

NLWJC - Kagan

DPC - Box 004 - Folder 014

**Budget Materials - Labor/HHS
Appropriations**

NEW INITIATIVES

NEW SAVINGS

Budget - FY 99

SPENDING: POSSIBLE MANDATORY INITIATIVES	COST billion	POSSIBLE MANDATORY TAX SAVINGS	COST billion
School Construction	\$2-5	Tax Subsidy/ Loophole Savings (except Superfund)	\$20
Smaller Class Size	\$5-10	Mandatory Savings (including Superfund)	\$10-15
Child Care Block Grant	\$4	Tobacco	?
Quality/Early Learning Initiative	\$2-4		
Dependent Child Tax Credit	\$3-10		
After-School	\$0.5-1.0		
Medicare Buy-In	\$0.5-4.0		
Climate Change Tax Cut	\$2.5-5.0		
Double NIH	\$13-20		
Welfare-to-Work Housing Vouchers	\$300 mill. (1year)		
Pension Initiatives	?		
Paid Leave	\$5-7.5		

DISCRETIONARY	FY 99 (million)
Lang/Fattah Early Intervention	\$300
Urban/Rural School Reform	\$320
Housing Initiative (including portability & down payment	\$20-120
Child Labor (including, IPEC, Customs & Migrant Education)	\$145
Hispanic Education	\$80-180
Learning on Demand	\$25-75
Race and Health	\$150
Community Prosecutors	\$100
Teacher Technology	\$100

Non-Defense Discretionary (NDD) Spending Summary
 (budget authority, in billions of dollars)

01-Dec-97

10:03 AM

BRB:ELR

G:\99PG_BUD\TABLE1.wk4

	<u>FY 1998</u>		<u>FY 1999</u>		<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>		<u>FY 2003</u>	
	<u>BA</u>	<u>OL</u>										
FY 1998 Budget.....	292.3	282.1	288.2	287.3	289.7	295.4	290.1	296.2	293.5	292.5	302.3	293.3
FY 1999 Budget												
NDD Caps.....	286.7	289.3	291.3	295.4	291.9	297.0	290.6	294.4	292.6	288.2	299.8	295.3
FY 1999 Passback.....	285.1	287.3	286.3	295.2	286.9	296.3	285.6	294.7	287.6	290.2	294.8	295.2
Presidential Priority Reserve.....	N/A	N/A	5.0	0.1	5.0	0.7	5.0	-0.4	5.0	-2.0	5.0	0.0

Budgets - FY 99 generally

Passback: Excluding Presidential Priority Reserve
(budget authority, in billions of dollars)

01-Dec-97

09:55 AM

BRB:ELR

G:\99PG_BUD\TABLE2.wk4

	FY 1998 Enacted	FY 1999 Passback	Passback less Enacted	Pending Proposals From Pres. Reserve
Agriculture Department.....	15.3	14.9	-0.389	0.108
Commerce Department.....	4.3	4.7	0.468	0.078
Education Department.....	29.1	29.6	0.459	1.867
Energy Department.....	5.0	5.5	0.547	0.297
Health and Human Services.....	36.0	34.9	-1.133	1.852
Housing and Urban Development.....	23.8	24.4	0.521	1.320
Interior Department.....	8.1	7.4	-0.648	0.333
Justice Department.....	17.1	17.5	0.411	1.103
Labor Department.....	10.7	10.7	0.015	0.330
State Department.....	4.7	5.3	0.582	0.062
Transportation Department.....	39.9	37.5	-2.345	5.282
Treasury Department.....	11.5	11.7	0.219	0.242
Veterans Affairs.....	18.9	18.7	-0.250	---
Corps of Engineers.....	4.1	3.0	-1.071	0.489
Environmental Protection Agency.....	7.4	7.4	0.032	0.487
Federal Emergency Management Agency.....	0.8	0.8	-0.025	0.035
General Services Administration.....	0.1	0.1	0.024	0.157
National Aeronautics and Space Administration..	13.3	13.2	-0.036	0.268
National Science Foundation.....	3.4	3.2	-0.187	0.223
Office of Personnel Management.....	0.2	0.2	-0.009	---
Small Business Administration.....	0.7	0.7	-0.010	0.046
Social Security Administration.....	6.4	6.2	-0.206	---
Legislative Branch.....	2.3	2.4	0.065	---
Judiciary.....	3.2	3.3	0.089	0.233
Other.....	18.9	18.1	-0.855	0.997
Non-Defense Discretionary Spending.....	285.1	286.3	1.118	15.809
Defense Discretionary Spending.....	268.9	271.5	2.550	
Total Discretionary Spending.....	554.1	557.7	3.668	

**Distribution of Spending by Agency:
Excluding Presidential Priority Reserve**
(budget authority, in billions of dollars)

01-Dec-97

09:55 AM

BRB:ELR

G:\199PG_BUDITABLE3.WK4

	FY 1998	Passback				
	Enacted	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Agriculture Department.....	15.3	14.9	14.9	14.9	15.1	15.5
Commerce Department.....	4.3	4.7	6.0	4.0	3.8	3.8
Education Department.....	29.1	29.6	30.4	31.0	31.5	31.8
Energy Department.....	5.0	5.5	5.2	5.1	5.0	5.1
Health and Human Services.....	36.0	34.9	35.0	35.1	35.2	35.8
Housing and Urban Development.....	23.8	24.4	28.4	29.3	30.3	31.2
Interior Department.....	8.1	7.4	7.3	7.3	7.2	7.4
Justice Department.....	17.1	17.5	16.4	16.2	16.6	17.1
Labor Department.....	10.7	10.7	10.7	10.8	10.9	11.1
State Department.....	4.7	5.3	5.1	4.7	4.7	4.7
Transportation Department.....	39.9	37.5	38.2	38.8	39.5	40.1
Treasury Department.....	11.5	11.7	11.2	11.1	11.1	11.1
Veterans Affairs.....	18.9	18.7	18.7	18.7	18.7	19.3
Corps of Engineers.....	4.1	3.0	3.5	3.2	3.3	3.3
Environmental Protection Agency.....	7.4	7.4	6.8	6.7	6.8	6.9
Federal Emergency Management Agency.....	0.8	0.8	0.8	0.8	0.7	0.8
General Services Administration.....	0.1	0.1	0.1	0.1	0.1	0.1
National Aeronautics and Space Administration.....	13.3	13.2	12.6	12.6	12.6	12.6
National Science Foundation.....	3.4	3.2	3.2	3.2	3.1	3.2
Office of Personnel Management.....	0.2	0.2	0.2	0.2	0.2	0.2
Small Business Administration.....	0.7	0.7	0.7	0.7	0.7	0.7
Social Security Administration.....	6.4	6.2	6.3	6.4	6.5	6.6
Legislative Branch.....	2.3	2.4	2.4	2.5	2.6	2.6
Judiciary.....	3.2	3.3	3.4	3.5	3.6	3.7
Other.....	18.9	18.1	17.9	17.7	17.5	18.0
Non-Defense Discretionary Spending.....	285.1	286.3	286.9	285.6	287.6	294.8
Defense Discretionary Spending.....	268.9	271.5	275.3	281.8	289.5	297.5
Total Discretionary Spending.....	554.1	557.7	562.2	567.3	577.1	592.3

Budget materials -
Labor-HHS bill

 Bruce N. Reed
10/06/97 02:23:27 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Preliminary conference notes Labor/HHS

See note in first graph re Murray amendment

----- Forwarded by Bruce N. Reed/OPD/EOP on 10/06/97 02:23 PM -----

 Barbara Chow
10/02/97 02:56:14 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Michael Cohen/OPD/EOP, Robert M. Shireman/OPD/EOP, Barry White/OMB/EOP, Charles E. Kieffer/OMB/EOP

Subject: Preliminary conference notes Labor/HHS

The Labor/HHS principals and staff have been meeting over the past several days and reached some very preliminary conclusions on a number of issues. Another meeting is planned for Monday (without Specter) and a tentative conference is scheduled for Tuesday. Staff anticipate that Senator Murray's domestic violence amendment will be discussed on Tuesday.

