



COMMITTEE ON APPROPRIATIONS

Contact: Kirstin Brost 202-225-2771

SUMMARY: 2008 LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION APPROPRIATIONS AS ADOPTED BY THE HOUSE OF REPRESENTATIVES

We cannot disinvest in the country's future without creating the kind of future that no one wants. The strength of our country is not just our national security strength; it is what we have here at home. We are most secure when we have strong families. Families are strong when they have access to a decent education, quality healthcare, when they can go to jobs where they are safe, when they know that when they retire they will be financially secure. The programs in this bill are the programs that do that.

The President would have cut these programs \$7.6 billion below last year. This bill rejects most of these arbitrary cuts, in real terms after adjusting for inflation and population growth, the bill is \$4.3 billion (or 3.0%) above last year but still \$2.9 billion below 2005.

It started with the question, how will the country look over the next ten years?

- By 2017 there will be 27 million more Americans including:
 - 12 million more people over the age of 65
 - 2.7 million more kids in our K-12 schools
- By 2015, there will be 2.2 million more kids in college, most needing Federal financial aid
- By 2013, the number of uninsured Americans will grow by 11 million
- By 2014, nearly half of all of the nation's job growth will be concentrated in occupations associated with higher education and skills

43 low priority programs were cut or eliminated, saving \$1.4 billion below 2007 and targeted increases were made above the President's request, with an eye to preparing our country to be the place we want it to be in 10 years, including:

- \$3.3 billion for student financial aid
- \$1 billion for No Child Left Behind Programs
- \$1.3 billion for the Health Resources and Services Administration, the primary federal agency responsible for improving healthcare access.
- \$1 billion for medical research at the National Institutes of Health into diseases such as cancer, diabetes, Alzheimer's, and Parkinson's.
- \$880 million for Low Income Home Energy Assistance
- \$880 million for employment and training services
- \$660 million for the Community Service Block Grant

This bill targets the additional resources in areas where the nation is facing deficits – deficits in worker development, safety and protection; deficits in health access, affordability and quality; and deficits in educational access and opportunity. We can't erase these deficits in a single year, but this bill begins the process by targeting additional resources on key priority areas.

KEY INVESTMENTS

Higher Education Access Deficit: Pell Grants. Between 2001 and 2006, the cost of attending a four-year public college increased by \$3,764 or 42 percent; however, the maximum Pell Grant increased by just \$300. For fiscal year 2008, the Administration's request would have cut the maximum Pell Grant in the discretionary budget from \$4,310 to \$4,050 and increased it to \$4,600 in the mandatory budget, partially offset by cuts to other student financial assistance programs. This bill increases the maximum Pell award by \$390 to \$4,700, on top of a \$260 increase provided in the 2007 Joint Resolution. Since January 2007, the Committee will have raised the maximum Pell Grant by a total of \$650 over two years, benefiting over 5.5 million low- and middle-income students.

K-12 Educational Opportunity Deficit: No Child Left Behind (NCLB). The President's 2002 NCLB legislation imposed strong mandates on States and local school districts, and set out an ambitious schedule for authorized funding levels. Nonetheless, the Administration's request fell \$14.7 billion short of the authorized NCLB level for fiscal year 2008. This bill provides a \$2.1 billion or 8.7 percent increase over fiscal year 2007 and \$1 billion over the request in nominal terms. After adjusting for inflation and population growth, the bill's increase in real terms is \$1.6 billion or 6.7 percent over last year's level.

Disabilities Educational Deficit: IDEA Part B grants. The President's budget proposed to cut IDEA Part B grants by \$291 million or 2.7 percent below the fiscal year 2007 level in nominal terms. In contrast, the bill provides a \$559 million or 5.2 percent increase over fiscal year 2007, and a \$850 million increase over the Administration's request in nominal terms. In real terms, the bill provides a \$348 million or 3.2 percent increase over last year. This investment reverses a two-year decline in the Federal contribution toward the rising costs of special education for 6.9 million children with disabilities.

