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COMMITTEE APPROVES FY2018 LABOR, HHS & EDUCATION APPROPRIATIONS BILL

Panel Endorses Funding Increases for NIH Research, Opioid Abuse Fight, Pell Grants

WASHINGTON, D.C. – The Senate Committee on Appropriations today approved the [FY2018 Labor, Health and Human Services, and Education and Related Agencies \(Labor-HHS\) Appropriations Bill](#), establishing strong funding support for continued medical research, opioid abuse prevention, and education programs. It was passed 29-2.

The Senate measure contains \$164.1 billion in base discretionary funding for the Departments of Labor, Health and Human Services, and Education, and related agencies. It is \$3.0 billion above the FY2017 level and \$27.5 billion above the President’s budget request. Including discretionary funding offset by savings from mandatory programs changes, the bill represents approximately \$800 million less in total discretionary funding than FY2017.

Among highlights in the bill: a \$2.0 billion increase for the National Institutes of Health (NIH); the first discretionary increase in the maximum Pell grant in over a decade and continued implementation of Year-Round Pell; and \$816 million to battle the nation’s opioid epidemic.

“This bill upholds important investments in programs that affect all Americans. It continues support for medical research, funding flexibility for states to improve education, and job training opportunities for the unemployed or underemployed,” said **Appropriations Committee Chairman Thad Cochran (R-Miss.)**. “I commend Senators Blunt and Murray for working to find common ground on this bipartisan legislation. It deserves consideration by the Senate.”

“For the second year in a row, the committee has worked together in a tough fiscal environment to pass a bipartisan bill that reflects Americans’ priorities,” said **U.S. Senator Roy Blunt (R-Mo.)**, chairman of the Senate Labor-HHS Appropriations Subcommittee.

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“I’m proud that we were able to secure another \$2 billion increase for the NIH, providing doctors and researchers more resources to help them treat and cure our most deadly and costliest diseases. The bill also continues building on our efforts to combat the opioid epidemic and make college more affordable,” **Blunt** said. “These critical investments have been made possible, in part, by eliminating or consolidating dozens of programs over the past three years. I urge all of my Senate colleagues to support this measure when it reaches the floor.”

The bill provides \$36.1 billion for the NIH, a \$2.0 billion increase over FY2017. This represents a \$6.0 billion, or 20 percent, increase for NIH over the past three years.

The bill provides \$816 million, an increase of \$655 million, or 440 percent, over the past two years to continue to fight the opioid epidemic gripping the nation.

The Independent Payment Advisory Board established in the Affordable Care Act (ACA or Obamacare) is defunded. In addition, the measure includes a provision requiring the administration to operate the Obamacare Risk Corridor program in a budget neutral manner.

In addition, the bill includes \$1.9 billion in cap adjustment funding for preventing waste, fraud, abuse, and improper payments in the Social Security, Medicare, and Medicaid programs.

Bill Highlights:

DEPARTMENT OF LABOR

The bill funds the U.S. Department of Labor at \$12 billion, \$61.5 million below FY2017.

Veterans Employment and Training (VETS) – \$284 million, a \$5 million increase from FY2017. VETS funding provides for intensive employment services to veterans and eligible spouses, transitioning servicemembers, wounded warriors, and disabled veterans.

- The bill increases specialized employment assistance to active duty servicemembers transitioning to the civilian workforce by 27 percent.
- The bill includes resources and authority to implement the newly-enacted HIRE VETS legislation, which promotes employment of veterans in the civilian workforce after their service is completed.

Governor’s Statewide Reserve – The bill once again allows the full 15 percent state training grant funding reserve for Governors to address a variety of state-wide training needs, projects, expanded partnerships, emergency response, and other services as needed throughout their states.

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Rural Training Initiative – A new dislocated worker training initiative is established to ensure reemployment and training assistance is provided to workers in rural areas hit hardest by the recession and recovering more slowly. The bill devotes \$30 million to train those unemployed workers in the Appalachian and Delta regions to ensure they can adapt existing skills, learn new skills demanded by other growing industries and return to work as soon as possible.

Apprenticeship Opportunities -- \$95 million for training programs utilizing the flexible and effective apprenticeship model. The Department is also directed to collaborate with the Delta Regional Authority to help expand access to apprenticeship training in rural areas.

YouthBuild – \$84.5 million, level with FY2017, to help at-risk high school drop-outs develop skills and knowledge to obtain industry-recognized job credentials, apprenticeships, and employment.

Job Corps – \$1.7 billion, a \$5 million decrease from FY2017. Job Corps centers across the country (in all 50 states, the District of Columbia, and Puerto Rico) comprise the nation’s largest career technical training and educational program for youth. The Committee bill promotes continued attention to campus safety measures, improved technological resources for student training, and enhanced instructor preparation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The bill includes \$79.4 billion in discretionary funding for the U.S. Department of Health and Human Services, a \$1.7 billion increase above FY2017, not including cap adjustments.

