Attachment A

Additional Information Regarding Concerns With the FY 2004 Labor, Health and Human Services, and Education Appropriations Bill

(As Ordered Reported by the Appropriations Committee)

The Committee bill provides for a $3.3 billion, or 2 percent, overall program-level increase above FY 2003 for the Labor-HHS-Education Appropriations bill. Within the bill, the Department of Education receives a 4 percent increase above FY 2003 and the Department of Health and Human Services gets a 2 percent increase, while the Department of Labor receives a 1 percent net cut.

DEPARTMENT OF EDUCATION

Breaking the Promises in the FY 2004 Budget Resolution

The Committee bill includes $55.4 billion for Department of Education discretionary programs, providing a $2.3 billion or 4.3 percent increase over FY 2003. This level breaks the Majority's promise made in the FY 2004 Budget Resolution to provide a **"$3-billion increase from the previous year for the Department of Education**."

If the Committee bill is enacted, the annual growth in federal education investment will continue its steep decline since the Bush Administration assumed office. Annual increases in the federal investment in discretionary education programs have actually spiraled downward since the *Act* was signed into law - from 18.2 percent in FY 2002 to 6.4 percent in FY 2003 to meager 4.3 percent in FY 2004 under the Committee bill – the smallest dollar increase in four years and the smallest percentage increase in eight years.

Breaks Promise to Provide a $1 billion Increase For Title 1. Title 1 is the primary federal program that channels additional resources to schools - particularly those in high poverty communities - enabling them to provide the extra educational services to disadvantaged children. More than 9 million low-income children qualify for this assistance. With the Title 1 funding, some low-income and low-performing children are able to receive intensive instruction, particularly with reading and mathematics – the two subjects that the *No Child Left Behind Act* mandates be tested annually in grades 3 through 8 beginning in 2005. However, many eligible children are not served. In adopting the *NCLB Act* mandates, Congress agreed on a bipartisan basis to phase in increased Title 1 payments over several years to help students in the poorest classrooms and communities meet the law's new rigorous standards. The funding schedule in the *NCLB Act* called for Title 1 funding to increase to $18.5 billion in FY 2004.

The Majority's FY 2004 Budget Resolution promised a **"$1-billion increase for Title 1 of the No Child Left Behind Act**." Yet, the Committee bill provides only a $666 million or 5.7 percent increase, the amount requested by the President. The result is that the Committee bill falls $334 million short of the Majority's promise to provide $1.0 billion more for the poor and minority children who are aren't getting the education they need and deserve. The $12.4 billion included in the Committee bill for Title 1 is $6.15 billion below the amount authorized in the *NCLB Act*.

*The **Democratic substitute** would have eliminated the funding gap and fulfilled the Majority's broken promise by providing $12.7 billion for Title 1, a $1 billion or 9 percent increase over FY 2003. The additional funds would have enabled Title 1 schools to hire an additional 6,600 teachers to provide quality instruction to about 140,000 disadvantaged children at risk of being left behind.*

Breaks Promise to Provide a $2.2 Billion IDEA Increase. In 2004, nearly 6.7 million children with disabilities ages 3 through 21 will depend, in part, on the federal government to receive high quality educational services and the support services they need to succeed in school. The IDEA Part B State Grant is the primary vehicle through which the federal government provides the federal contribution toward educating children with disabilities. In FY 2003, the federal contribution toward these costs was 18.2 percent, less than half of the 40 percent authorized. This federal funding shortfall has forced schools to absorb the additional costs of providing special education. Consequently, they have had to reduce other education programs or raise local taxes to offset the lack of federal special education funding.

In their FY 2004 Budget Resolution, adopted on April 10, 2003, the Majority promised, "**For the Part B Grants to States program of the Individuals with Disabilities Act, a $2.2 billion increase is provided for 2004…**". With these additional funds, IDEA Part B funding would increase in total by 25 percent, from $8.9 billion in FY 2003 to $11.1 billion in FY 2004. On April 30, 2003, the House voted 251:171 to adopt H.R. 1350, the Majority's bill to reauthorize IDEA - a bill that specifically authorizes the additional $2.2 billion.

Despite Republican promises, the Committee bill provides only $9.9 billion for the IDEA Part B State Grant, a $1.0 billion or 11 percent increase over FY 2003 but $1.2 billion or 55 percent below the amount needed to fulfill the Majority's promise. President Bush requested a $654 million or 7.4 percent increase. While a $1 billion increase may appear to be substantial, at the rate of a $1 billion per year increase as provided in the Committee bill "full funding" of IDEA will likely *never* be reached. Under the Committee bill, the federal contribution would rise from 18.2 percent to 19.6 percent, compared to 22 percent promised under H.R. 1350 and the 40 percent authorized in the 1975 law.

