

## The Aftermath of Katrina and Its Impact on FY 2006 Funding

Aside from the immediate devastation that Hurricane Katrina wreaked upon lives and property, the costs of the relief and recovery operations have been the prime topics of debate in the halls of Congress. Last week conservative House Republicans unveiled "Operation Offset," a package of proposed spending cuts and revenue raisers intended to offset the costs of Hurricane Katrina relief and recovery operations. If fully enacted, the recommendations would raise \$139 billion in one year, \$544 billion over five years, and \$1.2 trillion over 10 years. Among the proposals are a one-year delay in the Medicare prescription drug benefit, elimination of subsidized loans to graduate students, and increasing the allowable co-pays in Medicaid.

Despite the growing uneasiness about the cost of the hurricane recovery, support for such offsets has not been widespread. In a news conference last week, House Speaker J. Dennis Hastert (R-IL) was noncommittal.

On the Senate side, Finance Committee chairman Charles E. Grassley (R-IA) said that while his panel would be willing to look at offsets in the future, "we're going to take care of people in need first." The proposal to delay the Medicare drug benefit scheduled to take effect on January 1, 2006 was dismissed by Republican leaders in Congress – including Senate Majority Leader Bill Frist of Tennessee and House Majority Leader Tom DeLay of Texas – as well as leading Democrats.

Both chambers have delayed plans for action on budget "reconciliation" bills to achieve the required \$35 billion in spending cuts until mid-October. What this means to **Title VIII – Nursing Workforce Development Programs** is very much up in the air. However, it is safe to say that with all the fiscal restraints that will probably be invoked, the nursing community will be very lucky to receive the \$5 million increase for FY 2006 contained in the Senate Appropriations Committee report.

## Grants for Community Colleges Nursing Programs Announced in California

Announced last week by California Governor Arnold Schwarzenegger (R), \$30 million in grants have been awarded to 19 community college nursing programs. The funding will be provided through three types of grants: the **Fostering Student Success Grant**, which provides services to identify and help students at risk of failing the nursing program or those who have failed the licensure exam; the **Center for Nursing Expansion/Innovation Grant**, which funds enrollment opportunities through faculty recruitment and retention and assists students who have failed the licensure exam; and the **Healthy Community Forum Grant**, which increases the number of clinical groups taught by faculty at community colleges to help expand registered nursing programs and assists students at risk of failing the program.

The grants will be distributed over the next five years and are expected to help produce an additional 2,400 nurses by the end of the fifth year of the program.