It does not appear likely that the conference will conclude next week but it is possible. The levels below represent first cut tentative conference outcomes and should be considered confidential and highly preliminary.

Funding

Goals 2000: Currently carried at below 1997 levels (\$491 million) but staff believe that it will ultimately be funded at a freeze. House majority staff are concerned that any level above 1997 will make create problems with Republican conservatives. We have pushed for the Senate level of \$530 million but should at some point signal our bottom line.

Pell Grants: \$317 million above the Senate, \$211 million below the House. House level was our minimum accepted level. No final decision on independent students but Democratic staff are toying with some formulation that would allow the Secretary of Education discretionary authority to raise the IPA (income protection allowance) to specified levels (this is how we address the independent students issue), if the Pell shortfall is lower than previously anticipated (or some such language) Another variation of this would provide the authorization committee a limited period of time to authorize the independent student policy but the authorization requirement would expire by 1/1/97 and default to the Secretary's discretionary authority. Will need to continue to look for offsets to

pay for Pell to increase it above the current compromise. Also need to keep working with Democratic authorizers to support our no authorization position.

America Reads: \$25 million for Education in 1998, \$235 million advanced funded in 1999. Republicans believe that the \$235 million is really \$260 million because the \$25 million provided in 1998 will go into the base funding and therefore continue into 1999. I have conveyed to both Democratic staff that the \$25 million level is unacceptable. National Service numbers are not clear but the Democrats know that they are supposed to come up to \$25 million for National Service alone. The 1998 authority issues are still unresolved. We need to weigh in soon if we have a preference.

Charter Schools: \$80 million (high split). 1997 level was \$51 million, request was \$100 million.

National Education Testing: \$16 million for test is included.

Office of Civil Rights: \$58 million, 1997 level was \$55 million, request was \$62 million.

Safe and Drug Free Schools: \$556 million, same as 1997, request was \$620 million.

Adult Education State Grants: \$340 million, request was \$382 million, we asked for \$355 million during our last discussions. We should continue to press for the additional \$15 million.

Eisenhower Professional Development: \$310 million, same as 1997.

After School Learning Centers: \$30 million, 1997 level was \$1 million, request was \$50 million.

Program Administration: \$334 million, request was \$341 million.

Education Technology: \$581 million, last year's level was \$305 million, request was \$545 million.

Title I: \$136 million below 1997, no \$400 million targeted program. New problem not previously contemplated.

Welfare to work administration: \$4 million, request was \$6 million.

Youth Opportunity Areas: \$250 million in 1999, will change authorization date until July 1. Staff indicated that monies would be made available October 1, 1998 if the authorization is adopted. Authorization is currently moving in both Houses (passed House, Senate reported).

Job Training Program Act (Disadvantaged Adult Training): \$900 million, 1997 level is \$895 million. Request was \$1,064. Request was protected by the BBA. House level was \$1,043 million, Senate was \$955 million. New problem.

Adoption initiative: 0, request was \$21 million. Staff think we can get \$10 million.

Welfare research: \$21 million, request was \$44 million.

Language

National Test: Porter interested in a compromise which would involve allowing the Administration to go forward with the development of the test but banning administration until a majority (or some number) of states have signed on to the test. Another variation could include allowing

administration only in those states that have signed up for the test (this is not a Porter idea and has not been floated to or by him). Specter is looking at some sort of requirement that would subject administration of the test to authorization. I do not believe that Goodling has been part of any of these discussions so we should be very cautious about these proposals.

Teamsters: Awaiting Administration letter clarifying legal requirements under the consent decree.

Needle Exchange: Looking at some sort of compromise that would retain Secretarial certification but beef up the requirements (e.g. tighten drug abuse language).

Message Sent To:

John L. Hilley/WHO/EOP
Gene B. Sperling/OPD/EOP
Bruce N. Reed/OPD/EOP
Jacob J. Lew/OMB/EOP
Joshua Gotbaum/OMB/EOP

Budget materials -
 Casper - HHS - 8

FY 1998 Appropriations Funding Issues

(CBO scoring, in millions of dollars)

23-Sep-97

09:38 AM

BRB:ELR

G:\DATA\98\PRTY\ISSUES\SUM.WK4

FY 1997 Enacted (OMB)		FY 1998 Request		Latest House Action		Latest Senate Action		Difference:			
								House less FY 1998 Request		Senate less FY 1998 Request	
BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL

LABOR/HHS/EDUCATION:

Deal Items:

Education Department:

Education Reform:

Goals 2000.....	491	484	620	472	387	444	530	462	-233	-28	-90	-10
Pell grants.....	5,919	6,167	7,635	6,531	7,438	6,386	6,910	6,386	-197	-145	-725	-145
Child Literacy Initiatives (America Reads).....	—	—	260	31	—	—	—	—	-260	-31	-260	-31
Total, Education Department (non-add).....	(26,305)	(25,332)	(29,350)	(26,401)	(29,156)	(26,353)	(28,878)	(26,376)	(-194)	(-48)	(-472)	(-25)

Labor Department:

Training and Employment Services.....	4,716	4,718	5,295	4,860	5,042	4,849	5,010	4,849	-253	-11	-285	-11
Youth Opportunities Areas (non-add).....	—	—	(250)	(13)	—	—	—	—	(-250)	(-13)	(-250)	(-13)

Corporation for National and Community Service (Including "America Reads").....

	214	221	256	241	224	211	230	217	-32	-30	-26	-24
--	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Priority Items:

Education Department:

Charter Schools.....	51	21	100	50	100	50	51	44	—	—	-49	-6
National Education Testing.....	15	2	16	2	—	—	16	2	-16	-2	—	—
Office for Civil Rights.....	55	57	62	60	55	55	58	57	-7	-5	-4	-3
Safe and Drug Free Schools and Communities.....	556	557	620	545	556	537	556	537	-64	-8	-64	-8
Adult Education State Grants.....	340	323	382	306	340	301	340	301	-42	-5	-42	-5
Eisenhower Professional Development.....	310	291	360	316	310	310	310	310	-50	-6	-50	-6
After School Learning Center/21st Century Community Learning Centers.....	1	1	50	7	50	7	1	1	—	—	-49	-6

FY 1998 Appropriations Funding Issues
(CBO scoring, in millions of dollars)

23-Sep-97

09:38 AM

BRB:ELR

G:\DATA\98PRTY\ISSUESUM.wk4

FY 1997 Enacted (OMB)		FY 1998 Request		Latest House Action		Latest Senate Action		Difference:			
								House less FY 1998 Request		Senate less FY 1998 Request	
BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL

LABOR/HHS/EDUCATION (cont'd):

Priority Items (cont'd):

Health and Human Services:

Adoption Initiative.....	--	--	21	2	--	--	--	--	-21	-2	-21	-2
HCFA Program Management - Administrative Expenses Required to Implement the BBA...	--	--	--	--	--	--	--	--	--	--	--	--

Labor Department:

Implementation of BBA: Welfare-to-Work.....	--	--	6	5	--	--	4	3	-6	-5	-2	-2
---	----	----	---	---	----	----	---	---	----	----	----	----



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Budget materials -
Luce HAS
Appropriations Bill

October 7, 1997

THE DIRECTOR

The Honorable Bob Livingston
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20503

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 2264, the Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, FY 1998, as passed by the House and by the Senate. As the conferees develop a final version of the bill, your consideration of the Administration's views would be appreciated.

