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Summary: Fiscal Year 2012 Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill

Subcommittee Mark

Washington, DC – The Senate Labor, Health and Human Services, and Education, and Related Agencies Appropriations Subcommittee today approved a fiscal year 2012 bill that provides \$158 billion in current year discretionary funding, including offsets and cap adjustments, for a range of programs that help train American workers, provide the Nation’s youth with the skills they need to succeed, target fraud and abuse, and incentivize States and local communities to reform their health, workforce and education systems.

Not counting increases provided through cap adjustments established by the Budget Control Act to weed out fraud, waste and abuse in health care and Social Security, both the 302(b) allocation and the program level for this bill are \$308 million below the fiscal year 2011 level.

“I have often said that while the Defense appropriations bill defends America, the Labor-HHS bill defines America,” said Senator Tom Harkin (D-IA), chairman of the subcommittee. “This year, budget constraints made that task particularly difficult. This bill eliminates 15 programs totaling more than \$260 million and reduces funding for dozens more, after 46 programs totaling \$1.3 billion were eliminated last year. Some of these cuts will be painful and unpopular. But I believe this bill still preserves this subcommittee’s top priority: that every American deserves the right to a good education and job skills training; protection from illness and want; and an equal opportunity to reach one’s highest potential.”

Highlights of the bill include: maintaining the maximum Pell Grant award level; creating a new center at the National Institutes of Health (NIH) dedicated to translating basic research into cures; doubling funding for the Promise Neighborhoods community transformation program; preserving the number of children served by Head Start; and nearly doubling the funding for locally led efforts to prevent chronic disease.

“Three priorities permeate this bill,” Harkin said. “The first is fiscal accountability. The bill invests in efforts to root out waste and eliminates programs that aren’t absolutely essential. Second, the bill launches or continues several bold initiatives to rethink the way we conduct medical research and provide education and worker training. And finally, the bill invests in the future of this Nation by helping ensure that our young people have the skills they need to get good jobs and compete in a global economy.”

These priorities are summarized below:

Improving Fiscal Accountability and Reducing Waste, Fraud and Abuse

The bill increases funding for key activities aimed at reducing fraud, waste and abuse of taxpayer dollars. These program integrity initiatives have proven to be a wise Federal investment, resulting in billions of dollars of savings in Federal entitlement programs.

Health Care Program Integrity--Fraud committed against Federal healthcare programs puts Americans at increased risk and diverts critical resources from providing necessary health services to some of the Nation's most vulnerable populations. The bill includes \$581 million for Health Care Fraud and Abuse Control activities at the Centers for Medicare and Medicaid Services. This amount is a \$270.6 million increase over the fiscal year 2011 level of \$310.4 million. The historical return on investment for the life of the Medicare Integrity program has been about \$14 for every \$1 spent. For fraud and abuse activities throughout Medicare and Medicaid, the Federal Government saves or recovers \$6 for every \$1 spent.

Social Security Program Integrity--The bill includes \$896 million, an increase of \$139.5 million over the fiscal year 2011 level, for the Social Security Administration (SSA) to conduct continuing disability reviews and redeterminations of non-medical eligibility under the Supplemental Security Income program. This investment will save approximately \$8.9 billion over 10 years for the Social Security, Medicare, and Medicaid programs, almost \$10 for every \$1 spent.

340B User Fee--The bill includes a provision, requested by the administration, to institute a 0.1 percent user fee on 340B discount drugs. The fee is expected to generate \$5 million in fiscal year 2012, which will be used to implement program integrity work recommended by the Government Accountability Office and mandated by the Patient Protection and Affordable Care Act.

Unemployment Insurance Program Integrity--The bill includes \$59.9 million to conduct re-employment and eligibility assessments and unemployment insurance (UI) improper payment reviews. This amount will support the continuation of this initiative in approximately 40 States and will save State UI Trust funds by helping claimants exit the UI program faster and avoid exhausting UI benefits. These activities have a return on investment of more than \$3 for every \$1 spent.

