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### Congressional Research Service

Report RL32952

Labor, Health and Human Services, and Education: FY2006
Appropriations

Paul M. Irwin, Domestic Social Policy Division

February 22, 2006

**Abstract.** This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Labor, Health and Human Services, and Education, and Related Agencies. It summarizes the status of the bill, its scope, major issues, funding levels, and related congressional activity.



## **CRS** Report for Congress

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# Labor, Health and Human Services, and Education: FY2006 Appropriations

**Updated February 22, 2006** 

Paul M. Irwin Specialist in Social Legislation Domestic Social Policy Division The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of each annual session of Congress. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Labor, Health and Human Services, and Education, and Related Agencies. It summarizes the status of the bill, its scope, major issues, funding levels, and related congressional activity, and is updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

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# Labor, Health and Human Services, and Education: FY2006 Appropriations

#### **Summary**

This report tracks FY2006 appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies (L-HHS-ED). This legislation provides discretionary funds for three major federal departments and 14 related agencies. The report, which will be updated, summarizes L-HHS-ED discretionary funding issues but not authorization or entitlement issues.

On February 7, 2005, the President submitted the FY2006 budget request to Congress, including \$141.7 billion in discretionary L-HHS-ED funds; the comparable FY2005 appropriation was \$143.5 billion, enacted primarily through **P.L. 108-447**. Congress reached agreement on **H.R. 3010** (**H.Rept. 109-337**), providing \$143.0 billion of discretionary L-HHS-ED funds, prior to a 1% rescission required by **P.L. 109-148**. H.R. 3010 was signed into law on December 30, 2005, as **P.L. 109-149**. A series of three continuing resolutions, beginning with **P.L. 109-77** (**H.J.Res. 68**), provided temporary FY2006 funding from October 1 through December 30, 2005.

**Department of Labor (DOL).** DOL discretionary appropriations were \$12.1 billion in FY2005; \$11.6 billion was provided for FY2006. FY2006 funding for Workforce Investment Act (WIA) programs was decreased by \$225 million.

**Department of Health and Human Services (HHS).** HHS discretionary appropriations were \$63.8 billion in FY2005; \$63.4 billion was provided for FY2006. Funding was increased by \$155 million for Community Health Centers, \$252 million for the National Institutes of Health (NIH), and \$506 million for the Centers for Medicare and Medicaid Services (CMS) Program Management. Initial funding of \$500 million was provided for Bioterrorism Hospital Grants and \$1.6 billion for the Centers for Disease Control and Prevention (CDC) Terrorism Preparedness and Response (TPAR). Funding was decreased by \$153 million for Health Professions other than nursing, \$219 million for CDC activities other than TPAR, and \$2.3 billion for the Public Health and Social Services Emergency Fund. Funding was eliminated for Health Care-Related Facilities and Activities, which received \$483 million in FY2005.

**Department of Education (ED).** ED discretionary appropriations were \$56.6 billion in FY2005; \$56.5 billion was provided for FY2006. Funding was increased by \$812 million for Pell Grants. Funding was decreased by \$780 million for Elementary and Secondary Education Act (ESEA) programs in aggregate, \$197 million for Comprehensive School Reform, \$221 million for Educational Technology State Grants, and \$254 million for the Fund for the Improvement of Education (FIE). The estimated \$4.3 billion Pell Grant shortfall was paid off.

**Related Agencies.** Discretionary appropriations for related agencies were \$11.1 billion in FY2005; \$11.5 billion was provided for FY2006. For the related agencies, Supplemental Security Income (SSI) discretionary activities received \$254 million less than in FY2005, and Social Security Administration (SSA) Administrative Expenses received \$723 million more.

## **Key Policy Staff for L-HHS-ED Appropriations**

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Child welfare	Emilie Stoltzfus	7-2324
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Head Start	Melinda Gish	7-4618
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Charter schools	David Smole	7-0624
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Education for the Disadvantaged, Title I	Wayne C. Riddle	7-7382
Education technology	Charmaine Mercer	7-4894
English language acquisition	Jeffrey J. Kuenzi	7-8645
Higher education	Adam Stoll	7-4375
Impact Aid	Rebecca R. Skinner	7-6600
Indian education	Roger Walke	7-8641
Pell Grants	Charmaine Mercer	7-4894
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Rehabilitation Act	Scott Szymendera	7-0014
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Student loans	Adam Stoll	7-4375
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Vocational and technical education	Rebecca R. Skinner	7-6600
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Institute of Museum and Library Services, museums	Susan Boren	7-6899
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National Labor Relations Board, legal issues	Jon Shimabukuro	7-7990
Railroad Retirement Board	Kathleen Romig	7-3742
Social Security Administration	Dawn Nuschler	7-6283
Supplemental Security Income	Scott Szymendera	7-0014

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# Labor, Health and Human Services, and Education: FY2006 Appropriations

#### **Most Recent Developments**

**P.L. 109-149 (H.R. 3010) Enacted.** On December 30, 2005, following a series of three continuing resolutions, **H.R. 3010 (H.Rept. 109-337)**, the Departments of Labor, Health and Human Services, and Education, and Related Agencies (L-HHS-ED) Appropriations Act, 2006, was signed into law, as **P.L. 109-149**. Prior to a 1% rescission for most discretionary activities (see page 12), the act provides \$143.0 billion in discretionary appropriations; the comparable FY2005 amount was \$143.5 billion.

**Senate Bill H.R. 3010 Passed.** On October 27, 2005, the Senate amended and passed H.R. 3010 (S.Rept. 109-103). The bill would have provided \$153.7 billion in discretionary funds for L-HHS-ED programs.

**House Bill H.R. 3010 Passed.** On June 24, 2005, the House amended and passed H.R. 3010 (H.Rept. 109-143), its version of the FY2005 bill, which would have provided \$143.0 billion in discretionary funds for L-HHS-ED programs.

**President's Budget Submitted.** On February 7, 2005, the President submitted the FY2006 budget to Congress; the request was for \$141.7 billion in discretionary funds for L-HHS-ED programs.

**Table 1** summarizes the legislative status of FY2006 L-HHS-ED appropriations.

Table 1. Legislative Status of L-HHS-ED Appropriations, FY2006

Subcon Mar	nmittee kup	H.R. 3010,	H.R. 3010,	H.R. 3010,	H.R. 3010,	H.R. 3010 Conf.,	Confe Report A		Public Law
House	Senate	H.Rept.	House	S.Rept. 109-103	Senate Passage	H.Rept. 109-337	House Passage	Senate Passage	P.L. 109-149
6/09/05 (a)	7/12/05 (b)	6/21/05 (c)	6/24/05 250-151 (d)	7/14/05 (e)	10/27/05 93-4 (f)	12/13/05 (g)	12/14/05 215-213 (h)	12/21/05 (i)	12/30/05 (j)

a. The House Subcommittee on Labor, Health and Human Services, and Education Appropriations began FY2006 hearings on Feb. 16, 2005. The subcommittee marked up its version of the FY2006 L-HHS-ED appropriations on June 9, 2005, and approved it by voice vote.

b. The Senate Subcommittee on Labor, Health and Human Services, and Education Appropriations began FY2006 hearings on Mar. 2, 2005. The subcommittee marked up its version of the FY2006 L-HHS-ED appropriations on July 12, 2005, and approved it by voice vote.

- c. H.R. 3010: The House Committee on Appropriations approved its version of the L-HHS-ED appropriations for FY2006 on June 16, 2005, by voice vote, and ordered the bill reported. Subsequently, H.R. 3010 (H.Rept. 109-143) was introduced and reported on June 21, 2005.
- d. H.R. 3010: The House passed H.Res. 337 (H.Rept. 109-148), the rule for the House floor consideration of H.R. 3010, by voice vote; see *Congressional Record*, Daily Edition, June 23, 2005, p. H4991-5000. The House amended and passed H.R. 3010 on June 24, 2005; see *Congressional Record*, Daily Edition, June 23, p. H5000-5073; and June 24, 2005, p. H5105-5165. House approval was by a vote of 250 to 151 (Roll Call no. 321), p. H5164-5165.
- e. H.R. 3010: The Senate Committee on Appropriations approved its version of the L-HHS-ED appropriations for FY2006 on July 14, 2005, S.Rept. 109-103, and reported the bill by a vote of 27 to 0.
- f. H.R. 3010: The Senate amended and passed H.R. 3010 on Oct. 27, 2005; see the *Congressional Record*, Daily Edition, Oct. 21, p. S11702-11731; Oct. 24, p. S11753-11762; Oct. 25, p. S11784-11815; Oct. 26, p. S11857-11910; and Oct. 27, 2005, p. S11953-11999. Senate approval was by a vote of 93-4 (Roll Call no. 281), p. S11998.
- g. H.R. 3010: Two conference reports to H.R. 3010 were filed. The first conference report, H.Rept. 109-300 (Nov. 16, 2005), failed to pass the House on Nov. 17, 2005, by a vote of 209 to 224 (Roll Call no. 598). For the text of first report, see the *Congressional Record*, Daily Edition, Nov. 16, 2005, p. H10383-10476; for House consideration, see the *Congressional Record*, Daily Edition, Nov. 17, 2005, p. H10518-10531, with the vote on p. H10529-10530. The second conference report, H.Rept. 109-337 (Dec. 13, 2005), was passed by the House and Senate and signed into law. The text of the second report was printed in the *Congressional Record*, Daily Edition, Dec. 13, 2005, p. H11348-11441.
- h. H.R. 3010: The House approved the second conference agreement on H.R. 3010 (H.Rept. 109-337); see the *Congressional Record*, Daily Edition, Dec. 14, 2005, p. H. 11544-11552. House approval was by a vote of 215 to 213 (Roll Call no. 628), p. H11552.
- i. H.R. 3010: The Senate approved the second conference agreement on H.R. 3010 (H.Rept. 109-337); see the *Congressional Record*, Daily Edition, Dec. 15, 2005, p. S13600-13608, and Dec. 21, 2005, p. S14281-14289. The Senate agreed to the conference report by unanimous consent.
- j. P.L. 109-149: On Dec. 30, 2005, the President signed H.R. 3010 into law, as P.L. 109-149. Three FY2006 continuing resolutions, beginning with P.L. 109-77, provided temporary funding for most discretionary L-HHS-ED activities during the period Oct. 1 through Dec. 30, 2005.

Note on Most Recent Data. In this report, unless stated otherwise, data on FY2005 appropriations and FY2006 appropriations proposals are based on the H.R. 3010 conference agreement (H.Rept. 109-337, December 13, 2005), which was subsequently signed into law as P.L. 109-149 on December 30, 2005. The FY2006 amounts are pre-rescission and do not take into account the 1% cut of most FY2006 discretionary amounts required by P.L. 109-148 (see page 12). Likewise, the FY2006 amounts exclude the supplemental funding for 2005 hurricane relief and for pandemic influenza preparedness enacted through P.L. 109-148 (see page 46). The FY2005 enacted amounts are post-reduction, taking into account the cuts (see page 49) required by P.L. 108-447, the Consolidated Appropriations Act, 2005 — these amounts differ from those shown in the H.R. 4818 conference report for FY2005, H.Rept. 108-792, which are pre-reduction amounts. In most cases, data represent net funding for specific programs and activities and take into account current and forward funding and advance appropriations; however, all data are subject to additional budgetary scorekeeping. Except where noted, budget data refer only to those programs within the purview of the L-HHS-ED appropriations bill, and not to all programs within the jurisdiction of the relevant departments and agencies, including funding from other appropriations bills and entitlements funded outside of the annual appropriations process.

#### **Overview and Key Issues**

This report describes the President's proposal for FY2006 appropriations for L-HHS-ED programs, as submitted to Congress on February 7, 2005, and the congressional response to that proposal. It compares the President's FY2006 request to the FY2005 L-HHS-ED amounts. It tracks legislative action and congressional issues related to the L-HHS-ED appropriations bill, with particular attention paid to discretionary programs. In addition, the report summarizes activities related to the annual budget process, such as the congressional budget resolution, continuing resolutions, and supplemental appropriations (see "Related Legislation," page 45). However, the report does not follow specific funding issues related to mandatory L-HHS-ED programs — such as Medicare or Social Security — nor will it follow any authorizing legislation that may be needed prior to funding some of the President's budget initiatives. For a glossary of budget terms and relevant websites, see "Appendix A: Terminology and Web Resources," page 51. For funding resources for L-HHS-ED agencies, see "Appendix B: Context of L-HHS-ED Appropriations," page 53.

The L-HHS-ED bill typically is one of the more controversial of the regular appropriations bills, not only because of the size of its funding total and the scope of its programs, but also because of the continuing importance of various related issues, such as restrictions on the use of federal funds for abortion, stem cell research, or human cloning. This bill provides discretionary funds for three federal departments and 14 related agencies including the Social Security Administration (SSA).

Among the various appropriations bills, L-HHS-ED is the largest single source of discretionary funds for domestic federal programs; the Defense bill is the largest source of discretionary funds among all federal programs. According to the *Budget of the United States Government Fiscal Year 2006*, Table S-4, the FY2005 L-HHS-ED bill accounted for \$142.4 billion (17.3%) and the Defense bill accounted for \$390.4 billion (47.5%) of the estimated \$822.7 billion total for all federal discretionary budget authority in FY2005. This section summarizes major funding changes proposed for L-HHS-ED and related issues such as 302(b) allocations, advance appropriations, and earmarks for specific projects. Later sections provide details for individual L-HHS-ED departments.

#### **Program Level and Current Year Appropriations**

**Table 2** summarizes the L-HHS-ED appropriations for FY2006, including both discretionary and mandatory appropriations. The table shows various aggregate measures of L-HHS-ED appropriations enacted for FY2005 and proposed for FY2006, including discretionary program level, current year, and advance appropriations, as well as scorekeeping adjustments.

• **Program level appropriations** reflect the total discretionary appropriations in a given bill, regardless of the year in which they will be spent, and therefore include advance funding for future years. *Unless otherwise specified, appropriations levels in this report refer to program level amounts.* 

- Current year appropriations represent discretionary appropriations in a given bill for the current year, plus discretionary appropriations for the current year that were enacted in prior years. Current year discretionary appropriations are similar to the amount counted for the 302(b) allocations ceilings (discussed later, page 13).
- Advance appropriations are funds that will not become available until after the fiscal year for which the appropriations are enacted for example, funds included in the FY2005 act that cannot be spent before FY2006 at the earliest (discussed later, page 14).
- **Scorekeeping adjustments** are made to account for special funding situations, as monitored by the Congressional Budget Office (CBO).

Because appropriations may consist of mixtures of budget authority enacted in various years, two summary measures are frequently used — program level appropriations and current year appropriations. How are these measures related? For an "operational definition," program level funding equals (a) current year, plus (b) advances for future years, minus (c) advances from prior years, and minus (d) scorekeeping adjustments. **Table 2** shows each of these amounts, along with current year funding for mandatory programs and the grand total for L-HHS-ED.

**Table 2. Summary of L-HHS-ED Appropriations, FY2005-FY2006** (\$ in billions)

Type of budget authority	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.		
Discretionary appropriations							
Program level: current bill for any year	\$143.5	\$141.7	\$143.0	\$153.7	\$143.0		
Current year: current year from any bill	142.7	141.7	142.5	141.5	142.5		
Advances for future years (from the current bill)	19.3	18.8	19.3	19.3	19.3		
Advances from prior years (from previous bills)	19.2	19.3	19.3	19.3	19.3		
Scorekeeping adjustments	-0.7	-0.5	-0.5	-12.2	-0.5		
Current year discretionary and	d mandatory	funding					
Discretionary	142.7	141.7	142.5	141.5	142.5		
Mandatory	354.2	455.3	459.5	459.6	459.5		
Total current year	496.9	597.0	602.0	601.1	602.0		
Grand total of funding for L-HHS-ED bill, any year							
Grand total any year	\$501.3	\$596.1	\$601.6	\$612.4	\$601.6		

**Source:** Amounts are based on the FY2006 conference report H.Rept. 109-337, Dec. 13, 2005; conference amounts do not reflect the 1% cut for most discretionary programs that is required by P.L. 109-148 (see p. 12). FY2005 amounts are post-reduction (see p. 49) and are based on P.L. 108-447. Appropriations are given only for programs included in the annual L-HHS-ED bill.

**Note:** Both FY2005 and FY2006 mandatory amounts are estimates that are subject to adjustments after the close of their respective fiscal years.