Both the House and Senate versions of the bill provide requested funding for many of the Administration's priorities. The Administration is pleased that both the House and the Senate Committees limited the number of appropriations riders, consistent with the terms of the Bipartisan Budget Agreement (BBA). The conferees are urged to continue this practice. As discussed below, the Administration will seek restoration of certain of the reductions to the President's request. We recognize that it will not be possible in all cases to attain the Administration's full request and will work with the conferees toward achieving acceptable funding levels.

The House and Senate have included \$1 billion and \$2 billion more, respectively, than the President has requested for dozens of authorities in the Department of Education, while cutting the President's request in a broad array of important programs. We urge the conferees to reduce funding for lower priority programs, or for programs that would be adequately funded at the requested level, and to redirect funding to programs of higher priority, particularly those specified in the BBA, as noted below.

Unfortunately, a number of controversial amendments were passed on the House and/or Senate floor, such as an amendment that would create education block grants from Administration priorities such as Goals 2000 and Title I (Education for the Disadvantaged), amendments to prohibit or prevent the use of funds in the Act for supervising the Teamsters reelection, and an amendment to prohibit the use of funds in the Act for the President's National Testing initiative. In addition, certain provisions of the House and Senate bills, such as the lack of FY 1998 funding for the President's America Reads Challenge and insufficient funding for Pell grants, are contrary to the BBA. If such policies were adopted, particularly in light of other concerns raised in this letter, the President's senior advisers would recommend that the President veto the bill.

Department of Education

The Administration appreciates efforts of the Congress to provide substantial new funding for education activities. Unfortunately, the Senate-passed education block grant would undermine all of these gains. The Senate's education block grant provisions would effectively terminate most elementary and secondary education programs, including Title I, Goals 2000, School-to-Work, Charter Schools, Safe and Drug-Free Schools and Communities, and Bilingual and Immigrant Education. The block grant proposal would not ensure that funds are directed to educational problems of greatest concern, and would provide virtually no targeting toward the neediest school districts and students. On September 16th, the President made it clear that he will veto any bill that contains such block grant provisions.

Both the House and Senate have failed to provide the \$260 million necessary for the President's America Reads Challenge in the Department of Education. Both the House and the Senate have provided advance appropriations for America Reads to the Department of Education for FY 1999, pending new authorization, which would produce a full year's delay in getting needed reading assistance to millions of children. The House has provided only \$10 million of the \$42 million requested for America Reads in the portion of the Corporation for National and Community Service budget funded by this bill; the Senate has provided only \$16 million for the same program. The BBA specifically calls for funding a child literacy program consistent "with the goals and concepts of the President's America Reads program" at the levels proposed in the President's FY 1998 Budget. America Reads is one of the Administration's highest funding priorities. The Administration believes that full FY 1998 funding for this initiative should be restored to both the Department of Education and the Corporation for National and Community Service activities funded in this bill and the VA/HUD Appropriations bill.

The Administration is working closely with the authorizing committees to develop legislation effective for FY 1998. There is ample time to enact legislation, as needed, by April 1st for a program that would begin on July 1st, in time for summer activities and the 1998-1999 school year. The Administration also strongly urges the Congress to make the funds available on April 1, 1998 under existing authorities, in the event that final action on the authorization bill is not completed in a timely manner.

The Administration is strongly opposed to House provisions that would bring a halt to the President's National Testing initiative. In his September 20th radio address, the President stated that he will veto any legislation that denies our children high national standards through the prohibition of the President's national testing initiative. The national tests proposed by the President are critical because they will, for the first time, provide students, parents, and teachers the opportunity to measure how well students are performing in comparison to national standards and international benchmarks. As a result, national tests will help hold schools accountable to parents and communities for the performance of all students. The Department of Education has the authority to develop these tests under the Fund for the Improvement of Education (FIE). We

support requirements that the Department of Education contract with the National Academy of Science to conduct a study and report on the testing initiative. In addition, we support the Senate provision that places overall responsibility for the testing initiative with the independent, bipartisan National Assessment Governing Board. The Administration urges the conferees to provide adequate funding for the FIE program that finances this testing initiative, so that sufficient funding will also be available for continuation grants, new awards, and congressional directives.

The BBA specifies funding at the levels proposed in the President's request for Pell grants, which supports both a \$3,000 maximum award and expanded eligibility for independent students. While the FY 1998 maximum award level is set at \$3,000, both the House and Senate have cut the Pell request significantly. Further, neither the House nor the Senate authorize the Administration's proposed independent student policy. This authorization is no different from the Committee's annual procedure of authorizing the maximum Pell grant award. We urge the conferees to fully fund Pell grants and to authorize the independent student change.

We are concerned about three Senate amendments that could transfer almost \$100 million from unobligated balances in the Pell grant program to other Department of Education programs. These funds are needed to fund the \$3,000 maximum award and the President's proposal to expand eligibility for low-income independent students. Therefore, the Administration opposes these amendments.

The Administration strongly opposes a House provision that would prohibit the investigation of violations by, and imposition of penalties upon, States that do not comply with the statutory requirement of the Individuals with Disabilities Education Act (IDEA) Amendments of 1997 to serve eligible individuals with disabilities age 18 or older in adult State prisons. The 1997 Amendments reduced State burdens by reducing the number of eligible individuals and by limiting the types of services that must be provided. Since prison education programs have a positive effect on reducing recidivism and on post-release employment success, the requirement to serve this population should be properly enforced.

The Administration urges the conferees to fund the Office for Civil Rights (OCR) at the President's request of \$61.5 million, \$6 million above the House bill and \$4 million above the Senate bill. OCR plays a vital role in ensuring equal access to education for all students through enforcement of civil rights laws and regulations. Promoting harmonious race relations is an essential part of the President's Initiative on Race. Because OCR enforcement efforts are a fundamental bridge to achieving this goal, OCR must be funded accordingly.

The Administration urges the conferees to fund the Program Administration account at the Senate level of \$340 million. Congress provided the Education Department \$3.6 billion in new program spending in FY 1997, and both the House and Senate bills provide a further increase of nearly \$3 billion, from \$26.3 billion to approximately \$29 billion, for FY 1998. The Department must have sufficient staff resources to properly manage these new funds and programs and to ensure the highest possible level of program performance.

