Summary notes from this week's 60 minutes with Myrna (CASE):

- Up to date as of 5/13/25
- You can register for the monthly edition of 60 minutes with Myrna on the CASE website as a member benefit.

Federal Budget Updates

President's FY2026 Skinny Budget Proposal

- **Cuts $12.4 Billion (15%)** from the Department of Education.
- Non-defense discretionary spending cut by **22.6%**, nearly a quarter of the overall federal budget.

Impacts on Special Education (IDEA)

- Proposes **consolidation of 7 IDEA programs** into a "Simplified Special Education Funding Program."
- Maintains funding at **FY2024 levels**, despite inflation and increasing needs.
- Budget proposes a **block grant model**, which could reduce program accountability and specificity.

K-12 Education Impacts

- Title I funding will be retained, but amounts are unspecified.
- 18-24 other K-12 programs to be **consolidated or eliminated**, with a **66% funding cut ($4.5 billion)**.
- Charter schools receive a **$60 million increase**, aligning with the administration's push for school choice.

Higher Education Impacts

- Significant cuts and eliminations to programs like **TRIO, GEAR UP, Federal Work Study, and SEOG**.
- Potential reduction in financial support for low-income and first-generation college students.

Medicaid and Reconciliation Process

- Active Congressional debates over **Medicaid funding and policy reforms**.
- Concerns about **school-based Medicaid programs** being indirectly affected by structural funding changes.
- Provisions in the reconciliation bill include:
    - Regular address verification for Medicaid recipients.
    - No Medicaid/CHIP coverage for gender-affirming care for transgender youth.
    - Potential 10% FMAP reduction for states covering undocumented immigrants.

Educational Choice for Children Act (Private School Vouchers)

- Establishes a **tax credit for private school tuition donations**.
- Schools receiving voucher funds must accept students regardless of IEP status but disability advocates remain opposed.
- CASE and other disability organizations actively oppose this bill due to concerns about equitable access and services for students with disabilities.

Continuing Resolution and Funding Delays

- Delays in IDEA and Title I fund distributions.
- IDEA fund apportionments for Part B, C, and D remain **unclear**.
- Significant concerns that districts will not receive FY25 funds before the end of the current fiscal year (**September 30, 2025**).

Mental Health Grant Cancellations

- Over **200 mental health grants across 34 states** have been **terminated early**.
- Raises concerns about:
    - Students mid-program losing financial support.
    - Ongoing shortages of school-based mental health providers.
- National organizations like NASP and ASCA are working to address these challenges.

Executive Orders Impacting Education

Key Orders:

1. **Common Sense Discipline Policies:**
    - New federal guidance coming related to **racial discrimination under Title VI**.
    - Implications for significant disproportionality and data collection requirements.
2. **Restoring Equality of Opportunity and Meritocracy:**
    - Targets elimination of **disparate impact analysis** in civil rights enforcement.
    - Could affect policies on **discipline disparities** and **DEI (Diversity, Equity, Inclusion)** initiatives.
3. **Reforming Higher Education Accreditation:**
    - Focuses on eliminating DEI requirements in accreditation processes.
    - Long-term impacts on higher education program design, including teacher and school leadership preparation.

Court Cases and Legal Developments

- **AJT v. Osseo**: Related to bad faith claims under ADA and Section 504.
- **Oklahoma Charter School Case**: Supreme Court considering if religious schools can be public charters—huge implications for public education.
- **504 Litigation Update**: Challenge to the constitutionality of Section 504 has been effectively dropped.

Block Granting Discussion

- **Concerns Raised:**
    - Less oversight and accountability for how special education funds are used.
    - Potential to **divert funds away from IDEA priorities**.
    - States may use funds to support **private school vouchers** or fill unrelated budget gaps.
    - Risk of **reductions in enforcement of IEP compliance** and protections.
- **Historical Perspective:**
    - Block granting has historically led to funding cuts and diminished services for vulnerable populations.
    - Special education administrators urged to advocate against block granting and educate policymakers.

Action Items for Administrators

- Visit the **CASE Action Center** to send letters opposing harmful budget proposals and policy changes.
- Attend the upcoming **Special Education Legislative Summit in July**.
- Read and review executive orders carefully with district legal counsel.
- Stay informed on federal budget developments and potential impacts on local special education services.