



FY 2019 Appropriations

The FY 2018 omnibus appropriations bill enacted by Congress in March increased funding for nearly every program of significance to community colleges, many by substantial amounts. The legislation, which funds every federal department, allocated the increased resources that Congress approved in a February budget deal. Congress has now enacted three budget deals since FY 2014 to fund federal programs at higher levels than the so-called sequester-level budget caps, stemming from the 2011 Budget Control Act.

The budget deal raised the FY 2018 caps by \$63 billion for non-defense discretionary programs, to a total of \$579 billion. The budget deal also increased the FY 2019 non-discretionary budget caps by \$68 billion. Since those budget caps were already set to increase by \$13 billion, Congress will have \$18 billion more to spend on these programs in FY 2019.

Despite the higher overall figures, allocations for the FY 2019 Labor, HHS and Education Appropriations (LHHS) bills were disappointing, particularly in the House where the allocation is flat. The Senate fared slightly better in the Senate, with a \$2 billion increase over FY 2018. In communicating with Congressional members, community college leaders should stress that final FY 2019 LHHS funding legislation should be based on the higher Senate allocation, at minimum.

Since the budget deal provides additional FY 2019 funds, many hope that this year's appropriations process will proceed smoothly. However, stark partisan differences between the parties, and divisions within the Republican Party as well, may dash those expectations. Rescissions of prior-year appropriations, including some just made in FY 2018, potentially present another impediment to the FY 2019 funding process. The White House has forwarded a rescissions package to Congress that, while it makes no cuts to U.S. Department of Education or Department of Labor programs and is unlikely to pass, could nevertheless complicate the FY 2019 LHHS appropriations bill.

The FY 2019 appropriations process is in full swing, with the appropriations committees holding hearings and markups on all 12 appropriations bills. As they did last year, House leaders are bringing appropriations bills to the floor packaged into three-bill "minibuses." The first of these, which combines the Energy and Water, Legislative Branch and Military Construction-VA bills, was considered the week of June 4. House leadership would like to hold floor votes on all 12 bills before July 4. The Senate is not likely to act as quickly, but both appropriations committees will likely mark up the LHHS funding bill by the end of June.

In a joint letter with ACCT, AACCC called for modest increases in FY 2019 to many key programs. By and large, this means increases that keep pace with inflation, foremost with regard to the Pell Grant maximum. FY 2018 marked the first year since FY 2012 that the Pell Grant maximum did not automatically increase by the annual inflation percentage (through a now-expired provision in 2010 legislation), but appropriators were able to use a portion of Pell Grant reserve funds to increase the maximum award by \$175, exceeding inflation. The Pell reserve is not infinite, and in order to maintain the buying power of the Pell Grant, Congress must soon infuse additional resources into the program.