The House has provided only \$387 million for Goals 2000, \$233 million below the request, while the entire Education Reform account is \$223 million below the request. This violates the BBA, which stipulates that the Education Reform account be funded at the President's request. The Senate has provided \$530 million for Goals 2000, \$90 million below the request. The Administration urges the conferees to fund Goals 2000 at the President's request to support education reform and challenging academic standards in all 50 States.

The Administration urges the conferees to fund Safe and Drug-Free Schools and Communities (SDFSC) at the President's request of \$620 million, \$64 million above the level recommended by the House and Senate. SDFSC, the largest Federal school-based drug and violence prevention program, serves more than 40 million students in over 97 percent of the Nation's school districts and is an essential component of a comprehensive effort to reduce teen drug use.

The Administration urges the conferees to fund the Adult Education State Grant program at the President's request of \$382 million, \$42 million above both the House and Senate funding levels. The President's request would meet increased demand for literacy training created by new welfare reform and immigration legislation. At the President's requested funding level, this program would help over 4.2 million adult learners complete high school, start on the path to postsecondary education and better jobs, and become more effective parents. At the House or Senate funding level, about 107,000 adult learners would be denied services.

The House has included language amending the definition of an eligible lender in the Federal Family Education Loan Program. The language would provide a broad exception to the current limitation on how much of a bank's portfolio can comprise guaranteed student loans, including loans that a bank holds as a trustee for a third party. It would also permit finance companies, the financial solvency of which, —unlike banks— is not regulated by a public entity, to be eligible lenders. These provisions would increase the Federal exposure to financial risk and weaken parts of the statute enacted specifically in response to prior abuses. The provision should not be included in the conference bill.

The Administration urges the conferees to fund Title I, Education for the Disadvantaged Grants to Local Educational Agencies at not less than \$7.395 billion, exclusive of "comprehensive school reform." This level would provide a minimum increase over the 1997 level of \$7.295 billion. The most appropriate use of the \$100 million above FY 1997 would be for Targeted Grants. This amount would provide additional education services to help over 130,000 students in our poorest communities master the basics and reach challenging academic standards.

The Administration is concerned about the Senate's \$52 million funding level for the Statistics program, \$14 million less than the President's request. With this funding level, the Department of Education would not be able to move forward on a number of studies, including those providing key data on early childhood, student achievement, teachers, and adult literacy. The Administration urges the conferees to provide the requested funding level.

The Administration supports the Senate-passed language assigning to the National Assessment Governing Board the responsibility for development of voluntary national tests. In order to carry out these responsibilities, we ask that the Conference bill include an additional \$600,000 for the Board for this purpose.

The Administration supports the House level of \$50 million for After School Learning Centers (21st Century Community Learning Centers), which is the same as the President's Budget request. These grants will help communities and schools provide safe environments for learning during after-school hours.

We also urge the conferees to fund other high priority Education programs at the President's requested level, including Eisenhower Professional Development, and Charter Schools.

Department of Health and Human Services

The Administration is deeply concerned that both the House and Senate have failed to provide \$21 million for the Administration's new Adoption Initiative. The goal of this program is to double the number of children adopted or permanently placed outside of child welfare systems by FY 2002. The additional investment is small compared to the potential rewards of placing children in supportive and loving homes. The Administration strongly urges the conferees to fully fund this urgently-needed program at the President's requested level.

Both the House and the Senate have rescinded \$21 million in mandatory research funds. The President's request assumes \$18 million in discretionary and \$21 million in mandatory welfare research funds, for a total of \$39 million. In order to gauge the effects of welfare reform, research is needed now more than ever. The Administration strongly urges the conferees to drop the rescission and to fund this critical welfare research at the President's requested level.

The Administration strongly opposes the House-passed amendment that takes away the authority of the Secretary of Health and Human Services to certify that Federal funds may be used for needle-exchange programs. Under current law, the Secretary may authorize such funding only after a formal determination that a needle-exchange program would both prevent the spread of disease and not encourage the use of illegal drugs. The Department of Health and Human Services is currently engaged in research to answer these questions. It is premature to foreclose possible public health benefits by legislative mandate before the scientific evidence has even been considered.

The Administration urges the conferees to fund the Health Care Financing Administration (HCFA) program management account at the requested level of \$1,775 million. The House has funded HCFA program management at \$1,679 million, \$96 million below the President's request, and the Senate has provided \$1,719 million, \$56 million below the President's request. The President's request level is critical to enabling HCFA to mount an aggressive initiative against

Medicare fraud, waste and abuse. The President's request would also ensure that HCFA is able to comply with Year 2000 systems requirements and perform the CFO audit. The President's request for the Medicare Transaction System would fund consolidation of HCFA's current contractor systems, which needs to occur prior to, and independent of, final resolution of any Medicare modernization issues. The House has not provided any funding for contractor consolidation, and the Senate has provided \$35 million less than the request for this program. HCFA also faces implementation challenges as a result of the BBA. The Administration urges the conferees to appropriate the \$200 million in managed care user fees authorized in the BBA. We are committed to working with the Congress to determine the appropriate level of additional funding for BBA implementation.

The Administration prefers the Senate funding level of \$208 million for the Title X Family Planning program. This level will serve an additional 80,000 clients in FY 1998 and will enable the Family Planning program to continue its priorities, including outreach to women not likely to seek services and emphasis on comprehensiveness of reproductive health services. The Administration also supports efforts to encourage minors to discuss their health care needs with their families.

Both the House and Senate have included a provision that prohibits the purchase of managed care coverage that includes abortion. The President believes that abortion should be safe, legal, and rare. However, the provision would not only maintain, but would further limit the range of conditions under which a woman's health would permit access to abortion. Furthermore, it would require a physician to make a legal determination that these conditions have been met. The Administration opposes this attempt to constrain further the availability of abortion services. Nonetheless, it is helpful that the provision is clear that limitations on the use of Federal funds to provide abortion services under managed care plans do not affect in any way the ability of States to provide such coverage using their own funds, nor the ability of managed care providers to participate in Federally-funded programs while also offering other coverage paid for by State or private funds.

The Administration is pleased that both the House and Senate have provided increased funding for many of the Ryan White AIDS CARE Act programs, including the AIDS Drug Assistance Program (ADAP). The Administration urges the conferees to provide as large an increase as possible for all Ryan White AIDS CARE Act programs, including ADAP, consistent with the President's other priorities in the bill. We also urge the conferees to allocate funds in a way that maximizes the provision of primary care.

The Administration is concerned that neither the House nor the Senate has provided a specific amount for AIDS research through a single appropriation for the National Institutes of Health's (NIH's) Office of AIDS Research, as requested in the President's budget. The single appropriation would help NIH plan and target NIH research funds effectively, minimizing duplication and inefficiencies across the 21 institutes and centers that carry out HIV/AIDS research.

The Administration is concerned that the House has funded HIV prevention activities at the Centers for Disease Control and Prevention at \$12 million below the President's request. The FY 1998 Budget proposes a \$17 million increase for this activity to target HIV prevention for intravenous drug users at risk of developing the virus. The conferees are encouraged to fully fund the President's request of \$634 million.

The Administration strongly endorses an amendment offered in both the House and Senate that repeals the \$50 billion tobacco settlement credit contained in the Balanced Budget Act of 1997. The amendment, sponsored by Senators Durbin and Collins and Representatives Lowey and Roukema, garnered strong bipartisan support and should be adopted in conference.

