

## **Federal Update**

### **June 16, 2006**

#### **House Appropriations Committee Passes FY07 Labor, HHS, Education Appropriations Bill**

The U.S. House of Representatives Committee on Appropriations on June 13 passed the fiscal year 2007 spending bill, which allocates money for important programs for the departments of Labor, Health and Human Services, and Education. The measure is expected to be brought to the full House next week, but amendments related to illegal immigrants have the potential to spur debate and stall passage when considered on the House floor. The Senate is expected to start working on its version of the bill sometime in July, before the August recess. A conference committee and final passage of the bill is not expected until after the November elections.

The committee increased maximum Pell Grants by \$100, raising the limit to \$4,150. This is the first increase of the maximum Pell Grant in five years.

The bill provides \$1.3 billion for Perkins grants, which is the same amount as provided in FY2006 and includes separate line-item funding for Tech Prep and National programs. The move again demonstrates the House's support for career and technical education, in spite of the president's budget, which had marked Perkins funding for elimination. There was specific mention that the program is "an important component of the competitiveness initiative to ensure ALL students have the high tech skills necessary to succeed."

While no increases were granted for TRIO, GEAR UP or the Leveraging Educational Assistance Partnership Program known as LEAP, these programs did not lose funding and are slated for funding at last year's levels. TRIO funding is restored to last year's level of \$828 million, rejecting the \$448 million cut proposed in the president's budget. The bill also restores GEAR UP funding to last year's level of \$303 million. The budget request had proposed to terminate the successful program that fosters partnerships between low-income secondary education institutions and community organizations to encourage students to pursue higher education opportunities.

The Teacher Incentive Fund is continued and supports promising new programs to develop and implement innovative ways to provide financial incentives for teachers and principals who raise student achievement and close the achievement gap in high-need schools.

In response to the president's request, the bill increases funding for math/science partnerships by \$43 million and the Advanced Placement program by \$48 million. Overall, \$322 million has been provided for American Competitiveness programs. These programs' goals aim to help make the United States more competitive with other industrialized nations by increasing the number of teachers who are well trained in the fields of math and science and the number of students who take and pass rigorous math and science courses.

An amendment added to the bill prohibits federal funds from being used to provide in-state tuition rates to illegal immigrants. It is not clear what this amendment will mean in the states that offer in-state tuition to undocumented students. The amendments may merely clarify an existing provision in the 1996 Illegal Immigration Reform and Immigrant Responsibility Act prohibiting the award of Department of Education funds to undocumented workers. (The Department of Education maintains that it does not provide funds to undocumented workers.) Or, it may mean that now this existing provision applies to in-state tuition as well as federal monies. Clarification is needed.

Currently, 10 states offer in-state tuition to undocumented students: California, Kansas, Oklahoma, Texas, New York, Illinois, Washington, Utah, Nebraska and New Mexico. For two continuous sessions, Minnesota has introduced legislation that would allow undocumented students access to in-state tuition. The issue continues to be contentious in Minnesota, and legislation has not been enacted. Mississippi and Maryland also have introduced legislation to allow undocumented students access to in-state tuition and state financial aid. Other states have enacted legislation that restricts in-state tuition and/or state aid from undocumented students: North Carolina, Florida, Alaska, Arizona and Virginia.

If this amendment was to survive both the House floor debate and Senate consideration of the Labor, HHS and Education Appropriations bill and become law, then a new state's rights precedent may be established because the federal government would be, in essence, telling the states how to set tuition for its public colleges and universities. Legal challenges could be expected as there will be states opposing any attempt by the U. S. Congress to place controls on a state's tuition.

Overall, the FY2007 bill will amount to \$141.93 billion, which represents a slight increase over FY2006 and is more than \$4 billion higher than the president's budget. The bill will terminate 56 programs among the departments of Labor, HHS and Education, saving \$1.66 billion. This figure is offset by the inclusion of member earmarks, which will amount to approximately \$1 billion. Member projects were removed from the final bill last year.

