



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 6, 2007
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3043 – Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008

(Sponsors: Rep. Obey (D), Wisconsin and Sen. Byrd (D), West Virginia)

The Administration strongly opposes H.R. 3043 because it includes an irresponsible and excessive level of spending and contains other objectionable provisions. Furthermore, in a cynical effort to gain enactment of its unwarranted domestic funding levels, this flawed bill has been combined with a bill that provides needed funding for veterans. Funding for the nation's veterans should not be held hostage while Congress attempts to add billions in unrelated spending that has nothing to do with the needs of the men and women in uniform who have bravely protected our country. If H.R. 3043 were presented to the President in its current form, he would veto the bill.

Alternatively, Congress should separately send the President the Military Construction, the Department of Veterans Affairs, and Related Agencies Appropriations bill now for his signature.

The Congress still has not completed its work on any of the twelve annual appropriations bills – even though the new fiscal year began more than a month ago. Spending bills should be sent to the President one at a time and in a fiscally responsible way, starting with funding for our troops and veterans. Funding for our nation's veterans and our troops in combat should not fall victim to Congress' posturing for more spending at taxpayers' expense.

The President is committed to fiscal discipline. His budget shows that by restraining the growth in spending, a balanced budget can be achieved by 2012, while keeping taxes low on families and small businesses. The Administration has made clear since the beginning of the appropriations process that the President will veto bills that exceed his reasonable and responsible levels for discretionary spending.

Even though proposed discretionary spending would grow at a rate of 6.9 percent under the President's Budget, lawmakers are on a path to spend \$22 billion more than the President proposed, and almost \$10 billion of that increase is a result of the Labor, Health and Human Services and Education provisions of this combined bill. Despite the Administration's clear communication of its objections, Congress has refused to set priorities within this topline.

Additionally, this bill proposes to spend nearly \$3.2 billion for 56 programs in the Departments of Education, Labor and Health and Human Services that the President's Budget proposed to terminate. These programs are duplicative, narrowly focused, or are not producing results. In addition, this bill reduces funding for key priorities that have proven to be effective. As an example, from 2004-2006, low-income students enrolled in Reading First Schools posted an 11

point improvement in reading proficiency. Congress has chosen to reward this program's success with a 61 percent cut in funding.

Finally, this bill includes more than 2,200 earmarks, including earmarked funds for aviation and prison museums. The President has called on Congress to reform the earmarking process that has led to wasteful and unnecessary spending. Specifically, he called on Congress to provide greater transparency and full disclosure of earmarks, to put them in the language of the bill itself, and to cut the cost and number by at least half. The Administration opposes any efforts to shield earmarks from public scrutiny and urges Congress to bring full transparency to the earmarking process, to eliminate wasteful earmarks, and to cut the cost and number by at least half. This bill also includes more than \$4 million for labor unions even as Congress takes steps to cut by \$11 million the President's request for the Office of Labor Management Standards, an office dedicated to eradicating union corruption, protecting dues-paying union members and promoting transparency through audits and review of unions' financial records.

The President is committed to the goals of improving education and addressing health care needs.

- Education. In the President's Budget, over \$1 billion was added for Title I grants, primarily serving low-income students, and more than \$1 billion was provided for Reading First. The 2008 Budget would provide a 41 percent increase in overall funding for No Child Left Behind (NCLB) since President Bush took office. These reforms and resources are having an impact. The most recent Nation's Report Card showed that math scores for 4th and 8th graders were higher than they've ever been. In reading, scores for 4th graders were the highest on record.
- College Costs. The President recently signed a bill that will help low-income students afford college by allowing an increase in the maximum Pell Grants from \$4,310 in 2007 to \$5,400 by 2012, honoring his longstanding commitment to increasing need-based aid.
- Educating Children with Disabilities. From 2001 to his 2008 Budget, the President has increased funding for Special Education State Grants by more than \$4 billion, or over 65 percent, to ensure services reach children with disabilities throughout the nation.
- Biomedical Research. Since 2001, funding for critical medical research at the National Institutes of Health increased by 42 percent.
- Health Care for Poor Children. Over the next five years, the federal government will commit more than \$200 billion in Medicaid to provide health care to the poorest children. The President's Budget proposed a 20 percent increase over next five years to ensure poor children, who are not eligible for Medicaid, receive health care through the State Children's Health Insurance Program (SCHIP). The Administration stands ready to work with Congress on a solution that will put poor children first.
- Community Health Centers. Since 2001, more than 1,200 community health centers (CHC's) across the country have been created or expanded. In 2006, CHCs treated nearly 6 million uninsured Americans.

- Medicare Prescription Drugs. Nearly 24 million seniors have been enrolled in Medicare prescription drug plans (PDPs) and Medicare Advantage prescription drug plans (MA-PDs). These plans achieved a better than 75 percent satisfaction rate among participants.

Finally, the Administration continues to have objections to specific provisions identified in the Statement of Administration Policy for H.R. 3043 on July 17, 2007 and S. 1710 on October 17, 2007. These statements can be found at <http://www.whitehouse.gov/omb/legislative/sap/110-1/index-date.html>

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