



U.S. Senate Committee on Appropriations

PRESS RELEASE

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Summary: Fiscal Year 2014 Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill *Full Committee Mark*

Washington, DC – The Senate Labor, Health and Human Services, and Education, and Related Agencies Appropriations Subcommittee today approved a fiscal year 2014 bill that provides \$165.6 billion in discretionary budget authority to make important investments to reduce healthcare costs, bolster medical research, improve early childhood care and education, strengthen our mental health safety net, and help America's workers get vital job training services. This level includes \$1.253 billion in cap adjustments for healthcare fraud and abuse control programs and for program integrity at the Social Security Administration, in accordance with the allocation for this bill. The fiscal year 2013 enacted level was \$157.0 billion.

U.S. Senator Tom Harkin (D-Iowa), Chairman of the Labor, Health and Human Services, and Education, and Related Agencies Subcommittee, issued the following statement:

"This bill makes crucial investments in early childhood care and education, targets fraud and abuse, trains and protects American workers, and fully funds the President's request for implementing the Affordable Care Act. It includes priorities from both sides of the aisle, on topics ranging from Alzheimer's disease research and public health to science and math education and teacher quality. I look forward to consideration of the bill on the Senate floor as soon as possible."

U.S. Senator Barbara A Mikulski (D-Md.), Chairwoman of the Appropriations Committee, issued the following statement:

"The Labor, HHS, Education bill is such an important bill, the largest non-defense bill this Committee does, the bill that focuses on compelling human needs – health care, medical research, education, worker's rights, energy assistance. But I want to focus on two specific things that I think really represent why we have to move this bill through the Committee and on to the Floor. The National Institutes of Health (NIH) is a world-class institution. I call it the National Institutes of Hope. It serves as the foundation for U.S. medical innovation, which employs one million U.S. citizens, generates \$84 billion in wages and salaries, and exports \$90 billion in goods and services. Because of the investments we have made in NIH over the past decades, we have cut the cancer death rate by 11 percent in women and 19 percent in men."

Because of these investments, HIV/AIDS is no longer a death sentence, and polio and small pox are essentially eradicated in this country.

“These medical breakthroughs didn’t just happen, they occurred because this Committee supported NIH, and the NIH supported dedicated scientists who sought knowledge and medical breakthroughs. We must keep up this support. That’s why I made sure to give Chairman Harkin a robust allocation of \$165 billion, enough to fund NIH at the President’s request level of \$30.9 billion, which is \$307 million above fiscal year 2013 enacted. I believe that investments in NIH are investments in health, in jobs and our economy, in our universities and in our future.

“One other issue I’d like to highlight in this bill is the investment we make in early childhood education. What this bill does is give our next generation the greatest chance at success. It does so by investing in Head Start, a program that provides health, nutrition, and social services to children in low-income families from birth to age five. We fund Early Head Start, which helps mothers deliver healthy babies and then supports those babies up to the age of three. We increase funding for Child Care Development Block Grants that help lower-income families afford child care for their children while parents are at work or school. And we fund universal Pre-K, which supports the President’s initiative to ensure that every four year old in this country can attend preschool.

“I believe we must focus on reducing the public debt, but if that’s all we do, then we risk creating other deficits – deficits in Alzheimer’s research, deficits in education and access to child care, deficits in health care programs. I believe this bill strikes the right balance.”

Among other highlights, the Labor-HHS-Education bill provides increases for Head Start and child care and new funding for Preschool Development Grants; more than doubles the funding to crack down on healthcare fraud; promotes the prevention of costly chronic diseases like diabetes; and improves school safety and access to mental health services in response to the recent mass shooting in Newtown, Connecticut.

A summary of the bill follows below. All comparisons are to the fiscal year 2013 enacted level. Some dollar figures are rounded.

Reducing Healthcare Costs

The nation's fiscal health is inextricably linked to our ability to curb the cost of healthcare. The *Affordable Care Act* (ACA) is vital to that effort. This bill also plays a critical role—by supporting the ACA's implementation, promoting efforts to prevent chronic diseases, and increasing funding for medical research at the National Institutes of Health (NIH).

Implementing the ACA: The ACA has already resulted in historic savings for the federal government and for American families. As just one example, the law has allowed more than 6.3 million Medicare beneficiaries to save more than \$6.1 billion on prescription drugs. Fiscal year 2014 begins on the same day the ACA will open enrollment for new health coverage in the Health Insurance Marketplaces, which will for the first time offer consumers a single place where they can compare the costs and benefits of different health insurance plans and choose the one that fits their needs. This bill includes \$5.2 billion for Program Management at the Centers for Medicare and Medicaid Services (CMS), the lead agency with responsibility for overseeing the ACA. The fiscal year 2013 level was \$3.9 billion.

