



United States Senate Committee on
APPROPRIATIONS

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FOR IMMEDIATE RELEASE

June 7, 2016

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**SENATE SUBCOMMITTEE APPROVES
FY2017 LABOR, HHS & EDUCATION APPROPRIATIONS BILL**

*Senate Again Increases Funding for NIH Research & Opioid Abuse Fight,
Restores Year-Round Pell Grant Eligibility*

WASHINGTON, D.C. – The Senate Labor, Health and Human Services, and Education Appropriations Subcommittee today approved a FY2017 funding bill that continues to provide increased funding for healthcare research and works to combat the growing opioid abuse crisis.

The FY2017 Labor, Health and Human Services, and Education and Related Agencies (Labor-HHS) Appropriations Bill provides \$161.9 billion in base discretionary spending, which is \$270 million below the FY2016 level and \$2 billion below the President's budget request. The bill also contains \$1.96 billion in cap adjustment funding for preventing waste, fraud, abuse, and improper payments in the Social Security, Medicare, and Medicaid programs.

The bill will be considered by the Senate Appropriations Committee on Thursday.

“This is the first bipartisan Senate Labor-HHS bill in seven years, and I want to thank Senator Murray for her work on this bill. The fiscal year 2017 Labor-HHS bill eliminates 18 duplicitous or unnecessary federal programs in addition to the 18 from last year’s bill, and is \$270 million less than last year,” said **U.S. Senator Roy Blunt** (R-Mo.), chairman of the Senate Labor-HHS Appropriations Subcommittee.

“First, the bill provides a \$2 billion increase for the National Institutes of Health for research efforts that give hope to families battling life-threatening diseases like cancer and Alzheimer’s, and to help more Americans live longer, healthier lives. Second, we restored year-round Pell Grants to expand eligibility and flexibility for an estimated one million students to receive an additional grant award during an academic year. Third, in response to the rising rates of opioid abuse nationwide, we have increased resources for treatment and prevention programs funded in this bill by 93 percent to help the estimated 1.9 million adults in the U.S. who have an opioid use disorder related to prescription pain relievers, and the 586,000 who have an opioid use disorder related to heroin,” **Blunt** said.

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As it did in FY2016, the subcommittee provides a \$2 billion increase in FY2017 for the National Institutes of Health to advance research on precision medicine, Alzheimer's disease, the BRAIN Initiative and other ailments. The bill also includes a \$126 million increase over FY2016 funding for programs targeted at fighting opioid abuse.

The Senate bill restores eligibility for year-round Pell Grants, an action that is expected to provide an estimated 1 million students with additional grant funding in the 2017-18 school year. The legislation would also increase funding for Title I for low-income school districts, as well as the Individuals with Disabilities Education Act (IDEA) grant program.

The legislation supports the Labor Department's Job Corps and Veterans Employment Training programs, and continues to support a dedicated training fund established in FY2016 for dislocated workers from coal mines and coal-fired power plants.

The Senate measure continues prohibitions to stop the Obama administration from using discretionary funding to prop up the Risk Corridor program established by the Patient Protection and Affordable Care Act, or Obamacare.

Bill Highlights:

DEPARTMENT OF LABOR

The bill funds the U.S. Department of Labor at \$12.04 billion, \$134 million below FY2016.

Job Corps – \$1.7 billion, a \$21 million increase over FY2016. Taken together, the 126 Job Corps centers in all 50 states, the District of Columbia, and Puerto Rico comprise the nation's largest career technical training and educational program for youth. Increased student safety measures and related support services are a particular focus. Almost 50,000 new student enrollments are expected for FY2016. Approximately 95 percent of Job Corps students successfully attain industry-recognized certifications.

Veterans Employment Training Programs – \$274.5 million, an increase of \$3.4 million over FY2016. Veterans Employment and Training funding provides for intensive employment services to veterans and eligible spouses, transitioning service members, wounded warriors, and disabled veterans. An additional \$XXX for the homeless veterans program will help increase program enrollment and provide additional specialized services, such as job training, social services, guidance for substance abuse treatment, transportation, and housing referrals.

