



U.S. Senate Committee on Appropriations

PRESS RELEASE

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Summary: Fiscal Year 2013 Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill *Full Committee Mark*

Washington, DC – The Senate Appropriations Committee today approved a fiscal year 2013 Labor, Health and Human Services (HHS), and Education, and Related Agencies Appropriations bill that provides \$158.8 billion in current year discretionary funding, including offsets and cap adjustments.

“This bill trains and protects American workers, provides the Nation’s youth with the skills they need to succeed, funds life-saving medical research, and targets fraud and abuse,” said Senator Tom Harkin (D-IA), chairman of the subcommittee.

Highlights of the bill include: helping struggling families by increasing funding for child care and Head Start, nearly doubling the funding to crack down on healthcare fraud, increasing the maximum Pell Grant award, assisting young people with disabilities find employment, and promoting the prevention of costly chronic diseases like diabetes.

The bill also includes a new provision banning colleges or universities from using Federal educational resources on marketing, recruitment, and advertising.

“At a time when budgets are tight and students and families across the Nation are struggling, taxpayer dollars that are intended for higher education should be focused on helping low- and middle-income students pursue an academic degree,” said Harkin. “Colleges and universities will still be free to spend however much they want on marketing, recruiting, and advertising. They just shouldn’t use taxpayer dollars that are intended for student aid to do so.”

A summary of the bill follows below. *Comparisons are to the fiscal year 2012 level unless otherwise noted.*

Early Childhood Education

Investments in early childhood education not only improve outcomes for children and families, but save taxpayer dollars in the long run through lower welfare, special education, and criminal justice costs.

Child Care and Development Block Grant.—The bill includes \$2.438 billion, a \$160 million increase, for the CCDBG. Of this increase, \$90 million is targeted to improving the quality of the early childhood care and education workforce and will support training, education, and other professional development opportunities. The remaining \$70 million will be used to increase the number of families served, subsidy rates, and reimbursement rates to providers.

Head Start.—The bill includes \$8.039 billion, a \$70 million increase, for Head Start. In fiscal year 2012, HHS began implementing new regulations that will require Head Start grantees that do not meet certain performance standards to re-compete for funding. This year, over \$1.2 billion in grants will be re-competed. The bill supports the implementation of the re-competitions as well as an increase for each grantee to help defray rising operational costs.

Improving Fiscal Accountability

The bill provides funding for several activities that reduce fraud, waste, and abuse of Federal funding.

Healthcare Program Integrity.—Fraud committed against Federal healthcare programs diverts critical resources from services to people in need. The bill includes \$610 million for Health Care Fraud and Abuse Control activities, nearly double the fiscal year 2012 level of \$310 million. The historical return on investment for the Medicare Integrity program has been about \$14 for every \$1 spent. For fraud and abuse activities throughout Medicare and Medicaid, the Federal Government saves or recovers \$6 for every \$1 spent.

Social Security Program Integrity.—The bill includes \$1.024 billion, an increase of \$268 million for the Social Security Administration (SSA) to conduct continuing disability reviews and redeterminations of nonmedical eligibility under the Supplemental Security Income program. This investment will save approximately \$8.1 billion over 10 years for the Social Security, Medicare, and Medicaid programs, a return on investment of \$8 for every \$1 spent.

Unemployment Insurance (UI) Program Integrity.—The bill includes \$75 million, an increase of \$15 million, to conduct re-employment and eligibility assessments and UI improper payment reviews. This funding will save State UI Trust funds by helping claimants exit the UI program faster and avoid exhausting benefits. The bill also includes \$30 million in new funding to support intensive reemployment services for UI claimants.

Spending on Conferences and Other Administrative Expenses.—The bill includes new provisions intended to prevent excessive spending on conferences and other administrative expenses. The provisions require quarterly reports on the costs and contracting procedures involved in any conference that costs more than \$20,000, and limit the amount of Federal funding that may be spent on any single international conference and the number of Federal employees who may attend it.