Department of Labor

The BBA specifies funding at the levels proposed in the President's budget for Training and Employment Services, including Job Corps. The FY 1998 request included \$250 million for the Youth Opportunity Area proposal. The House bill provides \$100 million in FY 1999 for this program, while the Senate bill provides \$250 million in FY 1999, contingent upon enactment of authorizing legislation by April 1, 1998. We urge the conferees to adopt the Senate approach, provided that the date for enactment of authorizing legislation is changed to July 1, 1998. The House and Senate bills reduce requested funding for the adult training grant program by \$21 and \$109 million, respectively. We urge the conferees to restore funding for this program.

The Administration appreciates the House's allocation of \$183 million to help finance the year 2000 conversion of State Unemployment Insurance (UI) systems and the Senate's allocation of \$150 million for the same purpose. However, both amounts are below the level needed to provide adequate funding to meet the year 2000 costs. The conferees are urged to provide the \$200 million request for year 2000 conversion costs. The House and the Senate have failed to provide \$89 million for spending on UI "integrity" initiatives (e.g., increased eligibility reviews, tax audits). The spending is explicitly assumed in the Balanced Budget Act of 1997, and would, over five years, achieve \$763 million in mandatory savings assumed in the Act.

On July 17, 1997, the President sent to Congress a budget amendment for \$6.2 million for the Labor Department to administer the \$3 billion Welfare-to-Work program. The House-passed bill includes no funds for Welfare-to-Work administration, while the Senate-passed bill provides \$4 million. We urge the conferees to include \$6.2 million to administer the Welfare-to-Work program, which was agreed to by Congress in the Balanced Budget Act of 1997.

The Administration urges the Conferees to provide the President's request of \$1.064 billion for the Job Training Partnership Act. These resources are essential for locally-based strategies to help disadvantaged adults obtain and hold good jobs with career potential. Furthermore, data show that this adult training program has a positive net impact on earnings.

The Senate has provided \$990 million, and the House \$981 million, for the Department of Labor workplace protection programs. Both levels are about half of the President's proposed increase. Without the requested level, the Department will not be able to carry out a balanced program of targeted enforcement with expanded partnerships and compliance assistance in the regulated community, or streamline its operations to provide assistance to small businesses in complying with various workplace laws and related executive orders, such as the systems and technical assistance improvements requested for the Office of Federal Contract Compliance. The conferees are urged to provide the requested level for the Bureau of Labor Statistics to ensure the continued accuracy and reliability of all the Bureau's programs. Funding for the independent National Labor Relations Board has been frozen, a cut of \$11 million below the request. The Administration urges the conferees to enact the Administration's request for these programs.

Social Security Administration

The House has provided \$245 million for additional Continuing Disability Review (CDR) funding and SSI reforms implementation, \$45 million less than the President's request. The Balanced Budget Act of 1997 contains a provision that provides authority for a \$290 million upward cap adjustment (\$45 million more than prior law) to the non-defense discretionary spending caps for funding provided for additional CDRs. This is consistent with Senate action and the President's request. Failure to provide the additional funds would mean that some 15 percent fewer individuals would have their status reviewed in FY 1998, potentially costing hundreds of millions of dollars in benefits to individuals who would have been found no longer eligible. We urge the conferees to provide the additional \$45 million, consistent with Senate action.

The Senate has reduced funding for the Office of the Inspector General (IG) by \$7 million from the President's request of \$44 million. The reduction to the IG request would hamper the IG's ability to perform audits and investigations needed to prevent fraud, waste, and abuse and to assure program integrity. The Administration urges the conferees to restore funding to the maximum extent possible in this key area.

The Senate has reduced funding for research and demonstration projects by \$7.4 million from the President's request of \$16.7 million. The reduction in research and demonstration funding would reduce SSA's ability to understand the reasons for growth in the disability programs and implement initiatives intended to improve SSA's record in returning disabled beneficiaries to work. At the same time, the Senate specified that not less than \$2.25 million shall be available to establish a demonstration project to assist persons with disabilities due to the loss of a limb to return to work. The Administration urges the conferees to restore funding to the maximum extent possible in this key area, but to do so without identifying specific projects and funding levels. The Administration believes that SSA staff are in the best position to establish a

research and demonstration projects agenda that gives full consideration to assisting all persons with disabilities, without special regard to the specific impairments that are the cause of the disabilities.

Additional Administration concerns are contained in the enclosure.

Sincerely,



Franklin D. Raines
Director

Enclosure

Identical Letter Sent to The Honorable Bob Livingston,
The Honorable David R. Obey, and The Honorable John E. Porter,
The Honorable Ted Stevens, The Honorable Robert C. Byrd,
The Honorable Arlen Specter, and The Honorable Tom Harkin

Enclosure
(Conference)

ADDITIONAL CONCERNS
**H.R. 2264 – DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1998**

The Administration looks forward to working with the conferees to address the following concerns.

All Agencies Covered by the Bill

- **Across-the-Board Administrative Cut.** The Senate bill calls for a \$76 million administrative cut, spread across all agencies covered by the bill. Such a cut would have a serious impact on the operation of important programs throughout these agencies.
- **Operating Plans.** The House Committee report calls for all agencies covered by the bill to provide to the Committee "operating plans" for appropriations. The administration is prepared to work with the conferees to discuss the purpose of this request and determine how to address it.

Department of Health and Human Services

- **Community Schools: Violent Crime Reduction.** While the Administration supports the House and Senate funding of Violence Against Women Act programs, neither the House nor the Senate has provided funding for the Community Schools program within the Violent Crime Reduction Programs account. The House has provided no funding for Developmental Disabilities Special Projects activities. We urge the conferees to restore funding for these programs.
- **Medicare Survey and Certification User Fees.** The President's budget proposes total funding of \$158 million for the surveys and certification program, \$148 million in budget authority and \$10 million in user fees. The House has provided \$148 million in budget authority, \$10 million below the President's request. The Senate has provided \$158 million in budget authority but has not enacted the \$10 million in user fees. The Administration believes that health care providers who derive considerable benefit from the Medicare program should fund the cost of conducting initial surveys required for entry into the program. We urge the conferees to enact the Administration's survey and certification user fee proposal and to fully fund the President's request for this activity.

- **Aging Services Programs.** Within the Administration on Aging, the House and the Senate have provided no funding for the Alzheimer's Initiative. This important program would provide critical resources for the elderly.
- **Head Start.** The Administration is concerned that the Senate, while providing the full request for Head Start, would make the funds available in a manner that is inconsistent with the Head Start Act. It appears that the Senate intends to double the amount of funding for the Early Head Start program out of the overall increase provided for Head Start over the FY 1997 appropriation. We urge the conferees to provide these funds in accordance with the bipartisan authorizing statute in order to support the President's goal of serving one million children by FY 2002.
- **Hansen's Disease.** The House bill includes language that would transfer HHS' Hansen Disease treatment facility at Carville, Louisiana, to the State of Louisiana. The Administration supports this transfer, but objects to how the language transfers property to the State of Louisiana and how it handles personnel issues. We believe that the General Services Administration, the Federal Government's property asset manager, should handle the transfer as authorized in the Federal Property and Administrative Services Act of 1949. In addition, the Administration strongly opposes those provisions pertaining to the computation of employee annuities and disability retirement benefits. The Administration urges the conferees to delete these provisions. There are a variety of ways to ensure the well-being of and retirement benefits for these employees, and the Administration wants to work with the conferees to draft language that is consistent with current law.
- **Additional Health Concerns.** The Administration is concerned that: the Senate has not provided the full request for the Agency for Health Care Policy and Research; the House has not provided the full request for the Office of Emergency Preparedness; neither the House nor the Senate have provided the full request for the HRSA Organ Transplantation program. To the extent possible, we urge that the requested funding levels be provided for these additional health concerns.

