



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH
419 New Jersey Avenue, SE, Washington, D.C. 20003 202-546-3700
Fax: 202-546-2390 E-mail: randsell@calinst.org Web: <http://www.calinst.org>

SPECIAL REPORT:

Labor, Health and Human Services, and Education Appropriations for FY 2005 (Senate Version) and California Implications -- November 2004

On September 15, 2004, the Senate Committee on Appropriations reported S. 2810, its FY 2005 Appropriations bill for the Departments of Labor, Health and Human Services, and Education and Related Agencies. The Senate report is S. Rpt. 108-345. (By a vote of 388 to 13 on September 9, 2004, the House of Representatives passed H.R. 5006, its FY2005 Labor, HHS, and Education bill, after it was approved by the House Appropriations Committee on July 14, 2004. The House Committee report accompanying the bill is H. Rpt 108-636.)

The Labor-H bill constitutes the largest of the non-defense appropriation bills being considered by Congress this year. Overall, the bill appropriates \$494 billion dollars in both mandatory and discretionary spending for more than 300 programs across three departments and numerous related agencies. That sum is \$14.6 billion above fiscal year 2004 adjusted appropriations and \$3.4 billion above the President budget request. \$142.3 billion of the total is discretionary spending.

The following represents a quick analysis of the bill from a California perspective as prepared by the California Institute. We apologize for any errors or omissions in our discussion of these documents, and would appreciate any input/feedback/corrections. The ordering of items generally reflects their presence in the bill and does not mean to imply any relative importance. This appropriations analysis is available on the California Institute web site at <http://www.calinst.org/pubs/lhe05s.htm> and a printable version in Adobe Acrobat (pdf) format is available at <http://www.calinst.org/pubs/lhe05s.pdf>. An analysis of the House bill is also available on the California Institute web site at <http://www.calinst.org/pubs/lhe05h.htm> and a pdf version is available at <http://www.calinst.org/pubs/lhe05h.pdf>.

DEPARTMENT OF LABOR

Training and Employment Services

The bill recommends funding of \$5.4 billion for Training and Employment Services under the direction of the Employment and Training Administration. The funding level is \$235 million

more than FY04 levels and \$54 million over the President's budget request. Specific programmatic funding for some of the larger programs include: (+/- FY04 funding, if available):

- Adult Employment and Training - \$898 million (0)
- Dislocated Worker Assistance - \$1.5 billion (+\$26 million)
- Youth Training - \$994 million (0)
- Job Corps - \$1.6 billion (+\$36 million)
- Responsible Reintegration of Youthful Offenders - \$50 million
- Native Americans - \$55 million
- Migrant and Seasonal Farmworkers - \$76 million (0)

Community Service Employment for Older Americans

The bill provides funding of \$440 million for Community Service Employment of Older Americans, which is \$1.5 million more than FY04 funding and the same as the budget request.

Federal Unemployment Benefits and Allowances

The bill includes \$1.06 billion for Federal Unemployment Benefits and Allowances, which is \$280 million less than FY04 funding and the same as the budget request.

State Unemployment Insurance and Employment Service Operations

The bill appropriates \$3.6 billion for State Unemployment Insurance and Employment Service Operations, which is \$48 million above FY04 funding and \$43 million above the President's request. Within the funding, \$2.7 billion is for unemployment insurance.

Occupational Safety and Health Administration

The Committee recommends funding of \$468 million for the Occupational Safety and Health Administration, which is \$11 million more than FY04 funding and \$7 million more than the Administration's request. The bill retains language carried in last year's bill effectively exempting farms employing 10 or fewer people from the provisions of the Act [Occupational Safety and Health Act, 1970] except those farms having temporary labor camps.

Bureau of Labor Statistics

The bill provides \$533 million in funding for the Bureau of Labor Statistics, which is \$15 million more than FY04 funding and the same as the budget request.

Veterans Employment and Training

The bill includes funding of \$227 million for Veterans Employment and Training, which is \$8 million more than FY04 comparable funding and \$6 million greater than the President's request. Included in this funding is \$23 million for the Homeless Veterans Program (a \$4 million increase over the budget request) and \$9 million for the Veterans Workforce Investment Program (a \$2 million increase over the budget request).