#### **President's Request**

On February 7, 2005, the President's FY2006 request was submitted to Congress, two months after the regular FY2005 L-HHS-ED appropriations were signed into law as P.L. 108-447 (enacted December 8, 2004). With regard to the President's budget, the primary issues raised during congressional consideration of any appropriations request generally relate to proposed funding changes. The summary below notes changes proposed for FY2006 discretionary budget authority of at least \$100 million compared to the FY2005 amount. Viewing this list by itself should be done with caution, since the relative impact of a \$100 million funding change to a \$500 million program (a 20% increase or decrease) is greater than a \$100 million change to a \$5 billion program (a 2% increase or decrease). Later in this report, the discussions of budgets for individual departments include tables to compare the FY2006 request with the FY2005 funding for many of the major programs in the L-HHS-ED bill.

**Budget Highlights.** Overall, \$141.7 billion in discretionary appropriations was requested for L-HHS-ED for FY2006, \$1.8 billion (1.3%) less than the FY2005 amount of \$143.5 billion.

- For the Department of Labor (DOL), the FY2006 request included a decrease of \$276 million for job training programs authorized by the Workforce Investment Act of 1998 (WIA), including \$132 million less for WIA Dislocated Worker Assistance. A decrease of \$116 million was proposed for the Employment Service. Overall, \$11.6 billion in FY2006 discretionary appropriations was requested for DOL, 4.1% less than the FY2005 amount of \$12.1 billion.
- For the Department of Health and Human Services (HHS), the FY2006 request proposed increases of \$304 million for Community Health Centers, \$145 million for the National Institutes of Health (NIH), \$512 million for the Centers for Medicare and Medicaid Services (CMS) Program Management, and \$171 million for the Public Health and Social Services Emergency Fund (PHSSEF). The FY2006 request proposed decreases of \$288 million for Health Professions programs other than nursing, \$101 million for Children's Hospital Graduate Medical Education (CHGME), \$470 million for the Centers for Disease Control and Prevention (CDC), and \$182 million for the Low-Income Home Energy Assistance Program (LIHEAP). FY2006 funding would have been eliminated for the \$483 million Health Care-Related Facilities and Activities and the \$637 million Community Services Block Grant (CSBG) Overall, \$62.7 billion in FY2006 discretionary appropriations was requested for HHS, 1.7% less than the FY2005 amount of \$63.8 billion.
- For the Department of Education (ED), an FY2006 increase of \$974 million was proposed for Elementary and Secondary Education Act of 1965 (ESEA) programs in aggregate. The request proposed increases of \$602 million for ESEA Title I, Part A Grants to Local Educational Agencies (LEAs) for the Education for the Disadvantaged, \$508 million for Special Education Part B Grants to

States under the Individuals with Disabilities Education Act (IDEA), \$834 million for Pell Grants, and \$175 million for Striving Readers. Proposed new programs included \$1.2 billion for a High School Intervention initiative, \$250 million for High School Assessments, and \$500 million for a Teacher Incentive Fund. Proposed decreases included \$258 million less for the Fund for the Improvement of Education (FIE), \$369 million for Adult Education, \$140 million for the Fund for the Improvement of Postsecondary Education (FIPSE), and \$468 million for TRIO programs. FY2006 funding would have been terminated for the \$1.3 billion Perkins Vocational Education program, the \$225 million Even Start program, the \$205 million Comprehensive School Reform, the \$496 million Educational Technology State Grants, the \$437 million Safe and Drug-Free Schools State Grants, and the \$306 million GEAR UP program. Overall, \$56.2 billion in FY2006 discretionary appropriations was requested for ED, 0.7% less than the FY2005 amount of \$56.6 billion.

• For the related agencies, the FY2006 budget proposed an increase of \$748 million for Administrative Expenses at the Social Security Administration (SSA). Termination of separate funding was proposed for the \$446 million SSA Medicare Reform Fund, with continuing SSA responsibilities to be funded under regular SSA Administrative Expenses. No funds were proposed for the two-year advance appropriation for the Corporation for Public Broadcasting (CPB) for FY2008. The CPB was funded at \$400 million for FY2007 (under the FY2005 L-HHS-ED bill); the FY2005 CPB funding level was \$387 million. Overall, \$11.2 billion in FY2006 discretionary appropriations was requested for related agencies, 1.0% more than the FY2005 amount of \$11.1 billion.

#### **House Bill**

The House Committee on Appropriations reported its version of the FY2006 L-HHS-ED appropriations as **H.R. 3010** (**H.Rept. 109-143**) on June 21, 2005. Under the provisions of **H.Res. 337**, the House began consideration of the bill on June 23, and amended and passed the bill on June 24, 2005, by a vote of 250 to 151 (Roll Call no. 321). With some reservation, the Administration announced its support for the House bill, as approved by the committee; for details, please see [http://www.whitehouse.gov/omb/legislative/sap/109-1/hr3010sap-h.pdf].

**House Highlights.** During its consideration of H.R. 3010, as reported by the House Committee on Appropriations, the House approved 11 amendments to the bill. The amended provisions included restrictions on HHS regarding certain health-related programs being used to treat sexual or erectile dysfunction among sex offenders (§518); repeal of a proposed \$100 million rescission of FY2006 appropriations for the CPB (§519); prohibition on ED from enforcing the Inspector General's November 2003 final audit report regarding 20 Arizona charter schools (§520); restrictions on the Pension Benefit Guaranty Corporation (PBGC) regarding its role in the restructuring of pension benefits by the UAL Corporation (United Air Lines) (§521); a prohibition on the inclusion of Social Security numbers on Medicare

identification cards (§522); restrictions on SSA regarding the implementation of a totalization agreement with Mexico (§528); and restrictions on ED regarding special allowances for certain student loans (§529).

Overall, the House proposal, as passed, would have provided program level discretionary appropriations of \$143.0 billion for L-HHS-ED programs for FY2006. The President requested \$141.7 billion; the FY2005 amount was \$143.5 billion. The House bill differed from the President's request in a number of details.

- For DOL, the House bill would have funded the WIA Dislocated Worker Assistance State Grants at \$1.2 billion, \$118 million more than requested. The WIA Community College program would have received \$125 million, \$125 million less than requested. Overall, the House bill would have provided \$11.7 billion in discretionary funds for DOL; \$11.6 billion was requested; and \$12.1 billion was provided for FY2005.
- For HHS, the House bill would have funded Community Health Centers at \$1.8 billion, \$204 million less than requested. Children's Hospital Graduate Medical Education (CHGME) would have received \$300 million, \$100 million more than requested. The Agency for Healthcare Research and Quality (AHRQ) would have received a direct appropriation of \$319 million; the request was for \$319 million in indirect appropriations. Community Services Block Grant (CSBG) would have received \$320 million; no funds were requested. The Public Health and Social Services Emergency Fund (PHSSEF) would have received \$184 million, \$2.2 billion less than the request of \$2.4 billion; however, the House bill would have directly appropriated \$2.1 billion for bioterrorism activities to the Health Resources and Services Administration (HRSA) (\$0.5 billion) and the CDC (\$1.6 billion), funding that in previous years would have been appropriated indirectly through the PHSSEF for the same activities. Overall, the House bill would have provided \$63.2 billion in discretionary funds for HHS; \$62.7 billion was requested; and \$63.8 billion was provided for FY2005.
- For ED, the House bill would have funded ESEA programs in aggregate at \$23.6 billion for FY2006, \$1.8 billion less than requested. ESEA Title I, Part A Grants to LEAs would have received \$12.8 billion, \$502 million less than requested. Even Start would have received \$200 million; no funds were requested. Striving Readers would have received \$30 million, \$170 million less than requested. The High School Intervention initiative would not have been funded; \$1.2 billion was requested. Technology State Grants would have been funded at \$300 million; no funds were requested. The High School Assessments initiative would not have been funded; \$250 million was requested. FIE would have received \$27 million, \$129 million less than requested. Safe and Drug-Free Schools State Grants would have received \$400 million; no funds were requested. The Special Education Part B Grants to States program under IDEA would have received \$10.7 billion, \$358 million less than requested. The Perkins Vocational Education program would have received \$1.3 billion; no funds were

requested. Adult Education would have received \$585 million, \$369 million more than requested. Pell Grants would have received \$13.4 billion, \$184 million more than requested. The Pell Grants accumulated shortfall from prior year awards, currently estimated at \$4.3 billion, would have been paid off, pursuant to the FY2006 congressional budget resolution. The House bill would not have agreed to the budget proposal to unify student aid administrative activities in a single account. TRIO programs would have received \$837 million; \$468 million more than requested. GEAR UP would have received \$306 million; no funds were requested. Overall, the House bill would have provided \$56.7 billion in discretionary funds for ED; \$56.2 billion was requested; and \$56.6 billion was provided for FY2005.

• For the related agencies, the House bill would have provided \$6.4 billion for SSA Administrative Expenses, \$108 million less than requested. The bill would have provided \$400 million for the CPB for an advance appropriation for FY2008; no funds were requested. As reported, the House bill would have rescinded \$100 million of FY2006 CPB funds (from \$400 million previously appropriated for FY2006); a rescission of \$10 million was requested. However, as passed, the House bill would not have rescinded any FY2006 CPB funds. Overall, the House bill would have provided \$11.5 billion in discretionary funds for the related agencies; \$11.2 billion was requested; and \$11.1 billion was provided for FY2005.

#### **Senate Bill**

The Senate Committee on Appropriations reported its version of the FY2006 L-HHS-ED appropriations as **H.R. 3010** (**S.Rept. 109-103**) on July 14, 2005, by a vote of 27 to 0. The Senate began consideration of the bill on October 21, 2005, and amended and passed the bill on October 27, 2005, by a vote of 94 to 3 (Roll Call no. 281).

**Senate Highlights.** The Senate version of H.R. 3010, as passed, would have provided program level discretionary appropriations of \$153.7 billion for L-HHS-ED programs for FY2006. The comparable House amount was \$143.0 billion, and the President requested \$141.7 billion. The FY2005 comparable amount was \$143.5 billion. The Senate bill differed from the House bill in a number of details regarding discretionary appropriations.

- For DOL, the Senate bill would have funded WIA programs in aggregate at a level \$122 million more than the House amount. Overall, the bill would have provided \$11.9 billion in discretionary appropriations for DOL programs, \$0.2 billion more than the House and \$0.3 billion more than the request, but \$0.2 billion less than in FY2005.
- For HHS, the Senate bill would have provided \$251 million more than the House bill for Health Professions other than nursing, \$481 million more for Health Care-Related Facilities and Activities, \$908 million more for NIH, \$176 million more for LIHEAP, and \$317

- million more for the CSBG. Overall, the bill would have provided \$65.4 billion in discretionary appropriations for HHS programs, \$2.2 billion more than the House, \$2.7 billion more than the request, and \$1.6 billion more than in FY2005.
- For ED, the Senate bill would have provided \$125 million more for Educational Technology State Grants, \$391 million more for FIE, and \$113 million more for FIPSE. The bill would have provided \$100 million less for Safe and Drug-Free Schools State Grants and \$206 million less for Pell Grants. It would have eliminated funding for Even Start (\$200 million in the House bill) and the Teacher Incentive Fund initiative (\$100 million in the House bill). Overall, the bill would have provided \$56.7 billion in discretionary appropriations for ED programs, the same as the House, but \$0.5 billion more than the request and \$0.1 billion more than in FY2005.
- For the related agencies, the Senate bill would have provided \$187 million less than the House bill for Supplemental Security Income (SSI) discretionary activities and \$236 million more for SSA Administrative Expenses. Overall, the bill would have provided \$11.7 billion in discretionary appropriations for related agencies, \$0.2 billion more than the House, \$0.5 billion more than the request, and \$0.6 billion more than in FY2005.

#### **Public Law**

H.R. 3010, the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006, was signed into law on December 30, 2005, as P.L. 109-149. The first conference report on H.R. 3010, H.Rept. 109-300 (November 16, 2005), failed to pass the House on November 17, 2005, by a vote of 209 to 224 (Roll Call no. 598). A second conference agreement provided somewhat more funding for Community Health Centers, Health Professions, and Head Start by reducing PHSSEF funds to provide an offset. The second conference agreement on H.R. 3010, H.Rept. 109-337 (December 13, 2005), passed the House on December 14, 2005, by a vote of 215 to 213 (Roll Call no. 628). The bill was approved by the Senate on December 21, by unanimous consent, but was considered adopted by the Senate on December 22, 2005, when the House agreed to S.Con.Res. 74 concerning the enrollment of H.R. 2863, the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006; H.R. 2863 was signed into law on December 30, 2005, as **P.L. 109-148** (see "Related Legislation," page 45.) P.L. 109-148 also required a 1% cut of most FY2006 discretionary amounts enacted through P.L. 109-149 (see page 12).

**FY2006 Funding Highlights.** As shown in **Table 2**, the FY2006 L-HHS-ED discretionary funding total was \$143.0 billion, as enacted through P.L. 108-149, compared to \$143.5 billion in FY2005. Even prior to the P.L. 109-148 rescission, FY2006 discretionary funding was reduced for each of the major departments — DOL, HHS, and ED — compared to FY2005 amounts. At the same time, it may be noted that mandatory L-HHS-ED spending was estimated to increase by more than \$100 billion between FY2005 and FY2006. Compared to FY2005 funding levels, the FY2006 discretionary amounts were increased or decreased by at least \$100

million for the following programs, prior to the application of the 1% rescission. Additional details and funding amounts are provided in separate agency summaries.

- For DOL, the WIA program in aggregate received \$225 million less than in FY2005. Program level funding for the WIA Community College program was \$124 million less than in FY2005; in addition, \$125 million was rescinded from FY2005 funding for this program. Unemployment Compensation received \$140 million less than in FY2005. Overall, DOL received \$11.6 billion in discretionary funding, \$0.5 billion less than in FY2005.
- For HHS, funding was increased by \$155 million for Community Health Centers, \$252 million for NIH, and \$506 million for CMS Program Management. First-year funding of \$500 million was provided for Bioterrorism Hospital Grants and \$1.6 billion for CDC Terrorism Preparedness and Response (TPAR). Funding was decreased by \$153 million for Health Professions other than nursing, \$219 million for CDC activities other than TPAR, and \$2.3 billion for PHSSEF. Funding was eliminated for Health Care-Related Facilities and Activities, which received \$483 million in FY2005. Overall, HHS received \$63.4 billion in discretionary funding, \$0.4 billion less than in FY2005.
- For ED, funding was increased by \$100 million for ESEA Title I Part A Grants to LEAs, \$100 million for IDEA Part B Grants to States, and \$812 million for Pell Grants. Funding was decreased by \$780 million for ESEA programs in aggregate, \$197 million for Comprehensive School Reform, \$221 million for Educational Technology State Grants, \$254 million for FIE, and \$140 million for FIPSE. The Teacher Incentive Fund initiative received an initial \$100 million. The Pell Grants accumulated shortfall, estimated at \$4.3 billion, was paid off. Overall, ED received \$56.5 billion in discretionary funding, \$0.1 billion less than in FY2005.
- For the related agencies, SSI discretionary activities received \$254 million less than in FY2005, and SSA Administrative Expenses received \$723 million more than the FY2005 amount. Overall, the related agencies received \$11.5 billion in discretionary funding, \$0.4 billion more than in FY2005.

**Modification of Existing Programs and Activities.** In addition to enacting appropriations, **P.L. 109-149** amended several programs or otherwise modified the provisions that govern the use of appropriated funds for L-HHS-ED.

- Section 102 establishes within 90 days of enactment an Office of Job Corps within the Office of the Secretary of Labor. The new office will carry out the functions of the Job Corps program, and appropriations related to the Job Corps are to be transferred to that office.
- Section 107 requires that the FY2007 congressional budget justifications for DOL be submitted to the appropriations committees in the format and level of detail that ED used for its FY2006 justifications.