Neither the House nor Senate bills fully-fund the request for HHS's Office for Civil Rights. The Administration urges the conferees to provide the \$20.5 million requested in the Budget, which would allow OCR to strengthen its compliance and enforcement activities related to adoption, foster care, managed care, and welfare reform.

Social Security Administration

- **Official Time.** Language in the House bill would bar the expenditure of trust fund money for employees who conduct union activities on official time. Paying for

such expenses is consistent with both Federal law and SSA's collective bargaining agreements. Restricting certain funding sources from paying for this activity would unfairly shift costs to the general fund and not reduce the amount of Federal funds expended on this legitimate activity. This limitation should be stricken from the bill.

- **SSI User Fee.** Both the House and the Senate have included language to authorize increases to the fee States pay SSA for administering State payments that are supplemental to SSI benefits, and provide for such funds to be available, subject to appropriations action, upon collection for SSA administrative expenses. This provision is identical to language in the Balanced Budget Act of 1997, which also includes a provision directing that these additional fees shall be credited as a discretionary offset to discretionary spending to the extent that the amounts are made available for expenditure in appropriations acts. The Administration commends the actions of both the House and the Senate and urges the conferees to delete the authorization language that is now duplicative of the Balanced Budget Act.

Railroad Retirement Board

- **Inspector General.** The House has included language prohibiting the use of any funds other than those in the Inspector General (IG) account for the provision of supplies, space, and services by other offices of the Railroad Retirement Board (RRB) to the IG. The language should be stricken from the bill. The Administration believes that the current means of financing centralized services provided to the IG is consistent with the provisions of the IG Act and that the RRB should not be singled out in this respect. The Administration also notes that, once the amount specified in report language related to these support services is factored into the total for the IG, the Committee would effectively reduce the IG budget by 17 percent from the FY 1997 enacted level. The President's request is for level funding; the reduction in the House bill is excessive.
- **Inspector General.** The House has included language prohibiting the RRB IG from using funds for any audit, investigation, or review of the Medicare program. RRB has statutory authority to administer a separate contract for RRB, Part B Medicare claims. The Administration believes that this language should be dropped. As long as RRB has authority to negotiate and administer a separate Medicare contract, the RRB IG ought not be prohibited from using funds to review, audit, or investigate activity related to that contract.

Armed Forces Retirement Home

- **The House bill would reduce the \$25 million capital program by one-third. The Senate bill would reduce the capital program by three-fifths. This program includes the renovation of the Sheridan dormitory in Washington and design of the medical facility in Mississippi. The Administration strongly supports full funding of these renovations, which are badly needed to serve these elderly veterans.**



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Budget materials -
labor/HHS approps

STATEMENT OF ADMINISTRATION POLICY

TO: JOHN HILLEY
MARTHA FOLEY
BARBARA CHOW
ANDY BLOCKER
JOHN PODESTA
SYLVIA MATHEWS
GENE SPERLING
CHUCK MARR
BRUCE REED
ELENA KAGAN
PAUL WEINSTEIN
JENNIFER KLEIN
JASON GOLDBERG

CC: JACK LEW
CHARLES KIEFFER

FROM: Alice Shuffield *AS*

DATE: September 4, 1997

SUBJECT: FOR YOUR CLEARANCE --
HOUSE Labor/HHS Appropriations SAP

Attached is the draft of our House Floor SAP regarding S. 1061, Labor / HHS / Education Appropriations Bill. The House takes up the bill this afternoon.

Position: Senior Advisors Veto Threat (page 1) -- The veto threat differs from the Senate SAP. It now pertains to the Riggs amendment regarding affirmative action, and does not mention the workfare amendment. Please also notice the paragraph on page 4 regarding the abortion amendment.

Timing: We plan to send the SAP to the Hill as soon as possible this afternoon.

Please contact Alice Shuffield at 5-4790 as soon as possible with your comments or your clearance.

September 3, 1997
(House Floor)

**H.R. 2264 -- DEPARTMENT OF LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1998**

(Sponsors: Livingston (R), Louisiana; Porter (R), Illinois)

This Statement of Administration Policy provides the Administration's views on H.R. 2264, the Department of Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, FY 1998, as reported by the House Appropriations Committee. Your consideration of the Administration's views would be appreciated.

The Committee has developed a bill that provides requested funding for many of the Administration's priorities. We are pleased that the Committee has fully funded Bilingual and Immigrant Education, School to Work, Head Start, Technology Literacy Challenge, 21st Century Community Learning Centers, the targeted portion of the Title I formula, and education statistics and assessment. The Administration is also pleased that the Committee has limited the number of appropriations riders, consistent with the terms of the Bipartisan Budget Agreement. The House is urged to continue this practice.

As discussed below, the Administration will seek restoration of certain of the Committee's reductions. The Administration is committed to working with the House to identify reductions in the bill in order to find offsets for the restoration of funds that the Administration seeks. For example, the Committee bill provides nearly \$1 billion more than the President has requested for more than two dozen authorities in the Department of Education, while cutting the President's request by over \$1 billion. We strongly urge the House to reduce funding for lower priority programs, or for programs that would be adequately funded at the requested level, and to redirect funding to programs of higher priority, particularly, as noted below, those contained in the Bipartisan Budget Agreement.

Unfortunately, the Administration understands that a number of controversial amendments may be offered, such as an amendment to halt the President's national testing initiative, an amendment to prohibit the use of funds in the Act for supervising the Teamster's election, and another amendment to prohibit the Education Department from enforcing federal laws against discrimination in public education admissions through affirmative action or preferences in any State where affirmative action or preferences are prohibited by State law. A number of these proposals, as well as certain provisions of the Committee bill, such as the lack of funding for the President's America Reads Challenge, are contrary to the Bipartisan Budget Agreement. If such policies were adopted, particularly in light of other concerns raised in this Statement of Administration Policy, the President's senior advisers would be forced to recommend that the President veto the bill.

Department of Education

The Administration appreciates the Committee's efforts to provide substantial new funding for education activities. Unfortunately, the Committee has failed to provide the \$260 million necessary for the President's America Reads Challenge in the Department of Education, and the bill provides only \$10 million of the \$42 million requested for America Reads in the portion of the Corporation for National and Community Service budget funded by this bill. The Committee has provided advance funding for America Reads to the Department of Education for FY 1999, pending new authorization, which would produce a full year's delay in getting needed reading assistance to millions of children. The Bipartisan Budget Agreement specifically calls for funding a literacy program, "consistent with the goals and concepts of the President's America Reads program" at the levels proposed in the President's FY 1998 Budget. America Reads is one of the Administration's highest funding priorities. The Administration believes that full FY 1998 funding for this initiative should be restored to both the Department of Education and the Corporation for National and Community Service activities funded in this bill and in the VA/HUD Appropriations bill.