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

The bill approves \$7.0 billion in funding for Health Resources and Services Administration, which is \$348 million more than FY04 funding and \$919 million greater than the budget request. The Health Resources and Services Administration supports programs that provide health care to mothers and infants; the underserved, elderly, homeless; migrant farm workers; and disadvantaged minorities

Bureau of Primary Health Care - Health Centers

The Committee approves funding of \$1.9 billion for the consolidated health centers, which is \$250 million greater than FY04 funding and \$32 million greater than the Administration request. The funding for Health Centers helps support the following programs:

- Community Health Centers
- School-Based Health Centers
- Migrant Health Program
- Health Care for the Homeless
- Public Housing Health Service Grants
- Native Hawaiian Health Care
- Free Clinics Medical Malpractice Coverage
- Radiation and Exposure Screening and Education Program
- Health Care Access for the Uninsured/Community Access Program

Health Professions

The Committee recommends funding of \$465 million for all HRSA health professions programs, which is \$29 million more than FY04 and \$308 million greater than the President's budget request. The Committee stresses the need to recruit more doctors and nurses into the profession.

Maternal and Child Health Block Grant

The bill provides \$734 million for the maternal and child health block grant which is \$5 million more than FY04 funding and the Administration's request.

Healthy Start Initiative

The bill appropriates \$105 million for the healthy start infant mortality initiative, which is seven million more than FY04 funding and the President's request.

HIV/AIDS Bureau

- Ryan White Aids Program - \$2.1 billion, which is \$35 million more than FY04 funding and the President's request. The Committee specifically instructs that activities under this program target the growing HIV/AIDS epidemic and its disproportionate impact upon communities of color, including African Americans, Latinos, Native Americans, Asian Americans, Native Hawaiians, and Pacific Islanders.
- Emergency Assistance - Title I - \$615 million distributed to metropolitan areas disproportionately affected by the HIV/AIDS epidemic.
- Comprehensive Care Programs - Title II - \$1.1 billion for HIV health care and support services.
- Early Intervention Program - Title III-B - \$197 million for early intervention grants.
- Women, Infants, Children, and Youth - Title IV - \$73 million

Family Planning

The bill includes funding of \$308 million for the title X family planning program, which is \$30 million more than FY04 funding and the President's request.

Centers for Disease Control (CDC)

The bill funds the Centers for Disease Control and Prevention at \$4.8 billion, which is a \$228 million increase from FY04 funding and \$345 million greater than the President's request. The following programs account for the vast majority of the CDC budget (funding +/- FY04; funding +/- budget request):

- Infections Disease Coordinating Center - \$1.7 billion (+\$34 million/+\$32 million)
- Health Promotion Coordinating Center - \$988 million (+\$56 million/-\$2 million)
- Immunization - \$488 million (+\$20 million/+\$20 million)
- HIV/AIDS, Sexually Transmitted Diseases and TB Prevention - \$967 million (+\$3 million/+\$3 million)
- Occupational Safety and Health - \$294 million (+\$17 million/+\$16 million)
- CDC Global HIV AIDS Activities - \$118 million (\$0/\$0)
- Environmental Health and Injury Prevention - \$290 million (+\$7 million/+\$7 million)
- Public Health Improvement and Leadership - \$261 million (+\$29 million/+\$61 million)

National Institutes of Health

The bill funds the organizations that comprise the National Institutes of Health at \$28.9 billion, which is \$1.1 billion above FY04 funding and \$373 million above the Administration's request. The funding of the Institutes is as follows (funding +/- FY04; funding +/- budget request):