- Section 108 requires DOL to submit an operating plan to the appropriations committees no later than July 1, 2006, that outlines the planned allocations by major project and activity of the funds for the Pilots, Demonstrations, and Research program under §171 of WIA. The conferees noted (H.Rept. 109-337, page 62) that such an operating plan was requested in report language for FY2005, but the DOL failed to respond and the report is now six months overdue. The conferees now direct DOL to submit detailed quarterly reports beginning in January 2006 on the status, amount, and recipient of each §171 project for each quarter of FY2006, and include whether the award was made competitively or by sole source and, for each sole source award, the justification and expected outcome of each such award.
- Section 209 authorizes the Director of NIH jointly with the Director of the Office of AIDS Research to transfer up to 3% of the funds between any two institutes or centers for research related to human immunodeficiency virus.
- Section 222 delays the implementation of regulations concerning power wheel chairs from taking effect prior to April 1, 2006.
- Sections 225 and 226 rescind the unobligated balances (amounts unspecified) from Health Professions and Nursing Student Loans.
- Section 227 makes aircraft otherwise available to the CDC available to the Secretary of HHS, the Director of the CDC, and HHS employees accompanying the Secretary or Director in such travel. The conferees note that current law is too restrictive for official travel in times of national emergency.
- Section 305 appropriates \$4.3 billion for a one-time elimination the estimated funding shortfall for Pell Grants in accordance with §303 of H.Con.Res. 95, the FY2006 budget resolution.
- Section 306 amends ESEA Title V, Part D, Subpart 12, which authorizes the Alaska Native and Native Hawaiian Education Through Cultural and Historic Organizations Act, to: (a) include any federally recognized Indian tribe in Mississippi in the program; and (b) include the Mississippi Band of Choctaw Indians as eligible for required annual grants of at least \$1 million for internship and apprenticeship programs.
- Section 518 relaxes the residency requirements under the Immigration and Nationality Act in certain specific instances, but the modification was repealed on January 1, 2006. The purpose was "to reduce the residency requirement and limit the adjudication period for the naturalization of aliens with extraordinary ability so that such aliens may represent the United States at international events."
- Section 519 protects candidates for federal scientific advisory committees from the unauthorized disclosure of their political affiliation or voting history.

**Provisions Not Included.** Several general provisions were considered during preliminary stages of the appropriations process but were not included in the final FY2006 L-HHS-ED conference agreement. The **following proposals were not included**: a House proposal to prohibit the use of social security numbers on ID

cards of Medicare beneficiaries (however, the conferees state that they consider this issue as one of "utmost urgency" and expect the Secretary of HHS to accelerate plans to convert ID cards (H.Rept. 109-337, page 84)); a Senate proposal to remove inaccurate medical information from abstinence education programs (page 96); a Senate proposal to prohibit the use of funds for drugs to treat erectile dysfunction (page 119); a House proposal pertaining to a "totalization agreement" with Mexico (page 120); and a Senate proposal to require that any "limitation, directive, or earmarking" included in either the House or Senate reports accompanying H.R. 3010 must also be included in the conference report or joint explanatory statement in order to be considered approved by both Houses of Congress (page 130-131).

#### "Across-the-Board" Rescission for FY2006

Some of the FY2006 emergency appropriations for hurricane disaster assistance and avian flu preparedness were offset by an "across-the-board" rescission. **Section 3801 of P.L. 109-148** required a 1% cut from most FY2006 discretionary appropriations for each program, project, or activity. No federal agency was exempted except for the Department of Veterans Affairs. Emergency FY2006 appropriations were excluded from the rescission, as were advance appropriations for FY2007 and beyond. The House Committee on Appropriations has estimated that this cut will reduce total federal spending by approximately \$8.5 billion.

The actual application of this reduction to individual accounts and line items is to be determined by the Office of Management and Budget (OMB) and the individual agencies. Within 30 days of enactment, OMB is required to report back to Committees on Appropriations specifying each account and amount of the reduction resulting from the 1% rescission. The FY2006 conference data in this report are based on the funding levels stated in P.L. 109-149 (H.Rept. 109-337), and have not been adjusted by the application of the rescission procedures required by P.L. 109-148, as the exact rescission for each program was not specified by Congress.

#### **Earmarks for Specific Projects**

Earmarking of funds for specific projects in appropriations bills has become a topic of contention for Congress and the Administration, and the issue extends to L-HHS-ED projects. In the case of L-HHS-ED appropriations, earmarks may be defined as funds set aside within an account for a specific organization or location, either in the appropriation act or its conference report. Typically, the authorizing statute gives the general purpose for use of appropriations, such as "projects for the improvement of postsecondary education," but an earmark designates a specific amount for a specific recipient. Such designations bypass the usual competitive distribution of awards by a federal agency, but otherwise require recipients to follow standard federal financial and other administrative procedures. The President has urged the elimination of congressional earmarks in appropriations in recent years, but, with the exception of FY2006 L-HHS-ED appropriations, Congress has continued the practice.

Earmarks in L-HHS-ED appropriations generally have increased during the past decade, along with the total appropriation for L-HHS-ED programs. However, a major change in direction occurred in FY2006. Virtually all earmarks were

eliminated from the FY2006 L-HHS-ED bill; in general, the funding previously associated with L-HHS-ED earmarks was eliminated as well. In particular, there were estimated to be more than 3,000 in FY2005, totaling nearly \$1.2 billion; for FY2006, the estimate was eight earmarks for \$28.5 million. **Table 3** shows the total annual L-HHS-ED appropriation, the estimated amount earmarked, the earmarked amount as a percent of the total, and the estimated number of earmarks.

Table 3. Summary of Estimated L-HHS-ED Earmarks for Selected Years, FY1996-FY2006

(\$ in millions)

Fiscal year	Total appropriation	Estimated value of earmarks	Earmarks as % of total appropriation	Estimated number of earmarks
2006	\$601,643	\$28.5	(a)	8
2005	501,346	1,179.5	0.24%	3,014
2004	479,818	875.5	0.18%	2,036
2002	411,822	1,018.7	0.25%	1,606
2000	328,230	461.0	0.14%	491
1998	276,890	54.4	0.02%	25
1996	265,533	14.9	0.01%	7

**Sources:** The annual L-HHS-ED bills and conference reports upon which the above numbers are based were as follows: For FY2006, P.L. 109-149 (H.Rept. 109-337); for FY2005, P.L. 108-447 (H.Rept. 108-792); for FY2004, P.L. 108-199 (H.Rept. 108-401); for FY2002, P.L. 107-116 (H.Rept. 107-342); for FY2000, P.L. 106-113 (H.Rept. 106-479); for FY1998, P.L. 105-78 (H.Rept. 105-390); and for FY1996, P.L. 104-134 (H.Rept. 104-537).

a. The FY2006 percentage of the total appropriation was less than 0.005%.

#### 302(a) and 302(b) Allocation Ceilings

The maximum budget authority for annual L-HHS-ED appropriations is determined through a two-stage congressional budget process. In the first stage, Congress establishes the 302(a) allocations — the maximum spending totals for Congress for a given fiscal year. This task is sometimes accomplished through the concurrent resolution on the budget, where spending totals are specified through the statement of managers in the conference report. In years when the House and Senate do not reach a budget agreement, these totals may be set through leadership arrangements in each chamber. The spending amounts are allotted among the various committees, and — for the House and Senate Appropriations Committees — the amounts include the total discretionary budget authority available for enactment in annual appropriations.

For FY2006, the concurrent resolution on the budget was H.Con.Res. 95, to which the House and Senate agreed on April 28, 2005. The conference report established \$843.0 billion as the 302(a) allocation ceiling for the total discretionary budget authority for FY2006; that amount represents an increase of \$3.0 billion

relative to the FY2005 discretionary budget authority of \$840.0 billion (H.Rept. 109-62, pp. 31 and 86). For legislative details, please see "Related Legislation," page 45.

In the second stage of the annual congressional budget process, the House and Senate Appropriations Committees separately establish the 302(b) allocations — the maximum discretionary budget authority available to each subcommittee for each annual appropriations bill. The total of these allocations must not exceed the 302(a) discretionary total. This process creates the basis for enforcing discretionary budget discipline, since any appropriations bill reported with a total above the ceiling is subject to a point of order. The 302(b) allocations can and often do get adjusted during the year as the various appropriations bills progress toward final enactment. **Table 4** shows the 302(b) discretionary allocations for the FY2006 L-HHS-ED appropriations for the House and Senate Committees on Appropriations. Comparable amounts for the FY2005 appropriations and the President's FY2006 budget request are also shown. Both the 302(a) and 302(b) allocations regularly become contested issues in their own right.

Table 4. FY2006 302(b) Discretionary Allocations for L-HHS-ED (budget authority in billions of dollars)

FY2005 comparable	FY2006 request comparable	FY2006 House allocation	FY2006 Senate allocation	FY2006 conference comparable
\$142.7	\$141.7	\$142.5	\$142.5	\$142.5

**Sources:** The FY2006 House allocation is based on H.Rept. 109-264, Nov. 2, 2005; the FY2006 Senate allocation is based on S.Rept. 109-207, Dec. 15, 2005. The comparable amounts for FY2005 budget authority, the FY2006 budget request, and the FY2006 conference agreement are based on H.Rept. 109-337, Dec. 13, 2005.

#### **Advance Appropriations**

Advance appropriations occur when funds enacted in one fiscal year are not available for obligation until a subsequent fiscal year. For example, **P.L. 108-447**, which enacted FY2005 L-HHS-ED appropriations, provided \$400 million for the Corporation for Public Broadcasting (CPB) for use in FY2007. Advance appropriations may be used to meet several objectives. These might include the provision of long-term budget information to recipients, such as state and local educational systems, to enable better planning of future program activities and personnel levels. The more contentious aspect of advance appropriations, however, involves how they are counted in budget ceilings.

Advance appropriations avoid the 302(a) and 302(b) allocation ceilings for the current year, but must be counted in the year in which they first become available for obligation. This procedure uses up ahead of time part of what will be counted against the allocation ceiling in future years. In FY2002, the President's budget proposed the elimination of advance appropriations for federal discretionary programs, including those for L-HHS-ED programs. Congress rejected that proposal, and the proposal has not been repeated. For an example of the impact of advance appropriations on program administration, see discussion in "Department of Education," page 35.

The FY1999 and FY2000 annual L-HHS-ED appropriations bills provided significant increases in advance appropriations for discretionary programs. These amounts stabilized at approximately \$19 billion in FY2000, increased to \$21.5 billion in FY2003, and returned to \$19.3 billion in FY2004 and FY2005. For FY2006, the President requested \$18.8 billion in advance appropriations for L-HHS-ED, but P.L. 109-149 provided \$19.3 billion, or 13.5% of the \$143.0 billion of FY2006 discretionary appropriations for L-HHS-ED. From FY1998 to the present, the advance appropriations enacted in L-HHS-ED bills have been as follows:

- FY1998, \$4.0 billion;
- FY1999, \$8.9 billion;
- FY2000, \$19.0 billion;
- FY2001, \$18.8 billion;
- FY2002, \$19.3 billion;
- FY2003, \$21.5 billion;
- FY2004, \$19.3 billion;
- FY2005, \$19.3 billion;
- FY2006, President's budget request, \$18.8 billion;
- FY2006, House bill \$19.3 billion;
- FY2006, Senate bill \$19.3 billion; and
- FY2006, P.L. 109-149 (pre-rescission, see page 12), \$19.3 billion.

#### **Major Funding Trends**

The L-HHS-ED appropriations bills include both mandatory and discretionary funds; however, the Appropriations Committees fully control only the discretionary funds. Mandatory funding levels for programs included in the annual appropriations bills are modified through changes in the authorizing legislation. Typically, these changes are accomplished through authorizing committees by means of reconciliation legislation, and not through appropriations committees in annual appropriations bills.

**Table 5** shows the trend in discretionary budget authority enacted in the L-HHS-ED appropriations for FY2001 through FY2005. During the past five years, L-HHS-ED discretionary funds have grown from \$109.4 billion in FY2001 to an estimated \$142.4 billion in FY2005, an increase of \$33.0 billion, or 30.2%. During this same period — and using the Gross Domestic Product (GDP) deflator to adjust for inflation — L-HHS-ED discretionary funds in estimated FY2005 dollars have grown from \$118.0 billion in FY2001 to \$142.4 billion in FY2005, an increase of \$24.4 billion in estimated FY2005 dollars, or 20.7%. L-HHS-ED discretionary funds as a percent of total federal discretionary funds decreased from a 16.5% share in FY2001 to an estimated 15.6% share in FY2005. L-HHS-ED discretionary funds as a percent of total federal budget authority increased slightly from a 5.6% share in FY2001 to an estimated 5.7% share in FY2005.

## Table 5. L-HHS-ED Discretionary Funding Trends, FY2001-FY2005

(budget authority in billions of dollars)

Type of funds	FY2001	FY2002	FY2003	FY2004	FY2005 estimate (a)
L-HHS-ED discretionary	\$109.4	\$127.2	\$132.4	\$140.9	\$142.4
L-HHS-ED discretionary in estimated FY2005 dollars	\$118.0	\$134.8	\$137.8	\$143.8	\$142.4
L-HHS-ED % of total federal discretionary funds (b)	16.5%	17.3%	15.6%	15.5%	15.6%
L-HHS-ED % of total federal budget authority (both discretionary and non- discretionary)	5.6%	6.1%	5.8%	5.9%	5.7%
Total federal discretionary funds	\$663.8	\$734.8	\$849.5	\$907.6	\$915.6
Total federal budget authority (both discretionary and non-discretionary)	\$1,959.0	\$2,090.1	\$2,266.1	\$2,407.4	\$2,477.4
GDP deflator	1.0236	1.0426	1.0614	1.0825	1.1045

**Sources:** Federal totals and the GDP deflator are based on the *Budget of the United States Government Historical Tables Fiscal Year 2006*, Tables 5.2, 5.4, and 10.1. L-HHS-ED totals for discretionary budget authority are based on annual conference reports for L-HHS-ED appropriations, and therefore may not be completely comparable from year to year.

- a. FY2005 estimates for federal budget authority, both total and discretionary, are based on amounts published in the FY2006 budget request of Feb. 7, 2005. Estimates exclude supplementals and rescissions enacted after that date, as well as re-estimates and scorekeeping adjustments.
- b. Discretionary funds include both defense and non-defense activities.

#### **Department of Labor**

FY2005 discretionary appropriations for the Department of Labor (DOL) were \$12.1 billion. For FY2006, the budget request was \$11.6 billion, \$0.5 billion (4.1%) less than the FY2005 amount, as shown in **Table 6**. The House bill would have provided \$11.7 billion for DOL discretionary programs in FY2006, and the Senate bill would have provided \$11.8 billion. The FY2006 conference agreement, as enacted, provided \$11.6 billion in discretionary funding prior to the 1% cut required by P.L. 109-148 (see page 12).

**Table 6. Department of Labor Discretionary Appropriations**(\$ in billions)

Funding	FY2005	FY2006	FY2006	FY2006	FY2006
	enacted	request	House	Senate	conf.
Appropriations	\$12.1	\$11.6	\$11.7	\$11.8	\$11.6

**Source:** Amounts are based on the FY2006 conference report H.Rept. 109-337, Dec. 13, 2005; conference amounts do not reflect the 1% cut for most discretionary programs that is required by P.L. 109-148 (see page 12). FY2005 amounts are post-reduction (see page 49) and based on P.L. 108-447. Amounts represent discretionary programs funded by L-HHS-ED appropriations; funds for mandatory programs are excluded.

Mandatory DOL programs included in the FY2005 L-HHS-ED bill were funded at \$3.3 billion, and consist of the Federal Unemployment Benefits and Allowances (\$1.1 billion), Black Lung Disability Trust Fund (\$1.1 billion), Advances to the Unemployment Insurance and Other Trust Funds (\$0.5 billion), Special Benefits for Disabled Coal Miners (\$0.4 billion), Employment Standards Administration (ESA) Special Benefits (\$0.2 billion), and Energy Employees Occupational Illness Compensation Fund (\$40 million).

#### **Key Issues**

**President's Request.** The President's FY2006 budget request for DOL proposed changes in funding for a number of discretionary activities; proposed changes of at least \$100 million were as follows.

- The Workforce Investment Act of 1998 (WIA) programs, funded in the aggregate at \$5.3 billion in FY2005, would have been decreased by \$276 million under the President's FY2006 budget request.
- The WIA Dislocated Worker Assistance programs, funded at \$1.5 billion in FY2005, would have been decreased by \$132 million in FY2006, including a decrease of \$118 million for state grants.
- The Employment Service, funded at \$846 million in FY2005, would have been decreased by \$116 million, including a decrease of \$85 million for state grants.

**House Bill.** For DOL programs, the House bill differed from the President's budget request primarily with respect to two WIA programs.

- The House bill would have provided \$1.2 billion for WIA Dislocated Worker Assistance State Grants, \$118 million more than requested and the same as the FY2005 amount.
- The WIA Community College program would have received \$125 million, which is \$125 million less than requested and \$124 million less than the funds available from all sources for FY2005. Also, the House bill would have rescinded \$125 million of FY2005 funds for this program, for a proposed net increase of \$1 million in FY2006.