Alzheimer's Disease: Without a medical breakthrough to prevent, slow, or stop this disease, the total payments for healthcare, long-term care, and hospice for people with Alzheimer's and other dementias are projected to rise from \$203 billion in 2013 to a staggering \$1.2 trillion in 2050. This bill includes an \$84 million increase for the National Institute on Aging, the NIH Institute with the primary responsibility for preventing, treating, and curing Alzheimer's disease. The bill also includes \$20 million for a new Alzheimer's Disease Initiative that will strengthen dementia-capable long-term services and supports, assist caregivers of individuals with Alzheimer's disease, and train healthcare providers on how to recognize the signs and symptoms of Alzheimer's and manage the disease.

Bolstering Early Childhood Care and Education

High-quality early childhood care and education has been proven to have positive, lasting effects for children and families. It also supports the nation's long-term economic security by preparing our next generation of workers, entrepreneurs, and business leaders for future success. The bill provides a combined increase of \$2.56 billion for Head Start, the Child Care and Development Block Grant (CCDBG), and Preschool Development Grants. Together, these programs address the entire age range of birth through 5.

Head Start: The bill includes \$9.6 billion, a \$1.6 billion increase, for Head Start. This includes \$1.4 billion more to expand Early Head Start, including the creation of new Early Head Start-Child Care Partnerships, to serve children and families from before birth through age 3.

Child Care: The bill includes \$2.5 billion, a \$176 million increase, for CCDBG. This includes a \$110 million increase to improve the quality of the child care workforce and to strengthen health and safety standards.

Preschool Development Grants: The bill includes \$750 million for a new program to support States' efforts to expand or create high-quality preschool systems for 4-year-olds from low- and moderate-income families.

Improving Fiscal Accountability

Congress has an obligation to promote the fiscal accountability and effective use of taxpayer dollars. This bill provides funding for several efforts to combat fraud, waste, and abuse within federal programs.

Healthcare Program Integrity: Fraud committed against federal healthcare programs diverts critical resources from services that are intended for some of the nation's most vulnerable populations. The bill includes \$640 million for healthcare fraud and abuse control activities at CMS, more than double the fiscal year 2013 level of \$309 million. Every \$1 spent on these activities returns approximately \$7.90 to the Treasury.

Social Security Program Integrity: The bill includes \$1.2 billion, a \$441 million increase, for Social Security program integrity activities, including continuing disability reviews (CDRs) and Supplemental Security Income redeterminations. CDRs and redeterminations save \$9 and \$5, respectively, for each \$1 spent by reducing waste, fraud, abuse, and improper payments in the Social Security, Medicare, and Medicaid programs.

Unemployment Insurance (UI) Program Integrity: The bill includes \$80 million, an increase of approximately \$20 million, to conduct reemployment and eligibility assessments (REAs) and UI improper payment reviews. This level is projected to save State UI trust funds an estimated \$315 million through REAs by helping claimants exit the UI program faster and avoid exhausting their benefits.

Protecting Students and Taxpayers: The bill includes a new provision prohibiting colleges and universities from spending federal educational funding on marketing, recruitment, and advertising. This reform will ensure that federal resources are targeted at educating students as opposed to online advertisements and aggressive recruiting activities, so that both students and taxpayers receive a good return on their investment.

Spending on Conferences: The bill helps prevent excessive spending on conferences and other administrative expenses by requiring departments, agencies, boards, and commissions funded in this bill to report to Inspectors General or senior ethics officials on the costs and contracting procedures involved in any conference that costs more than \$100,000.

Promoting Policy Reform

The bill launches or continues several initiatives that will leverage policy reform and transform key federal services.

Race to the Top—College Affordability and Completion: The bill includes \$250 million to support a new Race to the Top program focused on college affordability and completion. Funding will incentivize states to reduce costs for students and families and improve academic outcomes.

Public Access to Federally Funded Research: Four years ago, Congress required NIH to improve the public's ability to access taxpayer-funded research by means of an online NIH repository. This effort has been highly successful. The bill includes a new provision that extends the requirement to other agencies funded in the bill.

Investing in Innovation: The bill provides \$170 million for the Investing in Innovation education program, which allows grantees to develop and test promising new ideas and replicate programs that are successful.