### **FY07 Labor, HHS, Education Appropriations Bill Includes Earmarks for the System**

As indicated above, approximately \$1 billion was reserved for special member projects. This represents less than 1 percent of the total funding in this bill and \$100 million less than previous years. The House has appropriated funding to the following Minnesota State Colleges and Universities projects in the Labor, HHS and Education bill:

- Bemidji State baccalaureate nursing program: \$350,000 (Congressman Peterson)
- Bemidji State engineering technology center: \$350,000 (Congressman Peterson)
- Anoka-Ramsey Community College, Coon Rapids campus, biomedical device manufacturing curriculum: \$100,000 (Congressman Ramstad)
- St. Cloud State University science initiative of central Minnesota: \$400,000 (Congressman Kennedy)

Campuses interested in pursuing health care related projects still may have opportunities for funding through specific grant programs offered by the departments. There was a strong

commitment to funding community and rural health care programs. The Maximizing Access to Community-Based Health Care program received a record level of funding to expand access to community-based health care. Total funding provided for Community Health Centers is \$2 billion, \$206 million above last year and \$25 million above the request. This funding increase will allow the creation or expansion of 300 medical facilities across the country. These centers will provide high-quality health care to rural communities, minority and underserved areas, and homeless and needy populations.

The Supporting Healthier Neighborhoods and Strengthening Health Care Infrastructure Health Professions Training program saw restoration of recent devastating cuts in the budget request to critical programs that improve the availability of well-trained health care professionals to underserved areas. The bill earmarks \$313 million, \$154 million above the request and \$18 million above last year. The bill also restores a major cut to programs that provide scholarships to disadvantaged students. The bill earmarks \$47 million for this purpose, the same as last year's level and \$37 million above the president's requests. Funds to support graduate-level medical programs at children's hospitals are increased by \$3 million over last year and \$201 million over the budget request.

Rural Health Programs were saved from many of the administration's budget cuts. Critical rural health programs and earmarks that will expand health care opportunities for rural communities were funded.

- Area Health Education Centers - The bill provides \$29 million to level-fund efforts that establish community-based training programs in rural and underserved areas.
- National Health Service Corps - The bill earmarks \$132 million to ensure that health professionals are serving in areas where they are needed most. This is a \$6 million increase to both the FY2006 and the requested level.
- Rural Outreach Grants - The bill earmarks \$40 million to improve health care services to rural Americans, which represents \$1 million above last year and \$30 million above the request.
- Rural Hospital Flexibility Grants - The bill provides \$40 million for these grants, rejecting the administration's proposal to eliminate funding for this program.
- Rural Health Research - The bill fully funds the requested level of \$9 million to support rural health centers of research. In addition, the bill rejects the administration's attempts to terminate the Rural and Community Access to Emergency Devices programs by earmarking \$2 million for this initiative.
- State Offices of Rural Health - In order to better coordinate a national strategy for rural health care challenges, State Offices of Rural Health are funded at \$8 million, slightly above last year and the budget request.
- Rural Community Facilities Program - This program is fully restored to last year's level of \$7 million.
- Telehealth - The bill includes an increase of \$3 million for a funding level of \$10 million for these activities.

Child care programs receive support in the House bill through Child Care and Development Block Grant, which is fully funded at the administration's \$2.1 billion request. Head Start is level-funded at \$6.8 billion, \$3 million above the request.

### **Perkins Reauthorization Activity Continues**

Congressional staff continues to work informally to negotiate differences between the House- and Senate-passed Perkins reauthorization bills. While there is still no conference committee appointed, congressional staff are beginning to think optimistically that a bill will pass this summer.

### **House Approved Legislation for College Students with Disabilities**

The U.S. House of Representatives approved H.R. 5117 this week that would allow college students with disabilities to be provided with federally subsidized housing. Students with disabilities would be exempted from regulations that exclude many college students from receiving rental assistance under a federal program known as Section 8. The U.S. Department of Housing and Urban Development issued the rules last December after Congress passed legislation to close a loophole that had allowed thousands of students, including athletes on full scholarships, to obtain housing assistance meant for the poor. The bill now heads to the Senate for consideration.