



HOUSE BUDGET COMMITTEE

Democratic Caucus

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Republican Broken Promises: Omnibus Appropriations Conference Report

On December 8, the House is scheduled to vote on an omnibus appropriations bill that includes seven of the 13 appropriations bills for fiscal year 2004. Not only is this bill more than two months late, it also breaks many of the promises Congressional Republicans and the President made during the year. Following are just a few examples of how this omnibus appropriations bill fails to provide what Republicans promised for national priorities such as education, child care, veterans health, and health research. All figures represent the final funding provided after an across-the-board cut of 0.59 percent on all 2004 appropriations (except for defense, military construction, and supplemental appropriations, which are exempt from the cut) called for in the omnibus.

Broken Education Promises

In April, the 2004 Republican budget resolution explicitly promised an overall \$3.0 billion increase for the Department of Education, including increases of \$1.3 billion for Pell Grants, \$1.0 billion for Title I, \$2.2 billion for the Individuals with Disabilities Education Act (IDEA), and \$50 million for Impact Aid. The House's Labor-HHS-Education appropriations bill keeps not one of these promises.

For 2004 No Child Left Behind Act programs, the omnibus provides about \$7.8 billion less than the authorized level that the President signed into law just last year.

Department of Education — The overall increase of \$2.5 billion for the Department of Education is almost half a billion dollars less than the Republicans promised in the budget resolution.

No Child Left Behind is \$7.8 Billion Short — No Child Left Behind Act (NCLB) programs receive about \$7.8 billion less than the level authorized for 2004. The omnibus increases total NCLB funding by only \$625 million, a 2.6 percent increase that barely keeps pace with inflation.

The bill cuts many NCLB programs, including teacher quality grants, safe and drug-free schools, reading first grants, and technology programs.

- ***Title I*** — The Republican budget resolution promised to increase Title I funding by \$1.0 billion. Instead, the omnibus provides only \$654 million above last year's level, leaving funding \$6.2 billion below the level authorized by NCLB.
- ***Impact Aid*** — The budget resolution pledged a \$50 million increase for Impact Aid. However, the omnibus provides an increase of only \$41 million, 18 percent short of the Republican promise.

Pell Grant Frozen — The Republicans freeze the maximum Pell Grant award at last year's level of \$4,050, providing a total funding level that fails to live up to Congressional Republicans' promise or the President's request. The budget resolution had promised to increase total funding by \$1.3 billion — the same as the President's 2004 request — but the omnibus provides only an additional \$642 million, not enough to raise the maximum award or erase the program's multi-billion dollar deficit.

IDEA at Less Than Half of "Full Funding" — The Republican budget resolution promised to increase funding for IDEA by \$2.2 billion, putting federal funding on a path to reach the maximum 40 percent of the national average per pupil cost. The Republicans provide \$1.2 billion less than they pledged, financing only a 19 percent federal share, barely above the 18.3 percent share reached in 2003.

Broken Health Promises

NIH Funding Increases by Only 2.9 Percent — After five years of spending increases that averaged near 15 percent, NIH receives only a 2.9 percent funding increase for fiscal year 2004. The omnibus appropriates \$27.8 billion, but after taking into account a transfer to the Global HIV/AIDS Fund (\$150 million), and transfers to other HHS programs (estimated at \$532 million by House Appropriations Democratic Staff), the amount remaining is \$27.1 billion. This funding level is \$118 million below the President's comparable 2004 request and \$757 million above the comparable 2003 level, or an increase of 2.9 percent. This increase falls short of the 3.3 percent increase NIH estimates it needs in order to keep pace with rising biomedical research costs.

Funds for National Health Service Corps Below President's Request — Funding for the National Health Service Corps (NHSC) of \$170 million falls short of the President's request by \$43 million. Through its scholarship and loan programs, the NHSC places physicians in medically under-served areas, which often have a high rate of uninsured persons. NHSC physicians are often the mainstay of the health care workforce for institutions, such as community health centers and disproportionate share and public hospitals, that serve the under-insured or uninsured.

Broken Promises to the Needy

Child Care Funding Frozen — Republicans promised that their 2004 budget included \$2.3 billion for the discretionary Child Care and Development Block Grant in 2004, a \$214 million increase from the 2003 level. However, the omnibus appropriations bill breaks this promise. Instead, the omnibus bill freezes child care funding at \$2.1 billion, the same level this program has received since 2002. Meanwhile, the House approved legislation to increase work requirements for parents receiving Temporary Assistance for Needy Families (TANF). Similar legislation is pending in the Senate. The Congressional Budget Office estimates that the new work requirements would increase state costs for child care and work activities by anywhere from \$6 billion to \$9 billion over five years. The combination of flat funding for child care and more stringent work requirements for TANF recipients undermines states' ability to provide child-care assistance to other low-wage workers who need it.

Head Start Below Administration Request — The omnibus provides \$6.8 billion for Head Start, which is a mere 1.6 percent increase over the 2003 enacted level and is below the level needed to keep pace with inflation. The President had requested a small increase for 2004 and the Republican Congress intended to just match that request. However, because their budget resolution was unrealistic and because the Republicans spent so much on tax cuts, to keep to their target total the omnibus imposes an across-the-board cut on all non-military appropriations. That cut reduces 2004 Head Start funding to a level below even the President's modest request.

Low Income Home Energy Assistance — The President's budget requested \$2 billion for the Low Income Home Energy Assistance program, and Republicans promised to provide that in their budget resolution. However, the omnibus appropriations bill provides only \$1.9 billion — \$112 million below both the President's request and the budget resolution.

Broken Foreign Aid Promises

Millennium Challenge Account Below Administration Request — After the across-the-board cut, the omnibus appropriations bill includes \$994 million for the Administration's new competitive foreign assistance program, the Millennium Challenge Account. This total is \$306 million less than the Administration requested for 2004, and far short of the \$5 billion annual level that the Administration has pledged to reach by 2006.

Broken Promises to Veterans

Veterans' Health Funding Short by \$700 Million — The budget resolution included \$30.0 billion for appropriated veterans' programs for 2004, an increase of \$2.6 billion above current services levels. This represented an increase of \$1.8 billion over the President's 2004 budget request, which was \$0.8 billion above the 2004 current services level. However, the omnibus appropriations bill provides only \$29.3 billion. This is \$700 million short of the 2004 funding level for veterans' health care that Republicans promised in their budget resolution.