

**House Report 109-143 - DEPARTMENTS OF LABOR, HEALTH AND
HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES
APPROPRIATION BILL, 2006**

MINORITY VIEWS

This bill is the clearest demonstration of what happens when Congress puts \$140,000 tax cuts for those making more than a million dollars a year ahead of basic investments in education, healthcare, job training and job protection.

As Majority Leader Tom DeLay pointed out two months ago during debate on the conference report on the FY 2006 budget resolution,

This is the budget that the American people voted for when they returned a Republican House, a Republican Senate and a Republican White House last November.

The average American family wants Congress to focus on creating conditions that make it easier for them to get a good education for their kids; keep secure and decent paying jobs at home; and provide affordable healthcare so that everyone has access to a doctor.

This bill is the most visible and recent evidence that this Congress isn't doing that.

Because the Republican Majority has already made a decision to borrow huge sums to provide super-sized, six-digit tax cuts to the most fortunate people in our society, they have to produce the kind of cuts we see in this bill.

This spring, the Majority party in the House passed a budget resolution that provides \$16 billion less than the amount necessary just to maintain current service levels for non-defense programs. At the same time, that budget resolution extended and expanded on the four years of successive tax cut bills that have reduced overall federal revenues to the lowest level since at least 1965, measured relative to the size of the economy. This bill implements that budget plan.

On the budget resolution, the House Majority voted to cut an abstract category called 'domestic discretionary spending'. This bill, and other domestic appropriations bills, contains the very real cuts in specific programs that the House previously voted for in the abstract.

In nominal dollar terms, this bill provides \$1.6 billion less than the comparable FY 2005 level.*

[Footnote] After adjusting for inflation and population growth, it represents a \$5.7 billion cut in real purchasing power. As a result, this bill cuts ongoing services that Americans rely on to have a decent quality of life, engaging fully in work, family and their communities.

[Footnote] *In computing the comparable level for FY 2005, we include about \$1 billion in costs for administration of the new Medicare drug benefit that were covered in FY 2005 by a one-time special appropriation made in the authorizing legislation but which must be covered through regular discretionary appropriations in this bill starting in FY 2006. The figure used in the text refers to spending on programs, leaving aside rescissions, FY 2005 emergency designations, and other 'scorekeeping adjustments'.

This bill is so inadequate it even cuts deeply into the President's signature programs in training, healthcare and education. The bill cuts his Community College skills training initiative in half. It cuts the \$300 million increase he proposed for Community Health Centers by two-thirds, and it completely eliminates his \$1.5 billion High School reform initiative.

We do not doubt that Chairman Regula and the Majority members of the Subcommittee tried to do the best they could with the budget figure they were given. The problem does not lie so much with how the Majority selected the particular education or health care or job training programs to be cut, as with the overall budget policy that mandates cuts in such high priority programs.

WORKERS

The bill disinvests in job training and help for the unemployed--cutting these programs by \$346 million below the current level while 7.6 million Americans remain out of work.

It again cuts Adult Training Grants by another \$31 million (3.4 percent) below the 2005 level to \$866 million--a 9 percent cut below the \$955 million provided in FY 1998 and the lowest funding level in 10 years.

It cuts the U.S. Employment Service, which provides essential information about job openings to people looking for work, by \$116 million (13.7 percent) below the current level and \$67 million (8.4 percent) below the FY 2001 level. The bill would eliminate job search assistance for 2.5 million people.

It further cuts critical services for at-risk youth--the very group the President says he and the First Lady are making a priority. Youth Training Grants serving high school drop outs are cut by \$36 million (3.7 percent) below the current level to \$950 million, eliminating training and work experience for

12,000 youth. The bill provides nearly 33 percent less funding for youth training than provided in FY 2001.

It even cuts Job Corps below its current funding level. Job Corps is one of the most successful job training programs ever--placing 85 percent of disadvantaged, young adults into jobs and college, and taking them off the street.