Child Care and Early Childhood Education Deficit: Child Care and Head Start. The Administration's request once again froze funding for the Child Care Block Grant and cut Head Start centers by \$100 million below the fiscal year 2007 level in nominal dollars. In contrast, this bill first provides \$75 million or 3.6 percent over fiscal year 2007 for the **Child Care Block Grant**, amounting to a 1.7 percent increase in real terms. Second, the bill increases **Head Start** by \$75 million or 1.4 percent over fiscal year 2007 and \$175 million over the request in nominal dollars (although a 0.8 percent cut in real terms). Third, it allocates \$5.0 million for **new child care centers at Job Corps sites**.

Medical Research Deficit: National Institutes of Health (NIH). Between 2003 and 2006, the annual number of new and competing research grants that NIH could support actually declined by 1,282 research grants, a drop of 12 percent. The Committee began to address this negative trend with a \$620 million increase for NIH in fiscal year 2007 to reverse another projected cut in new NIH research project awards and to support an additional 992 research grants over the fiscal year 2006 level. This bill provides a \$770 million increase for fiscal year 2008, which is \$1.0 billion more than the President's request in nominal dollars. As a result of this bill, NIH will be able to support another approximately 550 new and competing research grants over last year's level and 1,265 over the President's request. This bill also lifts a two-year freeze on the average cost of new research grants; helps train the next generation of researchers; and provides \$110.9 million for the landmark National Children's Study and \$300 million for the global AIDS fund.

Public Health Deficit: Pandemic Flu. In November of 2005, the President requested \$6.7 billion in emergency supplemental funding for the Department of Health and Human Services to protect the public against a potential influenza pandemic that could kill or injure 90 million Americans. Congress provided the first two installments, but failed to fully fund the request, leaving a \$1.0 billion shortfall. This bill provides \$1.1 billion – belatedly meeting that obligation. The bill also includes \$5 million to create a new fund to compensate any individuals that might be harmed by the H5N1 influenza vaccine.

Five Initiatives to Address the Family Health Care Deficit. The fiscal year 2007 Joint Resolution expanded access to health care for 1.2 million people by adding \$207 million for community health centers. This bill adds to that initiative in five ways:

- First, the bill provides another \$200 million or 10.1 percent increase in nominal terms over fiscal year 2007 and the President's request for **community health centers**; this increase would serve an additional 1 million uninsured people.
- Second, the bill provides \$75 million for **State health access grants**, a new initiative to provide start up grants to States that are ready with plans to expand health care coverage to targeted groups.
- Third, the bill includes \$50 million to assist States in providing **high risk insurance pools** to support affordable insurance for almost 200,000 people who are medically high risk and are not able to obtain health insurance in the commercial market.
- Fourth, the bill provides \$45 million for **health insurance counseling** so that 45 million Medicare beneficiaries can understand and utilize their benefits.
- Fifth, the bill provides up to \$20 million in Labor Department funds for State **"gap filler" grants** to increase the number of trade-impacted workers who are able to take advantage of the Health Coverage Tax Credit. Studies show that as few as 10 - 12 percent of eligible workers currently benefit from this tax credit.

HHS/Rural health/AHECS/NHSC: The Administration again proposed to cut vital rural health programs by \$162 million or 53.7 percent in fiscal year 2008. This bill rejects these cuts and, instead, provides \$307 million for **rural health programs, area health education centers, and the National Health Service Corps.** This amount is \$4.9 million or 1.6 percent more than last year and \$167 million more than the request in nominal dollars. These programs support more than 1,200 small, at-risk rural hospitals, create health care networks for more than 775,000 rural residents in underserved communities, provide access to emergency defibrillation devices, and support rural health research centers and State rural health offices.

HHS/Low-Income Home Energy Assistance. Last year, Congress cut \$1 billion from the amount available in the previous year for low-income home energy assistance. For fiscal year 2008, the Administration proposed to cut this assistance by \$379 million or 17.5 percent below last year's level. This bill rejects that cut and restores half of the \$1 billion previously cut from LIHEAP. The additional funds in the bill will support critical energy assistance to approximately 1 million more low-income seniors and families than last year.