National Institutes of Health (NIH) – \$36.1 billion, a \$2 billion increase over FY2017, including:

- \$1.8 billion for Alzheimer’s disease research, a \$414 million increase;
- \$400 million for the BRAIN Initiative to map the human brain, a \$140 million increase;
- \$344.3 million for the Institutional Development Award, a \$11 million increase;
- \$290 million for the *All of US* precision medicine study, a \$60 million increase;
- \$80 million for the National Cancer Institute’s precision medicine program, a \$10 million increase;
- \$513 million to Combat Antibiotic Resistant Bacteria, a \$50 million increase;
- \$533.1 million for the Clinical and Translational Science Award, a \$17 million increase;
- \$12.6 million for the Gabriella Miller Kids First Research Act;
- Increases to every Institute and Center to continue investments in innovative research that will advance fundamental knowledge and speed the development of new therapies, diagnostics, and preventive measures to improve the health of all Americans.
- Prohibition on capping Facilities & Administrative costs at 10 percent.

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Fighting Opioid Abuse – \$816 million, a \$665 million or 440 percent increase since fiscal year 2016, for programs to combat opioid abuse at the Centers for Disease Control and Prevention (CDC), the Substance Abuse and Mental Health Services Administration (SAMHSA), and the Health Resources and Services Administration (HRSA). According to CDC, nearly 2 million Americans have an opioid use disorder related to prescription drugs and almost 600,000 have an opioid use disorder related to heroin. Further, the amount of opioids prescribed per person was three times higher in 2015 than in 1999, and approximately 3 out of 4 new heroin users abused prescription opioids before switching to heroin.

- The bill continues \$126 million for CDC opioid prevention programs;
- \$50 million for Community Health Centers treatment and prevention;
- The bill maintains funding for previously funded SAMHSA opioid prevention and treatment programs;
- \$15 million for a new SAMHSA opioid prevention program for community prevention;
- \$500 million in State opioid abuse crisis grants authorized in 21st Century Cures Act (CURES);
- \$1.9 billion to continue the Substance Abuse Prevention and Treatment Block Grant, \$94 million in mandatory funds to Community Health Centers, and an additional \$22.6 million to the NIH National Institute on Drug Abuse.

Community Health Centers – \$1.49 billion, level with FY2017. There are more than 10,400 health center sites nationally, serving 26 million patients per year. Health centers advance the preventive and primary care model of coordinated and comprehensive care, coordinating a wide range of medical, dental, behavioral, and social services in communities.

Rural Health Care – \$160.6 million, a \$4.5 million increase above FY2017, for rural health programs. The obstacles faced by patients and providers in rural communities are unique and often significantly different than those in urban areas. Therefore, the bill focuses resources toward efforts and programs to help rural communities, such as telehealth.

Area Health Education Centers (AHECs) – \$32.8 million, a \$2.5 million increase above FY2017. AHECs enhance access to high-quality, culturally-competent health care in rural and underserved areas through academic-community partnerships that increase the number of primary healthcare professionals who practice in those areas.

Poison Control Centers (PCCs) – \$19.8 million, a \$1 million increase FY2017. PCCs provide the public and health care providers with treatment advice on poisonings. Every \$1.00 invested in the poison center system is estimated to save \$13.39 in medical costs and lost productivity.

Maternal and Child Depression – \$5 million for a new Screening and Treatment for Maternal Depression program as authorized in CURES. This funding will create grants for states to establish, expand, or maintain programs for screening and treatment of women who are pregnant or who have given birth within the preceding 12 months for maternal depression.

Children’s Hospitals Graduate Medical Education (CHGME) – \$305 million, a \$5 million increase above FY2017. The CHGME program protects children’s access to high-quality medical care by providing freestanding children’s hospitals with funding to support the training of pediatric providers.

Chronic Disease Prevention – Maintains existing funding mechanisms for chronic disease prevention. Chronic diseases, such as arthritis, cancer, diabetes, heart disease, stroke, and obesity, are the leading causes of death and disability in the United States and account for \$0.86 of every \$1.00 spent on health care.

Preventive Health and Health Services Block Grant (Prevent Block Grant) – \$160 million, level with FY2017. The Prevent Block Grant provides flexible funding for States to implement prevention activities according to local health needs.

Immunization Program – \$606.8 million, level with FY2017. Vaccines remain one of the most important and successful public health breakthroughs to prevent death and disability, and this program serves as a safety-net for the uninsured and underinsured populations.