**Senate Bill.** For DOL programs, the Senate bill differed from the House bill by at least \$100 million in several respects.

- WIA programs in aggregate would have received \$5.3 billion, \$122 million more than the House amount. The request was for \$5.1 billion; \$5.3 billion was provided in FY2005.
- WIA Community Colleges would have received \$125 million indirectly through the WIA National Reserve rather than directly, as in the House bill. The request was for \$250 million, provided directly; in FY2005, the program received \$124 million directly and \$125 million indirectly. The Senate bill would not have rescinded any FY2005 funds for the WIA Community College program; the House bill would have rescinded \$125 million.
- Unemployment Compensation would have received \$2.5 billion, \$148 million less than the House amount. The request was for \$2.6 billion; \$2.7 billion was the FY2005 amount.

**Public Law.** The conference agreement, as enacted, changed discretionary spending by at least \$100 million for several DOL programs, compared to the FY2005 funding levels.

- WIA programs in aggregate received \$5.1 billion, \$52 million more than requested but \$225 million less than the FY2005 amount of \$5.3 billion.
- The WIA Community College program received \$125 million indirectly from the WIA National Reserve, with no funds provided directly. The request was for \$250 million, to have been provided directly. In FY2005, the program received \$124 million directly and \$125 million indirectly through the National Reserve. In addition, the conference agreement rescinded \$125 million of the FY2005 appropriation for the Community College program.
- Unemployment Compensation was funded at \$2.5 billion, \$100 million less than requested and \$140 million less than the FY2005 amount of \$2.7 billion.

#### CRS Products

CRS Report RS22077, Unemployment Compensation (UC) and the Unemployment Trust Fund (UTF): Funding UC Benefits, by Christine Scott and Julie M. Whittaker.

CRS Report RS20244, *The Workforce Investment Act: Training Programs Under Title I at a Glance*, by Ann Lordeman.

#### **Websites**

#### **Department of Labor**

[http://www.dol.gov]
[http://www.dol.gov/\_sec/Budget2006/overview.htm]
[http://www.doleta.gov/budget/06bud.cfm]

#### **Detailed Appropriations Table**

**Table 7** shows the appropriations details for offices and major programs of DOL.

**Table 7. Detailed Department of Labor Appropriations** (\$ in millions)

	FY2005	FY2006	FY2006	FY2006	FY2006
Office or major program	enacted	request	House	Senate	conf.
Total Workforce Investment Act, Title I (WIA) (non-add)	\$5,339	\$5,063	\$5,130	\$5,252	\$5,115
Employment and Training Administra	ration (ETA)				
Training and Employment Services (TES), WIA Adult Training Grants to States	897	866	866	894	866
WIA Youth Training	986	950	950	986	950
WIA Dislocated Worker Assistance (DWA)	1,476	1,344	1,405	1,476	1,476
DWA State Grants (non-add)	1,193	1,075	1,193	1,193	1,193
DWA National Reserve Community College set aside (non-add) (a)	125	0	0	125	125
DWA National Reserve, other (non-add) (a)	158	269	212	158	158
WIA Migrant and Seasonal Farmworkers	76	0	76	80	80
WIA Job Corps	1,552	1,517	1,542	1,582	1,573
WIA Community College (Community-Based Job Training) (a)	124	250	125	0	0
WIA Community College, indirect funding from DWA National Reserve (see above, non-add) (a)	125	0	0	125	125
WIA Community College, program level (non-add) (a, b)	249	250	125	125	125
Other WIA and TES Activities	227	129	158	233	170
TES subtotal	5,338	5,056	5,122	5,251	5,115
Community Service Employment for Older Americans	437	437	437	437	437
Federal Unemployment Benefits and Allowances (mandatory)	1,057	966	966	966	966
State Unemployment Insurance and Employment Service Operations (SUI/ESO) Unemployment Compensation	2,673	2,633	2,633	2,485	2,533
SUI/ESO Employment Service	846	730	730	780	757
SUI/ESO Employment Service State Grants (non-add)	781	696	696	746	723
SUI/ESO One-Stop Career Centers	98	88	88	77	82
SUI/ESO Work Incentives Grants	20	20	20	20	20
SUI/ESO subtotal	3,637	3,471	3,471	3,362	3,392
Advances to Unemployment Trust Fund and other funds (mandatory)	517	465	465	465	465
New York State Uninsured Employers Fund	0	0	0	50	0
ETA Program Administration	170	206	206	200	200
ETA subtotal	11,156	10,601	10,667	10,731	10,575

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Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.		
Employee Benefits Security Administration	131	137	137	135	135		
Pension Benefit Guaranty Corporation (PBGC) Administration	0	0	0	0	0		
PBGC program level (non-add)	266	297	297	297	297		
Employment Standards Administrati	ion (ESA)						
ESA Salaries and Expenses	401	416	416	413	415		
ESA Special Benefits (mandatory)	233	237	237	237	237		
ESA Special Benefits for Disabled Coal Miners (mandatory)	357	306	306	306	306		
ESA Energy Employees Occupational Illness Compensation Fund (mandatory)	40	96	96	96	96		
ESA Black Lung Disability Trust Fund (mandatory)	1,062	1,068	1,068	1,068	1,068		
ESA subtotal	2,093	2,123	2,123	2,120	2,122		
Occupational Safety and Health Administration (OSHA)	464	467	477	477	477		
Mine Safety and Health Administration (MSHA)	279	280	280	280	280		
Bureau of Labor Statistics	529	543	543	543	543		
Office of Disability Employment Policy	47	28	28	47	28		
Departmental Management							
International Labor Affairs	93	12	12	93	73		
Veterans Employment and Training	223	224	229	224	224		
Departmental Management, other	297	304	299	301	300		
Departmental Management subtotal	613	540	540	618	597		
Working Capital Fund	10	6	6	6	6		
TOTALS, DEPARTMENT OF LABOR							
Total appropriations (c)	15,322	14,724	14,801	14,957	14,764		
Current year funding	12,778	12,212	12,264	12,420	12,227		
One-year advance funding	2,544	2,512	2,537	2,537	2,537		

**Source:** Amounts are based on the FY2006 conference report H.Rept. 109-337, Dec. 13, 2005; conference amounts do not reflect the 1% cut required for most discretionary programs (see page 12).

- a. Funding for the WIA Community College (Community-Based Job Training) program has been provided through two line items: (1) directly through the WIA Community College line item; and (2) indirectly as a set aside from the WIA Dislocated Worker Assistance National Reserve. The WIA Community College "program level" amounts that are shown in this table combine the two sources of funds to show the total available for the Community College program.
- b. The FY2006 House bill proposed, and the FY2006 conference agreement included, a rescission of \$125 million from FY2005 Community College appropriations.
- c. Appropriations totals include discretionary and mandatory funds, and may be subject to additional scorekeeping and other adjustments.

#### **Department of Health and Human Services**

FY2005 discretionary appropriations for the Department of Health and Human Services (HHS) were \$63.8 billion. For FY2006, the budget request was \$62.7 billion, \$1.1 billion (1.7%) less than the FY2005 amount, as shown in **Table 8**. The House bill would have provided \$63.2 billion for HHS discretionary activities in FY2006, and the Senate bill would have provided \$73.4 billion. The FY2006 conference agreement, as enacted, provided \$63.4 billion in discretionary funding prior to the 1% cut required by P.L. 109-148 (see page 12).

Table 8. Department of Health and Human Services
Discretionary Appropriations

(\$ in billions)

Funding	FY2005	FY2006	FY2006	FY2006	FY2006
	enacted	request	House	Senate	conf.
Appropriations	\$63.8	\$62.7	\$63.2	\$73.4	\$63.4

**Source:** Amounts are based on the FY2006 conference report H.Rept. 109-337, Dec. 13, 2005; conference amounts do not reflect the 1% cut for most discretionary programs that is required by P.L. 109-148 (see page 12). FY2005 amounts are post-reduction (see page 49) and based on P.L. 108-447. Amounts represent discretionary programs funded by L-HHS-ED appropriations; funds for mandatory programs are excluded, as are funds for the Food and Drug Administration (FDA) and the Indian Health Service (IHS), both of which are administered by HHS but funded through other appropriations bills.

Mandatory HHS programs included in the L-HHS-ED bill were funded at \$315.4 billion in FY2005, and consist primarily of Medicaid Grants to States (\$182.3 billion), Payments to Medicare Trust Funds (\$119.8 billion — virtually all of this amount was for Part B Supplementary Medical Insurance), Foster Care and Adoption (\$6.8 billion), Family Support Payments to States (\$4.1 billion), and the Social Services Block Grant (\$1.7 billion).

#### **Key Issues**

**President's Request.** The President's FY2006 budget request for HHS proposed increased support primarily for Health Centers and the administration of Medicare and Medicaid. At the same time, it proposed reduced funding for various other health and human resources programs, as indicated below.

Discretionary spending increases of at least \$100 million were requested in the President's FY2006 budget for the following programs.

- Community Health Centers, funded at \$1.7 billion in FY2005, would have been increased by \$304 million under the President's budget request.
- The National Institutes of Health (NIH), funded at \$28.4 billion in FY2005, would have been increased by \$145 million. The NIH supports activities that maintain and improve health through medical science; for additional information, please see CRS Report

- RL32799, Federal Research and Development Funding: FY2006, by Michael E. Davey (coordinator).
- The Centers for Medicare and Medicaid Services (CMS) Program Management for the administration of the Medicare and Medicaid programs, funded at \$2.7 billion in FY2005, would have been increased by \$512 million under the request.
- The Public Health and Social Services Emergency Fund (PHSSEF), funded at \$2.4 billion in FY2005, would have been increased by \$171 million. These funds are used primarily for bioterrorism activities.

Along with the increases proposed above, the President's FY2006 budget would have decreased or terminated funding for several programs.

- Health Professions programs other than those for nursing, funded at \$299 million in FY2005, would have been decreased by \$288 million.
- Children's Hospital Graduate Medical Education (CHGME), funded at \$301 million in FY2005, would have been reduced by \$101 million.
- The CDC, funded at \$4.5 billion in FY2005, would have been reduced by \$470 million, including elimination of the Preventive Health and Health Services Block Grant (funded at \$119 million in FY2005) and a reduction to Building and Facilities of \$240 million (funded at \$270 million in FY2005).
- Low-Income Home Energy Assistance Program (LIHEAP), funded at \$2.2 billion in FY2005, would have been decreased by \$182 million.
- Health Care-Related Facilities and Activities, funded at \$483 million in FY2005, would have been eliminated; funds for this program have been earmarked in past years for construction and renovation projects for designated recipients.
- The Community Services Block Grant (CSBG), funded at \$637 million in FY2005, would have been eliminated.

**House Bill.** For HHS programs, the House bill differed from the President's budget request in several respects.

- Community Health Centers would have received \$1.8 billion under the House bill, \$204 million less than requested; it received \$1.7 billion in FY2005.
- Children's Hospital Graduate Medical Education (CHGME) would have received \$300 million, \$100 million more than requested; it received \$301 million in FY2005.
- Bioterrorism Hospital Grants would have received \$500 million; these funds were included under PHSSEF in the request and the FY2005 appropriation.
- The Centers for Disease Control and Prevention (CDC) Terrorism Preparedness and Response would have received \$1.6 billion; these

- funds were included under PHSSEF in the request and the FY2005 appropriation.
- Other activities at the CDC would have received \$4.3 billion, \$288 million more than requested; they received \$4.5 billion in FY2005.
- The Agency for Healthcare Research and Quality (AHRQ) would have received a direct appropriation of \$319 million; the request was for \$319 million in indirect appropriations from other HHS programs, the same as was provided in FY2005.
- The CSBG would have received \$320 million; no funds were requested, and \$637 million was provided in FY2005.
- The PHSSEF would have received \$184 million, \$2.4 billion less than the request and \$2.2 billion less than the FY2005 amount. However, the House bill would have directly appropriated \$2.1 billion for bioterrorism activities at the Health Resources and Services Administration (HRSA) (\$0.5 billion) and the CDC (\$1.6 billion), appropriations that in previous years would have been provided indirectly through the PHSSEF for these activities.

**Senate Bill.** For HHS programs, the Senate bill differed from the House bill by at least \$100 million for several programs.

- Health Professions other than nursing would have received \$298 million, \$251 million more than the House amount. The request was for \$11 million; \$299 million was provided in FY2005.
- Health Care-Related Facilities and Activities would have received \$393 million. No funds would have been provided under the House bill, and no funds were requested; \$483 million was provided in FY2005.
- CDC activities other than Terrorism Preparedness and Response would have received \$4.5 billion, \$169 million more than the House amount. The request was for \$4.0 billion; \$4.5 billion was provided in FY2005.
- NIH would have been funded at \$29.4 billion, \$908 million more than the House amount. The request was for \$28.5 billion; \$28.4 billion was provided in FY2005.
- The AHRQ would not have been funded directly but would have been provided \$324 million of program level support. The request was for \$319 million of indirect program level support, the same as was provided in FY2005. The House would have provided \$319 million directly for the AHRQ.
- LIHEAP would have been funded at \$2.2 billion, \$176 million more than the House amount. The request was for \$2.0 billion; \$2.2 billion was provided in FY2005.
- The CSBG would have been funded at \$637 million, \$317 million more than the House amount. No funds were requested; \$637 million was provided in FY2005.
- The PHSSEF would have been funded at \$8.2 billion, \$8.0 billion more than the House amount. The request was for \$2.6 billion; \$2.4 billion was provided in FY2005. The Senate amount would have included \$8.1 billion in emergency funds for pandemic flu activities.

**Public Law.** The conference agreement, as enacted, changed discretionary spending by at least \$100 million for several HHS activities, compared to the FY2005 funding levels.

- Community Health Centers received \$1.9 billion, \$149 million less than requested but \$155 million more than the FY2005 amount of \$1.7 billion.
- Health Professions other than nursing received \$146 million, \$135 million more than requested but \$153 million less than the FY2005 amount of \$299 million.
- Health Care-Related Facilities and Activities received no funds, the same as was requested; \$483 million was provided in FY2005.
- Bioterrorism Hospital Grants received \$500 million; no funds were requested directly for these grants and no funds were appropriated directly in FY2005.
- CDC Terrorism Preparedness and Response received \$1.6 billion; no funds were requested directly for these activities and no funds were appropriated directly in FY2005.
- Other CDC activities were funded at \$4.3 billion, \$251 million more than requested but \$219 million less than the FY2005 amount of \$4.5 billion.
- NIH received \$28.6 billion, \$107 million more than requested and \$252 million more than the FY2005 amount of \$28.4 billion.
- CMS Program Management received \$3.2 billion, \$6 million less than requested but \$506 million more than the FY2005 amount of \$2.7 billion.
- PHSSEF received \$66 million, \$2.5 billion less than requested and \$2.3 billion less than the FY2005 amount of \$2.4 billion. However, in FY2005, this account funded activities related to terrorism, which in FY2006 were funded in HRSA, CDC, and NIH, such as the \$0.5 billion for Bioterrorism Hospital Grants and \$1.6 billion for Terrorism Preparedness and Response.

**Abortion: Funding Restrictions.** Annual L-HHS-ED appropriations regularly contain restrictions that limit — for one year at a time — the circumstances under which federal funds can be used to pay for abortions. Restrictions on appropriated funds, popularly referred to as the "Hyde Amendments," generally apply to all L-HHS-ED funds. Medicaid is the largest program affected. Given the perennial volatility of this issue, these provisions may be revisited at any time during the annual consideration of L-HHS-ED appropriations. From FY1977 to FY1993, abortions could be funded only when the life of the mother was endangered. The 103<sup>rd</sup> Congress modified the provisions to permit federal funding of abortions in cases of rape or incest. The FY1998 L-HHS-ED appropriations, P.L. 105-78, extended the Hyde provisions to prohibit the use of federal funds to buy managed care packages that include abortion coverage, except in the cases of rape, incest, or life endangerment. The FY 1999 L-HHS-ED appropriations, P.L. 105-277, continued the FY1998 Hyde Amendments with two added provisions: (1) a clarification to ensure that the restrictions apply to all trust fund programs (namely, Medicare), and (2) an assurance that Medicare + Choice plans cannot require the provision of abortion services. No changes were made from FY2000 through FY2004.