Promoting Innovation

Just because times are lean doesn't mean that innovation should cease. This bill launches or continues several initiatives that will leverage reform and transform key Federal services.

Pay for Success.—The bill creates a new model, called Pay for Success, for financing and delivering effective services under government programs. Federal funding typically pays for services with the expectation, but no absolute guarantee, that they will have positive results. Under the Pay for Success pilot programs in this bill, the Federal Government will make available funds to pay for defined outcomes, such as employment or graduation. Philanthropic groups and social impact investors will finance the services and would earn payments if those services lead to the agreed-upon outcomes.

Performance Partnerships for Disconnected Youth.—The bill creates a new authority called Performance Partnerships that will provide States and local communities with unprecedented flexibility to achieve defined outcomes for disconnected youth. Up to 13 States and/or communities will be allowed to combine funding that they receive through various programs within this bill for these pilot projects.

Investing in Innovation.—The bill creates a new organization in the Department of Education called ARPA-ED that will promote advances in sciences and engineering that could be translated into new learning technologies, and for similar purposes. Modeled after the Defense Advanced Research Projects Agency, the entity that helped create the Internet, ARPA-ED will be funded as a set-aside of up to \$44.8 million within the \$149.4 million provided for the Investing in Innovation program.

First in the World.—The bill includes \$39 million to create the First in the World Initiative in the Department of Education. This initiative will provide grants to colleges and universities to implement innovative and effective strategies that improve outcomes and significantly reduce the net price paid by students.

Strategic Investor.—The bill includes \$20 million to create a Strategic Investor initiative at the Biomedical Advanced Research and Development Authority. This new program will allow the Federal Government to partner with small biotechnology companies in order to foster and accelerate the generation of novel medical countermeasures and technologies. This initiative will address gaps in the Government's capability to respond to emerging infections, bioterrorism, and other public health threats.

Promise Neighborhoods.—The bill includes \$80 million—a more than \$20 million increase over the fiscal year 2012 level—for the Promise Neighborhoods program. Inspired by the successful Harlem Children's Zone program, Promise Neighborhoods supports local efforts to establish cradle-to-career services designed to improve educational outcomes for students in distressed neighborhoods.

Accelerating Cures.—The bill includes \$40 million, four times the fiscal year 2012 level, for the Cures Acceleration Network at the National Institutes of Health (NIH) 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 through discretionary funding as well as through \$1 billion in mandatory funding from the Prevention and Public Health Fund. Figures cited below combine both sources of funding.

Community Transformation Grants.—The bill includes \$280 million, an increase of \$54 million, for implementing evidence-based public health interventions to reduce obesity and smoking and make preventive services more accessible.

Childhood Immunizations.—The bill includes \$558 million for childhood immunizations – enough to purchase an estimated 3.5 million doses of vaccine. Immunization saves \$10.20 in direct medical costs for every \$1 spent.

Smoking Prevention.—Tobacco kills 440,000 people in the Nation each year, costing \$96 billion per year in medical expenses. The bill provides \$203 million for the Office of Smoking and Health at the Centers for Disease Control and Prevention (CDC). This funding, an increase of \$12 million, will continue the successful media campaign “Tips From a Former Smoker” and expand State quit-lines.

Diabetes Prevention Program.—The bill includes \$20 million, double the fiscal year 2012 level, for replicating 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.—One out of three adults age 65 and older falls each year, with 20 to 30 percent of falls resulting in moderate to severe injury. The direct medical costs total \$19 billion a year. In a new initiative, the bill provides \$10 million to research and implement evidence-based approaches to preventing elderly falls.

Assisting People With Disabilities

Promoting School Readiness for Minors in SSI (PROMISE).—In fiscal year 2012, Congress created PROMISE, an interagency effort to improve outcomes for children, and the families of children, receiving Supplemental Security Income (SSI) benefits. This program will encourage State-level innovations that can help young people with disabilities enter and succeed in competitive, integrated employment. The bill includes nearly \$12 million and the authority to allocate unspent vocational rehabilitation State grant funds within the Department of Education for this effort, in addition to \$7.2 million at SSA.

