

FY2016 Labor, Health and Human Services, and Education and Related Agencies Appropriations Bill Omnibus Agreement Summary

Highlights of the FY2016 Labor, Health and Human Services, and Education and Related Agencies (Labor-HHS) Appropriations Bill:

The FY2016 Labor-HHS Appropriations bill is \$162.1 billion in base discretionary spending for the Departments of Labor, Health and Human Services, and Education and Related Agencies. The bill is \$5.4 billion above the FY2015 level and \$5.5 billion below the President's budget request. In addition, the bill includes \$1.5 billion in cap adjustment funding for preventing waste, fraud, abuse, and improper payments in the Social Security, Medicare, and Medicaid programs.

HIGHLIGHTS

- **National Institutes of Health** – \$2 billion increase. This is the largest increase in the Labor/HHS bill since the doubling of NIH's budget ended in 2003.
- **Fighting Opioid Abuse** – \$91 million, or 284 percent, increase;
- **Title I & Individuals with Disabilities Education Act (IDEA) Grants to States** at the Department of Education – \$950 million combined increase;
- **Charter Schools** – \$80 million increase;
- **Job Training Grants to States** – \$85.7 million increase;
- **Combating Antibiotic Resistant Bacteria** – up to a \$303 million increase for HHS-wide initiative;
- **Obamacare's Independent Payment Advisory Board** is defunded.
- **Risk Corridor** – provision included requiring the Administration to operate the program in a budget neutral manner.

DEPARTMENT OF LABOR

The agreement funds the Department of Labor at \$12.2 billion, a \$215 million increase above FY2015.

Job Training – \$2.7 billion, an increase of \$86 million above FY2015. These funds are distributed by formula to states and localities to meet job training and reemployment needs.

Job Corps – \$1.7 billion, a \$5 million increase over FY2015. 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. Almost 50,000 new student enrollments are expected in FY2016. Approximately 94 percent of Job Corps students successfully attain industry-recognized certifications.

VETS – \$271 million, an increase of \$1.1 million from FY2015. Veterans Employment and Training funding provides intensive employment services to veterans and eligible spouses, transitioning servicemembers, wounded warriors, and disabled veterans. In addition, funding in the bill will provide specialized services for approximately 17,000 homeless veterans nationwide.

YouthBuild – \$84.5 million, an increase of \$4.8 million above FY2015. This program helps 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 increases the amount of job training funding available at the State level from 10 percent to the authorized level of 15 percent. By increasing the set-aside, Governors will be able to increase their ability to respond to their state's unique workforce conditions and training needs and fund additional State-wide or regional projects.

Occupational Licensing Portability Initiative – \$7.5 million to establish a consortium (or multiple consortia) of states to analyze and develop a framework for reciprocity or portability for certain occupational licenses across state lines. This will help reduce unnecessary barriers to mobility and re-employment for thousands of dislocated workers, transitioning servicemembers, and military spouses.

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

Blacklisting – The request to establish an Office of Labor Compliance to implement the “Fair Play and Safe Workplace Executive Order” (also known as the “Blacklisting” initiative) is denied, and funds are withheld. The Office would have played a central role in a new government-wide initiative to hinder businesses from competing for federal contracts.

OSHA Enforcement of Fertilizer Handling – OSHA is prohibited from imposing new and costly enforcement regimes on stakeholders without following the full and open regulatory process, including OSHA’s newly-announced application of process safety management standards regarding handling of fertilizers.

H-2B Foreign Labor Certifications – The bill provides additional resources for the prompt processing of foreign labor certifications and blocks the most controversial portions of the Department of Labor’s new 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.

Minimum Wage for Seasonal Workers on Federal Lands – The bill prohibits enforcement of a Department of Labor regulation to apply the federal minimum wage to seasonal contractors of recreational services and equipment rentals on federal lands.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The agreement funds the Department of Health and Human Services at \$75.2 billion, a \$3.8 billion increase above FY2015, including cap adjustments.

National Institutes of Health (NIH) – \$32 billion, an increase of \$2 billion above FY2015. This is the largest increase in the Labor/HHS bill since the doubling of NIH's budget ended in 2003.

- \$200 million for the new Precision Medicine Initiative;
- \$350 million increase for Alzheimer's disease research;
- \$150 million, an \$85 million increase, for the BRAIN Initiative to map the human brain;
- \$461 million, an increase of \$100 million, to Combat Antibiotic Resistance;
- \$320.8 million, an increase of \$47.5 million, for the Institutional Development Award;
- \$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.

Fighting Opioid Abuse – \$123 million, an increase of \$91 million or 284%, for programs targeted to combat opioid abuse at the Centers for Disease Control and Prevention (CDC) and the Substance Abuse and Mental Health Services Administration. According to CDC, deaths from prescription opioids quadrupled between 1999 and 2013, with overdoses costing the economy an estimated \$20 billion in medical costs and work loss productivity each year.

Community Health Centers – \$1.49 billion, level with FY2015. There are over 9,000 Health Centers nationally, serving 21.1 million patients per year.

