – [this amendment](#) added \$2.8 billion intended to increase the maximum Pell grant for next year by \$500 and then let it rise by inflation thereafter.
 - **Rep. Wasserman Schultz (D-FL) early childhood education amendment** – [this amendment](#) added funding to invest in early childhood education and care, providing funding intended for Head Start, CCDBG, and Preschool Development Grants.

- **Reconciliation instructions** – Title II of the budget resolution requires 11 House Committees to submit recommendations by October 6 for changes in law to achieve specified amounts of deficit reduction in their jurisdiction – a total of \$203 billion over ten years. These recommendations would be packaged into a reconciliation bill that gets fast-track protections in the Senate, with the Republicans’ stated goal of using the bill for tax reform. The House Education and the Workforce Committee is instructed to recommend \$20 billion of savings, but that is a floor, not a ceiling, of the spending cuts that could be in the package. The budget does not say what it assumes the Committee will cut to achieve those savings. There has been much discussion about the optics of requiring mandatory spending cuts in a package designed to provide tax cuts.

- **Additional mandatory spending cuts** – The budget resolution assumes much deeper mandatory spending cuts than the \$203 billion required under the reconciliation directive. For just the education budget function, the resolution assumes \$211 billion in mandatory spending cuts over ten years. During the walkthrough at the markup, the Republican Staff Director said those cuts were primarily to student loans, and that the budget assumes all Pell grant spending is on the discretionary side, which means that the existing mandatory Pell grant funding is eliminated. If the budget assumed all the changes to student loans in the President’s budget (which [total \\$100.5 billion using the Congressional Budget Office’s scoring](#)), eliminated all mandatory Pell grant funding (\$81.4 billion), and eliminated the Social Services block grant (\$17 billion), there’s still another \$12 billion of unexplained spending cuts in this budget function.

- **Discretionary education cuts** – There’s no way to characterize what the budget resolution has in mind for discretionary funding for each budget function because it has hundreds of billions of unallocated NDD cuts over ten years, which could fall on any NDD program. Those cuts render the funding levels in the individual budget functions meaningless, even though they are already cut significantly except for veterans health care.

III. Events

- **CEF's upcoming schedule –**
 - **Tomorrow - July 21, 9-11 am:** CEF meeting (AFSCME, 1625 L ST, NW, 1st floor auditorium). Guest speaker: Farouk Ophaso, Budget Analyst for education, House Budget Committee Democratic staff. **Please RSVP to Jonathan Widjaja at Widjaja@cef.org if you plan to attend so that security will have your name when you arrive.**
 - **Friday, July 28, 9-11 am:** last Friday meeting before the congressional recess (AASCU, 1307 NY Ave, NW). Guest speaker: Chuck Kieffer, Staff Director, Senate Appropriations Committee Democratic staff.
 - **CEF August research briefings –** back by popular demand, CEF's Advocacy and Research Committee is arranging informative briefings for three Wednesdays in August. More details on speakers to follow:
 - August 9, 10-11:30am – Implications of Tax Reform on Education, at IBM (600 14th ST, NW)
 - August 16, 10-11:30 am– Budget Resolutions and Reconciliation, at IBM (600 14th ST, NW)
 - August 23, 10-11:30am – Equity in Education (location TBD)
 - **Friday, Sept. 8, 9-11 am:** Friday morning meetings resume (AACTE, 1307 NY Ave, NW). Guest speaker: Alicia Molt-West, Deputy Chief of Staff, Rep. Mark Pocan (D-WI).

- Sarah

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