The FY2005 L-HHS-ED appropriations, P.L. 108-447 (H.Rept. 108-792, p. 1271), added an additional restriction, popularly referred to as the "Weldon Amendment," that prevents federal programs or state or local governments that receive L-HHS-ED funds from discriminating against health care entities that do not provide or pay for abortions or abortion services. The FY2006 L-HHS-ED appropriations retained the Weldon amendment language and the Hyde restrictions. These provisions can be found in §507 and §508 of P.L. 109-149. For additional information, please see CRS Issue Brief IB95095, *Abortion: Legislative Response*.

Embryonic Stem Cell Research: Funding Restrictions. On August 9, 2001, President Bush announced a decision to use federal funds for research on human embryonic stem cells for the first time, but limited the funding to "existing stem cell lines." Embryonic stem cells have the ability to develop into virtually any cell in the body, and have the potential to treat medical conditions such as diabetes and Parkinson's disease. In response to the President's announcement, the NIH developed a registry of 78 embryonic stem cell lines eligible for use in federally funded research. However, many of these lines were found to be unavailable or unsuitable for research; only 22 of the 78 eligible stem cell lines are currently available for general research purposes. Some scientists are concerned about the quality, longevity, and availability of eligible stem cell lines. Many believe that the advancement of research requires new stem cell lines, possibly including stem cells derived from cloned embryos. The use of stem cells, however, raises ethical issues regarding embryo and fetal tissue research because the embryos are destroyed in order to obtain the cells. Given its potential volatility, the issue may be revisited at any time during the annual consideration of L-HHS-ED appropriations.

An FY1996 appropriations continuing resolution, P.L. 104-99 (§128), prohibited NIH funds from being used for the creation of human embryos for research purposes or for research in which human embryos are destroyed. Since FY1997, annual appropriations acts have extended the prohibition to all L-HHS-ED funds, with the NIH as the agency primarily affected. The restriction, originally introduced by Representative Jay Dickey, has not changed significantly since it was first enacted, and the FY2006 L-HHS-ED appropriations continued the restrictions without significant change. The current provision can be found in §509 of P.L. 109-149. For additional information, please see CRS Report RL31015, *Stem Cell Research*; CRS Report RL31358, *Human Cloning*; and CRS Report RS21044, *Background and Legal Issues Related to Stem Cell Research*.

#### **CRS Products**

- CRS Issue Brief IB95095, *Abortion: Legislative Response*, by Karen J. Lewis and Jon O. Shimabukuro.
- CRS Report RL30731, AIDS Funding for Federal Government Programs: FY1981-FY2006, by Judith A. Johnson and Sharon Coleman.
- CRS Report 98-476, *AIDS: Ryan White CARE Act*, by Judith A. Johnson and Paulette C. Morgan.
- CRS Report RL30785, *The Child Care and Development Block Grant: Background and Funding*, by Melinda Gish.
- CRS Report RL32872, Community Services Block Grants (CSBG): Funding and Reauthorization, by Karen Spar and Garrine P. Laney.

- CRS Report RL32046, Federal Health Centers Program, by Sharon Kearney Coleman.
- CRS Report RL32799, Federal Research and Development Funding: FY2006, by Michael E. Davey.
- CRS Report RL30952, Head Start: Background and Issues, by Melinda Gish.
- CRS Report RL31865, The Low-Income Home Energy Assistance Program (LIHEAP): Program and Funding, by Emilie Stoltzfus.
- CRS Report 97-350, *Maternal and Child Health Block Grant*, by Sharon Kearney Coleman.
- CRS Report RL31336, *Older Americans Act: Programs and Funding*, by Carol O'Shaughnessy and updated by Angela Napili.
- CRS Report RL31719, An Overview of the U.S. Public Health System in the Context of Emergency Preparedness, by Sarah A. Lister.
- CRS Report RL33145, *Pandemic Influenza: Domestic Preparedness Efforts*, by Sarah A. Lister.
- CRS Report RL31940, *Public Health Service Operating Agencies*, by Sharon Kearney Coleman.
- CRS Report RL31015, *Stem Cell Research*, by Judith A. Johnson and Erin D. Williams.
- CRS Report RL31358, *Human Cloning*, by Judith A. Johnson and Erin D. Williams.
- CRS Report RS21044, *Background and Legal Issues Related to Stem Cell Research*, by Jon O. Shimabukuro.
- CRS Report 97-1048, *The Title X Family Planning Program*, by Sharon Kearney Coleman.

#### **Websites**

#### **Department of Health and Human Services**

[http://www.hhs.gov]
[http://www.hhs.gov/budget/document.htm]

#### **Detailed Appropriations Table**

**Table 9** shows the appropriations details for offices and major programs of HHS.

# Table 9. Detailed Department of Health and Human Services Appropriations (\$ in millions)

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Public Health Service (PHS)					
Health Resources and Services Adminis	stration (HR	SA)			
Community Health Centers	\$1,734	\$2,038	\$1,834	\$1,889	\$1,889
National Health Service Corps	131	127	127	127	127
Health Professions, Nursing	151	150	150	156	151
Health Professions, other	299	11	47	298	146
Health Professions subtotal	450	161	197	454	297
Children's Hospital Graduate Medical Education	301	200	300	300	300
Maternal and Child Health Block Grant	724	724	700	710	700
Ryan White AIDS Programs	2,048	2,058	2,058	2,058	2,058
Family Planning (Title X)	286	286	286	286	286
Health Care-Related Facilities and Activities	483	0	0	393	0
Bioterrorism Hospital Grants (a)	0	0	500	511	500
Vaccine Injury Compensation Trust Fund (mandatory)	66	71	71	71	71
HRSA, other	652	378	448	650	479
HRSA subtotal	6,875	6,043	6,521	7,449	6,707
Centers for Disease Control and Prevention (CDC) Terrorism Preparedness and Response (a)	0	0	1,617	1,566	1,593
CDC, other (b)	4,511	4,041	4,329	4,498	4,292
CDC subtotal	4,511	4,041	5,946	6,064	5,885
National Institutes of Health (NIH) (c)	28,365	28,510	28,507	29,415	28,617
Substance Abuse and Mental Health Services Administration (SAMHSA) Mental Health Block Grant	411	411	411	411	411
SAMHSA Substance Abuse Block Grant	1,696	1,696	1,696	1,696	1,696
SAMHSA, other	1,161	1,108	1,124	1,168	1,131
SAMHSA subtotal	3,268	3,215	3,231	3,275	3,238
Agency for Healthcare Research and Quality (AHRQ)	0	0	319	0	0
AHRQ program level (non-add)	319	319	319	324	319
PHS subtotal	43,019	41,809	44,524	46,203	44,447
Centers for Medicare and Medicaid Ser					
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Medicaid Grants to States (mandatory)		219,738	219,738	219,738	219,738
V	rvices (CMS		219,738 177,742	219,738 177,822	219,738 177,742
Medicaid Grants to States (mandatory) Payments to Medicare Trust Funds	rvices (CMS 182,296	219,738			
Medicaid Grants to States (mandatory) Payments to Medicare Trust Funds (mandatory)	182,296 119,826	219,738 177,822	177,742	177,822	177,742

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Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.		
Administration for Children and Families (ACF)							
Family Support Payments to States (mandatory)	4,090	4,270	4,270	4,270	4,270		
Low Income Home Energy Assistance Program (LIHEAP)	2,182	2,000	2,007	2,183	2,183		
Refugee and Entrant Assistance	485	571	561	571	576		
Child Care and Development Block Grant (CCDBG)	2,083	2,083	2,083	2,083	2,083		
Social Services Block Grant (Title XX) (mandatory)	1,700	1,700	1,700	1,700	1,700		
Head Start	6,854	6,888	6,899	6,863	6,843		
Child Welfare Services	290	290	290	290	290		
Developmental Disabilities	169	169	171	187	173		
Community Services Block Grant	637	0	320	637	637		
Battered Women's Shelters	126	126	126	126	126		
Abstinence Education	99	138	110	101	110		
Other Children and Family Services	832	766	773	822	743		
Promoting Safe and Stable Families (PSSF) (mandatory)	305	305	305	305	305		
PSSF (discretionary)	99	105	99	90	90		
Foster Care and Adoption Assistance (mandatory)	6,805	6,583	6,583	6,583	6,583		
ACF subtotal	26,757	25,994	26,296	26,811	26,711		
Administration on Aging (AOA)	1,393	1,369	1,376	1,392	1,377		
Office of the Secretary							
Medical Benefits, Commissioned Officers (mandatory)	331	329	329	329	329		
Public Health and Social Service Emergency Fund (PHSSEF) (a)	2,407	2,578	184	8,159	66		
Office of the Secretary, other	507	588	525	551	533		
Office of the Secretary subtotal	3,245	3,495	1,038	9,039	928		
TOTALS, DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Total appropriations (d)	379,201	473,485	473,893	484,266	474,115		
Current year funding	311,100	406,382	406,779	417,164	407,012		
One-year advance funding	68,101	67,103	67,114	67,103	67,103		

**Source:** Amounts are based on the FY2006 conference report H.Rept. 109-337, Dec. 13, 2005; conference amounts do not reflect the 1% cut required for most discretionary programs (see page 12).

**Note:** Two HHS agencies are funded through other appropriations: Food and Drug Administration (FDA) in Agriculture appropriations (\$1.5 billion in FY2005), and Indian Health Service (IHS) in Interior appropriations (\$3.0 billion in FY2005). Neither agency is included in this table.

a. For FY2006, the House and Senate amounts for bioterrorism would have been distributed directly to HRSA, CDC, and NIH rather than indirectly through the PHSSEF.

b. The Veterans Affairs and Housing and Urban Development (VA-HUD) appropriations provided additional funding of \$76 million for the CDC in FY2005.

c. The VA-HUD appropriations provided additional funding of \$80 million for the NIH in FY2005.

d. Appropriations totals include discretionary and mandatory funds, and may be subject to additional scorekeeping and other adjustments.

# **Department of Education**

FY2005 discretionary appropriations for the Department of Education (ED) were \$56.6 billion. For FY2006, the budget request was \$56.2 billion, \$0.4 billion (0.7%) less than the FY2005 amount, as shown in **Table 10**. The House bill would have provided \$56.7 billion for ED discretionary activities in FY2006; the Senate bill would have provided \$56.7 billion as well. The FY2006 conference agreement, as enacted, provided \$56.5 billion in discretionary funding prior to the 1% cut required by P.L. 109-148 (see page 12).

# Table 10. Department of Education Discretionary Appropriations

(\$ in billions)

Funding	FY2005	FY2006	FY2006	FY2006	FY2006
	enacted	request	House	Senate	conf.
Appropriations	\$56.6	\$56.2	\$56.7	\$56.7	\$56.5

**Source:** Amounts are based on the FY2006 conference report H.Rept. 109-337, Dec. 13, 2005; conference amounts do not reflect the 1% cut for most discretionary programs that is required by P.L. 109-148 (see page 12). FY2005 amounts are post-reduction (see page 49) and based on P.L. 108-447. Amounts represent discretionary programs funded by L-HHS-ED appropriations; funds for mandatory programs are excluded.

A single mandatory ED program is included in the L-HHS-ED bill; the Vocational Rehabilitation State Grants program was funded at \$2.6 billion in FY2005.

# **Key Issues**

**President's Request.** Increasing federal support for education has been a priority of both Congress and the White House in recent years. Under the FY2006 budget request, funding for several programs would have been increased, and 14 new education programs were proposed. However, the President's request would have eliminated the funding for 48 existing programs and reduced the total discretionary funding for ED programs in FY2006.

Discretionary spending increases of at least \$100 million in FY2006 were requested by the President for the following programs.

- Elementary and Secondary Education Act of 1965 (ESEA) programs, funded in aggregate at \$24.4 billion in FY2005, would have been increased by \$974 million in the President's FY2006 budget request see discussion below of ESEA funding shortfall.
- The ESEA Title I, Part A Grants to Local Educational Agencies (LEAs) program, funded at \$12.7 billion in FY2005, would have been increased by \$602 million.
- The Striving Readers program, funded at \$25 million in FY2005, would have been increased by \$175 million.

- The Special Education Part B Grants to States program under the Individuals with Disabilities Education Act (IDEA), funded at \$10.6 billion in FY2005, would have been increased by \$508 million see discussion below of IDEA funding shortfall.
- The Pell Grants program, funded at \$12.4 billion in FY2005, would have been increased by \$834 million.
- Student Aid Administrative Costs, funded at \$119 million in FY2005, would have been increased by \$820 million in a proposal to unify the administration of all student aid activities in a single account. The increase would have been offset in part by a proposed savings of \$625 million through the consolidation of certain related expenses currently counted elsewhere.
- A High School Intervention initiative was proposed with initial funding of \$1.2 billion.
- A High School Assessments initiative was proposed with initial funding of \$250 million.
- A Teacher Incentive Fund initiative was proposed with initial funding of \$500 million.

Along with the increases proposed above, the President's FY2006 budget would have decreased funding for several programs and eliminated funding for others. The March 16, 2005 table of the House Committee on Appropriations listed 38 line items for education programs that were funded for FY2005 but with no FY2006 funds requested; the ED Budget Service published a more detailed list with 48 programs that were funded in FY2005 but with no FY2006 funds requested, at [http://www.ed.gov/about/overview/budget/budget06/summary/edlite-section3.html].

- The Fund for the Improvement of Education (FIE), funded at \$414 million in FY2005, would have been reduced by \$258 million.
- Adult Education, funded at \$585 million in FY2005, would have been reduced by \$369 million.
- The Fund for the Improvement of Postsecondary Education (FIPSE), funded at \$162 million in FY2005, would have been decreased by \$140 million.
- TRIO programs, funded at \$837 million in FY2005, would have been reduced by \$468 million.
- The Even Start program, funded at \$225 million in FY2005, would have been terminated.
- Comprehensive School Reform, funded at \$205 million in FY2005, would have been eliminated.
- Educational Technology State Grants, funded at \$496 million in FY2005, would have been eliminated.
- Safe and Drug-Free Schools State Grants, funded at \$437 million in FY2005, would have been eliminated.
- The Perkins Vocational Education program, funded at \$1.3 billion in FY2005, would have been terminated.
- GEAR UP, funded at \$306 million in FY2005, would have been eliminated.

**House Bill.** For ED programs, the House bill differed from the President's budget request in several respects.

- ESEA programs in aggregate would have received \$23.6 billion under the House bill, \$1.8 billion less than requested; they were funded at \$24.4 billion in FY2005.
- The ESEA Title I, Part A Grants to LEAs program would have received \$12.8 billion from the House bill, \$502 million less than requested; it received \$12.7 billion in FY2005.
- Even Start would have received \$200 million; no funds were requested. It received \$225 million in FY2005.
- Striving Readers would have received \$30 million, \$170 million less than requested; the program was funded at \$25 million in FY2005.
- The High School Intervention initiative would not have been funded; \$1.2 billion was requested.
- Educational Technology State Grants would have been funded at \$300 million; no funds were requested. The program received \$496 million in FY2005.
- The High School Assessments initiative would not have been funded; \$250 million was requested.
- FIE would have received \$27 million, \$129 million less than requested; it received \$414 million in FY2005.
- The Teacher Incentive Fund initiative would have received \$100 million, \$400 million less than requested; no funds were provided in FY2005
- Safe and Drug-Free Schools State Grants would have received \$400 million; no funds were requested. The program received \$437 million in FY2005.
- The Special Education Part B Grants to States program under IDEA would have received \$10.7 billion, \$358 million less than requested; the program was funded at \$10.6 billion in FY2005.
- The Perkins Vocational Education program would have received \$1.3 billion; no funds were requested. It was funded at \$1.3 billion in FY2005.
- Adult Education would have received \$585 million, \$369 million more than requested; it was funded at \$585 million in FY2005.
- Pell Grants would have received \$13.4 billion, \$184 million more than requested; it received \$12.4 billion in FY2005.
- The Pell Grants accumulated shortfall from prior year awards, currently estimated at \$4.3 billion, would have been retired under the provisions of \$305 of the House bill, pursuant to \$303 of H.Con.Res. 95, the FY2006 congressional budget resolution see discussion below on the funding of Pell Grants.
- Student Aid Administrative Costs would have received \$124 million, \$815 million less than requested; it was funded at \$119 million in FY2005. The House bill did not agree to the budget proposal to unify student aid administrative activities in a single account, nor did it agree to the consolidation of related expenses currently counted elsewhere for a proposed savings of \$625 million.