Accelerating Cures: The bill includes \$50 million, five times the fiscal year 2013 level, for the Cures Acceleration Network, an NIH initiative intended to help speed the translation and application of discoveries that have shown signs of success at the laboratory level but have not advanced far enough to attract significant investments from the private sector.

Prevention

Nearly three-quarters of all healthcare costs are attributable to chronic diseases, the majority of which are preventable. This bill promotes prevention efforts by supporting implementation of the ACA, which will enable millions of newly insured Americans to receive preventive screenings; providing discretionary funding for programs such as childhood immunizations and cancer screenings; and allocating the Prevention and Public Health (PPH) Fund, which will total \$1 billion in fiscal year 2014. Key prevention programs listed below are either funded in this bill or through transfers from the PPH Fund.

Community Transformation Grants: The bill includes \$290 million, an increase of \$144 million, for evidence-based public health interventions to reduce obesity and smoking and make preventive services more accessible.

Childhood Immunizations: The bill includes \$579 million for immunization programs. Immunization saves \$10.20 in direct medical costs for every \$1 invested.

Smoking Prevention: The bill includes \$203 million for the Office of Smoking and Health at CDC. This funding, an increase of \$35 million, will continue the successful media campaign, "Tips From a Former Smoker," and expand state smoking quit-lines.

Diabetes Prevention: The bill includes \$10 million for the Diabetes Prevention Program, a set of lifestyle interventions that has been proven to reduce the risk of developing diabetes by 58 percent in individuals at high risk.

Elder Falls: In 2010, 2.3 million older adults were treated in emergency departments after a fall, with more than 662,000 of these patients hospitalized. Many falls are preventable with lifestyle interventions and appropriate physical supports. In a new initiative, the bill includes \$10 million to research and implement evidence-based approaches to preventing elderly falls.

Strengthening Our Mental Health System and Reducing Violence—Now Is the Time

The mass shootings last year at an Aurora, Colorado, movie theater and at Sandy Hook Elementary School in Newtown, Connecticut, raised public awareness about the problems of violence and mental illness in our communities as perhaps never before.

There are approximately 30,000 firearm-related homicides and suicides in the United States each year, and almost one-quarter of 14- to 17-year-olds have witnessed a shooting in their lifetime. Research shows that exposure to community violence can impact children's mental health and development and can substantially increase the likelihood that these children will later commit violent acts themselves. Unfortunately, less than half of children and adults with diagnosable mental health problems receive the treatment they need. Addressing these challenges will require complex, comprehensive solutions that are beyond the scope of any single school, community, state, or set of laws. But funding provided in this bill to prevent violence, increase access to mental health treatment, and improve school safety can play an important role.

Mental Health Services: The bill includes \$119 million in new funding to increase access to mental health services. This includes a total of \$95 million for the administration's Now is the Time initiative: \$15 million for Mental Health First Aid programs that teach individuals to identify and respond to the signs of mental illness; \$40 million for Project AWARE State grants, which will focus on making schools safer and connecting young people with mental health services; and \$40 million in new funding to address shortages in the behavioral health workforce. In addition, the bill includes a new 5 percent set-aside within the Community Mental Health Services Block Grant that will allocate \$24 million to evidence-based programs addressing the needs of individuals with the early signs of serious mental illness.

Safe and Healthy Schools: Safe, positive school environments can help reduce unhealthy student behavior, increase academic achievement, and counter the effects that violence can have on students. The bill includes \$195 million specifically to improve learning conditions in the Nation's schools. Highlights include: \$50 million for a new School Climate Transformation Grants program; \$25 million to help school districts develop, implement, and improve their emergency management plans; \$25 million for Project Prevent, which will help schools in troubled communities break the cycle of violence; and up to \$8 million for Project SERV, which offers education-related services following a violent or traumatic event.

Tracking Violent Deaths: The National Violent Death Reporting System (NVDRS) is an 18-State surveillance system that pulls together information on violent deaths with the aim of developing effective interventions and preventive measures. The bill includes \$18.5 million, an increase of \$15 million, to expand NVDRS to additional States and communities.

Public Health Research: Behind motor vehicle injuries, firearm injuries are the second leading cause of injury and mortality in the United States. The bill includes \$10 million to build the public health research base on how to reduce the threat of firearm-related violence.