HHS/Community Services Block Grant. The bill includes \$660 million for the Community Services Block Grant, \$30 million or 4.8 percent more in nominal dollars than fiscal year 2007, to enable States to expand critical services, such as housing, home weatherization, parenting education, adult literacy classes, and emergency food assistance. In real terms, the bill provides a \$18 million or 2.8 percent increase.

HHS/World Trade Center. The need for monitoring and medical services for emergency responders and others who were exposed to the dust and debris at the World Trade Center site of the September 11, 2001 attacks has become increasingly urgent. While the Administration continues to evaluate data and ponder options for providing this necessary medical care, this bill provides \$50 million to address existing health monitoring and treatment needs of World Trade Center emergency responders. In addition, the Committee requests that the Administration develop and submit a comprehensive plan to address these critical needs.

HHS/Centers for Disease Control and Prevention (CDC). The Administration's request for CDC would reduce funding for the Federal government's primary public health activities by 3.5 percent, or \$220 million – cutting childhood immunization, State and local public health emergency preparedness, and efforts to combat chronic diseases, such as diabetes and heart disease, and emerging infectious diseases. This bill rejects these cuts and provides \$6.5 billion for CDC, a \$255 million or 4.1 percent increase over fiscal year 2007 and \$475 million over the request to support critical public health activities. Priority increases in the bill include: \$34.5 million to combat chronic diseases such as heart disease, cancer, and stroke; \$59 million for childhood immunization reversing a 63 percent decline since 1999 in the number of individuals served; \$16 million for environmental health activities in order to better understand how the environment affects human health; \$57 million for occupational safety and health research; and \$9 million to carry out the new Johanna's Law to help prevent gynecologic cancers.

HHS/Substance Abuse and Mental Health Services Administration (SAMHSA). The Administration's request would reduce mental health and substance abuse funding by 4.8 percent, leaving some of the most vulnerable in our society without access to proper treatment and prevention services. In contrast, this bill provides \$3.4 billion to address mental illness and substance abuse disorders, estimated to cost the nation approximately \$407 billion per year. It provides a \$66.8 million or 2 percent increase over fiscal year 2007 and \$226.3 million over the request to address these issues. Increases include \$11.5 million or 25.2 percent more for mental health services for the homeless, \$13 million more for the Mental Health Block Grant, and \$35 million more for the Substance Abuse Prevention and Treatment Block Grant.

Job Training and Worker Protection Deficit. The bill provides a \$158 million or 1.3 percent increase over fiscal year 2007 for employment, training, and worker protection programs. In real terms, however, total funding in the bill for these programs does not keep pace with inflation and population growth. Nominal increases in the bill are provided for some priority programs, including a \$47.3 million or 9.8 percent nominal increase over fiscal year 2007 (a 7.7 percent increase in real terms) for the **Title V senior employment program** to pay for the second minimum wage increase for 103,000 low-income seniors. The bill also includes a \$63.6 million nominal increase (essentially a freeze in real terms) for **State unemployment insurance operations and the Employment Service**, helping States serve 6.8 million unemployed and 13 million jobseekers. The bill includes a \$43 million nominal increase (a 0.7 percent increase in real terms) for **Job Corps**, rejecting the Administration's proposal to cut 4,310 student training slots. It also provides a \$45.5 million nominal increase for **worker protection** programs key to improving safety and health for 113 million workers.

Social Security Administration (SSA). The bill provides \$9.7 billion for the administrative expenses of SSA, a \$401 million or 4.3 percent increase over fiscal year 2007 and \$100 million above the President's request in nominal dollars. In real terms, however, the increase is just \$221 million or 2.4 percent over last year's level. SSA provides monthly cash benefits to nearly 55 million Americans each year, and the increase will help to improve processing times for initial disability claims and hearings, which have increased in recent years. It will also help to reduce the backlog of disability cases as well as allow SSA to process additional disability reviews and SSI eligibility determinations.

