



# Legislative Update: Fiscal Year 2009 Budget & Appropriations

Congress is slated to complete its FY 2009 budget resolution this April, with a number of expected provisions that could impact issues affecting school districts. From appropriations for Title I grants for disadvantaged students to special education, school-based Medicaid reimbursement and school construction, the budget resolution will provide the preliminary framework for how Congress addresses education and other domestic priorities.

As of March 20, both the House and Senate passed their versions of an FY 2009 Congressional Budget Resolution this week, with both measures accommodating proposed funding increases ranging from \$5 billion to \$7 billion over the current FY 2008 funding levels for programs under the rubric of education and training. House and Senate conferees are expected to be named soon to finalize a final Congressional Budget Resolution that will provide a parameter or guideline for House and Senate Appropriations Committees to begin work on specific funding levels for education and other programs in FY 2009. *The following chart provides a brief comparison of the House and Senate measures.*

The House adopted its budget resolution (H Con Res 312) by a vote of 212-207, which would provide an increase of \$7.1 billion (or 9 percent) over the Administration's FY 2009 budget request for education and training. The measure includes specific provisions to address issues of concern to school districts: school construction, school-based Medicaid reimbursement, and the Secure Rural Schools Act.

- Section 306 of the House measure would establish a deficit-neutral reserve fund to accommodate tax credits for school construction.
- Section 312 of H Con Res 312 would establish a deficit-neutral reserve fund for Medicaid and other programs to accommodate "legislation that prevents or delays the implementation or administration of regulations or administrative actions affecting Medicaid, SCHIP, or other programs."
- Section 314 of the House measure would establish a deficit-neutral reserve fund for county payments legislation "that reauthorizes the Secure Rural Schools and Community Self-Determination Act (Public Law 106-393)," which provides economic assistance for schools in rural communities affected by the loss of revenue from sales on federal lands in their communities.

The Senate adopted its FY 2009 budget resolution (S Con Res 70) by a vote of 51-44. According to the Senate Budget Committee, the Senate budget resolution would provide \$5.4 billion above the Administration's FY 2009 request and \$4.8 billion over the FY 2008 enacted amount (an 8 percent increase).

It is expected that both the House and Senate will begin conference proceedings immediately after the recess with a goal of completing their work on the final FY 2009 budget resolution by April 15<sup>th</sup>.

As the budget and appropriations process moves forward, NSBA continues to urge strong support for an increased federal investment in discretionary funding for education programs, including:

- Increases of \$2.5 billion for Title I grants for disadvantaged students and \$2.5 billion for IDEA/special education--the two major programs that benefit a majority of districts.
- Rejection of the proposed cuts/eliminations to other programs such as vocational education and education technology.
- Rejection of any private school voucher proposals including: 1) Pell Grants for Kids Plan; 2) Washington, D.C. pilot voucher program; and 3) conversion of the 21st Century Community Learning Centers Program into a voucher experiment.

## Summary of House and Senate FY 2009 Budget Resolutions

Provisions	House H. Con. Res. 312	Senate S. Con. Res. 70	Difference
<b>Overall Discretionary Funding for Education &amp; Training Programs</b>	\$85.3 billion	\$88.9 billion	\$3.6 billion
<b>School Construction</b>	Would establish a deficit-neutral reserve fund to accommodate tax credits for school construction (Section 306)	Would establish a deficit-neutral reserve fund to “facilitate modernization of school facilities through renovation or construction bonds...” (Section 302)	
<b>Secure Rural Schools &amp; Communities Act (payments-in-lieu-of-taxes)</b>	Would establish a deficit-neutral reserve fund for legislation “that reauthorizes the Secure Rural Schools and Community Self-Determination Act” (Section 314)	Would establish a deficit-neutral reserve fund for legislation that reauthorizes the Secure Rural Schools and Community Self-Determination Act (Section 301)	
<b>State Children’s Health Insurance Program (SCHIP/Medicaid Reimbursements)</b>	Would establish a deficit-neutral reserve funds for SCHIP/Medicaid (Sections 301 & 312)	Would establish a deficit-neutral reserve funds for SCHIP/Medicaid (Section 306) and includes “Sense of the Senate” provision that administrative regulations should not ‘undermine the role the Medicaid program ... cap Federal Medicaid spending, or otherwise shift Medicaid cost burdens to State or local governments...’	
<b>Economic Stimulus/ Assistance to State &amp; Local Governments</b>	Would establish a deficit-neutral reserve fund for infrastructure investment.	Would establish deficit- neutral reserve funds for a second stimulus / infrastructure investment (Sections 301 & 303)	
<b>Teacher Quality</b>		Would extend federal tax credit for a portion of teachers' out-of-pocket expenses for school supplies / provide tax incentives for highly-qualified teachers to serve in high-needs schools	
<b>Additional assistance to at-risk students</b>		Would prioritize any surplus dollars towards funding for this area to support strategies for smaller learning communities, early college & dual enrollment, improved transitions from middle school, work-based learning opportunities and increasing rigor at all levels of secondary education for college and the workforce (Section 302)	
<b>21<sup>st</sup> Century Skills</b>	Includes “Sense of the House” provision to provide funding for the America COMPETES Act (Creating Opportunities To Meaningfully Promote Excellence In Technology, Education, And Science) --Section 601	Would establish a deficit-neutral reserve fund to “improve student achievement” and “prepar(e) students for higher education and the workforce...” (Section 302)	