Combating Antibiotic Resistant Bacteria (CARB) – \$774 million, an increase of \$303 million, to combat antibiotic resistant bacteria through a multi-pronged approach of developing new antibiotics, creating a faster identification system, and supporting activities to develop stewardship programs. Funding is provided to NIH, the Biomedical Advanced Research and Development Authority (BARDA), CDC, and the Agency for Healthcare Research and Quality. Within this amount, BARDA has the flexibility to prioritize funding for antibiotic resistance bacteria and other emerging threats.

ObamaCare – The agreement does not provide new funding for 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 last year's bill, the Subcommittee was able to save over \$2.5 billion from potentially being transferred out of priority discretionary HHS programs funding in the Labor/HHS appropriations bill to bailout the Risk Corridor program established by the Affordable Care Act (ACA).

- **State-Based Exchanges** – With the increasing number of State-Based Exchanges failing due to lack of revenue, the agreement includes report language directing CMS to ensure that discretionary funds are not used to pay for operational costs for these Exchanges.
- **ACA Congressional Notification** – The agreement directs CMS 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.
- **Healthcare.gov Data Privacy** – The standing Senate bill contains report language directing CMS to encrypt and prevent future sharing of consumer information on Healthcare.gov, to review its current privacy guidelines, and to implement appropriate security measures.
- **Internal Controls** – The standing Senate bill contains report language directing CMS to work with the Office of Inspector General to increase the accuracy of payments and safeguard taxpayer funds made to health insurance providers for advance premium tax credits and cost sharing subsidies under the ACA.
- **Plan Transparency** – The standing Senate bill includes language directing the Secretary to ensure that health plans offered on the Exchanges provide full transparency regarding abortion coverage.

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 – \$149.6 million, an increase of \$2.1 million above FY2015, 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 agreement focuses resources towards efforts and programs to help rural communities, such as telehealth.

Cancer Prevention and Control – \$356.2 million, an increase of \$3.5 million above FY2015. This includes funding for CDC's breast, cervical, colorectal, and prostate cancer screening programs which the Administration proposed to cut because of the ACA. However, the ACA has failed to provide coverage for everyone, and the bill maintains funding for these programs designed to specifically serve low-income, uninsured, and underinsured adults.

Immunization Program – \$610.8 million, level with FY2015. The Administration proposed to cut this program by \$50.3 million because of the ACA. 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 that remain even with the implementation of the ACA.

Children's Hospitals Graduate Medical Education (CHGME) – \$295 million, an increase of \$30 million above FY2015. 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.

Public Health Emergency Preparedness (PHEP) – \$660 million, an increase of \$16.4 million above FY2015, which includes at least \$9.4 million for technical assistance to States. PHEP funds 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, an increase of \$40.7 million above FY2015. CDC maintains and replenishes expiring medical countermeasures in the SNS for national preparedness efforts.

Preventive Health and Health Services Block Grant (Prevent Block Grant) – \$160 million, level with FY2015. 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 – \$107.4 million, an increase of \$20 million above FY2015, for the Office of Medicare Hearings and Appeals (OMHA). This will increase the number of Administrative Law Judge (ALJ) teams to combat the substantial backlog of Medicare appeals currently pending at OMHA. OMHA receives over a year's worth of work every eight weeks, and at the start of FY2015, OMHA had 10 years' worth of work for the existing staff. The number of appeals related to Recovery Audit Contractors has risen dramatically causing a significant backlog in the number of cases pending before the ALJ teams.

Office of the Inspector General (OIG) – \$75 million, \$4 million above FY2015. The OIG protects the integrity of HHS programs by combatting fraud, waste, and abuse within program activities.

Polio Eradication – \$169 million, an increase of \$10.2 million above FY2015. Currently, polio is endemic in only three countries, Nigeria, Afghanistan, and Pakistan. Nigeria has not reported a case since August of 2014 and will be declared polio-free if no cases are reported by August of 2017.

Mental Health Programs of Regional and National Significance – \$414.6 million, an increase of \$36 million above FY2015. These are competitive grant programs supporting mental health services. Specifically, the agreement provides a \$25 million increase above FY2015 for Project Aware and the Behavioral Health Workforce Education and Training grants.

Mental Health Block Grants – \$532.6 million, an increase of \$50 million above FY2015. The bill increases the set-aside for serious mental illness activities to 10 percent and fully offsets this increase with the additional funds. Further, an additional \$20 million will be provided to States through the formula grant. The Block Grants represent the primary sources of mental health funding for State programs.

Substance Abuse Prevention and Treatment Block Grants – \$1.9 billion, an increase of \$38.2 million above FY2015. These funds provide flexible dollars to grantees to support and expand substance abuse and prevention services based on local need.

Child Care and Development Block Grant (CCDBG) – \$2.8 billion, an increase of \$326 million above FY2015. This increase will help States implement key quality improvement reforms in the CCDBG Act of 2014 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 \$570 million above FY2015. Of this increase, \$135 million is to expand Early Head Start, including through Early Head Start-Child Care Partnerships, for children and families from before birth through age three; \$141 million is to support all current Head Start programs to help them keep up with costs and retain high quality staff; and \$294 million is to help current Head Start programs increase the duration of their services, with the goal of moving to full-day and full-year services.