Corporation for Public Broadcasting (CPB). The Administration's budget did not propose any funding for CPB and, worse, would rescind \$50 million from CPB's enacted fiscal year 2008 appropriation. This bill rejects these cuts and provides a \$420 million fiscal year 2010 advance appropriation for CPB – \$20 million or 5 percent more than the enacted fiscal year 2009 appropriation to support public broadcasting programming in 1,150 locally-owned television and radio stations across the country. In real terms, the increase provided in the bill is just \$12 million or 3.0 percent over last year's level. Digital conversion grants are flat-funded at \$29.7 million in nominal terms (a 1.9 percent cut in real terms), and \$26.8 million is provided for a new project to replace the national public radio satellite.

SIGNIFICANT CUTS

Program Consolidations and Eliminations: The bill eliminates several smaller programs including the Labor Department's working capital fund, Denali Commission funding in HHS and the Labor Departments, and the Department of Education's Exchanges with Historic Whaling and Trading Partners, Excellence in Economic Education, and the Underground Railroad Program.

The bill also consolidates programs in order to eliminate duplication, including multiple youth offender programs in the Labor Department; multiple early childhood and charter school programs in the Department of Education, and multiple library services agencies.

Significant program cuts: The bill includes \$1.4 billion in cuts below the fiscal year 2007 level, of which the most significant is a \$676 million or 65.7 percent reduction in funding for the Education Department's Reading First program. The Department of Education documented, in a series of six audits, significant mismanagement of the program, potential violations of Federal law, and ongoing conflicts of interest, resulting in referrals to the Justice Department for criminal investigations. Instead of investing significant resources into a program that must be reformed and re-authorized, the bill provides a \$1.9 billion increase for the Title I program to support evidence-based reading instruction for low-income students. In addition, the bill includes an undistributed reduction of \$49 million from Department of Labor employment and training programs, and a \$335 million rescission from prior-year balances from the Workforce Investment Act.

OTHER IMPORTANT POLICY ITEMS

OSHA Personal Protective Equipment Regulation: Requires OSHA to issue a final regulation on employer payment for personal protective equipment (such as hard-hats, chemical protective suits or life-saving equipment) by November 2007. OSHA has been working on this regulation for 8 years.

Timetables for Key OSHA Regulations: Requires OSHA to submit quarterly reports with specific timetables and benchmarks for safety and health standards.

Fit Testing: Removes a provision which prevented OSHA from enforcing annual testing of TB respirators for nurses and other health care workers that left them vulnerable to infection due to ill-fitting equipment.

Competitive Sourcing: Freezes competitive sourcing at the Department of Labor until an independent review is conducted by the Government Accountability Office.

Influenza Vaccine Containing Thimerosal: Prohibits funds from being used to administer to any child under 3 years of age an influenza vaccine containing thimerosal during the 2008-2009 flu season.

NIH Public Access: Mandates that articles describing research funded by NIH be provided to the National Library of Medicine (NLM) within 12 months of publication for access to the public.

Medicare Hospital Payments Based on Medical Severity: Prohibits implementation of portions of a proposed Medicare regulation concerning prospective payments to hospitals based on medical severity.

Medicare Hospital Payments for Transplant Programs: Prohibits implementation of a proposed Medicare rule concerning payments for hospital organ transplant programs.

Conflicts of Interest: Requires the Secretary of Education to implement procedures to vet conflicts of interest or bias among Departmental employees, peer reviewers, advisory council members, contractors and subcontractors and requires the IG to audit and certify the adequacy of such procedures.

Higher Education Accreditation: Prohibits the Department of Education from issuing regulations on the accreditation process for colleges and universities, for which the Department lacks sufficient authorization.

Corporation for Public Broadcasting (CPB): Prohibits CPB from using any political test or qualification in personnel actions.