Helping America's Workers

Job Training: The bill includes \$2.7 billion, an increase of \$86 million, for Workforce Investment Act Grants to States to provide job training skills and assistance to low-skilled adults, dislocated workers, and low-income youth with barriers to employment.

Paid Leave for Workers: The bill includes \$5 million to support a new State Paid Leave Fund. The fund will provide planning and implementation grants to states that wish to establish paid leave programs and provide benefits to workers who need to take time off for reasons covered under the *Family and Medical Leave Act*.

Veterans Employment and Training: The bill includes \$301 million, an increase of \$37 million, to expand employment services to transitioning servicemembers, veterans with disabilities, and their spouses and caregivers.

Protecting Whistleblowers: The bill includes \$567 million for the Occupational Health and Safety Administration and targets a \$6 million increase for its enforcement of whistleblower laws. These laws provide important protections for workers who raise issues in their workplace about practices that could impact fellow employees or the public.

Preventing Misclassifications: The bill includes an increase of \$14 million to address the misclassification of workers as independent contractors. Misclassifications deny workers their rights to unemployment benefits, overtime pay, and other benefits, and also reduce revenue to the UI, Social Security, and Medicare trust funds, as well as to the Treasury.

OTHER HIGHLIGHTS OF THE BILL

Special Education: The bill provides \$11.7 billion, an increase of \$125 million, under section 611 of Part B Grants to States for educating students with disabilities. The bill also includes \$463 million, an increase of \$21 million, to support statewide systems of coordinated and early intervention services for children with disabilities 2 years old and younger, as well as their families; and nearly \$70 million, an increase of \$20 million, to support research on how people with disabilities learn and how best to meet their educational needs.

NIH: The bill provides \$30.955 billion, an increase of \$307 million, to fund biomedical research at the 27 Institutes and Centers that comprise NIH. This level will allow NIH to allocate \$40 million for the new Brain Research through Application of Innovative Neurotechnologies (BRAIN) Initiative.

Pell Grants: The bill maintains the discretionary portion of the maximum Pell grant award level at \$4,860 for the 2014–2015 school year. Combined with mandatory funding, the total maximum award will rise by \$140 to \$5,785.

Community Health Centers (CHCs): The bill includes nearly \$1.6 billion for CHCs. Combined with mandatory funding provided in the ACA, the fiscal year 2014 program level for CHCs is almost \$3.8 billion, an increase of \$700 million.

Title I (Education for the Disadvantaged): The bill includes \$14.6 billion, an increase of \$125 million, for Title I grants to school districts for improving education for low-income students. These funds support 90 percent of the nation’s 14,000 school districts.

Children’s Hospitals Graduate Medical Education: The bill includes \$267 million for this program, the same level as in fiscal year 2013.

Low Income Home Energy Assistance Program (LIHEAP): The bill includes \$3.6 billion for LIHEAP.

Community Services Block Grant: The bill includes \$676 million for this program, the same level as in fiscal year 2013.

AIDS Drug Assistance Program (ADAP): The bill includes \$943 million for ADAP, an increase of \$47 million.

Social Security Administration (SSA): The bill includes nearly \$12 billion, an increase of \$534 million, for SSA’s administrative expenses. This includes a \$441 million increase for program integrity activities and a \$93 million increase in core administrative expenses for SSA to keep pace with an aging population and record-high workloads.

TRIO: The bill includes nearly \$850 million, an increase of \$11.7 million, to help low-income and first generation college students plan, prepare for, and succeed in college through the TRIO programs.

Senate Bill as Compared to the House Bill

Because the House of Representatives has yet to mark up its Labor-HHS bill, it is impossible to provide a direct comparison. However, the House allocation for Labor-HHS is \$121.8 billion, or 26 percent lower than the Senate level. Applying an across-the-board cut of 26 percent to the Senate mark, the House bill would produce the following results:

- 19 million fewer meals would be served to needy seniors than under the Senate bill.
- 6 million fewer students would be served through Title I than under the Senate bill. Title I Grants to Local Educational Agencies is the cornerstone federal program for helping all students, especially those from disadvantaged backgrounds, meet high academic standards.
- NIH funding would be slashed by roughly \$8 billion below the Senate level. To put that figure in perspective, \$8 billion is more than the entire amount that NIH spends on research on cancer and cardiovascular diseases combined.
- 275,000 fewer children and their families would receive early childhood services through Head Start, including 125,000 fewer infants and toddlers in Early Head Start.

If the House chose to cut any of these programs by less than 26 percent, other programs in the bill would have to be reduced by a greater percentage.

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