



Wednesday, January 9, 2019

I. Policy Intelligence and Education News

- **Fiscal Year (FY) 2019 funding impasse** – Nothing has changed in the stalemate between the Administration, which is demanding \$5.7 billion to build a southern border wall before it will approve any of the seven remaining FY 2019 appropriations bills. The shutdown of the government programs funded by those bills has already lasted 18 days. The President and congressional leaders are scheduled to meet this afternoon, but folks don't seem optimistic that the meeting will create a solution. Meanwhile, the House is going to start passing individually the bipartisan Senate funding bills that last year passed the full Senate or the Senate Appropriations Committee; these were the bills put together in an omnibus package that the Democratic House passed last week. The only substantive change is to include language paying the federal workers who have been furloughed by the shutdown. The first four bills will be Financial Services and General Government (this includes the IRS and the Office of Management and Budget); Agriculture (which includes the appropriated entitlement funding for SNAP); Interior; and Transportation-HUD. You can find links to the bills and their summaries [here](#).
- **Budget-related changes in the House Rules package** – Today the House plans to complete consideration of the Democratic [rules for the 116th Congress](#) (the link includes a summary and a section-by-section descriptions). Section 102 includes provisions making the following budget-related changes:
 - **Reinstate the Pay-As-You-Go (PAYGO) rule** – This rule reinstates a modified pay-as-you-go point of order that requires legislation making changes to revenues or mandatory spending to not increase the deficit in specific budgetary periods (the current year, the budget year, and the nine fiscal years following the budget year, which generally covers an 11-year period). Instead of this PAYGO rule, House Republicans previously enforced a “cutgo” rule that required offsets only for mandatory spending increases, not tax cuts (neither rule applies to discretionary spending). The change back to PAYGO means that both mandatory spending and tax cuts need to have their deficit impact offset. However, the House can – and often does – waive its rules, and likely will do so for popular legislation that triggers this PAYGO point of order. This House rule is separate from the [PAYGO statute that leads to automatic sequestration if the total costs of the mandatory spending and revenue bills enacted during that congressional session are not offset](#). Of course, Congress can also direct the Office of Management and Budget to not add specific legislation to its statutory PAYGO scorecard, meaning that certain legislation (such as tax cuts or mandatory spending increases) don't have any statutory PAYGO implication.
 - **Do not require the House to vote to increase the debt ceiling after it approves a budget resolution** – Often called the “Gephardt rule,” this year's slight variation states that once

the House votes for a budget resolution, a separate joint resolution is automatically spun off – and considered to have passed the House – that suspends the debt ceiling until September 30 of the budget year. Previous iterations had two differences: the automatic debt ceiling increase was spun off only upon completion of the budget resolution conference agreement, not when the House passed its version, and the debt ceiling was raised to a specific level based on what was in the budget conference agreement rather than being suspended until a specific date. Votes to raise the debt ceiling are difficult but the must-pass legislation has often formed the basis of budget deals and other broader budgetary packages.

- **Allow amendments to appropriations bills on the House floor that add spending without an offsetting cut** – This change makes it easier to add funding to appropriations bills on the House floor as long as an amendment will not cause the bill to exceed its allocation. Previously, amendments to add funding needed to include an offsetting cut elsewhere in the bill or face a point of order against being considered. The old requirement led many amendments to add funding to one program but cut funding from another similar one or from a program administration account, which did not result in any net increase in funding for the issue.
- **Eliminate requirement for “dynamic scoring” of major legislation** – The Congressional Budget Office will no longer be required to factor in changes in macroeconomic variables when it scores certain major legislation. This is often referred to as dynamic scoring, and could, for example, find that the effect of a bill is to speed up or slow down the economy and therefore increase or decrease the cost of the bill. Proponents favored dynamic scoring for tax cuts that could be argued to lead to increased economic growth.
- **Eliminate term limits for serving on the Budget Committee** – In the past, members of the Budget Committee generally could serve no more than three consecutive terms before they had to rotate off the committee. Under the new rules, Members can build up seniority and expertise, as they do on the other standing committees.
- **House to begin making Committee assignments on Thursday** – House Democrats and Republicans are scheduled to begin making committee assignments tomorrow, a process that could take several weeks before all new Members have their assignments and all non-exclusive committees are filled.
- **Department of Education (ED) news** – Because Congress has finalized FY 2019 education funding, we are passing along some other education-related news in the period before there is information about the FY 2020 budget.
 - **Internal reorganization** – ED was scheduled to begin phasing in an internal reorganization plan that will merge several office and change many staff responsibilities (CNN outlines some of the changes [here](#)). It’s not clear where the changes will start, and there hasn’t been much if any recent publicity about the reorganization.
 - **New hires** – Yesterday ED [announced a large number of new hires](#) and changes in positions in many offices, some of which may reflect the internal reorganization.

II. Events

- **CEF's upcoming schedule –**
 - **Friday, Jan. 11**, 9-11am, at University of California (1608 Rhode Island Ave, NW, auditorium). Guest speakers: Brandon Mendoza, Education LA for Rep. Susan Davis (D-CA), the likely Chair of the Education and Labor Subcommittee on Higher Education and Workforce Development; and Armita Pedramrazi, former LA for Rep. Davis and now Legislative Director for Rep. Mary Gay Scanlon (D-PA). Note: our guests will be speaking at 9:30 a.m.
 - **Friday, Jan. 18**, 9-11am, at AFT (555 New Jersey Ave, NW, 4th floor). Guest speaker: TBD
 - **Friday, Jan. 25**, 9-11:30am, Membership retreat/first quarterly committee meeting, at University of California (1608 Rhode Island Ave, NW, auditorium). Please try to attend – this is your opportunity to help shape CEF's plans for 2019 and join committees.
 - **Tuesday, Jan. 29**, 4-6pm, CEF Capitol Hill reception for the 116th Congress. Stay tuned for details.
 - **Friday, Feb. 1** – No CEF meeting.
- Sarah

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