YouthBuild – \$84.5 million, level with FY2016, to help at-risk high school drop-outs develop skills and knowledge to obtain industry-recognized job credentials, apprenticeships, and employment.

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.

Occupational Licensing Portability Initiative – \$8.5 million to support the continuation of a new effort in 2016 to establish a consortium (or multiple consortia) of states to analyze and develop frameworks for reciprocity or other forms of portability for certain occupational licenses. This will help reduce unnecessary barriers to mobility and re-employment for thousands of dislocated workers, transitioning servicemembers, military spouses, and others.

Coal Set-Aside – \$19 million to continue a dedicated training fund established last year for dislocated workers in coal mines and coal-fired power plants. The funding will help meet the needs of workers and communities affected by large-scale layoffs from the coal industry.

Apprenticeship Opportunities – \$100 million to continue and expand a grant program established in fiscal year 2016 to expand the range and number of apprenticeship opportunities in a wide variety of fields nationwide. A component of the program will also help involve more women and other workers who have not traditionally participated in apprenticeship programs with these skill-development opportunities.

Blacklisting – The bill again denies the request to establish an Office of Labor Compliance to implement Executive Order 13673 (also known as the “Blacklisting” initiative). The Office and related activities would have played a central role in a new government-wide initiative to hinder businesses from competing for federal contracts.

H-2B Foreign Labor Certifications – The bill provides additional resources for the prompt processing of foreign labor certifications. The bill blocks the most controversial portions of new Department of Labor H-2B visa program and wage regulations, which would inhibit the ability of small and large businesses to expand during temporary periods of peak seasonal demand in industries such as seafood processing, landscaping, hotel and lodging, recreation, and entertainment in cases where insufficient numbers of American workers are available.

OSHA Enforcement Related to Fertilizer Handling – The bill prohibits the Occupational Safety and Health Administration (OSHA) from imposing new and costly enforcement regimes on stakeholders without following the full and open regulatory process, including the newly-announced OSHA application of process safety management standards regarding handling of farm fertilizers.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The agreement funds the U.S. Department of Health and Human Services at \$76.9 billion, a \$1.4 billion increase above FY2016, including cap adjustments.

National Institutes of Health (NIH) – \$34 billion, an increase of \$2 billion above FY2016. The bill includes:

- \$300 million for the Precision Medicine Initiative, an increase of \$100 million;
- \$1.39 billion for Alzheimer’s disease research, an increase of \$400 million;
- \$250 million, an increase of \$100 million, for the BRAIN Initiative to map the human brain;
- \$333.4 million, an increase of \$12.5 million, for the Institutional Development Award;
- \$463 million, an increase of \$50 million, to Combat Antibiotic Resistant Bacteria;
- \$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.

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Fighting Opioid Abuse – \$261 million, an increase of \$126 million or 93 percent, for Centers for Disease Control and Prevention (CDC), Substance Abuse and Mental Health Services Administration (SAMHSA), and Health Resources and Services Administration programs targeted to combat opioid abuse. According to CDC, sales from prescription opioids nearly quadrupled between 1999 and 2014. There has been a corresponding increase in deaths from prescription opioids, claiming more than 165,000 lives.

Specifically, the bill provides a \$28 million increase for CDC Prescription Drug Overdose program, a \$49 million increase to SAMHSA for treatment, prevention, and overdose reversal, and \$50 million for Community Health Center treatment and prevention. Further, the bill continues to provide \$1.9 billion for the Substance Abuse Prevention and Treatment Block Grant, \$94 million in mandatory funds to Community Health Centers, and provides an additional \$52.5 million to the National Institute on Drug Abuse at the NIH.

Community Health Centers (CHCs) – \$1.49 billion, level with FY2016. There are more than 9,000 Health Centers nationally, serving 22.9 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.

Obamacare – The bill does not provide new funding for the Affordable Care Act (ACA), or Obamacare. In addition, several oversight provisions are included in the agreement.

- **Risk Corridor** – The bill continues to include 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. Last year, insurers paid \$362 million into the Risk Corridor program while submitting \$2.87 billion in claims for Risk Corridor payments. Because of this provision in the FY2016 bill, the Subcommittee was able to save over \$2.5 billion from potentially being transferred out of priority discretionary HHS programs in the Labor-HHS Appropriations Bill to bail out the Risk Corridor program established by the ACA.
- **ACA Congressional Notification** – The agreement directs the Centers for Medicare & Medicaid Services to notify the 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.