Program Eliminations--Lean economic times require tough choices and a critical look at all programs in the bill, even those that have been funded for decades. The fiscal year 2011 appropriations bill eliminated 46 programs, totaling more than \$1.3 billion, within the jurisdiction of this bill. In fiscal year 2012, this bill eliminates another 15 programs totaling \$263.4 million.

Leveraging Reforms in Health, Education and Worker Training

Accelerating Cures—The bill creates the National Center for Advancing Translational Sciences (NCATS) as part of a broader restructuring at NIH that also includes the termination of the National Center for Research Resources. The mission of NCATS is to transform the way NIH pursues the translation of basic science into treatments and cures. Too often, basic biomedical research will suggest a promising path for a treatment or cure, but funding falls short to pursue the idea to its fullest potential. A new program within NCATS--the Cures Acceleration Network (CAN)--will help speed the translation and application of discoveries that have shown signs of success at the laboratory level but have not advanced far enough to attract significant investments from the private sector. CAN, for which the bill provides \$20,000,000, will make grants to biotech companies,

universities, and patient advocacy groups, and will also help facilitate FDA review for the high-need cures that are funded by this initiative. |

Race to the Top--The bill includes \$698.6 million, the same as the fiscal year 2011 level, for the administration's signature education reform program. Race to the Top has achieved enormous success in spurring States to change their practices for the purposes of closing the achievement gap and making other needed improvements. Thus far, 11 States and Washington, D.C., have been awarded funds and are now implementing their Race to the Top plans. This bill will offer additional opportunities to support reform, including new authority to award grants directly to local educational agencies interested in pursuing ambitious education reform in their local communities. The bill also continues to support the Race to the Top—Early Learning Challenge program, which was first funded in the fiscal year 2011 appropriations bill. There is robust evidence that high-quality early learning programs help children develop the cognitive, social, and emotional skills needed to succeed in school and later in life. Yet quality varies greatly across settings, within States, and across the Nation. The fiscal year 2012 bill provides the Department with authority to further support States' plans for raising the bar for early childhood programs, particularly disadvantaged children, and ensure that more children enter kindergarten ready to succeed. |

Investing in Innovation--The bill includes \$149.7 million, the same as the fiscal year 2011 level, to replicate education programs that have high levels of effectiveness as established under rigorous research and to develop and test promising new ideas. |

Workforce Innovation Fund--In an increasingly competitive economy, America's strength depends on the education and skills of our workforce. To that end, the bill includes \$100 million to continue the Workforce Innovation Fund, which will help reform the Nation's workforce investment system and improve the delivery of training programs to workers. Created in the fiscal year 2011 appropriations bill, WIF will support innovative, systemic and evidence-based reforms and help determine which strategies are cost-effective and have the greatest impact. |

Community Transformation Grants—The bill dedicates \$280 million of the Prevention and Public Health Fund, an increase of \$135 million over the fiscal year 2011 level, for implementing evidence-based public health interventions to reduce obesity and smoking and make preventive services more accessible. This program offers enormous potential to turn the environment in which Americans work, live and raise their families into one that offers a much greater array of healthy choices.

Promoting School Readiness for Minors in SSI—The bill includes \$4 million within the Department of Education and \$10 million at the SSA for a new Promoting School Readiness for Minors in SSI (PROMISE) program. PROMISE will bring together these agencies with the Departments of HHS and Labor in an unprecedented interagency effort to improve outcomes for children, and the families of children, receiving Supplemental Security Income benefits. Almost 60 percent of child SSI recipients who turn 18, and become ineligible for child benefits, immediately continue receiving benefits as an adult. Those who do enter the workforce have average earnings that are only one-third the level as their peers. This program will improve services for these transition-aged youth by encouraging State-level innovation and facilitating better coordination between existing programs

serving disabled youth. To the extent that this initiative can help young people with disabilities eventually support themselves, it will also reduce SSI program costs.