*The **Democratic substitute** would have eliminated the funding gap by providing the additional $1.2 billion for special education grants. These funds would have met the promises made by the Majority, raising the federal contribution to 22 percent, and putting IDEA on a path to full funding" by 2010.*

According to President Bush's own Commission on Excellence in Special Education, children with disabilities "remain those most at risk of being left behind." The Commission noted that young people with disabilities drop out of high school at twice the rate of their non-disabled peers; enrollment rates of youth with disabilities in higher education are 50 percent lower than for other students; and unemployment rates for working-age adults with disabilities have hovered at about the 70 percent level for at least the past 12 years.

No Real Growth For the No Child Left Behind Act

The Committee bill provides $24.3 billion for *NCLB Act* programs; a shortfall of $8 billion below the amounts authorized for *NCLB Act* programs in FY 2004.

Rather than a growing surge in federal resources for our nation's schools since the enactment of *the No Child Left Behind Act,* there has been a slowing trickle of new federal resources to implement the *Act*. For the first year of implementation, Congress provided a $3.5 billion or 18.8 percent increase over the previous year for *NCLB Act* programs. For the second year of implementation, the increase for *NCLB Act* programs declined to $1.6 billion or 7.4 percent. For the third year of implementation in FY 2004, the Committee bill continues the pattern of declining growth in the federal investment, providing an increase of only $382 million or 1.6 percent over FY 2003 for *NCLB Act* programs - a freeze in real terms.

Failing to Fund A "Highly Qualified" Teacher in Every Classroom. A central premise of the *No Child Left Behind Act* is that every teacher should be well trained in the subjects they teach because teachers cannot teach what they don't know. The Act mandates that every teacher of academic subject be "highly qualified" by 2005, and stipulates that funding for the Teacher Quality State Grant should reach $3.175 billion by *FY 2002* in order to ensure that every student has a "highly qualified" teacher in the classroom.

The Committee bill freezes funding for the Teacher Quality State Grant at $2.9 billion in FY 2004, falling $244 million short of the $3.175 billion promised in the *No Child Left Behind* funding schedule two years ago. (The shortfall in the bill is even greater - $350 million - if inflation since FY 2002 is factored in.) The funding freeze in the Committee bill could result in the loss of high quality training opportunities for over 15,000 teachers.

*The **Democratic substitute** would have closed the funding gap by providing $3.175 billion for the teacher training state grant program. The additional funds would have provided high quality training opportunities for an additional 54,000 teachers compared to the Committee bill.*

The Committee bill also cuts funding for the Troops-to-Teachers Program by $8.8 million or 31 percent below the current $28.8 million level. The Troops-to-Teachers Program matches retired military personnel who want to teach with high-poverty schools experiencing teacher shortages. Although a national commission recently called for a writing revolution to improve the writing skills of America's students, the Committee bill freezes funding for the National Writing Project at $16.9 million, a program that help teachers improve writing instruction. The bill also slashes the American History Instruction program by $49 million or 50 percent, even while the Administration acknowledges that more needs to be done to improve the teaching of history and civics.

Shortchanging After-School Learning Opportunities. The 21st Century Community Learning Centers Program was reauthorized and reformed in the *NCLB Act* to expand learning opportunities for disadvantaged children in the hours before and after school. In addition, the program helps communities provide safe places between 3pm and 6pm where children can enjoy enrichment activities while being supervised by caring adults.

According to the Bush Administration, 21st Century Community Learning Centers help children who are at risk of academic failure. The Department of Education's *No Child Left Behind* website indicates that after-school activity helps achievement. Children and youth who regularly attend high-quality, after-school programs have:

- better grades and conduct in school;
- more academic and personal growth activities;
- better peer relations and emotional adjustment; and
- lower incidences of drug use, violence and pregnancy.

Because of these benefits, the funding schedule in the *NCLB Act* called for $1.75 billion to be appropriated for after-school centers in FY 2004. Nevertheless, the Committee bill provides only $1.0 billion for after-school centers – essentially a freeze level. While restoring President Bush's draconian $400 million proposed cut, the Committee bill would provide no real budget growth to expand a cost-effective federal investment that keeps children safe and out of trouble, and provides opportunities for children to learn while parents work. The Committee bill falls $750 million short of the *NCLB Act* targeted amount, denying expanded learning opportunities for an additional 1 million at risk children.

*The **Democratic substitute** would have closed the funding gap by providing $1.1 billion for after-school centers, moving us closer to the NCLB funding benchmark. The additional $100 million in the Democratic substitute would have provided high quality, after-school learning opportunities for an additional 135,000 at risk children compared to the Committee bill.*

Ignoring the Needs of Students from Non-English Backgrounds. The number of children who need help learning English has more than doubled over the past decade, and continued rapid growth is expected. Today, 4.5 million children with limited English skills speak more than 460 languages. These children live in every state and are enrolled in half of our nation's school districts. Research tells us that students who can't read or write in English have a greater likelihood of dropping out of school and diminished lifetime opportunities.