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 they have – rationing care.

Rural Health Care – \$152.6 million, an increase of \$3 million above FY2016, 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.

Cancer Prevention and Control – \$356.2 million, level with FY2016. This includes funding for breast, cervical, colorectal, and prostate cancer screening programs, which the Administration proposed to cut by more than \$54 million.

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Immunization Program – \$610.8 million, level with FY2016. The Administration proposed to cut this program by \$50.3 million. 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.

Children's Hospitals Graduate Medical Education (CHGME) – \$300 million, an increase of \$5 million above FY2016. 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.

Preventive Health and Health Services Block Grant (Prevent Block Grant) – \$160 million, level with FY2016. The Administration proposed to eliminate this program. The Prevent Block Grant provides flexible funding for States to implement prevention activities according to local health needs.

Medicare Appeals Process – \$112.4 million, an increase of \$5 million above FY2016, 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. As of the end of 2015, OMHA takes nearly 700 days to close out an existing appeal. A significant portion of this backlog has been driven by appeals related to Recovery Audit Contractors.

Polio Eradication – \$174 million, an increase of \$5 million above FY2016. Polio is currently endemic in only three countries: Nigeria, Afghanistan and Pakistan. Nigeria has not reported a case since August 2014 and will be declared polio-free if no cases are reported by August 2017.

Mental Health – \$80 million increase above FY2016. The bill provides \$541.5 million, an increase of \$30 million above FY2016, for the Mental Health Block Grant and continues the set-aside for serious mental illness activities at 10 percent. The Block Grants represent the primary sources of mental health funding for state programs. The bill also provides \$50 million within the funding for CHCs to provide mental health services at health centers across the country.

Child Care and Development Block Grant (CCDBG) – \$2.8 billion, an increase of \$25 million above FY2016. This funding builds on the consistent funding increases in recent years to help states implement key quality improvement reforms in the CCDBG Act of 2014. These reforms are intended to improve child care health and safety standards, and otherwise improve working families' access to quality child care.

Head Start – \$9.2 billion, an increase of \$35 million above FY2016, to help all Head Start program keep up with costs, recruit and retain highly qualified staff, maintain enrollment, and provide high-quality early childhood service for children and families.

Low Income Home Energy Assistance Program (LIHEAP) – \$3.39 billion, level with FY2016. LIHEAP provides home heating and cooling assistance for low-income households.

Public Health Preparedness and Response – The bill does not include the President's cuts to critical preparedness and response activities and maintains FY2016 levels for these activities:

- **Biomedical Advanced Research and Development Authority (BARDA)** – \$511.7 million. BARDA is responsible for advanced research and development of medical countermeasures for national preparedness efforts.

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Public Health Preparedness and Response *continued*

- **Project BioShield** – \$510 million, \$160 million above the President’s request, to enhance national preparedness activities by procuring medical countermeasures against chemical, biological, radiological, and nuclear threats.
- **Public Health Emergency Preparedness (PHEP)** – \$660 million. PHEP funds allow states 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. CDC maintains and replenishes expiring medical countermeasures in the SNS for national preparedness efforts.

DEPARTMENT OF EDUCATION

The bill funds the U.S. Department of Education at \$67.8 billion, a \$220 million decrease below the comparable FY2016 level. This level does not include funding related to the proposed restoration of year-round Pell grants.

Pell Grants: Promoting College Completion and Affordability – The bill restores year-round Pell grants. Expanded eligibility and flexibility in the Pell grant program will allow students who have exhausted their Pell grant award for an academic year, and wish to enroll in additional coursework, to receive a Pell grant for an additional term during the academic year. The maximum benefit these students may receive during a year is capped at 150 percent of the otherwise maximum Pell grant. Currently, full-time students and some part-time students exhaust their full benefit after two semesters. Expanded eligibility will provide an incentive for students to take classes year-round and stay continuously enrolled. It would also help students stay on track for graduation or accelerate completion of their degree program, enter or re-enter the workforce sooner, and graduate with less student debt. This provision is expected to provide an estimated 1 million students an additional Pell grant of, on average, \$1,650 during the 2017-18 school year.