Obamacare – The agreement does not provide new funding for Obamacare. In addition, several oversight provisions are in the bill, including:

- **Risk Corridor** – The bill continues a provision requiring the Administration to operate the Risk Corridor program in a budget neutral manner by prohibiting any funds from the Labor-HHS appropriations bill to be used as payments for the Risk Corridor Program. Risk Corridor program claims since 2014 have vastly outpaced collections and have resulted in approximately an \$8 billion shortfall that potentially could have been transferred out of priority discretionary HHS programs funding in the Labor-HHS appropriations bill to bailout the Risk Corridor program established by the ACA.
- **Independent Payment Advisory Board (IPAB)** – Funding for IPAB is eliminated. IPAB is a 15 member board of unelected bureaucrats created by the ACA to achieve a reduction in Medicare spending through the only means it has – rationing care.
- **ACA Congressional Notification** – The agreement directs the Centers for Medicare and Medicaid Services to notify appropriate Congressional Committees two business days before any ACA-related data or grant opportunities are released to the public.
- **Health Exchange Transparency** – Bill language is included requiring the Administration to publish ACA-related spending by category since its inception.
- **ACA Personnel** – Bill language is included requiring the Administration to publish information on the number of employees, contractors, and activities involved in implementing, administering, or enforcing provisions of the ACA.

Mental Health - \$1.2 billion for mental health programs, level with FY2017. The bill rejects the \$269 million in cuts to mental health proposed in the budget request.

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Child Care and Development Block Grant (CCDBG) – \$2.9 billion, level with FY2017, for grants to states to support child care for low-income families, and to improve the quality of child care programs.

Head Start – \$9.3 billion, level with FY2017, to support high-quality early childhood education in Head Start programs across the country.

Low Income Home Energy Assistance Program (LIHEAP) – \$3.39 billion, level with FY2017, to continue providing critical home heating and cooling assistance for low-income households.

Victims of Trafficking - \$21 million, a \$2 million increase above FY2017, to help local organizations continue to provide critical services for victims of human trafficking.

State Health Insurance Programs (SHIPs) – \$47.1 million, level with FY2017. SHIPs provide free, one-on-one counseling and assistance to help Medicare and Medicaid beneficiaries navigate the complexities of health and long-term care systems.

Sexual Risk Avoidance – \$25 million, a \$10 million increase above FY2017.

Public Health Preparedness and Response – The bill maintains FY2017 levels for the following activities:

- **Biomedical Advanced Research and Development Authority (BARDA)** – \$511.7 million for advanced research and development of medical countermeasures for national preparedness efforts.
- **Project BioShield** – \$510 million to enhance national preparedness activities by procuring medical countermeasures against chemical, biological, radiological, and nuclear threats.
- **Public Health Emergency Preparedness (PHEP)** – \$660 million to allow States to prepare, respond, and recover from emerging threats such as natural disasters, disease outbreaks, and chemical, biological, radiological, and nuclear threats.
- **Strategic National Stockpile (SNS)** – \$575 million to allow the CDC to maintain and replenish expiring medical countermeasures in the SNS for national preparedness efforts.

Medicare Appeals Process – \$117.2 million, a \$10 million increase above FY2017, for the Office of Medicare Hearings and Appeals (OMHA). The number of cases appealed to OMHA has increased 1,000 percent over the past six years. The current OMHA backlog remains more than 600,000 cases.

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DEPARTMENT OF EDUCATION

The bill includes \$68.3 billion in discretionary funding for the U.S. Department of Education, \$29 million above the FY2017 level.

Pell Grants: Promoting College Completion and Affordability – The bill includes the first discretionary increase in the maximum Pell grant in over a decade, a 1.7 percent increase, from \$5,920 to \$6,020. The maximum Pell grant has increased each year with mandatory funding since FY2007. With the automatic increase in the mandatory add-on expiring after the 2017-18 award year, this discretionary increase ensures the maximum award will continue to increase next school year to help students keep up with rising costs and reduce the need for student loans.

The bill also provides more than sufficient funding to continue Year-Round Pell, a permanent law change included last year. Year-Round Pell is expected to provide over 900,000 students an additional award of over \$1,600 annually to help them complete their program faster, enter or re-enter the workforce sooner, and graduate with less debt. Finally, the bill includes a provision restoring Pell eligibility for defrauded students and students at schools that have closed.

Supporting State and Local Flexibility in Elementary and Secondary Education – The bill continues to prioritize funding for elementary and secondary education programs that provide the most flexibility and control for states, school districts, schools, and parents to make education decisions impacting students and families.