The *NCLB Act* requires that limited English proficient children be assessed each year, and that they must learn to speak, read, write and comprehend English. To help school districts with these costs, the *NCLB Act* established a funding benchmark of $750 million in *FY 2002* for the Language Acquisition State Grant Program, the primary federal program that helps states, school districts, and schools to build their capacity to effectively teach limited English proficient children.

The Committee bill freezes funding for the Language Acquisition State Grants its current level of $686 million, falling $64 million short of the $750 million *NCLB Act* funding target set two years ago. (The shortfall in the bill is even greater - $89 million - if inflation since FY 2002 is factored in.)

*The **Democratic substitute** would have closed the funding gap and provided $750 million for the Language Acquisition State Grant Program.*

Leaving Military Dependents Behind. The Impact Aid Program is the primary means by which the federal government helps to ensure that the children of military personnel receive a quality education. Through this program, nearly 1,300 local school districts receive grants to replace the operating revenue they lose due to the presence of military and other federal facilities in their communities. These funds provide flexible operating resources to help finance the teachers, books, computers and educational services that schools provide for military and other "federally connected" children.

While the Committee bill provides $1.2 billion for Impact Aid and rejects the $173 million cut proposed by President Bush, the Committee's recommendation provides only a $50 million or 4 percent increase over FY 2003 – not enough to address the severe financial challenges facing many impacted

school districts, particularly those schools educating the children of our troops overseas.

*The **Democratic substitute** would have added $165 million to the Committee bill, raising the Impact Aid total funding to $1.4 billion or 18 percent more than FY 2003.*

Shortchanging Other No Child Left Behind Programs. The Committee bill also shortchanges a number of other priority programs aimed at helping students achieve high academic standards in schools that have effective teachers, are safe and equipped with up-to-date technology, and use proven educational practices. Most of these programs are frozen at the FY 2003 level in the Committee bill, but some are cut below the current level or, even worse, eliminated. These programs include grants for innovation and model initiatives, education technology, safe and drug free schools, assessments, and drop out prevention.

- ***Stifling Local Innovation***. Innovative State Grants provide schools with federal resources for locally determined priorities. However, the Committee bill provides only $335 million for this flexible program, slashing funding by $47 million or 12 percent below current level of $385 million. The Committee funding recommendation falls $165 million below the *NCLB Act* FY 2004 authorization. Schools typically use these funds to purchase books and other instructional materials, and to support local education initiatives.

- ***Cutting Model Programs Authorized Under the Fund for the Improvement of Education***. In total, the Committee bill provides only $91 million in FY 2004 for 8 innovative programs authorized under the Fund for the Improvement of Education and currently funded at $152 million. This is a 40 percent reduction. However, the Committee bill does not identify precisely which programs would be cut or eliminated. The programs in jeopardy include Reading is Fundamental, Star Schools, Ready to Teach, Historic Whaling and Trading Partners, Arts Education, Foundations for Learning, Parental Assistance Centers, and Women's Educational Equity.

- ***Cutting Education Technology***. Education Technology State Grants are the primary vehicle through which the *No Child Left Behind Act* helps students acquire the technology literacy needed to be successful in the 21st century. The *NCLB Act* authorized $1.0 billion for education technology state grants in *FY 2002* to help ensure that each student is technology literate by the 8th grade. However, the Committee bill falls $304 million short of this benchmark, freezing funding for education technology state grants at $696 million. (The shortfall is even greater - $337 million – if inflation is factored in.)

Moreover, the Committee bill eliminates the Preparing Teachers for Technology Program, which prepares teachers to integrate technology more effectively into the learning process. At the same time, the House Education and the Workforce Committee recognized the value of the program by reauthorizing it for an additional four years in H.R. 2211, the Ready to Teach Act. Only 42 percent of new teachers nationwide believe they are well prepared to use computers for instruction in the classroom.

- ***Shortchanging Safe Schools Initiatives***. All children need a safe school in which to learn and achieve. Safe and Drug Free Schools State Grants provide assistance to all 15,000 school districts to implement proven substance abuse and violence prevention programs. For example, school districts have successfully use these funds for peer mediators, character education, cooperative learning, and other initiatives to help students resolve conflicts in non-violent ways. The *NCLB Act* authorized $650 million in *FY 2002* for safe schools grants to help ensure that schools have the resources they need to provide a safe and orderly school environment.

  The Committee bill falls far short of the *NCLB Act* benchmark, freezing safe schools funding at its FY 2003 level of $469 million – $181 million below the FY 2002 funding target. (The shortfall in the bill is even greater - $203 million - if inflation since FY 2002 is factored in.) In addition, the Committee bill eliminates funding previously targeted for alcohol abuse reduction among middle school students, and for community service for students who have been expelled from school.