Low Income Home Energy Assistance Program (LIHEAP) – \$3.39 billion, level with FY2015. LIHEAP provides critical home heating and cooling assistance for low-income households.

Older Americans Act Programs – These programs provide social, nutritional, and caregiver support to our aging population. These include:

- Supportive Services, Preventative Health, and Protection Formula Grants at \$388.2 million (level with FY2015);
- Caregivers Support Formula Grants at \$158.1 million (\$6.5 million increase above FY2015);
- Senior Nutrition Program at \$834.7 million (\$20.1 million increase above FY2015).

Elder Justice Initiative – \$8 million, an increase of \$4 million above FY2015. This competitive grant program supports States' efforts in testing and evaluating approaches to address elder abuse.

Alzheimer's Disease Demonstration and Initiative – \$19.5 million, an increase of \$1 million above FY2015. This funding supports competitive grants to expand the availability of evidence-based interventions and long-term care services for individuals with Alzheimer's disease. In addition, funds support an Alzheimer's disease outreach campaign designed to educate caretakers on the resources available in the community.

Biomedical Advanced Research and Development Authority (BARDA) – \$511.7 million, an increase of \$38.7 million above the FY2015. BARDA is responsible for advanced research and development of medical countermeasures for national preparedness efforts.

Project BioShield – \$510 million, an increase of \$255 million above FY2015. This program enhances our national preparedness activities by procuring medical countermeasures against chemical, biological, radiological, and nuclear threats.

DEPARTMENT OF EDUCATION

The bill funds the Department of Education at \$68.3 billion, a \$1.4 billion increase above FY2015.

Title I Grants to LEAs – \$14.9 billion, a \$500 million increase above FY2015. 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 improve student outcomes.

IDEA Grants to States – \$12.7 billion for grants to States under part B and C of the IDEA, a \$450 million increase above FY2015, including preschool grants and grants for infants and families. These programs support special education services for children with disabilities from birth through age 21.

Charter Schools – \$333 million, an increase of \$80 million above FY2015. This program supports school choice through grants to States and charter management organizations for the planning, design, initial implementation, and expansion of successful charter schools.

Impact Aid – \$1.3 billion, an increase of \$17 million above FY2015. 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 the Federal property program.

Supporting Effective Educator Development (SEED) program – The agreement increases the SEED set-aside within the Teacher Quality State Grants program from 2.3 percent to 4 percent. This program supports evidence-based approaches for recruiting, training, or providing professional enhancement activities for teachers and school leaders, particularly for high-need schools most likely to face shortages in these areas.

Rural Education – \$176 million, an increase of \$6 million. This program provides funding to small and rural school districts to help address the unique challenges faced by such districts and schools.

Increase in Maximum Pell Grant – The agreement provides more than sufficient funding to increase the maximum Pell Grant award from \$5,775 in the 2015-16 school year to an estimated \$5,915 for the 2016-17 school year.

Aid for Institutional Development – The agreement includes \$570 million, a \$40 million increase for Aid for Institutional Development programs, including \$245 million, a \$17 million increase for Strengthening Historically Black Colleges and Universities.

TRIO Programs – \$900 million, an increase of \$60 million. TRIO programs provide services to students from disadvantaged backgrounds to enter and complete college and postgraduate education.

RELATED AGENCIES

Institute for Museum and Library Services – \$230 million, an increase of \$2.1 million above FY2015. 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, level funding for FY2018. An additional \$40 million, as requested, is provided in FY2016 to begin the process of upgrading the public broadcasting interconnection system.

Corporation for National and Community Service – \$1.1 billion, an increase of \$40 million. This includes \$386 million for AmeriCorps grants, an increase of \$51 million, including 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 a variety of activities aimed at reducing waste, fraud, and abuse of taxpayer dollars, including:

- **Reemployment Services and Eligibility Assessments** – An additional \$35 million is provided to conduct enhanced, in-person assessments to accelerate the reemployment of Unemployment Compensation recipients into good jobs, reduce the duration of their time receiving benefits and their likelihood of exhausting benefit coverage, and protect UI Trust Fund integrity by reducing improper payments.
- **Health Care Fraud and Abuse Control (HCFAC)** – \$681 million, an increase of \$9 million above FY2015, by utilizing the cap adjustment provided in the Budget Control Act. Every \$1 spent on HCFAC, \$8.10 is recovered by the U.S. Treasury. This will create over \$5.5 billion in savings to the Treasury.
- **Preventing Social Security Disability Fraud, Abuse, and Improper Payments** – \$1.5 billion, an increase of \$15 million above FY2015. 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 \$10 billion over ten years for the Social Security, Medicare, and Medicaid programs.
- Eliminating Fragmentation, Overlap, and Duplication as recommended by the Government Accountability Office (GAO).

Program Eliminations – The bill focuses funding programs that are efficient, cost-effective, with proven outcomes. The Committee recommendation includes 17 program eliminations, equating to \$246 million in spending reductions.

New Obama Initiatives Not Funded – The bill does not include funding for 23 new, unauthorized initiatives proposed by the Administration, saving \$1.16 billion.