Social Innovation Fund--The bill provides \$49.9 million, the same as the fiscal year 2011 level, for the Social Innovation Fund at the Corporation for National and Community Service. This Fund mobilizes public and private resources to expand and evaluate promising, innovative community-based solutions in three areas: economic opportunity, healthy futures and youth development.

Investing in the Future

Pell Grants—One of the Committee's highest priorities in the bill is maintaining the maximum Pell Grant award. Now more than ever, students need affordable, quality education opportunities to help make our economy strong and competitive. Pell Grants, the foundation of Federal postsecondary student aid, are essential to helping students enter college and gain the education and skills needed for jobs in the 21st century economy.

The bill maintains the discretionary portion of the maximum Pell Grant award level at \$4,860 for the 2012-2013 school year. Combined with mandatory funding, the total maximum award is maintained at \$5,550. The Pell Grant program supports an estimated 9,400,000 low- and middle-income students.

Head Start—Investments in early childhood education not only improve outcomes for low-income children and families, but save taxpayer dollars in the long-run through lower Federal and State welfare, special education, and criminal justice costs. The bill includes a \$340 million increase for Head Start, maintaining the recent expansion of 61,000 Head Start slots funded with Recovery Act funding in fiscal years 2009 and 2010. In total, Head Start will provide comprehensive early childhood services to 968,000 low-income children and families.

Striving Readers—The bill includes \$183 million for this comprehensive, competitive literacy program. Funds will be used by States to implement their statewide literacy plans, which address activities from birth through 12th grade and will support programs that advance literacy skills through professional development, screening and assessment, targeted interventions for students reading below grade level and other research-based methods of improving classroom instruction and practice.

Promise Neighborhoods—The bill includes \$60 million—a doubling of the fiscal year 2011 level--for the Promise Neighborhoods program. Inspired by the successful Harlem Children's Zone program, Promise Neighborhoods supports local efforts to establish cradle-to-career services designed to improve educational outcomes for students in distressed neighborhoods.

Other Highlights of the Bill

Mine Safety Appeals—The number of violations appealed annually to the Federal Mine Safety and Health Review Commission has quadrupled since 2006. Because staffing at the Commission has not kept pace with this increase, the number of pending cases has skyrocketed and it now takes over 500 days to issue a final decision. These delays undermine mine safety and ultimately put miners at risk. The bill includes a combined \$26.7 million increase at the Commission and the Department of

Labor, building off of supplemental funding provided in fiscal year 2010, to continue efforts to reduce the backlog of cases, decrease case processing time, and improve the safety of American miners.

Centers for Medicare and Medicaid Services—The bill includes \$4 billion for operations of CMS. The fiscal year 2011 level was \$3.6 billion. Additional funding is needed to continue implementation of the Patient Protection and Affordable Care Act and to accommodate an increase in the Medicare population, as 2011-2012 are the first years that the baby boomer generation will begin enrolling in this program.

National Institutes of Health--The bill provides \$30.5 billion, a decrease of \$190 million, to fund biomedical research at the 27 Institutes and Centers that comprise the NIH.

Community Health Centers—The bill includes \$1.6 billion for CHCs. Combined with mandatory funding provided in the health reform law, the fiscal year 2012 program level for CHCs is \$2.8 billion—an increase of \$200 million. This level will allow for base grant adjustments for all existing CHCs and the expansion of the national network of clinics.

Low Income Home Energy Assistance—The bill includes \$3.6 billion for the Low Income Home Energy Assistance Program. The fiscal year 2011 level was \$4.7 billion. The level in the bill, while a significant cut, is more than \$1 billion higher than both the administration's budget request and the comparable fiscal year 2008 funding level.