- TRIO programs would have received \$837 million; \$468 million more than requested. TRIO was funded at \$837 million in FY2005.
- GEAR UP would have received \$306 million; no funds were requested. It received \$306 million in FY2005.

**Senate Bill.** For ED programs, the Senate bill differed from the House bill by at least \$100 million for several programs.

- Even Start would not have been funded; the House bill would have provided \$200 million. No funds were requested; \$225 million was provided in FY2005.
- Educational Technology State Grants would have received \$425 million, \$125 million more than the House amount. No funds were requested; \$496 million was provided in FY2005.
- FIE would have received \$387 million, \$360 million more than the House amount. The request was for \$156 million; \$414 million was provided in FY2005.
- The Teacher Incentive Fund initiative would not have been funded; the House would have provided \$100 million. The request was for \$500 million to initiate this activity.
- Safe and Drug-Free Schools State Grants would have been funded at \$300 million, \$100 million less than the House amount. No funds were requested; \$437 million was provided in FY2005.
- Pell Grants would have received \$13.2 billion, \$206 million less than the House amount. The request was for \$13.2 billion; \$12.4 billion was provided in FY2005.
- FIPSE would have been funded at \$157 million, \$108 million more than the House amount. The request was for \$22 million; \$162 million was provided in FY2005.

**Public Law.** The conference agreement, as enacted, changed discretionary spending by at least \$100 million for several ED programs, compared to the FY2005 funding levels.

- ESEA programs in aggregate received \$23.6 billion, \$1.8 billion less than requested and \$780 million less than the FY2005 amount of \$24.4 billion.
- ESEA Title I Part A Grants to LEAs received \$12.8 billion, \$502 million less than requested but \$100 million more than the FY2005 amount of \$12.7 billion.
- Comprehensive School Reform were funded at \$8 million, \$197 million less than the FY2005 amount of \$205 million; no funds were requested.
- Educational Technology State Grants received \$275 million, \$221 million less than the FY2005 amount of \$496 million; no funds were requested.
- FIE received \$160 million, \$4 million more than requested but \$254 million less than the FY2005 amount of \$414 million.
- The Teacher Incentive Fund initiative received \$100 million, \$400 million less than requested; no funds were provided in FY2005.

However, two other major education initiatives that were proposed in the FY2006 budget request were not funded — a \$1.2 billion High School Intervention initiative and a \$250 million High School Assessments initiative.

- IDEA Part B Grants to States received \$10.7 billion, \$408 million less than requested but \$100 million more than the FY2005 amount of \$10.6 billion.
- Pell Grants received \$13.2 billion, \$22 million less than requested but \$812 million more than the FY2005 amount of \$12.4 billion.
- The Pell Grants accumulated shortfall, currently estimated at \$4.3 billion, was retired under \$305 of the conference agreement, pursuant to \$303 of H.Con.Res. 95, the FY2006 congressional budget resolution.
- FIPSE received \$22 million, the same as the request but \$140 million less than the FY2005 amount of \$162 million.

**ESEA Funding Shortfall?** Since the enactment of the No Child Left Behind Act of 2001 (NCLBA), P.L. 107-110, which amended the ESEA among other programs, there has been a continuing discussion regarding the appropriations "promised" and the resulting "shortfall" when the enacted appropriations are compared to authorization levels. Some would contend that the ESEA authorizations of appropriations, as amended by NCLBA, represent a funding commitment that was promised in return for legislative support for the new administrative requirements placed on state and local educational systems. They would contend that the authorized levels are needed for implementing the new requirements, and that the differences between promised and actual funding levels represent a shortfall of billions of dollars. The FY2005 appropriation was \$9.1 billion less than the amount authorized for the five ESEA programs for which a FY2005 authorization is specified. For FY2006, these five programs were funded at a level \$12.0 billion below the authorized level (after adjustment for the 1% rescission). Others would contend that the authorized funding levels represent no more than appropriations ceilings, and as such are no different from authorizations for most education programs. That is, when the authorization amount is specified, it represents only a maximum amount, with the actual funding level to be determined during the regular annual appropriations process. In the past, education programs with specified levels of authorization generally have been funded at lower levels; few have been funded at levels equal to or higher than the specified authorization amount. For additional information, please see CRS Report RL33058, K-12 Education Programs: Recent Appropriations.

**IDEA Funding Shortfall?** From 1975 to 2004, the IDEA Part B Grants to States program authorized state payments up to a maximum amount of 40% of the national average per-pupil expenditure (APPE) times the number of children with disabilities ages 3 through 21 that each state serves. Appropriations have never been sufficient to reach the 40% level. In 2004, Congress addressed the authorization issue in P.L. 108-446, which specified authorization ceilings for Part B Grants to States for FY2005 through FY2011. The Part B Grants to States authorization was \$12.4 billion for FY2005 and \$14.6 billion for FY2006. The FY2005 appropriation was \$10.6 billion, or \$1.8 billion less than the authorization. The FY2006 appropriation was \$10.6 billion (after adjustment for the 1% rescission), or \$4.0

billion less than the authorization. As with ESEA and NCLBA, some view these differences as funding shortfalls, while others see the maximum federal share and the specified authorizations as nothing more than appropriation ceilings. For additional information, please see CRS Report RL32085, *Individuals with Disabilities Education Act (IDEA): Current Funding Trends*.

**Pell Grants.** The funding level for Pell Grants has been a continuing issue. The program provides assistance to eligible undergraduate students based on financial need. Aggregate program costs depend largely on the maximum award and the number of eligible recipients. The maximum award is currently set when appropriations are enacted, which is usually before the start of the program year. The exact number and total amount of the Pell Grant awards cannot be determined until all students have claimed an award. Generally, the number of recipients and the amount of the awards are not reconciled until the end of the program year, which occurs after the following year's appropriations have been enacted. Appropriations for Pell Grants make funds available for two full fiscal years to provide administrative flexibility regarding potential shortfalls and surpluses. If the cost of the Pell Grant program exceeds the current fiscal year's appropriation, the shortfall is covered by using appropriated monies from the next fiscal year. Similarly, a surplus can be carried forward and used in the following year. As of January 4, 2006, the ED Budget Service has estimated that the FY2005 shortfall will be \$4.3 billion. For FY2006, the Administration proposed legislation that would recall the federal share of the Perkins Loan program and use \$4.3 billion of the proceeds to eliminate the current Pell Grant shortfall. P.L. 109-149 continued funding for the Perkins Loan program, and §305 of P.L. 109-149 appropriated \$4.3 billion to eliminate the shortfall. For additional information, please see CRS Report RL31668, Federal Pell Grant Program of the Higher Education Act: Background and Reauthorization.

Forward Funding and Advance Appropriations. Most appropriations are available for obligation during the federal fiscal year of the appropriations bill. For example, most FY2006 appropriations will be available for obligation from October 1, 2005, through September 30, 2006. Several L-HHS-ED programs, including some of the larger ED programs, have authorization or appropriations provisions that allow funding flexibility for program years that differ from the federal fiscal year. For example, many of the elementary and secondary education formula grant programs receive appropriations that become available for obligation to the states on July 1 of the same year as the appropriations, and remain available for 15 months through the end of the following fiscal year. That is, FY2006 appropriations for some programs will became available for obligation to the states on July 1, 2006, and will remain available until September 30, 2007. This budgetary procedure is popularly known as "forward" or "multi-year" funding, and is accomplished through funding provisions in the L-HHS-ED appropriations bill.

**Forward funding** in the case of elementary and secondary education programs was designed to allow additional time for school officials to develop budgets in advance of the beginning of the school year. For Pell Grants for undergraduates, however, aggregate program costs for individual students applying for postsecondary educational assistance cannot be known with certainty ahead of time. Appropriations from one fiscal year primarily support Pell Grants during the following academic year, that is, the FY2006 appropriations will be used primarily to support grants for

the 2006-2007 academic year. Unlike elementary and secondary education programs, however, the funds for Pell Grants remain available for obligation for two full fiscal years, as discussed above.

An **advance appropriation** occurs when the appropriation is provided for a fiscal year beyond the fiscal year for which the appropriation was enacted. In the case of FY2006 appropriations, funds normally would have become available October 1, 2005, under regular funding provisions, but will not become available until July 1, 2006, under the forward funding provisions discussed above. However, if the July 1, 2006 forward funding date were to be postponed for obligation by three months — until October 1, 2006 — the appropriation would be reclassified as an advance appropriation since the funds would become available *only in a subsequent fiscal year*, FY2007. For example, the FY2006 budget request for Title I, Part A Grants to LEAs for the Education for the Disadvantaged was \$13.3 billion. This amount includes not only forward funding of \$5.9 billion (to become available July 1, 2006), but also an advance appropriation of \$7.4 billion (to become available October 1, 2006). Like forward funding provisions, these advance appropriations are specified through provisions in the annual appropriations bill.

What is the impact of these changes in funding provisions? At the appropriations level, there is no difference between forward funded and advance appropriations except for the period available for obligation. At the program or service level, relatively little is changed by the three-month delay in the availability of funds, since most expenditures for a standard school year occur after October 1. At the scorekeeping level, however, a significant technical difference occurs because forward funding is counted as part of the current fiscal year, and is therefore fully included in the current 302(b) allocation for discretionary appropriations. Under federal budget scorekeeping rules, an advance appropriation is not counted in the 302(b) allocation until the following year. In essence, a three-month change from forward funding to an advance appropriation for a given program allows a one-time shift from the current year to the next year in the scoring of discretionary appropriations. For additional information, please see CRS Report RS20441, Advance Appropriations, Forward Funding, and Advance Funding, and CRS Report 98-720, Manual on the Federal Budget Process.

## **CRS Products**

- CRS Report RL32867, Adult Education and Literacy: Overview and Reauthorization Proposals of the 109th Congress, by Paul M. Irwin.
- CRS Report RL31618, Campus-Based Student Financial Aid Programs Under the Higher Education Act, by David Smole.
- CRS Report RL31747, *The Carl D. Perkins Vocational and Technical Education Act of 1998: Background and Implementation*, by Rebecca R. Skinner and Richard N. Apling.
- CRS Report RL31487, Education for the Disadvantaged: Overview of ESEA Title I-A Amendments Under the No Child Left Behind Act, by Wayne Riddle.
- CRS Report RS21483, Education Technology Programs, Title II, Part D of the Elementary and Secondary Education Act, by Charmaine Mercer.
- CRS Report RL30448, *Even Start Family Literacy Programs: An Overview*, by Gail McCallion and Wayne Riddle.

- CRS Report RL31668, Federal Pell Grant Program of the Higher Education Act: Background and Reauthorization, by Charmaine Mercer.
- CRS Report RL31885, *Impact Aid for Public K-12 Education: General Overview and Current Status*, by Rebecca R. Skinner and Richard A. Apling.
- CRS Report RL32085, *Individuals with Disabilities Education Act (IDEA): Current Funding Trends*, by Richard N. Apling.
- CRS Report RS22138, *The Individuals with Disabilities Education Act (IDEA):* Overview of P.L. 108-446, by Nancy Lee Jones and Richard Apling.
- CRS Report RL33058, *K-12 Education Programs: Recent Appropriations*, by Paul M. Irwin.
- CRS Report RL32923, Federal Pell Grants: Implications of Increasing the Maximum Award, by Charmaine Mercer.
- CRS Report RL31241, Reading First and Early Reading First: Background and Funding, by Gail McCallion.
- CRS Report RS20532, *The Safe and Drug-Free Schools and Communities Act:* Reauthorization and Appropriations, by Edith Fairman Cooper.
- CRS Report RL31622, *Trio and GEAR UP Programs: Status and Issues*, by Jeffrey J. Kuenzi.
- CRS Report RL31240, 21<sup>st</sup> Century Community Learning Centers in P.L. 107-110: Background and Funding, by Gail McCallion.
- CRS Report RS20441, Advance Appropriations, Forward Funding, and Advance Funding, by Sandy Streeter.
- CRS Report 98-720, *Manual on the Federal Budget Process*, by Robert Keith and Allen Schick.

# **Websites**

## **Department of Education**

[http://www.ed.gov/index.jhtml] [http://www.ed.gov/about/overview/budget/budget06/index.html]

# **Detailed Appropriations Table**

**Table 11** shows the appropriations details for offices and major programs of ED.

**Table 11. Detailed Department of Education Appropriations**(\$ in millions)

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Total Elementary and Secondary Education Act (non-add)	\$24,353	\$25,327	\$23,550	\$23,595	\$23,573
Title I, Part A Education for the Disadvantaged, Grants to LEAs	12,740	13,342	12,840	12,840	12,840
Even Start	225	0	200	0	100
Reading First State Grants	1,042	1,042	1,042	1,042	1,042
Striving Readers	25	200	30	35	30
High School Intervention	0	1,240	0	0	0
Comprehensive School Reform	205	0	10	0	8
Education for the Disadvantaged, other	607	607	607	616	607
Impact Aid	1,244	1,241	1,241	1,241	1,241
Teacher Quality State Grants	2,917	2,917	2,917	2,917	2,917
Mathematics and Science Partnerships	179	269	190	179	184
Innovative Education Block Grant	198	100	198	100	100
Educational Technology State Grants	496	0	300	425	275
21st Century Community Learning Centers	991	991	991	991	991
State Assessments	412	412	412	412	412
High School Assessments Initiative	0	250	0	0	0
Rural Education	171	171	171	171	171
School Improvement, other	256	222	215	263	259
Indian Education	120	120	120	120	120
Charter School Grants	217	219	217	217	217
Fund for the Improvement of Education general funds (FIE)	414	156	27	387	160
Teacher Incentive Fund initiative	0	500	100	0	100
Innovation and Improvement, other	462	433	365	435	469
Safe and Drug-Free Schools State Grants	437	0	400	300	350
Safe Schools and Citizenship, other	397	397	364	397	387
English Language Acquisition State Grants	676	676	676	683	676
IDEA Special Education, Part B, Grants to States	10,590	11,098	10,740	10,690	10,690
IDEA Special Education, other	1,084	1,028	1,074	1,085	1,081
Vocational Rehabilitation State Grants (mandatory)	2,636	2,720	2,720	2,720	2,720
Rehabilitation Services, other	439	339	409	414	409
Special Institutions for Persons With Disabilities	177	176	181	184	183
Perkins Vocational Education	1,326	0	1,312	1,309	1,309
Adult Education	585	216	585	589	585
Vocational and Adult, other	127	0	95	29	118

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Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.		
Student Financial Aid							
Pell Grants, maximum award (in dollars, non-add) (a)	4,050	4,050	4,100	4,050	4,050		
Pell Grants	12,365	13,199	13,383	13,177	13,177		
Enhanced Pell Grants	0	33	0	0	0		
Pell Grants accumulated shortfall elimination, §305 (mandatory) (b)	0	0	4,300	4,300	4,300		
Supplemental Educational Opportunity Grants	779	779	779	805	779		
Federal Work-Study	990	990	990	990	990		
Federal Perkins Loans	66	0	66	66	66		
Math and Science Scholars	0	50	0	0	0		
Leveraging Educational Assistance Partnership (LEAP)	66	0	66	66	66		
Student Aid Administrative Costs	119	939	124	120	120		
Direct Student Loan Reclassification proposal	0	-625	0	0	0		
Short-term Training Loans	0	11	0	0	0		
Office of Postsecondary Education (C	OPE)						
Aid for Institutional Development	508	506	506	516	511		
Fund for the Improvement of Postsecondary Education (FIPSE)	162	22	49	157	22		
TRIO Programs	837	369	837	842	837		
GEAR UP	306	0	306	306	306		
Higher Education, other	304	305	239	292	295		
Howard University	239	239	241	239	240		
Institute of Education Sciences	523	479	523	530	523		
Departmental Management	556	560	551	553	556		
TOTALS, DEPARTMENT OF EDUCATION							
Total Appropriations (b, c)	59,213	58,939	63,707	63,750	63,538		
Current year funding	44,191	43,917	48,685	48,716	48,505		
One-year advance funding	15,022	15,022	15,022	15,034	15,034		

**Source:** Amounts are based on the FY2006 conference report H.Rept. 109-337, Dec. 13, 2005; conference amounts do not reflect the 1% cut required for most discretionary programs (see page 12).