The bill eliminates the \$50 million Youthful Offender initiative, eliminating skills training for 9,500 young people who have gotten in trouble with the law.

On the worker protection front, the Republican Majority has gutted the program that is supposed to act as a whistle blower on countries that compete for American jobs with child and slave labor. Eleven years after NAFTA, labor abuses continue in Mexico, China, and Central America. But, this bill takes the cop off the beat by cutting International Labor Affairs by 87 percent.

HEALTH

On healthcare, the Committee bill--like the President's budget--takes a step backward in efforts to maintain basic health services for the 45 million people without health insurance. In fact, it includes slightly less than proposed by the President for the Health Resources and Services Administration, the HHS agency whose mission it is to improve access to health care.

The bill wipes out almost all of the HHS Title VII health professions training programs. In total, these programs see a reduction from \$300 million to \$47 million, a cut of 84 percent. Of 12 programs in this category, only two remain. Some of the grants being terminated help students from minority and disadvantaged backgrounds attend health professions schools to alleviate the shortage of doctors and dentists in low-income and minority communities. Others provide training opportunities for medical students and residents in rural and other under-served areas, to encourage them to go into practice in those areas.

It also eliminates the Healthy Communities Access Program, which tries to repair some of the holes in the health care safety net and help health centers and public hospitals and other providers build more effective local systems of care for the uninsured.

The bill cuts funding to help improve health care in rural areas by 41 percent. This includes a 73 percent cut in Rural Health Outreach grants, meaning no new grants and a big cut in ongoing projects.

It cuts the Maternal and Child Health Block Grant by \$24 million--producing a 20 percent reduction in per-capita purchasing power relative to four years earlier. This program helps states provide prenatal care for mothers and preventive health services and medical treatment for children lacking other sources of health care, including children with disabilities and other special needs.

The bill reduces the increase requested by the President for Community Health Centers by two-thirds, from \$304 million to \$100 million. More than half of the remaining increase has already been committed by the Department of HHS to fund applications for new health center sites and services that have been approved but for which FY 2005 funds were not available. Under the bill, relatively small amounts will be available in FY 2006 to cover rising health care costs at existing centers or to fund additional applications for new or expanded health centers.

The measure eliminates the \$100 million contribution to the Global Fund to Fight HIV/AIDS, Malaria and Tuberculosis, which had been included in the NIH budget for the past four years.

With just a couple of exceptions, most health care programs that aren't cut by the bill have their funding frozen, with no increases to cover rising health care costs or caseloads or anything else. For example, the Ryan White AIDS programs--other than drug assistance--receive slightly less funding (in nominal dollars) than three years earlier, even though the number of patients with AIDS has been rising by more than 6 percent per year.

As for research at the National Institutes of Health to try to find cures for diseases like Parkinson's disease or Alzheimer's, the Committee essentially adopted the President's budget. It provided an increase of only 0.5 percent--the smallest percentage increase in 36 years, and 2.6 percent short of what NIH estimates would be needed just to keep up with inflation in research costs. One result will be that NIH can support about 505 fewer research grants than just two years earlier.

For the programs of the Centers for Disease Control that help protect the public against infectious and other diseases, some of the largest cuts come in assistance to state and local health departments. In particular, the Preventive Health Block Grant is cut by \$31 million or 24 percent, relative to the FY 2005 enacted level. These grants are used by states and localities for basic public health functions such as responding to disease outbreaks, immunizing children, and improving care for people with chronic diseases like diabetes and asthma. Further, grants that help health departments improve their preparedness against bio-terrorism and other public health emergencies are cut by \$75 million.

Most other CDC programs have their funding frozen. This includes prevention and control of HIV/AIDS, sexually transmitted diseases, tuberculosis, and

most other infectious diseases, as well as environmental health. There is a welcome addition of \$50 million for immunization against the flu, but no increase at all is provided for childhood immunization, despite rising vaccine costs.

