



COMMITTEE ON APPROPRIATIONS

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PREPARED STATEMENT OF CHAIRMAN DAVID R. OBEY 2010 LABOR-HHS-EDUCATION APPROPRIATIONS BILL SUBCOMMITTEE MARKUP

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*“ . . . whatever you did for one of the least of these brothers of mine, you did for me.”
- Matthew 25:40*

The country is experiencing the longest and deepest economic downturn since the Great Depression, with more than seven million jobs lost and fifteen million people out of work. Nearly four million people have been out of work for six months or more – the highest proportion of long-term joblessness on record. Many families cannot pay their bills or mortgage payments, and trillions of dollars of wealth has been stripped from Americans’ retirement accounts.

Moreover, the recession has caused an economic crisis for the States. According to the Center on Budget and Policy Priorities, almost every state is facing fiscal stress, and over the next two years their budget shortfalls may exceed \$350 billion. To close that gap, States across the country are reducing vital services, including those that help some of the most vulnerable among us.

It will be a long road to recovery.

The fiscal year 2010 Labor-HHS-Education Appropriations Bill, in particular, is the appropriations bill that makes vital investments to train people for jobs, shore up health and social safety nets to provide relief for millions of hard-working Americans caught in a struggle for economic survival, and provide the educational opportunity that is critical to the nation’s longer-term prosperity.

At the outset, I want to acknowledge and thank our new Ranking Member, Mr. Tiahrt, for his work this year at our hearings and on this bill. He has had a short time to get up to speed on the myriad of issues that we address in this bill, and he has brought keen insights to the table. I also want to thank all of our Subcommittee Members and their staffs for their contributions to the bill.

This bill is fiscally responsible and makes hard choices among competing priorities.

Bill Total

The 302(b) discretionary allocation for the Labor-HHS-Education Appropriations Bill is \$160.7 billion for fiscal year 2010, which is \$52 million below the comparable President’s request. This allocation provides a \$5.2 billion or 3.3 percent increase over the comparable fiscal year 2009 level. In addition, the fiscal year 2010 budget resolution provides for an upward adjustment to the allocation of \$2.7 billion for several program integrity initiatives and for the Low Income Home Energy Assistance Program (LIHEAP).

Program Integrity Provisions

In this bill, we have an obligation to meet the needs of some of the most vulnerable children, families, and seniors in our society. However, we also have an obligation to ensure that taxpayer funds are utilized in a manner that provides the most effective use of those precious resources, avoids waste, and protects the taxpayer. Accordingly, a priority for this bill is the \$1.1 billion included for activities to reduce improper payments, fraud, and abuse in the Departments of Labor and Health and Human Services, and in the Social Security Administration – a fifty percent increase over 2009. These efforts could result in over \$48 billion in savings and increased revenues over the next ten years. Further, this bill fully funds each of the Inspectors General to enable them to effectively carry out their audit and oversight responsibilities for the agencies included in the bill.

Program Terminations and Reductions

I indicated that we faced some very hard choices this year. In order to invest in the critical priorities identified in this bill, this bill makes \$1.3 billion in cuts below the fiscal year 2009 level. In addition, the bill produces savings from the budget request of \$3.2 billion. These adjustments are important for setting the right priorities within the spending allocation, for getting the deficit under control, and for creating a government that is as efficient as it is effective.

Committee Priorities and Initiatives

Now, I'd like to highlight several of the key investments made in this bill.

Health and Human Services Investments

There is a health care crisis in America today. Nearly 50 million Americans are without health coverage and 16 million more are underinsured, putting necessary and lifesaving health care out of reach for far too many families. Moreover, the weak economy, with rising unemployment, is causing even more people to lose their health insurance. More than 100 million Americans do not have dental insurance – at least twice as many as those without health insurance.

According to a 2008 report by the Commonwealth Fund, the U.S. places last among 19 industrialized countries on deaths that might have been prevented with timely and effective medical care. Up to 101,000 fewer people would die prematurely if the U.S. could achieve leading, benchmark country rates.

This Subcommittee has long pushed for investments to expand the reach of the health care safety net to more of the 50 million Americans who lack health care coverage, and accelerate our knowledge base to generate better treatments, improved patient care, and lower health care costs. To address those needs next year, we are providing \$73.7 billion, a \$2.3 billion increase over 2009, and \$2.0 billion above the request, on a comparable basis for the Department of Health and Human Services.