- a. The Administration made a separate proposal as a part of the reauthorization of the Higher Education Act of 1965 (HEA) to increase the Pell Grants maximum award by \$100 in FY2006.
- b. The Administration proposed an appropriation of \$4.3 billion to eliminate the estimated Pell Grants shortfall as part of the HEA reauthorization proposal. Section 305 of the House and Senate bills would have appropriated, and Section 305 of P.L. 109-149 did appropriate, a mandatory appropriation of \$4.3 billion to eliminate the estimated Pell Grants shortfall; these amounts are shown in the table and its totals.
- c. Appropriations totals include discretionary and mandatory funds, and are subject to additional scorekeeping and other adjustments.

# **Related Agencies**

FY2005 discretionary appropriations for L-HHS-ED related agencies were \$11.1 billion. For FY2006, the budget request was \$11.2 billion, \$0.1 billion (1.0%) more than the FY2005 amount, as shown in **Table 12**. The House bill would have provided \$11.5 billion for related agency discretionary activities in FY2006, and the Senate bill would have provided \$11.7 billion. The FY2006 conference agreement, as enacted, provided \$11.5 billion in discretionary funding prior to the 1% cut required by P.L. 109-148 (see page 12).

**Table 12. Related Agencies Discretionary Appropriations**(\$ in billions)

Funding	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Appropriations	\$11.1	\$11.2	\$11.5	\$11.7	\$11.5

**Source:** Amounts are based on the FY2006 conference report H.Rept. 109-337, Dec. 13, 2005; conference amounts do not reflect the 1% cut for most discretionary programs that is required by P.L. 109-148 (see page 12). FY2005 amounts are post-rescission (see page 49) and based on P.L. 108-447. Amounts represent discretionary programs funded by L-HHS-ED appropriations; funds for mandatory programs are excluded.

Mandatory programs for related agencies included in the L-HHS-ED bill were funded at \$36.6 billion in FY2005, virtually all of it for the Supplemental Security Income (SSI) program.

# **Key Issues**

**President's Request.** The President's FY2006 budget for related agencies would have changed discretionary spending by at least \$100 million for several programs.

- Social Security Administration (SSA) Administrative Expenses, funded at \$5.7 billion in FY2005, would have been increased by \$748 million under the President's FY2006 budget request.
- The SSA Medicare Reform Fund to begin implementation of the Medicare prescription drug program enacted by P.L. 108-173, funded at \$446 million in FY2005, would have been eliminated; funding for the continuing responsibilities of SSA for Medicare are required to be counted under regular SSA Administrative Expenses beginning in FY2006.
- The Corporation for Public Broadcasting (CPB) has been provided with a two-year advance appropriation in recent years; however, the President's FY2006 budget did not request FY2008 funds for CPB. The CPB has been funded at \$400 million for FY2007 (enacted as part of the FY2005 L-HHS-ED appropriations), \$400 million for FY2006 (enacted in FY2004), and \$387 million for FY2005 (enacted in FY2003).

**House Bill.** For the related agencies of the L-HHS-ED bill, the House bill differed from the President's budget request in several respects.

- SSA Administrative Expenses would have received \$6.4 billion under the House bill, \$108 million less than requested; these activities were funded at \$5.7 billion in FY2005.
- The CPB two-year advance appropriation for FY2008 would have been funded at \$400 billion under the House bill; no funds were requested. The FY2007 amount (enacted in the FY2005 L-HHS-ED appropriations) is \$400 million.
- The House bill would have made no changes to the FY2006 CPB appropriation of \$400 million. A rescission of \$10 million was requested. The House bill, as reported by committee, would have made an FY2006 rescission of \$100 million.

**Senate Bill.** For the related agencies, the Senate bill differed from the House bill by at least \$100 million for two programs.

- Supplemental Security Income (SSI) discretionary activities would have received \$2.7 billion, \$187 million less than the House amount. The request was for \$2.9 billion; \$3.0 billion was provided in FY2005.
- SSA Administrative Expenses would have received \$6.6 billion, \$236 million more than the House amount. The request was for \$6.5 billion; \$5.7 billion was provided in FY2005.

**Public Law.** The FY2006 conference agreement, as enacted, changed discretionary spending by at least \$100 million for two programs of the related agencies, compared to the FY2005 funding levels.

- SSI discretionary activities received \$2.7 billion, \$164 million less than requested and \$254 million less than the FY2005 amount of \$3.0 billion.
- SSA Administrative Expenses received \$6.5 billion, \$25 million less than requested but \$723 million more than the FY2005 amount of \$5.7 billion.

## **CRS Products**

- CRS Report RS20420, *AmeriCorps and Other Service Programs: Description and Funding Levels*, by Ann Lordeman.
- CRS Report RS22168, *The Corporation for Public Broadcasting: Federal Funding Facts and Status*, by Glenn J. McLoughlin.
- CRS Report RL31320, Federal Aid to Libraries in the Museum and Library Services Act of 2003, by Gail McCallion.
- CRS Issue Brief IB98048, Social Security Reform, by Dawn Nuschler.
- CRS Report 94-486, Supplemental Security Income (SSI): A Fact Sheet, by April Grady.
- CRS Report RS20419, VISTA and the Senior Volunteer Service Corps: Description and Funding Levels, by Ann Lordeman.

## **Websites**

**Note:** Not all of the websites for the related agencies of L-HHS-ED appropriations include FY2006 budget information.

#### Committee for Purchase From People Who Are Blind or Severely Disabled

[http://www.jwod.gov/jwod/index.html]

## **Corporation for National and Community Service**

[http://www.cns.gov]

[http://www.cns.gov/about/budget/index.html]

## **Corporation for Public Broadcasting**

[http://www.cpb.org]

[http://www.cpb.org/about/funding/appropriation.html]

# **Federal Mediation and Conciliation Service**

[http://www.fmcs.gov/internet/]

# Federal Mine Safety and Health Review Committee

[http://www.fmshrc.gov/]

## **Institute of Museum and Library Services**

[http://www.imls.gov]

# **Medicare Payment Advisory Commission**

[http://www.medpac.gov/]

#### **National Commission on Libraries and Information Science**

[http://www.nclis.gov/]

## **National Council on Disability**

[http://www.ncd.gov/]

## **National Labor Relations Board**

[http://www.nlrb.gov/nlrb/home/default.asp]

#### **National Mediation Board**

[http://www.nmb.gov/]

# Occupational Health and Safety Review Commission

[http://www.oshrc.gov/]

#### **Railroad Retirement Board**

[http://www.rrb.gov]

[http://www.rrb.gov/BFO/Justbudgettoc06.htm]

#### **Social Security Administration**

[http://www.ssa.gov]

[http://www.ssa.gov/budget/]

# **Detailed Appropriations Table**

 $\textbf{Table 13} \ shows \ the \ appropriations \ details \ for \ offices \ and \ major \ programs \ of \ the \ L-HHS-ED \ related \ agencies.$ 

**Table 13. Detailed Related Agencies Appropriations**(\$ in millions)

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.			
Committee for Purchase From People Who Are Blind or Severely Disabled	\$5	\$5	\$5	\$5	\$5			
Corporation for National and Community Service (CNCS) (a)								
CNCS Domestic Volunteer Service	Programs (I	OVSP)						
Volunteers in Service to America (VISTA)	94	96	96	96	96			
National Senior Volunteer Corps	216	220	220	220	220			
DVSP, other	44	44	42	0	0			
DVSP subtotal	354	360	358	316	316			
CNCS National and Community Se	rvice Progra	ms (NCSP)						
National Service Trust	143	146	146	149	140			
AmeriCorps Grants	288	275	268	280	268			
NCSP, other	111	107	104	117	112			
NCSP subtotal	542	528	518	546	520			
CNCS, other	31	33	33	73	73			
CNCS subtotal	927	921	909	935	909			
Corporation for Public Broadcasting (CPB), two-year Advance for FY2008 (current request) with FY2007 comparable	400	0	400	400	400			
CPB advance for FY2007 with FY2006 comparable (non-add)	400	0	400	400	400			
CPB advance for FY2006 with FY2005 comparable (non-add)	387	0	400	400	400			
CPB rescission of FY2006 funds (non-add)	0	-10	0	0	0			
CPB Digitalization Program	39	0	0	35	30			
CPB Interconnection	40	0	0	40	35			
Federal Mediation and Conciliation Service	44	42	42	43	43			
Federal Mine Safety and Health Review Committee	8	8	8	8	8			
Institute of Museum and Library Services (IMLS)	281	262	250	290	250			
Medicare Payment Advisory Commission	10	10	10	10	10			

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Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.	
National Commission on Libraries and Information Science	1	1	1	1	1	
National Council on Disability	3	3	3	3	3	
National Labor Relations Board	250	252	252	252	252	
National Mediation Board	12	12	12	12	12	
Occupational Safety and Health Review Commission	11	11	11	11	11	
Railroad Retirement Board	209	200	200	200	200	
Social Security Administration (SSA) (b)						
SSA Payments to Social Security Trust Fund (mandatory)	20	20	20	20	20	
SSA Supplemental Security Income (SSI) (mandatory)	36,530	37,746	37,746	37,746	37,746	
SSA SSI, Discretionary	2,987	2,897	2,897	2,710	2,733	
SSA Administrative Expenses	5,743	6,491	6,383	6,619	6,466	
SSA Medicare Reform Startup Funding (non-add) (c)	446	0	0	0	0	
SSA Office of Inspector General	90	93	93	93	92	
SSA subtotal	45,371	47,248	47,139	47,189	47,058	
TOTALS, RELATED AGENCIE	CS .					
Total appropriations (d)	47,610	48,974	49,241	49,434	49,226	
Current year funding	36,280	37,864	37,731	37,924	37,717	
One-year advance funding	10,930	11,110	11,110	11,110	11,100	
Two-year advance funding	400	0	400	400	400	

**Source:** Amounts are based on the FY2006 conference report H.Rept. 109-337, Dec. 13, 2005; conference amounts do not reflect the 1% cut required for most discretionary programs (see page 12).

- a. Through FY2005, CNCS AmeriCorps Grants and other programs under the National and Community Service Act were funded in the Veterans Affairs-Housing and Urban Development (VA-HUD) Appropriations Act. All CNCS programs are funded in L-HHS-ED in FY2006.
- b. The operation of the Social Security trust funds is considered off-budget, but the Social Security Administration (SSA) Supplemental Security Income (SSI) program, SSA Administrative Expenses, and certain related SSA activities are included under L-HHS-ED related agencies.
- c. SSA Medicare Reform Funding startup costs were separately funded in FY2005; such activities are combined under the regular SSA Administrative Expenses starting in FY2006.
- d. Appropriations totals include discretionary and mandatory funds, and are subject to additional scorekeeping and other adjustments.

# **Related Legislation**

Several proposals related to L-HHS-ED appropriations have been considered by the 109<sup>th</sup> Congress, including a series of FY2006 continuing resolutions, the FY2006 budget resolution, and FY2006 and FY2005 supplemental appropriations. FY2005 L-HHS-ED appropriations were provided by the Consolidated Appropriations Act, 2005 (P.L. 108-447), which was enacted by the 108<sup>th</sup> Congress following a series of three FY2005 continuing resolutions (P.L. 108-309).

# FY2006 Continuing Resolution, P.L. 109-77 (H.J.Res. 68)

A series of three continuing resolutions — P.L. 109-77, P.L. 109-105, and P.L. 109-128 — provided temporary FY2006 appropriations for most ongoing L-HHS-ED activities, including the costs of direct loans and loan guarantees, for the period October 1 through December 30, 2005. An FY2006 continuing resolution was necessary because the regular L-HHS-ED appropriations were not enacted by the start of FY2006 on October 1, 2005.

Under the FY2006 continuing resolution, the funding level for each activity was provided at a rate of operations not to exceed the "current rate" or the rate permitted in the House-passed version of the FY2006 L-HHS-ED appropriations, whichever is lower, under FY2005 conditions and authority — with one exception: if an activity was zeroed out in the House-passed bill for FY2006, the funding level was not allowed to exceed the current rate [§101(d)]. New initiatives were prohibited unless otherwise authorized. For programs with high spend-out rates that normally would occur early in the fiscal year, special restrictions prohibited spending levels that would impinge on final FY2006 funding decisions. Obligations for mandatory payments were allowed for payments due on or about November 1, 2005; December 1, 2005; and January 1, 2006 [§114(b)]. Special provisions were made for funding certain appeals for Medicare (§120) and Social Security (§118). The amounts that would have been provided by the Senate-passed version of L-HHS-ED appropriations were excluded from the funding calculations under the continuing resolution because they were not passed by October 1, 2005. For additional information, please see CRS Report RL30343, Continuing Appropriations Acts: Brief Overview of Recent Practices, by Sandy Streeter.

- 1st Continuing Resolution, P.L. 109-77 (H.J.Res. 68), provided temporary appropriations for the period October 1, 2005, through November 18, 2005, as long as regular appropriations were not enacted sooner (§107 of P.L. 109-77). H.J.Res. 68 was passed by the House on September 29 and by the Senate on September 30, and signed into law by the President on September 30, 2005, as P.L. 109-77.
- 2<sup>nd</sup> Continuing Resolution, P.L. 109-105 (H.J.Res. 72), extended the provisions of P.L. 109-77 through December 17, 2005. H.J.Res. 72 was passed by the House on October 17 and by the Senate on October 18, and signed into law by the President on October 19, 2005, as P.L. 109-105.
- 3<sup>rd</sup> Continuing Resolution, P.L. 109-128 (H.J.Res. 75), extended the provisions of P.L. 109-77 through December 31, 2005. H.J.Res.

75 was passed by the House and the Senate on December 17, 2005, and signed into law by the President on December 18, 2005, as **P.L.** 109-128.

# FY2006 Supplemental Appropriations, P.L. 109-148 (H.R. 2863)

FY2006 supplemental appropriations were enacted as a part of **P.L. 109-148** (**H.R. 2863, H.Rept. 109-359**), the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006. In particular, Division B of P.L. 109-148, the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006, includes both (a) disaster assistance for areas damaged by 2005 hurricanes (\$29.0 billion) and (b) avian and pandemic influenza preparedness (\$3.8 billion), as well as various rescissions including the 1% rescission applicable to most FY2006 discretionary appropriations (see page 12). For additional information on emergency assistance, please see CRS Report RL33053, *Federal Stafford Act Disaster Assistance: Presidential Declarations, Eligible Activities, and Funding*, by Keith Bea; for information on pandemic influenza, please see CRS Report RL33145, *Pandemic Influenza: Domestic Preparedness Efforts*, by Sarah A. Lister.

For L-HHS-ED activities, P.L. 109-148 appropriated \$2.5 billion for hurricane disaster assistance and \$3.3 billion for influenza preparedness and response. *These amounts are not included in the FY2006 appropriations discussed in other parts of this report.* All FY2006 L-HHS-ED supplemental appropriations were classified as emergency funding and are therefore not subject to the 1% rescission applicable to most FY2006 discretionary appropriations. The supplemental L-HHS-ED emergency funds were allocated as follows:

- DOL, Training and Employment Services, national emergency grants, \$125 million;
- HHS, Social Services Block Grant, social and health care services and facilities, \$550 million;
- HHS, Children and Family Services, Head Start, services for displaced children, \$90 million;
- ED, Elementary and Secondary, assistance to restart school operations and reimburse states, \$750 million;
- ED, Homeless Education, assistance for displaced children and youth, \$5 million;
- ED, Elementary and Secondary, grants for temporary emergency impact aid for displaced students, \$645 million;
- ED, Higher Education, grants for college students and institutions for "unanticipated expenses," \$200 million;
- HHS, Public Health and Social Services Emergency Fund, influenza
  preparedness and response, \$3.1 billion, including \$350 million for
  upgrading state and local capacity and \$50 million for laboratory
  capacity and research at the CDC;
- DOL and HHS, expenses related to 9/11 terrorist attacks, \$50 million for New York State Uninsured Employers Fund and \$75

- million for the CDC (§5011, P.L. 109-148) according to the conferees (H.Rept. 109-359, page 530), this supplemental replaces funds rescinded by P.L. 109-149; and
- HHS, Public Health and Social Services Emergency Fund, influenza preparedness and response for international activities and activities in foreign countries, \$246 million, including \$150 million for the CDC for global and domestic disease surveillance, laboratory diagnostics, rapid response, and quarantine.