HUMAN SERVICES

In the human services area, the Committee cuts in half the Community Services Block Grant, a program aimed at helping the poorest people in our communities who often have no other place to turn. This is an improvement over the President's plan to abolish the program entirely, but it still leaves more than 1,000 local community services agencies seriously short of resources to assist low-income people. The purpose of this block grant is to provide flexible funds to meet whatever a local community considers their most important needs, whether it be for job training, emergency food aid, programs for low-income seniors, or home weatherization.

The bill also cuts the Low-Income Energy Assistance Program (LIHEAP) by almost \$200 million--even though there's no reason to expect that we won't have another winter of sky-high heating oil and natural gas prices. Over the past four years, the average cost of heating a home with oil has almost doubled, and the share of that cost covered by the average LIHEAP grant has fallen by half, from 49 percent to 25 percent.

Further, the legislation includes an increase of just 0.7 percent for Head Start--less than what would be needed to keep up with rising costs for teacher salaries, heating, transportation for children and other necessary expenses. It freezes appropriations for the Child Care Block Grant--marking the fourth year in a row that this block grant has been either frozen or cut and leading to a 13 percent reduction below FY 2002 in terms of inflation-adjusted per capita purchasing power. It provides only a one percent increase for seniors' nutrition programs, such as Meals on Wheels, and no increase at all for other key programs at the Administration on Aging.

EDUCATION

On the education front, the Republican Majority has essentially imposed the first freeze on education funding in a decade. At the same time, No Child Left Behind requires our schools to do more for a record 55 million school children. This bill, however, offers them little additional help. It takes a number of actions that shift more of the burden of financing education to the local property tax, even as Federal mandates to those same communities grow.

It cuts No Child Left Behind by \$806 million (3.3 percent) below the current level. Under this bill, the NCLB funding shortfall will be \$13.2 billion next year and over \$40 billion since enactment.

The bill cuts the \$603 million increase the Administration proposed for Title 1 to help low-income children improve their reading and math skills to only \$100 million. The Administration's request was already inadequate. However, under this bill, Title 1 funding will be \$9.9 billion below NCLB's funding promise for FY 2006.

The Republican Majority again breaks its funding promise on IDEA, the program that is aimed at helping local communities pay for the costs of educational services to disabled children mandated by Federal law. The bill is \$3.9 billion below the Republican promise in the IDEA Improvement Act of 2004 to put special education funding on a glidepath to full funding. It even cuts the \$508 million increase requested by the Administration to only \$150 million. The entire idea of IDEA was to raise the federal share of special education costs to 40 percent over time. Under this bill, the federal share of special education costs will actually drop from 18.6 percent this year to 18.1 percent next year.

The bill freezes After School Centers, virtually for the fourth year in a row at \$991 million even though only 38 percent of all after school applications nationwide could be funded last year. We are turning away children when more than 14 million kids are unsupervised after school each day.

It slashes Education Technology by \$196 million (39.5 percent) on top of a \$196 million cut last year. One in four states have no other dedicated technology funds to track NCLB student achievement data, improve teachers' use of technology, and close the achievement gap through online learning.

It eliminates Comprehensive School Reform grants to 1,000 high-poverty schools by eliminating the program. Rigorous independent evaluations have shown that comprehensive school reform models such as Success for All, America's Choice, High Schools That Work, First Things First, and Talent Development are making a significant difference in helping schools implement integrated, schoolwide reform strategies. This bill turns its back on these schools.

The bill cuts investments in teachers. It freezes the main NCLB program to put qualified teachers in every classroom--Teacher Quality State Grants--at \$2.9 billion for the 3rd consecutive year of a freeze or cut. The bill denies 80 percent of the Administration's \$500 million request to provide an incentive for the best teachers to teach in the most challenging high-poverty schools. It cuts funds requested for math and science teachers by \$79 million (29 percent). It even cuts teacher training in American history by \$69 million (58 percent).