- ***Freezing State Assessment Grants.*** *The NCLB Act* imposed significant new testing mandates on states and schools districts. In all, 17 reading, math and science tests are mandated under the *NCLB Act*, all of which must be must be disaggregated by race/ethnicity, socio-economic status, English proficiency status, and disability status.

  To help states address these new mandates, the *NCLB Act* authorized $490 million in *FY 2002* for development and administration expenses. Although testing costs have risen since two years ago, the Committee bill fails to meet even the *NCLB Act 2002* benchmark. The Committee bill provides $100 million less than the *2002 NCLB* authorization and $182 less than the amount the General Accounting Office recently estimated states will spend in FY 2004 on *NCLB Act* testing and assessments. Only 5 states (Delaware, Florida, Georgia, Iowa, and Utah) have finalized all tests required under the *NCLB Act.*

- ***Eliminating Drop Out Prevention Grants.*** Each year almost 1 of every 20 high school students – about 500,000 students – drops out of school. The drop out problem is especially severe among Hispanic youth, who are

twice as likely to drop out as African-American youth and three times as likely to drop out as White youth. Although the *NCLB Act* authorized the Drop Out Prevention Program to target this tough problem, the Committee bill completely eliminates this $11 million program.

Neglecting Career and Technical Training

A Status Quo Budget for Vocational and Adult Education. Millions of students and adults take vocational and adult literacy courses to prepare themselves for the world of work. Nearly two-thirds of America's young people do not obtain a 4-year college degree and at least 25 percent go to work directly out of high school. For both young and older adults, career and technical education can be a lifeline to the middle class, while simultaneously addressing the country's need for a highly skilled workforce.

The Committee bill rejects substantial cuts proposed by the President for vocational and adult education programs, but also fails to provide any substantial funding increases. A total of $1.3 billion is proposed for vocational and technical education programs, about the same as the current level. The Adult Education State Grant is funded at $584 million under the Committee bill, a $13 million or 2.3 percent increase over the current level – essentially a freeze in real terms.

Diminishing College Access and Affordability

For the first time in 6 years, the Committee bill puts Congress on a path toward a total funding freeze for the discretionary student financial assistance programs funded in the bill. This deep freeze on federal student aid comes at a time when the need has never been greater as students and their parents reel from rising college costs, state budget cuts, and a sluggish economy.

Freezing Pell Grant Assistance. The centerpiece of the federal commitment that even the most financially disadvantaged students should have an opportunity to go to college is the Pell Grant Program. Today, nearly 5 million students depend on Pell Grants, of whom 84 percent have family incomes of $30,000 or less. In 1975, when the Pell Grant program was established, it financed about 84 percent of the cost of attending a 4-year public college. Today, that share is down to about 40 percent. Under the Committee bill, it will drop even further to 38 percent at most.

The Committee bill freezes the maximum Pell Grant at $4,050 and cuts the requested funding to retire the Pell Grant 2003 school year shortfall by approximately $650 million. As a result, no increase in federal grant assistance would be available for low-income college students who paid tuition increases

averaging 10 percent last year at 4-year public universities, and as high as 24 percent on some campuses. With continuing state budget shortfalls, college students will pay even higher tuition bills this fall and next year.

The shortage of grant assistance threatens the college aspirations of millions of young people, forcing more and more students to cover college costs through work and borrowing. The Advisory Committee on Student Financial Assistance reported that families of low-income, college-qualified high school graduates face annual unmet need of $3,800 – college expenses not covered by Pell Grants, work-study or student loans.

*The **Democratic substitute** offered in Committee would have raised the maximum Pell Grant to $4,200, providing a modest $150 or 4 percent increase over the Committee bill.*

***Freezing Other Need-based A*ssistance.** The three campus-based student financial aid programs – College Work Study, Supplemental Educational Opportunity Grants, and Perkins Loans – and the Leveraging Educational Assistance Program (LEAP) provide a lifeline for millions of low- and middle-students who need additional grants, low-interest loans and work opportunities to pay their college expenses. Colleges and universities must provide at least 25 percent of all campus-based funds awarded, leveraging the federal funding provided. Despite the fact that student eligibility for these programs far exceeds available aid, the Committee bill freezes funding for College Work Study at $1.0 billion, Supplemental Educational Opportunity Grants at $760 million, Perkins Loans at $166 million, and LEAP at $67 million.

Shifting College Costs to Students and their Families. After taking millionaires off the tax rolls, the Bush Administration plans to collect more from students and their parents. On May 30, 2003, the Administration quietly issued a new regulation to put an additional financial squeeze on millions of college students and their families by cutting their deduction for state and local taxes in the student financial aid eligibility formula. As a result, many of these families can expect to pay more toward college expenses next year and receive less in federal financial aid. The Committee bill allows this regulation to be implemented.