Child Care and Development Block Grant--The bill includes \$2.2 billion for the Child Care and Development Block Grant, including \$283.6 million specified for child care quality improvement activities. The bill maintains funding at the fiscal year 2011 level and, including mandatory funding, will allow States to provide child care subsidies to an estimated 1.6 million low-income children and their working families.

Senior Nutrition--The bill includes \$817.8 million for senior nutrition programs, including congregate meals, home-delivered meals and the nutrition services incentive program. These programs provide seniors with the meals they need to stay healthy and remain independent in their community. The bill maintains funding at the fiscal year 2011 level.

Homelessness--The bill includes \$14.6 million for a new initiative targeting mental health and substance abuse treatment services to homeless and at-risk families. This initiative, in collaboration with the Department of Housing and Urban Development, aims to provide permanent supportive housing to those who experience chronic, long-term homelessness.

Community Services Block Grant—The bill includes \$678.6 million, the same as the fiscal year 2011 funding level, for CSBG. This block grant provides critical funding for community action agencies across the country to help ensure a safety net at the local level for the most vulnerable Americans.

AIDS Drug Assistance Program—The bill includes \$900 million for ADAP, an increase of \$15 million over the fiscal year 2011 level.

Polio Eradication—The bill provides \$111.6 million, an increase of \$10 million over the fiscal year 2011 level, for CDC efforts to eradicate polio.

Education for Individuals With Disabilities--The bill provides nearly \$11.5 billion, the same amount as the fiscal year 2011 level, under section 611 of part B grants to States for educating students with disabilities.

Title I (Education for the Disadvantaged)--The bill includes nearly \$14.5 billion, the same amount as the fiscal year 2011 level, for title I grants to local education agencies for improving education for low-income students. These funds support more than 90 percent of the 15,000 school districts across the Nation--an important contribution given the reductions to education spending by State and local governments.

Corporation for Public Broadcasting—The bill includes \$445 million in fiscal year 2014 advanced funding for the Corporation for Public Broadcasting, the same as the advance provided last year for fiscal year 2013. The Committee maintains 2-year advance funding, which has been in place since 1975 to ensure the independence of public broadcasting programming.

Social Security Administration--The bill includes \$11.6 billion, an increase of \$208 million over the fiscal year 2011 level, for the SSA's administrative expenses. This increase includes \$139.5 million for program integrity activities and \$68.8 million in base administrative expenses. As SSA faces sustained record levels of core workloads, the increase for base administrative expenses will allow SSA to provide targeted increases to parts of the agency facing the highest demand for services while maintaining the goal of eliminating the disability hearings backlog by the end of 2013.

Corporation for National and Community Service--The bill includes \$1.1 billion for the Corporation for National and Community Service, an increase of \$17 million. The additional funds are necessary to offer over 82,000 Americans the opportunity to join AmeriCorps. Other programs of the Corporation engage seniors in part-time volunteerism, work with nonprofit organizations to improve their management, and link volunteers to programs in need.

Overall Funding Levels

The bill includes a program level of \$165.4 billion for fiscal year 2012. (Program level is current year discretionary funding plus additional spending that is offset by savings in mandatory programs and other adjustments to discretionary funding.) Within this total, the bill included an additional \$409 million in spending through cap adjustments on reducing fraud, waste and abuse in health care and at the SSA. When adjusted for this additional program integrity spending, the program level is \$308 million below the fiscal year 2011 comparable level of \$165.3 billion. This difference mirrors the reduction in the 302(b) allocation for this bill, before cap adjustments, from the fiscal year 2011 enacted level to fiscal year 2012.

The bill provides discretionary program level funding of \$12.69 billion for the Department of Labor, \$70.18 billion for the Department of HHS, \$68.43 billion for the Department of Education and \$14.09 billion for related agencies. The comparable fiscal year 2011 levels were \$12.66 billion for Labor, \$70.44 billion for HHS, \$68.35 billion for Education and \$13.83 billion for related agencies.