- National Cancer Institute - \$4.9 billion (+\$155 million/+\$25 million)
- National Heart, Lung, and Blood Institute - \$3.0 billion (+\$108 million/+\$22 million)
- National Institute of Dental and Cranofacial Research - \$399 million (+\$16 million/+\$5 million)
- National Institute of Diabetes and Digestive and Kidney Disease - \$1.7 billion (+\$67 million/+\$7 million)
- National Institute of Neurological Disorders and Stroke - \$1.6 billion (+\$68 million/+\$24 million)
- National Institute of Allergy and Infectious Diseases - \$4.3 billion (+\$152 million/-\$18 million)
- National Institute of General Medical Sciences - \$2.0 billion (+\$71 million/\$16 million)
- National Institute of Child Health and Human Development - \$1.3 billion (+\$46 million/+\$8 million)
- National Eye Institute - \$680 million (+\$27 million/+\$9 million)
- National Institute of Environmental Health Sciences - \$655 million (+\$23 million/+\$18 million)
- National Institute on Aging - \$1.1 billion (+\$70 million/+\$39 million)
- National Institute of Arthritis and Musculoskeletal and Skin Diseases - \$520 million (+\$19 million/+\$5 million)
- National Institute on Deafness and Other Communication Disorders - \$399 million (+\$17 million/+\$6 million)
- National Institute of Nursing Research - \$140 million (+\$6 million/+\$1 million)
- National Institute on Alcohol Abuse and Alcoholism - \$445 million (+\$16 million/+\$3 million)
- National Institute on Drug Abuse - \$1.0 billion (+\$36 million/+\$7 million)
- National Institute of Mental Health - \$1.4 billion (+\$55 million/+\$16 million)
- National Human Genome Research Institute - \$496 million (+\$17 million/+\$4 million)
- National Institute of Biomedical Imaging and Bioengineering - \$301 million (+\$13 million/+\$3 million)

- National Center for Research Resources \$1.2 billion (+\$34 million/+\$110 million)
- National Center for Complementary and Alternative Medicine - \$121 million (+\$5 million/+\$1 million)
- National Center on Minority Health and Health Disparities - \$198 million (+\$6 million/+\$1 million)
- John E. Fogarty International Center for Advanced Study in the Health Sciences - \$68 million (+\$2 million/+\$1 million)
- National Library of Medicine - \$325 million (+\$8 million/-\$47,000)
- Office of the Director - \$364 million (+\$5 million/+\$37 million)
- Office of AIDS Research - Funding for this account is included in the appropriation for each Institute, Center, and Division of the NIH

Substance Abuse and Mental Health Services Administration

The bill includes funding of \$3.5 billion for the Substance Abuse and Mental Health Services Administration, which is \$133 million more than FY04 funding and \$65 million less than the budget request.

Center for Mental Health Services

The Committee recommends funding of \$935 million for the Center for Mental Health Services, which is \$73 million more than FY04 funding and \$23 million more than the budget request. The following programs receive funding under the auspices of the Center for Mental Health Services: (funding +/- FY04; funding +/- budget request)

- Mental Health Performance Partnership Block Grants - \$436 million (+\$1 million/\$0)
- Children Mental Health Services - \$106 million (+\$4 million/\$0)
- Projects for Assistance in Transition from Homelessness (PATH) - \$55 million (+\$5 million/\$0)
- Protection and Advocacy - \$35 million (\$0/\$0)

Center for Substance Abuse Treatment

The bill funds the Center for Substance Abuse Treatment at \$2.3 billion, which is \$58 million above FY04 funding and \$93 million below the Administration's request. The vast majority of these funds are distributed through the Substance Abuse Prevention and Treatment Block Grant, which is funded at \$1.8 billion.

Center for Substance Abuse Prevention

The bill provides \$199 million for the Center For Substance Abuse Prevention, which is essentially the same as FY04 funding and \$3 million more than the Administration's request.

Agency for Healthcare Research and Quality

The Committee recommends funding of \$319 billion for the Agency for Healthcare Research and Quality, which is \$15 million more than FY04 funding and the President's request.

Grants to States for Medicaid

The bill provides \$119 billion for Grants to States for Medicaid, which is \$11.7 billion less than FY04 funding and the same as the budget request.

Payments to Health Care Trust Funds

The bill funds Payments to Health Care Trust Funds at \$114.6 billion, which is \$19.5 billion more than FY04 and the same as the Administration's request. These funds subsidize the Supplementary Medical Insurance Trust Fund (Medicare Part B) and other reimbursements to the Hospital Insurance Trust Fund (Medicare Part A). The amount includes \$87 million for hospital insurance for the uninsured, which is \$110 million less than FY04 funding for the same program.

Centers for Medicaid and Medicare Services Program Management

The bill funds the program management of the Centers for Medicaid and Medicare Services (CMS) at \$2.8 billion, which is \$120 million more than FY04 funding and \$10.5 million more than the Administration's request.