- **Title I Grants to LEAs** – \$15.5 billion, a \$25 million increase. Title I provides basic and flexible funding to low-income school districts, which allows States, local school districts, and schools to decide how to best use limited resources to improve student outcomes.
- **Title IV Student Support and Academic Enrichment Grants** – \$450 million, a \$50 million increase, for this flexible formula block grant to help support activities to provide students with a well-rounded education, including STEM education; ensure safe and supportive learning environments; and use technology to improve instruction.
- **Impact Aid** – \$1.3 billion, an \$11.5 million increase above FY2017. Impact Aid provides flexible support to local school districts impacted by the presence of federally-owned land and activities, such as military bases.
- **Charter Schools** – \$367 million, a \$25 million increase above FY2017, to support the start-up, replication, and expansion of high-quality charter schools.

TRIO Programs – \$953 million, a \$3 million increase over FY2017. TRIO programs provide services to students from disadvantaged backgrounds to help them enter and complete college and postgraduate education program.

Federal Student Loan Servicing – The bill includes new language ensuring competition in student loan servicing, to promote accountability and high-quality service for student borrowers.

The bill maintains funding for several other important education programs including:

- **21st Century Community Learning Centers:** \$1.2 billion
- **Title II Supporting Effective Instruction State Grants:** \$2.1 billion
- **IDEA Grants to States (Part B, Section 611):** \$12 billion
- **Career and Technical Education State Grants:** \$1.1 billion
- **Supplemental Educational Opportunity Grants:** \$733 million
- **Federal Work Study:** \$990 million

RELATED AGENCIES

Institute for Museum and Library Services – \$235 million, a \$4 million increase above FY2017. This agency supports programs for museums and libraries that encourage innovation, provide life-long learning opportunities, promote cultural and civic engagement, and improve access to a variety of services and information.

Corporation for Public Broadcasting – \$445 million for FY2020, level funding with FY2019. An additional \$20 million is provided for FY2018 to continue upgrading the public broadcasting interconnection system.

Corporation for National and Community Service – \$1.02 billion, a decrease of \$11 million. This includes \$386 million for AmeriCorps grants, \$30 million for NCCC, \$92 million for VISTA, \$202 million for Senior Corps programs, and \$16.5 million for State Commission grants—all level funded at FY2017 levels. In addition, the Committee continues funding to help State Commissions to build the capacity of national and community service programs at the local level, and includes a new provision to establish a reduced full-time service position to better align with the needs of local programs.

OVERSIGHT AND ACCOUNTABILITY

Increasing the Efficiency and Cost Effectiveness of Government – The bill provides funding for a variety of activities aimed at reducing fraud, waste, and abuse of taxpayer dollars, including:

- **Reemployment Services and Eligibility Assessments** – \$130 million is provided to conduct enhanced, in-person assessments to accelerate the reemployment of Unemployment Compensation recipients into good jobs, to reduce the duration of their time receiving benefits and their likelihood of exhausting benefit coverage, and to protect UI Trust Fund integrity by reducing improper payments. This program has been shown to accelerate the reentry of unemployed workers back into the workforce, to help avoid expiration of benefits before reemployment, and overall to save \$2.60 in Trust Funds for every \$1.00 spent.

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Oversight and Accountability continued

- **Health Care Fraud and Abuse Control (HCFAC)** – \$745 million, a \$20 million increase above FY2017, by utilizing the cap adjustment provided in the Budget Control Act. For every \$1.00 spent on HCFAC, \$2.00 is recovered by the U.S. Treasury.
- **Preventing Social Security Disability Fraud, Abuse, and Improper Payments** – \$1.7 billion to support periodic reviews to ensure individuals receiving Social Security disability benefits are still eligible under program rules. This funding is estimated to save approximately \$9.8 billion over 10 years for the Social Security, Medicare, and Medicaid programs.
- **Eliminating Fragmentation, Overlap, and Duplication, as recommended by the Government Accountability Office (GAO)** – The bill includes language directing each agency funded in this bill to report on all efforts made to address the duplication identified by the annual GAO reports along with suggested legislative recommendations to help agencies further reduce duplication.
- **Improving Transparency of Agency Guidance Documents** – Concern remains about Executive Agencies' use of guidance documents. Such documents are not legally binding, but many regulated entities, including states, institutions of higher education, school districts, and employers interpret them as imposing new legally-binding requirements. The bill continues requirements on agencies funded in this bill to improve the development, issuance, and review of guidance documents, including ensuring that guidance documents are not interpreted as legally binding unless describing a specific statutory or regulatory requirement.

Program Eliminations – The bill focuses funding programs that are efficient, cost-effective, with proven outcomes. The Committee recommendation includes six program eliminations, equating to over \$152 million in spending reductions. Over the past three years, the Labor-HHS bill has eliminated or consolidated 36 programs.

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