It freezes Impact Aid payments to 1,300 school districts for over 1 million military and other Federally-connected children, funding Impact Aid at approximately 35 percent below the maximum payments authorized for FY 2006. The bill also freezes flexible innovative education grants, English language training, civic education, State assessments, and rural education. Some of these programs have been frozen for four years in a row.

Although the Republican Majority promised low-income students a \$100 increase in the maximum Pell Grant in the 2006 Budget Resolution, this bill provides only half that. The \$50 increase would offset only 2 percent of the additional \$2,300 in four-year public college costs since 2001.

PUBLIC BROADCASTING

While we are pleased that the Committee adopted the Democratic amendment to restore \$400 million in fiscal year 2008 advance appropriations for the Corporation for Public Broadcasting, this bill still includes harmful cuts in Federal support for local television and radio stations, and for acclaimed children's programs such as Sesame Street, Mr. Rogers, and Reading Rainbow.

This bill rescinds \$100 million or 25 percent of the funds Congress has already enacted for the Corporation for Public Broadcasting for FY 2006. In addition, out of this reduced appropriation, the bill asks public broadcasters to absorb up to \$82 million for the mandatory costs of digital conversion and replacement of the public television satellite interconnection system. In all, the bill would cut federal assistance to stations by as much 46 percent below the prior FY 2006 enacted level. These cuts come at a time when commercial broadcasters are engaged in a race to the bottom to bolster ratings, while public broadcasting offers us refreshing, innovative, educational and in-depth alternative programming.

CONCLUSION

What is at stake in this bill is not just the question of how much money will be provided. We are really facing the larger question of how well we will meet our obligations to the country's future. The President wants to blow up Social Security's guarantees as we know them and force Americans to count on their personal investments for their retirement. He has expended great time and energy to convince Americans they must invest for their future.

The country needs to do the same thing. We have to count on our investments. However, this bill walks away from the investment we should be making in our human capital. One year of cuts might be tolerated. But, the LHHS bill is targeted for deeper and deeper cuts over time. One needs to look no further than No Child Left Behind.

Four years ago, we fell \$4.2 billion short of the NCLB funding promise.

Three years ago, we fell \$5.4 billion short.

Two years ago, the gap was \$7.6 billion.

Last year, the gap grew to \$9.8 billion.

Under this bill, the gap will exceed \$13 billion.

The same disinvestment is now occurring in programs such as job training, health professions training, child care, after school centers, and teacher training. And, this quiet erosion in these needed investments will get worse under the Majority's long-term plan.

This is a prescription for America walking away from our commitment to equal opportunity and a better quality of life for all Americans. The only guarantee we are providing them in this bill is that greater access to better jobs and higher wages, affordable healthcare and quality educational and lifetime opportunities will not be achieved.

THE DEMOCRATIC ALTERNATIVE

The Democratic Amendment offered during Appropriations Committee consideration of this bill would have invested an additional \$11.8 billion for priority job training, education and health programs, and fully offset these funds by reducing super-sized, six-digit tax cuts that provide the greatest benefit to those who need it the least. It also included \$11.8 billion for deficit reduction. Under the Democratic Amendment, the average tax cut of a person making more than a million dollars would have been reduced from about \$140,000 to \$36,500. Unfortunately, the Democratic Amendment was defeated on a party line vote of 29 to 35.

The Democratic Amendment invested an additional \$7.8 billion to provide real educational opportunity. The Amendment provided:

\$3 billion more for Title 1 reading and math services for nearly 1 million additional low-income students;

\$250 million more for teacher and school improvement, which would have resulted in 22,000 additional teachers receiving high-quality professional development and prevented 1,000 high-poverty schools from losing ongoing comprehensive school reform grants;

\$939 million more for after school centers, child care and Head Start centers to help working families obtain high-quality childcare, an early 'headstart' on education, and after-school learning opportunities for their children;

\$1.56 billion more for special education to keep us on a glidepath toward full funding, instead of losing ground as this bill would do; and

A \$450 increase in the maximum Pell Grant for the lowest income students.