Democrats offered an amendment in Committee that would have prevented the Bush Administration from cutting the state tax deduction in the student aid eligibility formula and increasing the expected family contribution.

Only Modest Increases for TRIO, GEAR UP, HSIs, and HBCUs. Low income and minority students are significantly less likely to enroll in and complete postsecondary education than other students. In addition to financial assistance, many of these students need academic tutoring, counseling, mentoring and other

support services to prepare for, enter and graduate from college. TRIO, GEAR UP, Hispanic Serving Institutions (HSIs) and Historically Black Colleges (HBCUs) focus attention and federal resources on millions of low-income and minority students who otherwise might not enter and succeed in college.

The Committee bill provides only a $7.9 million or 1 percent increase for TRIO, and a $6.9 million or 2.4 percent increase for GEAR UP over current funding levels. For Hispanic Serving Institutions and Historically Black Colleges, the Committee bill adopts the President's requests providing only a $1.1 million or 1.3 percent increase for HSIs, and a $10.1 million or 4.7 percent increase for HBCUs.

Department of HHS – Health Programs

National Institutes of Health

For the National Institutes of Health (NIH), the Committee bill is virtually identical to the Bush Administration's budget proposal.

The bill provides an overall increase for NIH of just 2.5 percent – the smallest percentage increase in more than 15 years and a sharp deceleration from the 15 percent annual increases that NIH has received during the past five years under the bipartisan program to double the biomedical research budget. The bill's 2.5 percent increase would fall short of what is needed merely to keep up with inflation in research costs, which NIH estimates at 3.3 percent.

The proposed 2.5 percent increase is particularly problematic because of the need to fund renewal of the substantial base of multi-year research grants that has been built up during the doubling effort. According to NIH, merely renewing ongoing ("noncompeting") research project grants at the levels previously committed will require funding increases totaling $652 million in FY 2004. That would consume the vast majority of the $673 million overall increase that the Committee bill provides for NIH, leaving very little room for anything else. (If anything, the NIH renewal cost estimate is a bit too low, because it was made before enactment of FY 2003 appropriations, which altered the President's budget in ways that will tend to increase the base of grant commitments.)

As a result, the number of grants for new research projects and for competitive renewals of projects reaching the end of their commitment terms would increase by *just two tenths of one percent* – or a total of 21 additional "new and competing" grants above the FY 2003 level, according to NIH. (These figures exclude the rapidly growing bio-defense research program at NIH.)

NIH is able to project even this slight increase in new and competing research grants only by assuming that the costs of these grants will be artificially

held down. In recent years, the average cost of new grants has tended to rise by 4 or 5 percent (or more) compared to the previous year's cohort. This reflects inflation as well as a tendency for biomedical research projects to become larger and more complex as science advances. The FY 2004 budget, however, projects an increase of just one half of one percent in the average size of competing research project grants.

If the average cost of new research grants is instead allowed to rise by 3.3 percent – the NIH estimate of inflation in biomedical research costs – the result under the Committee bill would be that the number of new and competing grants would decrease by at least 200 – and more likely by almost 400 – in FY 2004.

With the number of new and competing research grants (outside of bio-defense) declining – or even growing at the slight rate claimed in the President's budget – there will be little room for funding new ideas and new avenues of inquiry. It will also be more difficult for younger physicians and scientists interested in research careers to secure initial funding.

Issues with the Committee's recommendation for NIH go well beyond funding for research project grants. For example, NIH estimates indicate that the bill's funding level would allow an increase of just 3.3 percent for clinical research – barely enough to keep up with inflation and not enough to allow any real expansion of clinical research programs. In addition, the bill would entirely eliminate grants for construction of research facilities. It also fails to provide funds to complete the John E. Porter Neuroscience Research Center now under construction on the NIH campus (for which the Administration requested – but did not receive – appropriations in FY 2003).

The effect of the funding levels in the President's budget and the Committee bill can be seen in NIH estimates of the amounts that would be spent on particular diseases and research topics. For example, NIH estimates that spending on cancer research would rise by just 3.7 percent in FY 2004 (compared to 10.5 percent in FY 2003), while spending on stroke research would increase by 2.7 percent, Alzheimer's disease research by 3.6 percent, Parkinson's disease research by 3.9 percent, and heart disease research by 2.9 percent. All of these fall short of the roughly 4.5 percent increase that appears to be needed just to renew ongoing grants at committed levels and provide an inflation adjustment for other categories of expenses.

The Democratic substitute would have preserved and built on the investments made in biomedical research at NIH by providing a 5.5 percent overall increase, including sufficient funds to compensate for inflation and allow the number of new and competing grants to grow by about 6 percent.