Payments to States for Child Support Enforcement and Family Support Programs

The Committee provides \$2.9 billion for Payments to States for Child Support Enforcement and Family Support Programs, which is \$439 million less than FY04 funding and \$48 million more than the budget request.

Low-Income Home Energy Assistance Program

The bill funds the Low-Income Home Energy Assistance Program at \$2.0 billion, which is \$112 million more than FY04 funding and the same as the President's request.

Child Care and Development Block Grant

The bill provides \$2.1 billion for the Child Care and Development Block Grant, which is \$12 million more than FY04 funding and the same as the Administration's request.

Social Services Block Grant

The Committee recommends level funding of \$1.7 billion for the Social Services Block Grant, which is the same as the President's request.

Children and Families Services Programs

The bill provides \$9.1 billion for Children and Families Services Programs, which is \$261 million more than FY04 funding and \$3 million less than the President's request. Included in this account is (funding +/- FY04; funding +/- budget request):

- Head Start - \$6.9 billion (+\$160 million/\$0)
- Consolidated Runaway and Homeless Youth Program - \$95 million (+\$6 million/+\$6 million)
- Maternity Group Homes - \$0
- Runaway Youth Prevention - \$15.8 million (+\$0.5 million/+\$0.5 million)
- Child Abuse Prevention Programs - \$61.9 million (+\$5 million/-\$6 million)
- Abandoned Infants Assistance - \$12 million (\$0/\$0)
- Child Welfare Services - \$292 million (\$0/\$0)
- Child Welfare Training - \$7 million (\$0/\$0)
- Adoption Opportunities \$27.3 million (\$0/\$0)
- Adoption Incentives - \$32 million (+\$25 million/\$0)
- Adoption Awareness - \$12.9 million (\$0/\$0)
- Compassion Capital Fund - \$47.7 million (\$0/-\$52 million)
- Social Security Research - \$19.1 million (\$0/+\$13 million)
- Community-Based Resource Centers - \$43 million (+\$10 million/-\$22 million)
- Abstinence Education - \$154.5 million (+\$30 million/-\$82 million)

- Developmental Disabilities - \$171 million (+\$7 million/+\$7 million)
- Native American Programs - \$45 million (\$0/\$0)
- Community Services - \$727.6 million (-\$4 million/+\$175 million)
- Domestic Violence Hotline - \$3.5 million (+\$0.5 million/+\$0.5 million)
- Battered Women Shelters - \$128 million (+\$2 million/+\$2.5 million)
- Early Learning Program - \$36 million (+\$3 million/+\$36 million)
- Faith-Based Center - \$1.4 million (\$0/\$0)
- Mentoring Children of Prisoners - \$50 million (\$0/\$0)
- Independent Living Training Vouchers - \$33.7 million (\$0/- \$12 million)
- Program Administration - \$190 million (+\$12 million/\$0)

Promoting Safe and Stable Families

The bill provides level funding of \$404 million for the Promoting Safe and Stable Families program, which is \$101 million less than the President's request.

Payments to States for Foster Care and Adoption Assistance

The bill funds Payments to States for Foster Care and Adoption Assistance at \$5 billion, which is essentially the same as FY04 funding and the President's request.

Administration on Aging

The Committee recommends funding of \$1.4 billion for the Administration on Aging which is \$22 million more than FY04 funding and \$19 million more than the budget request.

Public Health and Social Services Emergency Fund

The committee funds the Public Health and Social Services Emergency Fund at \$2.3 billion, which is \$165 million more than FY04 funding and \$105 million more than the President's request.