Recognizing that we expect to pass a health reform bill this year, it would be irresponsible not to build the capacity of the health care system to deal with the additional demand that will be created. Moreover, one of the bright spots in the economy is the health care sector, which continues to add new jobs each month. It simply makes good sense to help train people for those jobs. To accomplish these goals, we have a number of initiatives in this bill:

- 1) **\$2.2 billion for Community Health Centers** to provide primary health care to 17 million patients, of whom 40 percent are uninsured, in 7,500 service delivery sites;
- 2) **\$530 million in HRSA to expand training programs across the health professions and nursing fields**, which provides a 34.9 percent increase over 2009, and the same amount as the request;
- 3) **\$135 million for a Career Pathways Innovation Fund** in the Labor and Education Departments, of which at least \$65 million will support competitive grants to community colleges and partnerships with local adult education providers to train nurses, medical technicians, and others for skilled jobs in the health industry;

- 4) **\$75 million in second year funding for State Health Access Grants** to help States transition to national health care reform by expanding coverage for subgroups of their population to test initiatives before a national coverage system takes effect; and
- 5) **\$65 million for State High Risk Insurance Pools** to subsidize health insurance coverage for almost 200,000 individuals who are medically high-risk and unable to purchase individual health insurance in the commercial market.

We also provide **\$31.3 billion for the National Institutes of Health**, rejecting the Administration's targeted funding approach and ensuring that all institutes and centers receive funding to offset biomedical research inflation; **\$6.7 billion for Public Health Activities** administered by the Centers for Disease Control and Prevention (CDC), such as efforts to combat HIV/AIDS and to intensify surveillance on emerging infectious diseases like MRSA and novel influenzas; **\$3.6 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA)**; and \$204 million across HHS to continue the Subcommittee's aggressive campaign to **dramatically reduce life-threatening hospital infections** that patients acquire while receiving treatment for medical or surgical conditions, which cause nearly 100,000 deaths and contribute up to \$33 billion to annual health care costs.

Protecting Vulnerable Populations

Turning now to the "Human Services" portion of the HHS portfolio, this bill sustains critical support for America's most vulnerable children, families, and seniors.

These investments include: **\$5.1 billion for LIHEAP**, to ensure that approximately 7.5 million low-income households continue to receive the home energy assistance they need in a volatile energy market, rather than eliminating assistance to 1.7 million households as proposed by the Administration; **\$1.5 billion for Senior Nutrition and Other Services** to boost nutrition, transportation, and other supportive services for seniors, supporting an increase of three million meals; and **\$11.4 billion for the Social Security Administration**, which provides the single largest dollar increase in the bill and the request – to help the agency process a rising number of retirement and disability claims, make progress in reducing the backlog of disability hearings, and improve services to the public.

Reducing the Need for Abortion

In an effort to find common ground on one of society's most difficult issues, this Subcommittee has made a concerted effort to invest in both prevention and support programs that will help reduce the number of unintended pregnancies and abortions, help at-risk women and teens bear healthy children, and assist new parents with supportive and economic self-sufficiency services. **This bill provides nearly \$8 billion for such programs.** Included within the bill is \$114.5 million for a new **teenage pregnancy prevention initiative** that will support both evidence-based and other approaches, such as abstinence, to reducing teen pregnancies, which are on the rise. These approaches will be systematically evaluated, generating new knowledge about the effectiveness of a variety of approaches to addressing rising teen pregnancies.

Education Investments

Turning to education, this Subcommittee aims to ensure that all Americans have the educational opportunity that is our nation's most powerful tool to help the poor and middle class climb up the economic ladder. **This bill provides \$64.7 billion for the Department of Education** to help ensure that all Americans have the educational opportunity that is our most powerful tool in helping the poor and middle class climb up the economic ladder.

One of the most difficult issues before us was the Administration's proposal to cut **Title I grants to school districts** by \$1.5 billion. This bill rejects that approach and, instead, maintains base funding for Title I grants at \$14.5 billion. As a result, the bill does not include several new and unauthorized initiatives that the Administration proposed to finance by cutting Title I grants to 14,000 school districts.

The bill maintains base funding of **\$545 million for the School Improvement Fund**, which is \$1 billion less than the request. Nonetheless, with the funds in this bill and the Recovery Act, States will receive an unprecedented \$4 billion for these grants that target assistance to approximately 13,000 low-performing schools. Providing even larger sums in a single year would simply outstrip the ability of States and districts to use the funds effectively and wisely. Second, this bill does not include \$500 million requested for Title I early childhood grants because preschool programs can already be supported under existing Title I funding streams, which total \$27.5 billion in fiscal years 2009 and 2010.

This bill does support, however, a number of other education reforms proposed by the Obama Administration. For example, the bill provides: **\$446 million for the Teacher Incentive Fund**, which supports school districts and States that want to reward effective teachers and schools through compensation systems tied to student achievement results. To ensure that we also learn from this investment, the bill requires that a rigorous evaluation be conducted; **\$316 million for several other reform initiatives, including \$256 million for Charter Schools** to support the start-up of over 1,300 new charter schools with new accountability measures to ensure that these schools are successful, \$50 million for a new **high school dropout prevention initiative**, and \$10 million for a new **Promise Neighborhoods** initiative to support community-wide approaches to lifting children out of poverty, modeled after the successful Harlem Children's Zone; and **over \$400 million for new approaches to improving reading instruction in our schools**.