# FY2006 Budget Resolution, H.Con.Res. 95/S.Con.Res. 18

The annual concurrent resolution on the budget sets forth the congressional budget. Among other provisions, the conference agreement on the FY2006 resolution, H.Con.Res. 95 (H.Rept. 109-62), proposes total discretionary budget authority of \$843 billion; of this amount, \$391 billion is provided for discretionary programs other than for defense and homeland security, according to the April 28, 2005 summary prepared by the majority staff of the House Committee on the Budget. The FY2006 discretionary ceiling represents an increase of 2.1% relative to the FY2005 discretionary total of \$840 billion; the subtotal for programs other than defense and homeland security represents a 0.8% reduction. Report language outlines the funding assumptions made for selected programs that might be used to reach the spending targets. The FY2006 budget resolution does not specify a discretionary funding total for L-HHS-ED programs, nor amounts for individual departments, agencies, and programs; these specific amounts are only determined through the enactment of L-HHS-ED appropriations.

**Table 14** shows the assumed levels of discretionary budget authority for budget functions relevant to L-HHS-ED programs from the FY2006 resolution. The budget resolution includes reserve funds for, among other purposes: the Family Opportunity Act for Medicaid coverage for the families of disabled children (§302); elimination of the shortfall for Pell Grants (§303); health care costs and services for the uninsured (§304); health information technology and performance-based measures to improve health care (§306); safe imports of prescription drugs (§309); and restoration of SCHIP funds (§310). The reserve fund for Pell Grants allows \$4.3 billion in new budget authority for FY2006; other reserve provisions prohibit increases in the federal deficit that might result from legislation to implement such provisions.

The FY2006 budget resolution instructs authorizing committees to report legislation to reduce mandatory spending for the period FY2006 through FY2010 (§201 for the House, §202 for the Senate). Subsequently, these proposals would be

<sup>&</sup>lt;sup>1</sup> The annual congressional budget resolution sets aggregate budget goals, including total budget authority, outlays, revenues, and deficits or surpluses. A budget resolution sets spending targets for functional categories of the budget; it also may specify a budget reconciliation process for the modification of mandatory spending limits and tax cut legislation, if any. House and Senate committees initiate and report legislation to achieve these targets. Typically, appropriations committees meet the discretionary spending targets through appropriations bills. Likewise, authorizing committees develop proposals to meet mandatory targets; these proposals are often reported from separate committees and combined into one or more omnibus reconciliation bills.

combined in a single reconciliation bill by the budget committees. The House Committee on Education and the Workforce is responsible for a reduction of \$1.0 billion for FY2006 and \$12.7 billion for FY2006 through FY2010; the Senate Committee on Health, Education, Labor, and Pensions (HELP) is responsible for \$1.2 billion for FY2006 and \$13.7 billion for FY2006 through FY2010. Two other committees include L-HHS-ED programs in their jurisdiction: the House Committee on Ways and Means is responsible for a reduction of \$0.3 billion for FY2006 and \$1.0 billion for FY2006 through FY2010; and the Senate Committee on Finance is responsible for \$10.0 billion for FY2006 through FY2010.

Table 14. Budget Authority Assumed in the FY2006 Budget Resolution

(\$ in millions)

Budget functions most relevant to discretionary L-HHS-ED programs	FY2005 comparable discretionary authority	FY2006 conference on the budget resolution, discretionary authority	Difference
500: Education, Training, Employment, and Social Services	\$79,556	\$79,139	-\$417
550: Health	54,368	50,912	-3,456
570: Medicare	4,000	5,061	1,061
600: Income Security	46,056	47,256	1,200
650: Social Security	4,426	4,576	150
Federal discretionary budget authority, total for all functions, including those shown above	\$840,036	\$843,000	\$2,964

**Source:** Amounts are based on a table in the joint explanatory statement of the committee of conference on the FY2006 budget resolution, H.Con.Res. 95 (H.Rept. 109-62).

H.Con.Res. 95 (H.Rept. 109-17) was passed by the House on March 17, 2005 (Roll Call no. 88, 218-214). S.Con.Res. 18 (without written report) was passed by the Senate on March 17 (Roll Call no. 81, 51-49). On April 4, the Senate agreed to H.Con.Res. 95 with an amendment by unanimous consent. A conference report on H.Con.Res. 95, H.Rept. 109-62, was filed and passed by the House (Roll Call no. 149, 214-211) and passed by the Senate (Roll Call no. 114, 52-47); all actions took place on April 28, 2005. For additional information, please see CRS Report RL32812, *The Budget for Fiscal Year 2006*, by Philip D. Winters. For procedural information, please see CRS Report 98-721, *Introduction to the Federal Budget Process*, by Robert Keith and Allen Schick.

# FY2005 Omnibus Appropriations, P.L. 108-447 (H.R. 4818)

Regular FY2005 funding for L-HHS-ED activities was enacted late in the second session of the 108<sup>th</sup> Congress, more than two months after the start of FY2005

on October 1, 2004. Eight of the 13 regular FY2005 appropriations bills were combined into a single omnibus bill, H.R. 4818; Division F of the omnibus provided appropriations for L-HHS-ED programs. A series of three continuing resolutions, P.L. 108-309 (H.J.Res. 107), plus two amendments to it, provided temporary FY2005 funding for most L-HHS-ED programs until regular funding was enacted.

The H.R. 4818 conference report, H.Rept. 108-792, was passed by the House (Roll Call No. 542, 344-51, with 1 present) and by the Senate (Roll Call No. 215, 65-30) on November 19, 2004. It was signed into law by the President on December 8, 2005, as P.L. 108-447, the Consolidated Appropriations Act, 2005. For a guide to the FY2005 omnibus bill, please see CRS Report RS21983, *FY2005 Consolidated Appropriations Act: Reference Guide*, by Robert Keith. For information on the FY2005 L-HHS-ED appropriations, please see CRS Report RL32303, *Appropriations for FY2005: Labor, Health and Human Services, and Education*, by Paul M. Irwin.

"Across-the-Board" Reductions for FY2005. In an effort to meet the overall spending limitations requested by the President, the H.R. 4818 conferees required a rescission to some appropriations from what would have been provided otherwise. This provision was specified in §122 of Division J of P.L. 108-447. It required a decrease of 0.80% in FY2005 discretionary appropriations for each program, project, or activity, whether enacted in P.L. 108-447 or in other appropriations. Discretionary funds from Defense, Military Construction, and Homeland Security appropriations were excluded, as were all FY2005 supplemental appropriations. Advance appropriations enacted through P.L. 108-447 for FY2006 or beyond were excluded as well. The rescission was estimated to save approximately \$3.5 billion; for additional information, please see CRS Report RS21983, FY2005 Consolidated Appropriations Act: Reference Guide, by Robert Keith.

P.L. 108-447 required several reductions other than the 0.80% cut described above. One reduction was germane to L-HHS-ED appropriations; §519 of the L-HHS-ED part of the bill required an \$18 million reduction in L-HHS-ED administrative expenses. Congress did not specify the actual amounts of these reductions but merely the process for their calculation. The application of these reductions to accounts and line items was to be determined by the Office of Management and Budget (OMB) and the individual agencies following enactment of P.L. 108-447. As a result, the tables in the FY2005 conference report, H.Rept. 108-792, show pre-reduction levels, whereas the post-reduction amounts, as approved by OMB, are incorporated into the tables shown in this report.

# FY2005 Supplemental Appropriations, P.L. 109-13 (H.R. 1268)

FY2005 supplemental appropriations of \$75.9 billion were enacted in response to the President's request for additional funds for military operations in Iraq and Afghanistan, Tsunami relief and rehabilitation, and other activities. The bill, H.R.1268 (H.Rept. 109-72) was signed into law on May 11, 2005. Among other provisions, it provided \$10 million for domestically produced vaccines under the Public Health and Social Services Emergency Fund (PHSSEF) of HHS and \$58 million for the purchase of influenza countermeasures for the Strategic National

Stockpile under the Centers for Disease Control and Prevention (CDC). Several unobligated balances from FY2005 HHS funds were rescinded as an apparent offset to the \$10 million supplemental, along with a rescission of \$58 million from appropriations enacted for the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. For additional details on the P.L. 109-13 supplemental, please see CRS Report RL32783, FY2005 Supplemental Appropriations for Iraq and Afghanistan, Tsunami Relief, and Other Activities, by Amy Belasco and Larry Nowels.

# **Appendix A: Terminology and Web Resources**

The following items include some of the key budget terms used in this report; they are based on CRS Report 98-720, *Manual on the Federal Budget Process*, by Robert Keith and Allen Schick. The websites provide general information on the federal budget and appropriations.

**Advance appropriation** is budget authority that will become available in a fiscal year beyond the fiscal year for which the appropriations act is enacted; scorekeeping counts the entire amount in the fiscal year it first becomes available for obligation.

**Appropriation** is budget authority that permits federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. Appropriations represent the amounts that agencies may obligate during the period of time specified in the law. Annual appropriations are provided in appropriations acts; most permanent appropriations are provided in substantive law. Major types of appropriations are regular, supplemental, and continuing.

**Budget authority** is legal authority to incur financial obligations that normally result in the outlay of federal government funds. Major types of budget authority are appropriations, borrowing authority, and contract authority. Budget authority also includes the subsidy cost to the federal government of direct loans and loan guarantees, estimated on a net present value basis.

**Budget resolution** is a concurrent resolution passed by both Houses of Congress, but not requiring the signature of the President, setting forth the congressional budget for at least five fiscal years. It includes various budget totals and functional allocations.

**Discretionary spending** is budget authority provided in annual appropriations acts, other than appropriated entitlements.

**Entitlement authority** is the authority to make payments to persons, businesses, or governments that meet the eligibility criteria established by law; as such, it represents a legally binding obligation on the part of the federal government. Entitlement authority may be funded by either annual or permanent appropriations acts.

**Forward funding** is budget authority that becomes available after the beginning of the fiscal year for which the appropriation is enacted and remains available into the next fiscal year; the entire amount is counted or scored in the fiscal year in which it first becomes available.

**Mandatory (direct) spending** includes (a) budget authority provided in laws other than appropriations; (b) entitlement authority; and (c) the Food Stamp program.

**Rescission** is the cancellation of budget authority previously enacted.

**Scorekeeping** is a set of procedures for tracking and reporting on the status of congressional budgetary actions.

**Supplemental appropriation** is budget authority provided in an appropriations act that provides funds that are in addition to regular appropriations.

## **Websites**

General information on budget and appropriations may be found at these websites. Specific L-HHS-ED agency sites are listed in relevant sections of this report.

#### **House Committees**

[http://appropriations.house.gov/]

[http://www.house.gov/appropriations\_democrats/]

[http://www.house.gov/budget/]

[http://www.house.gov/budget\_democrats/]

## **Senate Committees**

[http://appropriations.senate.gov/]

[http://appropriations.senate.gov/demoinfo/demoinfo.cfm]

[http://www.senate.gov/~budget/republican/]

[http://www.senate.gov/~budget/democratic/]

#### **Congressional Budget Office (CBO)**

[http://www.cbo.gov]

#### **Congressional Research Service (CRS)**

[http://www.crs.gov/products/appropriations/apppage.shtml]

## **Government Accountability Office (GAO)**

[http://www.gao.gov/]

# **Government Printing Office (GPO)**

[http://www.gpoaccess.gov/usbudget/]

## Office of Management & Budget (OMB)

[http://www.whitehouse.gov/omb/budget/index.html]

[http://www.whitehouse.gov/omb/legislative/sap/index.html]

# **Appendix B: Context of L-HHS-ED Appropriations**

Budget authority for all federal programs is estimated at \$2,477.4 billion for FY2005. Budget authority for all L-HHS-ED departments and related agencies is estimated at \$1,264.9 billion, or slightly more than half — 51.1% — of the federal total. **Table B.1** shows funding for the major L-HHS-ED agencies and provides context for the current year discretionary funding provided by L-HHS-ED appropriations — \$142.7 billion, or 5.8% of the federal total in FY2005.

Table B.1. Context of the L-HHS-ED Bill, FY2005

(Estimated current year budget authority in billions of dollars)

Budget category	Estimated budget authority	Percent of federal budget
Total federal budget authority	\$2,477.4	100.0%
Department of Labor	50.7	2.0%
Department of Health and Human Services	581.7	23.5%
Department of Education	71.5	2.9%
Social Security Administration (On-budget)	55.0	2.2%
Social Security Administration (Off-budget)	503.8	20.3%
Other L-HHS-ED related agencies	2.2	0.1%
L-HHS-ED agency total	1,264.9	51.1%
L-HHS-ED bill, current year mandatory funds	354.2	14.3%
L-HHS-ED bill, current year discretionary funds	142.7	5.8%
L-HHS-ED bill subtotal	496.9	20.1%
L-HHS-ED agency subtotal from other annual bills	4.7	0.2%
L-HHS-ED agency subtotal not from any annual bill	763.3	30.8%

**Sources:** *Budget of the United States Government Historical Tables Fiscal Year 2006*, Table 5.2, and the Mar. 16, 2005 table of the House Committee on Appropriations, which provides details for the FY2005 L-HHS-ED amounts, adjusted for reductions, that were enacted through P.L. 108-447.

**Note:** For comparability, this table uses data from the Feb. 2005 OMB budget documents and comparable L-HHS-ED documents; the data therefore do not include any additional FY2005 adjustments for scorekeeping, entitlements, supplemental appropriations, or rescissions.

Of the \$1,264.9 billion for L-HHS-ED agencies, as shown in **Table B.1**, the L-HHS-ED appropriations subcommittees generally have effective control only over the \$142.7 billion in discretionary funds, or 5.8% of the total federal budget. What accounts for the remaining \$1,122.2 billion of L-HHS-ED funds?

First, funding for mandatory programs accounts for more than two-thirds of the L-HHS-ED bill — \$354.2 billion, or 14.3% of the FY2005 federal total. Although appropriations are enacted for these mandatory activities annually — these are sometimes called "appropriated entitlements" — the amounts provided generally must be sufficient to cover program obligations and entitlements to beneficiaries. For these programs, as well as the programs funded through trust funds and

permanent authorities, most changes in funding levels are made through amendments to authorizing legislation rather than through annual appropriations bills. Federal administrative costs for these programs typically are subject to annual discretionary appropriations, however. For L-HHS-ED agencies, these mandatory programs include Supplemental Security Income, Black Lung Disability payments, Foster Care and Adoption, the Social Services Block Grant, and Vocational Rehabilitation, as well as general (non-earmarked) fund support for Medicare and Medicaid.

Second, other appropriations bills account for a small portion of L-HHS-ED agency funding — \$4.7 billion, or 0.2% of the FY2005 federal total. Two HHS agencies are fully funded by other appropriations bills, and two HHS programs are partially funded by bills other than L-HHS-ED, as described below. Prior to FY2006, the Corporation for National and Community Service (CNCS) was partially funded outside of the L-HHS-ED bill.

- The HHS Food and Drug Administration is funded by the Agriculture appropriations (\$1.5 billion in FY2005).
- The HHS Indian Health Service is funded by the Interior appropriations (\$3.0 billion in FY2005).
- The Centers for Disease Control and Prevention (CDC) is primarily funded under L-HHS-ED (\$4.5 billion in FY2005); it received FY2005 funds from the Veterans Affairs and Housing and Urban Development (VA-HUD) appropriations for the Agency for Toxic Substances and Disease Registry (ATSDR) (\$76 million). For FY2006, Interior appropriations will provide ATSDR funding.
- The National Institutes of Health (NIH) is primarily funded under L-HHS-ED (\$28.4 billion in FY2005); it received FY2005 funds from VA-HUD appropriations for the National Institute of Environmental Health Sciences (NIEHS) (\$80 million). For FY2006, Interior appropriations will provide NIEHS funding.
- The CNCS one of the related L-HHS-ED agencies was funded in two separate bills before FY2006. The L-HHS-ED bill funded programs authorized under the Domestic Volunteer Service Act of 1973 (\$354 million in FY2005); the VA-HUD bill funded AmeriCorps and other programs authorized by the National Community Service Act and the CNCS Inspector General (\$573 million in FY2005). For FY2006, all funding for CNCS activities will be provided by L-HHS-ED. For purposes of comparability, all FY2005 CNCS funding has been included in this report as if it had been appropriated in its entirety through the L-HHS-ED bill.

Third, the remaining L-HHS-ED agency funds — an estimated \$763.3 billion, or 30.8% of the total FY2005 federal budget — are received automatically without congressional intervention and are funded outside of the annual appropriations process. These funds are provided from permanent appropriations and trust funds. The major L-HHS-ED programs in this category include Unemployment Compensation, Medicare, Railroad Retirement, Temporary Assistance for Needy Families (TANF, the welfare assistance program), Student Loans, State Children's Health Insurance, and Social Security benefits.