Health Services and Public Health

The Committee bill provides virtually no net increase in overall funding for HHS health programs other than NIH. It offers few increases to keep up with inflation and rising numbers of uninsured people, or to offset cuts in state and local health budgets. On the contrary, the bill actually cuts funding for some programs below the current year level – for example, programs to assist students from minority and disadvantaged backgrounds attend medical and other health professions schools, programs that promote training of primary care doctors and dentists, two rural health programs, and most components of the Ryan White AIDS Care program.

Health Care Safety Net Programs

Several of the programs covered by the Labor-HHS appropriations bill provide basic "safety net" health services to people who lack other access to care. Only one of these programs receives more than a negligible increase under the Committee bill:

- **Community Health Centers** – the Committee bill provides the 8 percent increase proposed in the President's budget, which would be the smallest percentage increase since 1998. Health Centers provide basic health care in both urban and rural areas that would otherwise lack health services. They serve more than 13 million people each year, five million of whom have no health insurance. The Administration has said they would put *all* of that increase into their initiative to expand health center sites and services, providing no increase whatsoever to help cover the rising costs of on-going services at existing centers. The Committee report directs the Administration to use part to provide increased support to existing centers, but includes no additional funds to do so. Thus, at this funding level, it becomes a choice between scaling back the Administration's expansion initiative or underfunding existing centers.

- **Maternal and Child Health Block Grant** – the Committee bill provides virtually no increase for this program, which helps states finance prenatal and child health services for people in need. The Block Grant is particularly important in funding health care and social services for children with disabilities, as well as dental care and mental health services for low-income children.

- **National Health Service Corps** – the Committee bill freezes funding at the FY 2003 level, even though the Administration had proposed a $42 million increase. This program provides scholarships and student loan

repayment assistance for doctors and dentists who agree to work in medically underserved areas. It is a key source of health professionals to staff community health centers and rural health clinics.

- **Ryan White AIDS Care programs** – the Committee bill provides a negligible 0.3 percent increase over the current year, meaning that the program will fall further behind rising costs and needs. Within this program, the bill does include a $39 million increase for AIDS drug assistance programs, but that is largely paid for by a corresponding $33 million cut in the other Ryan White programs. The Administration has a major new initiative to increase testing for the HIV virus to help people learn earlier that they are infected with HIV. However, with cutbacks in the Ryan White programs, there will be few if any additional resources to provide the health services needed to help people with HIV infection remain as healthy as possible and slow transmission of the virus.

- **Mental Health** – the Committee bill provides an overall increase of just under 1 percent. It does include welcome increases in a couple of programs: most notably grants for children's mental health services (up 10 percent) and for services to homeless people (up 16 percent), but these are largely offset by small cuts in other programs.

- **Substance Abuse** – the bill produces a 5 percent ($121 million) overall increase. It includes $100 million to launch the Administration's proposed new program of grants to states to provide vouchers for drug treatment services (the Administration had requested $200 million). This initiative is not specifically authorized. The remaining increase goes into the Substance Abuse Block Grant.

The Democratic substitute included additional funding for Community Health Centers ($73 million), Rural Health Grants ($22 million), the Maternal and Child Health Block Grant ($67 million), and Ryan White AIDS Care programs ($125 million).

Public Health (CDC and the Public Health Emergency Fund)

The Committee bill provides just a 1.3 percent ($57 million) increase for the Centers for Disease Control, compared to the FY 2003 level.

The bill does include a $23 million or 6 percent increase for CDC infectious disease control efforts. Considering the burdens that CDC and state and local health departments are facing in coping with emerging infectious diseases like monkeypox, SARS, and West Nile virus while also trying to maintain ongoing programs to deal with longstanding health threats like

tuberculosis and sexually transmitted diseases, there is little doubt that considerably more funding could be put to good use. For example, even with the Committee's increase, FY 2004 funding for West Nile Virus control is likely to be below the amount spent in FY 2002.

For bioterrorism preparedness grants to state and local health departments, the bill provides $940 million – slightly above the FY 2003 regular appropriation, but $94 million less than FY 2003 when the recent supplemental is taken into account.

The bill also gives the Administration only half of the $100 million they have requested to help manufacturers expand vaccine production to better prepare for the influenza pandemic that public health experts believe to be a serious threat.

Funding for childhood immunization is frozen at the FY 2003 level under the Committee bill. Appropriations for this program have not kept pace with the rising cost of vaccinating children. For example, 19 states report that they do not have enough funds to purchase the relatively new Pneumococcal Conjugate Vaccine for the children they serve. This vaccine protects against a range of illnesses, from meningitis to pneumonia to ear infections. State health officials estimate that $135 million above the President's budget would be needed to meet immunization needs.

The bill also freezes funding for CDC prevention and surveillance programs for HIV/AIDS and sexually transmitted diseases, and includes just a 0.7 percent increase for tuberculosis.