Turning to higher education, this Subcommittee has led the way to boost **Pell Grants**, which will open the doors of college for 7.6 million low- and middle-income students next year. This bill maintains the discretionary portion of the maximum Pell Grant award at \$4,860, which, when combined with a mandatory supplement of \$690, will support a \$5,550 maximum Pell Grant in fiscal year 2010 – \$200 more than the 2009 award level.

In addition to providing financial support, this bill supports the early intervention, preparation, and support activities that are also critical to helping students successfully pursue, enter, and complete college. For example, it includes: **\$653 million to strengthen Historical Black Colleges and Universities, Hispanic-serving Institutions, and Other Developing Institutions** and nearly triples new loan guarantees for HBCU facilities; and **\$868 million for TRIO and \$330 million for GEAR UP**, which have proven their worth in expanding higher education access but were neglected in the Administration's budget. Under this bill, approximately 1.7 million disadvantaged and first-generation college students will receive college preparation and support services -- an increase of 51,000 students over 2009.

Employment and Training Investments

This bill puts a high priority on enhancing the global competitiveness of America's workforce, strengthening worker rights, protecting safety and health for nearly 150 million workers, and improving worker economic security through the activities of the Department of Labor. To address these needs, the bill provides \$13.3 billion for the Department of Labor, an increase of \$846 million over 2009, and \$23 million below the request. More than half of this increase – \$423.5 million – is a necessary response to unemployment levels that have doubled over the last year and will help States to process rising unemployment claims.

Other key investments are aimed at helping people to get the skills they need to obtain decent, good paying jobs. For example, the bill provides **\$1.4 billion for training and supportive services to the thousands of Dislocated Workers** who have lost their jobs due to plant closings and mass layoffs. More than 500,000 workers lost their jobs in the first three months of 2009 alone due to mass layoffs. And, the bill includes **\$50 million to prepare workers for careers in emerging "green" industries**.

This year, we also make a special effort to assist our veterans - especially those returning from Iraq and Afghanistan - transition to the civilian workforce. The bill provides **\$271 million for veterans' initiatives**, including: \$257 million within DOL, for **veterans' employment and skills training** under the Workforce Investment Act; \$8 million for a new **Centers of Excellence for Veterans Success** initiative in the Education Department to support centers at colleges and universities that will provide academic, counseling and supportive services for veterans seeking to use their new GI Bill educational benefits; and \$6 million under the **Administration on Aging for the Community Living Program to sustain its partnership with the Veterans Administration** to help aging veterans remain independent in their homes and communities.

Moreover, this bill supports a number of other important jobs training initiatives, including **\$100 million for the successful YouthBuild** program to help nearly 7,000 at-risk youth gain high school credentials and construction skills training while building affordable housing for homeless families; **\$50 million for a new research-proven Transitional Jobs** employment strategy to help hard-to-employ noncustodial parents and ex-offenders enter the workforce; and **\$615 million for community service jobs for nearly 100,000 low-income seniors**.

Volunteerism and Service to America

President Obama has issued the call for Americans to serve their communities and country, and this bill responds to that call by providing a \$169 million increase to implement the new Edward M. Kennedy Serve America Act. The mark includes \$35 million to launch a new Social Innovation Fund that will identify and bring to scale proven approaches and new community-based solutions to health, energy, education and other local problems. The Subcommittee will consider further expansion of service and volunteer programs once the Corporation for National and Community Service has demonstrated that it has made improvements in its internal operations.

Significant Policy Provisions

As you know, this bill traditionally carries a number of “policy” riders. For the most part, this bill continues all significant funding restrictions in fiscal year 2010. For example, it continues all of the anti-abortion provisions in fiscal year 2010 without change. The bill also maintains the current prohibition on the use of funds in this bill for human embryo research. One key exception that I want to mention concerns needle exchange programs. This bill deletes the prohibition on the use of funds for needle exchange programs. Scientific studies have documented that needle exchange programs, when implemented as part of a comprehensive prevention strategy, are an effective public health intervention for reducing AIDS/HIV infections and do not promote drug use. The judgment we make in this bill is that it is time to lift this ban and let State and local jurisdictions determine if they want to pursue this approach.

Conclusion

To summarize, we have carefully scrutinized every single line item in this bill with an eye toward making the best possible use of our limited resources. Developing this bill has been a challenging task and it will not make everyone happy. However, we have tried to bring forward a bill that serves the country well.

At this time, I would like to ask if our Ranking Member, Mr. Tiahrt, has any comments he would like to make.