The Administration is working closely with the authorizing committees to develop legislation effective for FY 1998. There is ample time to enact legislation, as needed, by April 1 for a program that would begin on July 1, in time for summer activities and the 1998-1999 school year. The Administration also strongly urges the Congress to include in this Act a provision to make the funds available on April 1 under existing authorities, in the event that final action on the authorization bill is not completed in a timely manner.

The Administration is strongly opposed to two possible amendments that would bring a halt to the President's national testing initiative. The national tests proposed by the President are critical because they will, for the first time, provide students, parents, and teachers the opportunity to measure how well students are performing in comparison to other students nationally and internationally and, as a result, they will help hold schools accountable to parents and communities for the performance of all students. The Department of Education has the authority to develop these tests under the Fund for the Improvement of Education (FIE). We support the bill's requirement that the Department of Education contract with the National Academy of Science to conduct a study and report on the testing initiative. In addition, we support legislation to place overall responsibility for the testing initiative with the independent, bipartisan National Assessment Government Board.

The Administration urges the House to provide adequate funding for the FIE program that finances this testing initiative, so that sufficient funding will also be available for continuations, new awards, and congressional directives.

The Bipartisan Budget Agreement specifies funding at the levels proposed in the President's budget for Pell grants, which supports both a \$3,000 maximum award and expanded eligibility for independent students. The Committee bill cuts the Pell request by over \$197 million, and does not authorize the Administration's proposed independent student policy.

This authorization is no different from the Committee's annual procedure of authorizing the maximum Pell grant award. We urge the House to fully fund Pell grants and to authorize both the maximum award and the independent student change.

The Committee bill funds Education Reform at \$1.13 billion, \$110 million below the level assumed under the Bipartisan Budget Agreement. Within the total, Goals 2000 is funded at only \$475 million, \$145 million below the request. Goals 2000 funds provide essential support to every State's education improvement strategy. We strongly urge the House to restore full funding for Goals 2000.

The Administration strongly opposes a proposed amendment that would prohibit the investigation of violations by and imposition of penalties upon States that do not comply with the statutory requirement of the Individuals with Disabilities Education Act (IDEA) Amendments of 1991 to serve to eligible individuals with disabilities age 18 or older in adult State prisons. The Amendments have reduced States' burden by reducing the number of eligible individuals and by limiting the types of services that must be provided. Since prison education programs have a positive affect on reducing recidivism and on post release employment success, the requirement to serve this population should be properly enforced.

The Administration urges the House to fund Safe and Drug-Free Schools and Communities (SDFSC) at the President's FY98 request of \$620 million, \$64 million above the House mark. SDFSC, the largest Federal school-based drug and violence prevention program, serves more than 40 million students in over 97 percent of the nation's school districts and is an essential component of a comprehensive effort to reduce teen drug use.

The Administration is concerned about a proposed amendment that would cut funding for the Statistics program by \$14 million, which would mean that the Department of Education would not be able to move forward on a number of studies, including those providing key data on early childhood, student achievement, teachers, and adult literacy. The Administration urges the House to oppose this proposed amendment, and to provide the requested level.

The Committee has included language amending the definition of an eligible lender in the Federal Family Education Loan Program. The language would provide a broad exception to the current limitation on how much of a bank's portfolio can be guaranteed student loans, including loans that a bank holds as a trustee for a third party. It would also allow finance companies, the financial solvency of which is not regulated by a public entity as are banks, to be eligible lenders. Both of these provisions would increase the Federal exposure to financial risk and weaken parts of the statute that have been passed specifically in response to prior abuses. The provision should be stricken from the bill.

We urge the House to fund at the President's Budget level other high priority Education programs, including Adult Education, Eisenhower Professional Development, and Charter Schools.

Department of Health and Human Services

The Administration is deeply concerned that the Committee has failed to provide \$21 million for the Administration's new Adoption Initiative. The goal of this program is to double the number of children adopted or permanently placed outside of child welfare systems by FY 2002. The Administration strongly urges the House to fully fund this urgently-needed program at the President's requested level.

An amendment has been made in order that would include a prohibition on the purchase of health benefit coverage that includes abortion. The President believes that abortion should be safe, legal, and rare. However, the amendment would not only maintain, but would further limit the range of conditions under which a woman's health would permit access to abortion. Furthermore, it would require a physician to make a legal determination that these conditions have been met. The Administration opposes this attempt to constrain further the availability of abortion services and strongly urges the House not to adopt the amendment. The Administration believes that it is important that any legislation in this area be clear that limitations on the use of Federal funds to provide abortion services under managed care plans do not affect in any way the ability of States to provide such coverage using their own funds, nor the ability of managed care providers to participate in Federally-funded programs while also offering other coverage paid for by State or private funds. It is helpful that the amendment includes this clarification.

The Administration supports efforts to encourage minors to discuss their health care needs with their families. However, the Administration is concerned about a potential amendment on the House Floor requiring parental consent for minors to receive contraceptive health services in Title X Family Planning clinics. Mandating parental consent for contraceptive services could discourage sexually active minors from seeking health care and reproductive counseling services and, thus, lead to even more unwarranted pregnancies, more abortions, and more sexually transmitted diseases, including HIV, among our Nation's youth. As an alternative, the Administration prefers the amendment made in order in the rule that requires clinics to certify that they encourage family participation in the decision of minors to seek family planning services and that they provide counseling to minors on resisting attempts to coerce minors into engaging in sexual activities. The Administration does not support two likely amendments that would decrease funding for the Title X Family Planning program below the request of \$203 million.

The House Committee has not provided funding for the Medicare Transaction System (MTS), noting criticisms of the MTS design. The President's \$89 million request would fund consolidation of HCFA's current contractor systems, which needs to occur prior to, and independent of, final resolution of MTS design issues. The Committee also notes that funding for the Medicare Integrity Program, established by the Kassebaum-Kennedy legislation, could be used to fund MTS. We believe that using Medicare Integrity Program funding for this purpose would be inappropriate since that program was established specifically to combat fraud and abuse. To the extent possible, the Administration urges the House to restore funding for MTS to the requested level. Second, the Balanced Budget Act of 1997 includes authorization of up to \$200 million in managed care user fees to pay the costs of providing beneficiaries with information on managed care plans. The Administration supports action by the Appropriations Committee to

make the level of authorized user fees available in FY 1998 to implement the informational activities mandated in the Balanced Budget Act of 1997.

The Administration is pleased that the Committee has provided the requested increase of \$40 million over FY 1997 for Ryan White AIDS Treatment Grants, and an additional \$132 million to help States purchase drugs. However, the Committee has not allocated the \$40 million increase among the Titles of the Ryan White CARE Act toward primary care as proposed in the FY 1998 Budget. The Administration's proposed allocation targets additional resources to those Titles that emphasize the delivery of primary care, a particularly important priority now that the prospects for medical care for people infected with HIV have improved dramatically. The Administration looks forward to working with Congress to ensure that the resources provided to the Ryan White AIDS Treatment Grants are distributed in a way that is consistent with the priorities placed on primary care in the President's budget.