For the CDC Chronic Disease Prevention programs, the Committee bill provides a $72 million (9 percent) increase. It puts $40 million of that increase into expanding Secretary Thompson's "Steps to a Healthier U.S." initiative from $15 to $55 million (he had requested an increase to $125 million). This initiative provides relatively large grants to selected cities and states to address problems of asthma, diabetes and obesity – in contrast to the on-going CDC programs which mainly make smaller grants to larger numbers of state health departments for efforts focused on broader geographic areas. The bill puts the remainder of the chronic disease prevention increase into some of these existing programs, mainly in the areas of cancer, heart disease and diabetes.

The bill cuts appropriations for CDC's buildings and facilities from $266 million in FY 2003 to $206 million in FY 2004.

The Democratic substitute would have provided an additional $49 million for CDC infectious disease control programs (bringing the increase above FY 2003 to 20 percent), an additional $63 million for immunization, an additional $44 million for CDC HIV/AIDS, STD and tuberculosis control programs, and the full amount requested by the Administration for pandemic flu preparedness, among other changes.

Nurse Education and Training and Other Health Professions Programs

The Committee bill freezes funding for nurse education and training programs at the FY 2003 level. This freeze includes programs authorized in last year's "Nurse Reinvestment Act" -- grants to establish "career ladder" programs to help people advance through the various levels of the nursing professions, to recruit nursing faculty through student loan repayment arrangements, and to provide scholarships to nursing students in return for a commitment to serve where there is a critical shortage, for example. While the Nurse Reinvestment Act was passed last year with great fanfare as a major measure to deal with the growing shortage of nurses, last year Congress added only $20 million in actual funding, and the Committee bill includes no further additions. The bill is actually $7 million below the Administration's request for the nurse scholarship and student loan repayment program.

The Committee's bill also makes cuts averaging 12 percent (below FY 2003) in programs that help students from minority and disadvantaged backgrounds prepare for and do well in medical school and other health professions schools – despite these programs' demonstrated record in training health care providers who will practice in medically underserved areas. Among the programs being cut are those that provide scholarships to minority and disadvantaged health professions students, institutional support to minority-serving institutions, and programs to prepare high school students and undergraduates for graduate training in the health professions. Similarly, the Committee bill cuts programs to assist training of primary care doctors and dentists 14 percent below the FY 2003 level. Again, these are programs with proven track records in training providers who are more likely to work in rural and medically underserved areas.

The Democratic substitute would have provided a $50 million increase for the nurse education and training programs, and maintained all of the other health professions programs at the FY 2003 level.

Global AIDS

The Committee bill provides only $60 million of the $111 million increase the Administration had sought for global AIDS prevention and treatment. The Administration's budget proposed including $394 million (plus some NIH research funding) in the Labor-HHS-Education bill for international AIDS efforts. The Committee bill falls $51 million short of that goal.

The Democratic substitute would have provided the full amount requested by the Administration for Global AIDS programs.

DEPARTMENT OF HHS – HUMAN SERVICES PROGRAMS

The President had proposed a total of $2.0 billion for the Low Income Home Energy Program, including $1.7 billion for the state formula grant program and $300.0 million for the emergency allocation. However, the Committee bill would provide only $1.8 billion, including $1.7 billion for formula grants and $100.0 million for emergencies. If the Republican majority were to fund LIHEAP at the level in the Committee bill, then this would actually represent a cut below the funding availability for LIHEAP in FY 2003. --The FY 2003 LIHEAP appropriation provided $1.8 billion in the formula grant program, although there was a total of $2.0 billion available, due to unexpended carryover balances from the FY 2001 supplemental.

The Democratic substitute would have provided $2.250 billion for the LIHEAP base state formula grant program to help the most vulnerable among us pay for escalating costs of staying warm this winter and surviving the heat next summer.

The Committee bill provides $2.1 billion for the Child Care and Development Block Grant (CCDBG) program, which is the same as the FY 2003 level and the same as the Administration's request. Maintaining funding for CCDBG ignores the needs of low income families, particularly single parent families, which are struggling to make the transition from welfare to work. Furthermore, level funding for CCDBG displays a particular insensitivity to the needs of these families for increased child care assistance which will be the result of the provisions in the Temporary Assistance for Needy Families Act reauthorization legislation which would mandate an increase in the work requirement from 30 to 40 hours a week, as proposed by the President and approved by the authorizing committee.

The Democratic substitute would have provided a modest increase of $100.0 million to help meet the need for child care assistance.

The Committee bill provides increases above the President's request for the Developmental Disabilities Programs ($5.1 million), the Disabled Voters program ($15.0 million) and Battered Women's Shelters ($2.0 million). These increases basically restore these programs to the FY 2003 appropriated levels.