DEPARTMENT OF EDUCATION

Education for the Disadvantaged

The bill recommends funding of \$15.5 billion for Education for the Disadvantaged, . That amount is \$1.7 billion more than FY04 funding and \$298 million more than the President's request. Within the Education for the Disadvantaged account, the Title I program occupies the majority of funding. For fiscal year 2005, the Senate funds Title I programs at \$13.5 billion, which is \$1.2 billion more than FY04 funding and \$118 million more than the President's request. Title I provides educational funds for students disadvantaged by poverty and constitutes the largest component of the President's "No Child Left Behind Act." Title I funds are distributed through four formula grants: basic, concentration, targeted, and education finance incentive grants (EFIG). The breakdown of appropriations for each account is as follows (funding +/- FY04; funding +/- budget request):

- Basic - \$7.1 billion (+\$70 million/+\$70 million)
- Concentration - \$1.4 billion (\$0/\$0)
- Targeted - \$2.2 billion (+\$262 million/- \$1.9 billion)
- EFIG - \$2.8 billion (+\$787 million/+\$1.9 billion)

For more information on how these grants are distributed, see the joint Public Policy Institute of California and California Institute paper entitled "*Factors Determining California's Share of Federal Formula Grants*" available on both organizations' websites.

Even Start

The bill does not fund the William F. Goodling Even Start Family Literacy Program. For FY04, this program received \$246.9 million.

Reading First State Grants

The Committee recommends funding of \$1.1 billion for the Reading First State Grants, which is \$39 million more than FY04 and \$63 million less than the President's request.

Migrant Education Program

The bill funds the Migrant Education Program at \$393.6 million, which is the same as FY04 funding and the budget request. These grants support educational services (including academic education, remedial or compensatory instruction, English for limited English proficient students, testing, as well as guidance and counseling) to children of migratory agricultural workers and fishermen. California receives nearly one-third of these funds.

High School Equivalency Program

The bill also provides level funding of \$18.9 million for High School Equivalency programs aimed at helping migrant students ages 16 and over obtain a high school equivalency certificate.

College Assistance Migrant Program

The bill funds the College Assistance Migrant Program (CAMP) at \$15.7 million, which is the same as FY04 funding and the President's request. Again, California receives a large proportion of these funds, which provide first-year migrant undergraduates with tutoring and counseling services, as well as assistance in obtaining financial aid for the rest of their undergraduate years.

Impact Aid

The Committee recommends a level appropriation of \$1.2 billion for Impact Aid, which is also the same as the Administration's request.

School Improvement Programs

The Committee recommends funding of \$5.8 billion for School Improvement Programs, which is \$102 million less than FY04 funding and \$185 million less than the budget request. Within this account, funding of specific programs is as follows: (funding +/- FY04; funding +/- budget request)

- State Grants for Improving Teacher Quality - \$3.0 billion (+\$45 million/+\$45 million)
- Early Childhood Educator Professional Development - \$14.8 million (\$0/\$0)
- Mathematics and Science Partnerships - \$200 million (+\$51 million/-\$69 million)
- Innovative Program Strategies State Grants - \$0 (-\$297 million/-\$297 million)
- Educational Technology State Grants - \$692 million (\$0/\$0)
- 21st Century Community Learning Centers - \$1.0 billion (+\$8 million/+\$8 million)
- State Assessments and Enhanced Assessment Instruments - \$420 million (+\$30 million/+\$10 million)
- Statewide Data Systems - \$40 million (+\$40 million/+\$40 million)
- Javits Gifted and Talented Education - \$12.1 million (+\$1 million/+\$12 million)
- Foreign Language Assistance - \$19 million (+\$2 million/+\$19 million)
- Education for Homeless Children and Youth - \$62 million (+\$2 million/+\$2 million)
- Rural Education - \$175 million (+\$7 million/+\$7 million)

Indian Education

The bill provides \$120.9 million for Indian Education, which is the same as FY04 funding and the budget request.

Innovation and Improvement

The bill funds Innovation and Improvement at \$1.1 billion, which is \$42 million greater than FY04 funding and \$259 more than the President's request. Included in this account is funding for (funding +/- FY04; funding +/- budget request)

- Charter School Grants - \$218 million (\$0/\$0)
- Voluntary Public School Choice - \$26.8 million (\$0/\$0)
- Magnet School Assistance - \$108.6 million (\$0/\$0)
- Fund for the Improvement of Education - \$446.7 million (+\$16 million/+\$326 million)

Safe Schools and Citizenship Education

The bill provides funding of \$902 million for Safe Schools and Citizenship Education, which is \$47 million less than FY04 funding and \$64 million more than the President's request.

English Language Acquisition

The bill funds the English Language Acquisition program at \$700 million, which is \$19 million more than both FY04 funding and the Administration's request. Grants from this program are based on each state's share of the nation's limited English proficient and recent immigrant student population. California, because of its large non-English speaking population, receives a large share of the grants.