The Democratic Amendment invested an additional \$738 million to provide more unemployed Americans with the job search assistance and training they need for the Jobs of the 21st Century. The Amendment:

Restored the \$125 million cut from the President's signature job training initiative so that workers can qualify for the high-skills jobs that employers in growth industries have found difficult to fill;

Invested more in science, math and technology education programs today so that we will have a technologically proficient workforce tomorrow; and

Reversed the 87 percent cut in the Labor Department funding that helps countries improve their labor standards and eliminate abusive child labor.

In terms of health care and human services, the Democratic Amendment avoided most of the cuts made in the Committee bill and included additional funds for certain high priority investments. The Amendment:

Restored funding for the health professions programs, which help increase the number of minorities in medical and dental schools and encourage medical students to go into primary care and consider practice in rural and underserved areas;

Fully funded the President's request for Community Health Centers, so that the many communities applying for funds to start or expand a health center have a better chance of actually receiving assistance;

Expanded programs to address the special health needs of rural areas, rather than cutting these programs 41 percent as the Committee's bill does;

Restored funding for grants to state and local health departments to help combat infectious diseases and other health threats and improve preparedness against bioterrorist attack or natural epidemic;

Invested in biomedical research at NIH by providing a sufficient increase to keep up with inflation in research costs and to avoid the need to reduce the number of research grants supported;

Restored the \$100 million contribution to the Global AIDS Fund;

Reversed cuts in the LIHEAP energy assistance program, in order to help low-income families and senior citizens avoid having to choose between heating and eating next winter; and

Raised funding for Community Services Block Grant to its FY 2002 level of \$650 million to help local organizations operating in almost every county in the U.S. provide basic services to poor people.

One particular focus of the Democratic Amendment was increases in a series of programs that help young mothers and families in difficult circumstances care for infants and children, in part to reduce some of the economic pressures that might cause a woman to decide not to carry a pregnancy to term. We hear many expressions of concern for life. These concerns need to go beyond the rhetorical and attack the real life conditions that can lead a woman to make another choice. Lectures from politicians will not help unless we extend a hand to assist women to overcome economic pressures and other life challenges that sometimes make a pregnancy and the thought of another child seem overwhelming. Concern about life cannot end at the checkbook's edge.

That is why the Amendment--

Added \$175 million to the Maternal and Child Health Block Grant, to restore its purchasing power to the FY 2002 level, and added \$98 million to double the Healthy Start program; both of these programs support prenatal and infant health services and help young, low-income mothers learn to care for their babies and gain access to the services they need.

Added \$300 million to Child Care grants, restoring purchasing power to FY 2002, to help low-income families secure safe and affordable child care.

Added \$418 million to restore the purchasing power of the Community Services Block Grant, to help local community-based agencies meet basic needs of low-income families, such as emergency assistance with food and other needs, parenting education, child care, and job training and placement.

Added \$126 million to double grants to states and tribes for family violence prevention programs and to provide shelter to victims of violence and their children.

Added \$212 million to restore the purchasing power of adult job training grants to FY 2002 levels, to help parents acquire the skills needed to obtain well-paying jobs to support their families.

This Amendment also would have reversed a number of harmful cuts that would result in costs passed down to state and local governments, already squeezed by a wide array of cuts in programs across the Federal government that provide important services to the public.

What is at stake in this bill is not just the question of how much money will be provided for education, healthcare, or job training. We are really facing the larger question of who we are as a people and what kind of nation we want to be. The Democratic Amendment sought to move us in the right direction.

David R. Obey.
Steny Hoyer.
Rosa DeLauro.
Jesse Jackson, Jr.
Lucille Roybal-Allard.

