



Federal Policy Update **April 25, 2025**

On Monday Congress comes back into session, and we expect they will immediately get to work on several funding and education related issues. While Congress was out, the Trump Administration was busy issuing several Executive Orders on Education, and challenges to some of the Administration's Education policies continue in the courts. Below is a recap of where many issues stand after the last two weeks. A lot has happened, so buckle up for a long update.

Reconciliation

When Congress comes back from recess next week, the House plans to kick off the second step of passing a reconciliation bill by introducing and marking up individual bills in Committees. (As a friendly reminder, reconciliation is a type of bill that allows the majority party to pass their legislative priorities with only Republican votes. All other legislation requires 60 votes in the Senate, which requires Democratic support. However, the majority party can only use this tactic once per year.) Republicans are using reconciliation to extend the 2017 tax cuts, but in order to offset the cost of a little more than \$4 trillion in tax cuts the bill will have to create drastic cuts to federal programs. The House and Senate have already passed a topline budget for the reconciliation bill that dictates how much money must be cut from each section of the bill. For example, the House Education and Workforce Committee has been directed to find \$330 billion in offsets and the Energy and Commerce Committee has been directed to find \$880 billion in offsets. The scope of the offsets will necessarily require cuts to major programs like Pell grants, Medicaid, and potentially, SNAP. We will know the details of proposals to achieve these cuts in the coming weeks as House Committees introduce and debate actual bill language. House Speaker Johnson is hoping to have committee work done and a House vote on the entire bill the week after Memorial Day; however, there are still major disagreements in the Republican party and in each chamber about exactly how to achieve these cuts, especially with Medicaid. Just like all bills, the House and Senate are going to have to reconcile all differences between their bills before a single reconciliation bill is sent to President Trump for enactment into law.

POTUS Budget and Appropriations

There is an expectation that President Trump's "skinny budget" is likely to be introduced sometime next week and will propose massive cuts to non-defense discretionary spending. A skinny budget is typically introduced in the first budget cycle of a new President's term and is usually followed by a more detailed funding proposal. It is not a directive to Congress and does not carry the weight of law. It is unclear at this point if the budget will propose even cuts to all programs across the board on a percentage basis or if some programs take much deeper cuts than others. While historically the President's budget did not weigh too heavily in how Congress allocated funding for programs in its appropriations bills, Republicans in this Congress seem eager to enact President Trump's priorities of significantly reducing government spending. Given the slim majorities in the House and Senate, severe cuts to non-defense competitive programs and historically protected programs—like formula funded education programs—are under considerable threat.

Piling onto what are likely to be forthcoming steep federal spending cuts, the Trump Administration plans to send a rescissions package to Congress aiming to roll back an additional \$9 billion in spending already approved by Congress for FY 25. The details of the package are not yet known, but it is expected to focus on cuts to the Department of Health and Human Services, Department of State, USAID, and NPR and PBS. However, it is possible it will include other rescissions including to critical education programs. The fate of this effort is not clear as Democrats have indicated they will object to this package, arguing it oversteps Congress' power of the purse, while some Republicans might not be amenable to steep cuts to foreign aid. A rescissions package only requires a simple majority to pass, making it slightly easier for Majority Leader Thune to get across the finish line.

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