In addition, the bill includes more than sufficient funding to support an increase in the maximum Pell grant from \$5,815 for the 2016-17 school year, to an estimated \$5,935 for the 2017-18 school year.

Supporting State and Local Flexibility in Elementary and Secondary Education – The bill supports the implementation of the Every Student Succeeds Act, the reauthorization of the Elementary and Secondary Education Act, that shifts significant responsibility, control, and accountability for schools back to states and local school districts.

- **Title I Grants to Local Education Agencies** – \$15.4 billion, a \$500 million increase above FY2016, including consolidation of the School Improvement Grants program. Title I provides basic and flexible funding to low-income school districts that 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** – \$300 million for this new formula block grant to school districts to help support activities to provide students with a well-rounded education, ensure safe and supportive learning environments, and use technology to improve instruction. This represents a \$22 million increase over the combined FY2016 funding levels for programs consolidated to create this new formula block grant.
- **IDEA Grants to States** – \$11.95 billion for grants to states under part B of the IDEA, a \$40 million increase above FY2016, to support special education services for children with disabilities.

Supporting State and Local Flexibility in Elementary and Secondary Education *continued*

- **Impact Aid** – \$1.316 billion, an increase of \$10 million above FY2016. Impact Aid provides flexible support to local school districts impacted by the presence of federally-owned land and activities, such as military bases. The bill rejects the Administration’s proposed elimination of this federal property program, and instead includes a \$2 million increase for the program.

Charter Schools – \$343 million, an increase of \$10 million above FY2016, to support school choice through grants to States and charter management organizations for the start-up, replication, and expansion of high-quality charter schools.

Promise Neighborhoods - \$73.2 million, the same as FY2016. The bill includes new language supporting the extension of current high-quality Promise Neighborhoods programs. This program supports the development and implementation of comprehensive neighborhood-based programs designed to combat the effects of poverty and to improve education and life outcomes for children and youth, from birth through college.

TRIO Programs – \$900 million, the same as FY2016. TRIO programs provide services to students from disadvantaged backgrounds to help them enter and complete college and postgraduate education.

RELATED AGENCIES

Institute for Museum and Library Services – \$231 million, a \$1 million increase above FY2016. 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 FY2019, level funding with FY2018. An additional \$50 million is provided for the current year (FY2017) to continue the process of upgrading the public broadcasting interconnection system.

Corporation for National and Community Service – \$1.03 billion, a decrease of \$65 million. The bill includes \$386 million for AmeriCorps grants and \$202 million for Senior Corps programs, level with FY2016. In addition, the Committee includes expanded resources for state commissions to build the capacity of national and community service programs at the local level.

OVERSIGHT AND ACCOUNTABILITY

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

- **Reemployment Services and Eligibility Assessments** – \$115 million is provided to conduct enhanced, in-person assessments to accelerate the reemployment of Unemployment Compensation recipients in order to reduce the duration of their time receiving benefits and the likelihood of exhausting benefit coverage. These actions would also help protect the integrity of the Unemployment Insurance Trust Fund by reducing improper payments. This program has been shown to save \$2.60 for every \$1.00 spent.

- **Health Care Fraud and Abuse Control (HCFAC)** – \$725 million, an increase of \$44 million above FY2016, is provided by utilizing the cap adjustment provided in the Budget Control Act. Every \$1 spent on HCFAC, \$2 is recovered by the U.S. Treasury. This will create over \$10.2 billion in savings to the Treasury over 10 years.
- **Preventing Social Security Disability Fraud, Abuse, and Improper Payments** – \$1.8 billion, an increase of \$393 million above FY2016. This funding supports periodic reviews to ensure that individuals receiving Social Security disability benefits are still eligible under program rules. This funding is estimated to save approximately \$11 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 that could help the agency to further reduce duplication.
- **Improving Transparency of Agency Guidance Documents** – There is increasing concern 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 includes new 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 18 program eliminations, equating to over \$1 billion in spending reductions.

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