Special Education

The bill provides \$12.4 billion for Special Education programs, which is \$1.2 billion more than FY04 funding and \$230 million more than the Administration's request. Funding for this account exists under programs authorized by the Individuals with Disabilities Education Act (IDEA) (funding +/- FY04; funding +/- budget request).

- Grants to States (Part B of IDEA) - \$11.2 billion (+\$1.2 billion/+\$160 million)
- Preschool Grants - \$390 million (+\$2 million/+\$2 million)
- Grants for Infants and Families (Part C of the IDEA) - \$444 million (+\$0/- \$22 million)
- State Program Improvement - \$51 million (\$0/\$0)
- Research and Innovation in Special Education - (\$0/\$0)
- Technical Assistance and Dissemination - \$54 million (+\$1 million/+\$1 million)
- Personnel Preparation - \$93.3 million (+\$2 million/+\$2 million)
- Parent Information Centers - \$27.5 million (+\$1 million/+\$1 million)
- Technology and Media Centers - \$39 million (\$0/+\$7 million)

Rehabilitation Services and Disability Research

The bill funds Rehabilitation Services and Disability Research at \$3.1 billion, which is \$66 million more than FY04 funding and \$30 million more than the President's request. Under this account, funds are allocated for (funding +/- FY04; funding +/- budget request):

- Vocational Rehabilitation State Grants - \$2.6 billion (+\$51 million over FY04 funding)
- Client Assistance - \$13 million (+\$1 million/+\$1 million)
- Training - \$39 million (\$0/\$0)
- Migrant and Seasonal Farmworkers - \$2.5 million (+\$180,000/+\$2.5 million)
- National Institute on Disability and Rehabilitation Research - \$109 million (+\$3

million/+\$3 million)

Vocational and Adult Education

The bill appropriates \$2.1 billion for Vocational and Adult Education, which is \$1 million more than FY04 funding and \$501 million more than the President's request. The funding breaks down into \$1.3 billion for vocational education and \$590 million for adult education.

Student Financial Assistance

The bill funds Student Financial Assistance at \$4.9 billion, which is \$853 million more than FY04 funding and \$161 million more than the budget request. Funding within this account is appropriated as follows (funding +/- FY04; funding +/- budget request):

- Federal Pell Grant - \$12.8 billion - The Committee maintains the maximum Pell Grant award level at \$4,050.
- Federal Supplemental Educational Opportunity Grants - \$800 million (+\$130 million/+\$130 million)
- Federal Work-Study Program - \$998 million (\$0/\$0)
- Federal Perkins Loans - \$98.8 million (\$0/\$0)
- Leveraging Educational Assistance Partnership Program (LEAP) - \$66 million (\$0/\$0)

Student Aid Administration

The Committee funds the Student Aid Administration at \$121 million, which is \$5 million more than FY04 funding and \$813 million less than the President's request.

Higher Education

The bill provides \$2.1 billion for Higher Education, which is \$56 million more than FY04 funding and \$171 million more than the President's request. This account includes funding for the following programs (funding +/- FY04; funding +/- budget request)

- Aid for Institutional Development - \$522 million (+\$37 million/+\$17 mil)
- Hispanic Institutions - \$100 million (+\$6 million/+\$4 million)
- Strengthening Historically Black Colleges and Universities - \$240 million (+\$18 million/\$0)
- International Education and Foreign Language Studies - \$103 million (\$0/\$0)
- Funds for the Improvement of Postsecondary Education - \$157 million (\$0/+\$125 million)
- Minority Science and Engineering Improvement - \$9 million (\$0/\$0)
- Federal TRIO Programs - \$844 million (+\$12 million/+\$12 million)
- Gaining Early Awareness and Readiness for Undergraduates Programs (GEAR UP) - \$302 million (+\$4 million/+\$4 million)
- Byrd Honors Scholarships - \$41 million (\$0/\$0)
- Javits Fellowships - \$10 million (\$0/\$0)
- Graduate Assistance in Areas of National Need - \$31 million (\$0/\$0)
- Teacher Quality Enhancement Grants - \$89 million (\$0/\$0)