Education for Individuals With Disabilities.—The bill provides \$11.678 billion, an increase of \$100 million, under section 611 of part B grants to States for educating students with disabilities between the age of 3 and 21. The bill also includes \$463 million, an increase of \$20 million, to support statewide systems of coordinated and early intervention services for children with disabilities two years old and younger, as well as their families.

Special Education Research.—The bill includes \$59.9 million, an increase of \$10 million, to support research on how children and adults with disabilities learn and how best to meet their learning needs.

Assistive Technology.—The bill provides \$37.5 million, an increase of \$4.7 million, for State assistive technology programs. These programs support a range of activities to serve people with disabilities, including State financing programs, device reutilization and loan programs, and device demonstrations.

Disability Hearings at SSA.—The bill includes \$11.736 billion, a \$290 million increase, for SSA’s administrative expenses. This increase will support SSA’s efforts to eliminate the disability hearings backlog by the end of fiscal year 2013.

Other Highlights of the Bill

Pell Grants.—The Committee bill maintains the discretionary portion of the maximum Pell Grant award level at \$4,860 for the 2013–2014 school year. Combined with mandatory funding, the total maximum award will rise by \$85 to \$5,635 – the first increase since the 2010-2011 school year.

Centers for Medicare and Medicaid Services (CMS).—The bill includes \$3.156 billion for operations of CMS. The fiscal year 2012 level is \$2.609 billion. Additional funding is needed to continue implementation of the Patient Protection and Affordable Care Act and to accommodate a dramatic increase in the Medicare population, as the baby boom generation ages.

National Institutes of Health.—The bill provides \$30.723 billion, an increase of \$100 million, to fund biomedical research at the 27 Institutes and Centers that comprise the NIH.

Community Health Centers (CHCs).—The bill includes \$1.567 billion for CHCs. Combined with mandatory funding provided in the health reform law, the fiscal year 2013 program level for CHCs is \$3.067 billion—an increase of \$300 million.

Title I (Education for the Disadvantaged).—The bill includes \$14.616 billion, an increase of \$100 million, for title I grants to local education agencies for improving education for low-income students.

Race to the Top.—The bill includes \$549.3 million for the administration’s signature education reform program.

Children's Hospitals Graduate Medical Education (CHGME).—The bill includes \$265 million for CHGME, the same level as in fiscal year 2012. The administration proposed cutting this program by 67 percent.

Low Income Home Energy Assistance Program (LIHEAP).—The bill includes \$3.472 billion, the same as the fiscal year 2012 level, for LIHEAP. The administration proposed a decrease of \$452 million.

Community Services Block Grant (CSBG).—The bill includes \$677 million, the same as the fiscal year 2012 funding level, for the CSBG. The administration proposed a cut of \$327 million.

AIDS Drug Assistance Program (ADAP).—The bill includes \$963 million for ADAP, an increase of \$30 million.

Food Safety.—The bill includes \$43.8 million for food safety activities at CDC, an increase of \$16.1 million. This funding will support food-based outbreak investigations and develop new laboratory and epidemiological tools.

Substance Abuse and Mental Health.—The bill includes a combined increase of \$40 million for the Community Mental Health Services Block Grant and the Substance Abuse Prevention and Treatment Block Grant, in recognition of the severe budget cuts taking place to public mental health and substance abuse treatment systems nationwide.

Overall Funding Levels

The bill includes a program level of \$166.011 billion for fiscal year 2013. (Program level is current year discretionary funding plus additional spending that is offset by savings in mandatory programs and other adjustments to discretionary funding.)

The bill provides discretionary program level funding of \$12.342 billion for the Department of Labor, \$71.0 billion for the Department of HHS, \$68.52 billion for the Department of Education and \$14.15 billion for related agencies. The comparable fiscal year 2012 levels were \$12.553 billion for Labor, \$69.62 billion for HHS, \$68.112 billion for Education and \$13.832 billion for related agencies.

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