The Community Services programs are cut below the FY 2003 funding levels in the Committee bill, as proposed by the Administration. The Community Services Block Grants (CSBG) program is cut $150.8 million as proposed by the Administration. However, the bill restores funding for two programs, which the Administration had proposed to eliminate. These are the Rural Community Facilities program ($7.250 million) and the National Youth Sports program ($17.0 million).

The Democratic substitute would have maintained CSBG at the FY 2003 level of $646.0 million. CSBG programs help low income people help themselves. In this period of rising poverty and unemployment rates, it is not the time to turn our backs on those who only need a helping hand.

Similar to the FY 2003 appropriations bill, the Committee bill would provide additional resources above the request for the programs of the Administration on Aging. The Administration had proposed a reduction in funding from FY 2003 to FY 2004 of $23.4 million, a 2 percent cut. However, the Committee bill would provide a total of $1.377 billion, an increase of $10.4 million, or slightly less than 1 percent. The Family Caregivers program would receive a fairly substantial increase of $20.5 million above the President's request; this is also a 14 percent increase over the FY 2003 appropriated level. Native American Caregivers Support, which the President had proposed to eliminate, is funded at $6.5 million, an 8 percent increase over FY 2003.

The Nutrition programs are funded at $720.7 million, a $2.5 million increase over the request. The Committee bill provides an increase of $6.5 million above the FY 2003 level; however, this is less than 1 percent. The most recent Bureau of Labor Statistics data indicate that the cost of food and beverages has increased by 1.7 percent over last year.

Given that the numbers of those eligible for services under the Older Americans Act are expected to increase by 30 percent between 2000 and 2005, this is woefully inadequate.

The Democratic substitute would have corrected for the lack of funding for the Administration on Aging by providing an increase of $82.0 million (6%) above the FY 2003 funding level to help older Americans stay healthy and stay in their homes.

DEPARTMENT OF LABOR

The Committee bill would provide $11.7 billion, or $60.0 million, above the Administration's request of $11.6 billion for the Department of Labor. The major difference between the Committee bill and the President's request is that the bill would provide an additional $78.1 million for Dislocated Worker activities, restoring the program to the FY 2003 appropriated level. In addition, the Committee bill would provide $59.6 million for the Migrant and Seasonal Farmworkers Program, which the President had proposed to eliminate. The program was funded at $76.8 million in FY 2003, leaving a funding shortfall in FY 2004 of $17.2 million. The Committee bill would also provide $1.5 billion for the Job Corps, or $24.7 million below the request; however, this would still represent a net increase of $25.2 million above the FY 2003 appropriation.

The International Labor Affairs Bureau (ILAB) is funded at $147.1 million in FY 2003; however, it would receive only $12.3 million under the Committee bill, a 92 percent reduction. This is the same level as the Administration's FY 2004 request and the third consecutive year in which the Administration has proposed reductions. For all intents and purposes, the funding at this level would eliminate the program.

The Democratic substitute would have provided funding to place increased emphasis on child labor issues. In the Employment Standards Administration the Democratic amendment would have provided $6.4 million to increase enforcement of domestic child labor laws and decrease the rate of deaths and injuries to illegally employed American children. Further, the Democratic substitute would have restored ILAB funding to the FY 2003 funding level of $147.1 million to continue on-going efforts to help protect children from the most abusive and exploitative forms of child labor.

CORPORATION FOR PUBLIC BROADCASTING

The Committee bill makes significant changes in already-approved fiscal year 2004 funding for the Corporation for Public Broadcasting (CPB), as requested by the Administration. Within the $380 million that Congress appropriated for CPB two years ago, the Committee bill earmarks up to $80 million to meet FCC- mandated conversion to digital broadcasting, and up to $20 million to begin replacement of the satellite interconnection system for public television (the maintenance of which is required by Federal law).

The net effect of the Committee's actions would be a $100 million or 26 percent cut in CPB's base allocation for FY 2004, resulting in steep cuts in flow-through grants to over 1,000 public television and radio stations across the nation. In addition, the Committee bill cuts CPB's advance appropriation by 15 percent from $390 million in FY 2005 to $330 million in FY 2006.

SOCIAL SECURITY ADMINISTRATION

The Committee bill provides $170 million less than the President requested for the administrative expenses of the Social Security Administration.

The Social Security Administration is facing growing backlogs of work, especially involving disability benefits. The backlog of pending disability claims has grown every year since FY 1997 – from 399,000 cases awaiting decision that year to 593,000 cases in FY 2002. The average time to make an initial decision is now about 3 ½ months. Those who appeal an initial denial of benefits now face a waiting period for a hearing and decision that averages just short of a full year. These delays affect people who, because of sickness or injury, are often in urgent need of the benefits to which they may be entitled.

The Social Security Administration is trying to reduce these backlogs and make the process work better. They asked for appropriations to hire 1,000 more staff and to increase funds for the state agencies that make initial disability determinations. The Committee bill cuts that request by $170 million.