The Administration is concerned that the Committee bill does not appropriate a specific amount for AIDS research through a single appropriation for the National Institutes of Health's (NIH's) Office of AIDS Research, as requested in the President's budget. The single appropriation would help NIH plan and target NIH research funds effectively, minimizing duplication and inefficiencies across the 21 institutes and centers that carry out HIV/AIDS research

The Administration is concerned that the Committee has not provided the full increase requested for HIV prevention programs of the Center for Disease Control and Prevention. The Budget proposes a \$17 million increase for this activity to target HIV prevention for intravenous drug users at risk of developing the virus. The Administration urges the House to provide the full requested amount to the extent possible.

The President's Budget includes \$39 million for welfare research. The Committee has provided only \$21 million. In order to gauge the effects of welfare reform, review and monitoring research is needed now more than ever. The Administration urges the House to fund welfare research at the President's requested level.

Department of Labor

The Bipartisan Budget Agreement specifies funding at the levels proposed in the President's budget for Training and Employment Services (TES), including Job Corps. The Committee mark is \$233 million below this level. The Committee has provided \$100 million in FY 1999 for the Youth Opportunity Area proposal, subject to enactment of authorizing legislation. This program is an essential component of the Administration's Enterprise Zones/Empowerment Communities initiative. It may be carried out under existing legislation, and a separate authorization is not necessary. The House is urged to provide resources for this initiative in FY 1998, without the restriction imposed by the Committee.

We understand that an amendment may be offered that would further reduce funding for the Job Training Partnership Act's low-income adult training grant program by \$21 million, and

thus deny training and employment services to some 7,000 low-income adults and welfare recipients pursuing economic self-sufficiency. We strongly urge the House to reject the amendment.

The Committee has failed to provide \$89 million for spending on UI "integrity" initiatives (e.g., increased eligibility reviews, tax audits). This spending is explicitly assumed in the Balanced Budget Act of 1997, and would, over five years, achieve \$763 million in mandatory savings assumed in the Act. The House is urged to provide this increase.

On July 17, 1997, the President sent to Congress a budget amendment for \$6.2 million for the Labor Department to administer the \$3 billion Welfare-to-Work program. This program is agreed to by Congress in the Balanced Budget Act of 1997, effective October 1, 1997. We urge the House to add these fund.

The Committee has provided \$981 million, an increase of \$32 million over the FY 1997 enacted level, for the Department of Labor workplace protection programs, about half of the President's proposed increase. Without the requested increase, the Department will not be able to carry out a balanced program of targeted enforcement with expanded partnerships and compliance assistance in the regulated community, or streamline its operations to provide assistance to small businesses in complying with various workplace laws and related executive orders, such as the systems and technical assistance improvements requested for the Office of Federal Contract Compliance. In addition, funding for the independent National Labor Relations Board has been frozen, a cut of \$11 million below the request. The Administration urges the House to enact the Administration's request for these programs.

Social Security Administration

The Committee has provided \$245 million for additional Continuing Disability Review (CDR) funding and SSI reforms implementation, \$45 million less than the President's request. This amount is not subject to the discretionary spending caps. Failure to provide the additional funds would mean that some 15 percent fewer individuals would have their status reviewed in FY 1998, potentially costing hundreds of millions of dollars in benefits to individuals who would have been found no longer eligible. We urge the House to provide the additional \$45 million.

Additional Administration concerns with the Committee bill are contained in the attachment.

Attachment

ADDITIONAL CONCERNS
H.R. 2264 -- DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1998
(AS REPORTED BY THE HOUSE COMMITTEE)

The Administration looks forward to working with the Congress to address the following concerns.

All Agencies Covered by the Bill

- Operating Plans. The Committee report calls for all agencies covered by the bill to provide to the Committee "operating plans" for appropriations. We are prepared to work with the Committee to discuss the purpose of this request and determine how to address it.

Department of Health and Human Services

- Community Schools: Violent Crime Reduction. While the Administration supports the Committee's funding of Violence Against Women Act programs, the Committee has provided no funding for the Community Schools program within the Violent Crime Reduction Programs account or for the Community-Based Resource Centers and Developmental Disabilities Special Projects activities. We urge the House to restore funding for these programs.
- Medicare Survey and Certification User Fees. The President's budget proposes total funding of \$158 million for the surveys and certification program, \$148 million in budget authority and \$10 million in user fees. The Committee has provided \$148 million in budget authority, \$10 million below the President's request. On March 27, 1997, the Administration transmitted legislation to Congress for the authorization of \$10 million in new survey and certification user fees. The Administration believes that health care providers who derive considerable benefit from the Medicare program should fund the cost of conducting initial surveys required for entry into the program. We urge Congress to enact the Administration's survey and certification user fee proposal and to fully fund the President's request for this activity.
- HCFA Federal Administration. The Committee has not funded HCFA Federal Administration at the President's FY 1998 request of \$358 million. The Committee's funding level of \$348 million could hinder HCFA's efforts to comply with year 2000 systems requirements and perform the CFO audit. In addition, we understand that an amendment may be offered that would further reduce funding

for HCFA Federal Administration by transferring \$2.3 million to HRSA. The Administration urges Congress to fully fund the President's request.

- Hansen's Disease. The bill includes language that would transfer HHS's Hansen Disease treatment facility at Carville, Louisiana, to the State of Louisiana. The Administration supports this transfer, but objects to how the language transfers property to the State of Louisiana and how it handles personnel issues. We believe that the General Services Administration, the Federal Government's property asset manager, should handle the transfer as authorized in the Federal Property and Administrative Services Act of 1949. In addition, the Administration strongly opposes those provisions pertaining to the computation of employee annuities and disability retirement benefits. The Administration urges the House to delete these provisions. There are a variety of ways to ensure the well-being of and retirement benefits for these employees, and the Administration wants to work with the House to draft language that is consistent with current law.
- Additional Health Concerns. The Administration is concerned that the Committee has not provided the full request for the Office of Emergency Preparedness, HRSA Organ Transplantation, the Office for Civil Rights, CDC's National Center for Health Statistics, and SAMHSA Data Collection activities. To the extent possible, we urge that the requested funding level be provided.

Social Security Administration

- Official Time. Language of the Committee bill would bar the expenditure of trust fund money for employees who conduct union activities on official time. Paying for such expenses is consistent with both Federal law and SSA's collective bargaining agreements. Restricting certain funding sources from paying for this activity would unfairly shift costs to the general fund and not reduce the amount of Federal funds expended on this legitimate activity. This limitation should be stricken from the bill.
- User Fees. The Committee has included language to authorize increases to the fee States pay SSA for administering State payments that are supplemental to SSI benefits, and provide for such funds to be available, subject to appropriations action, upon collection for SSA administrative expenses. This provision is identical to language in the Balanced Budget Act of 1997, which also includes a provision directing that these additional fees shall be credited as a discretionary offset to discretionary spending to the extent that the amounts are made available for expenditure in appropriations acts. The Administration commends the Committee's actions and suggests that the House delete the language that is duplicative.

Railroad Retirement Board

- Inspector General. The Committee has included language prohibiting the use of any funds other than those in the Inspector General (IG) account for the provision of supplies, space, and services by other offices of the Railroad Retirement Board (RRB) to the IG. The language should be stricken from the bill. The Administration believes that the current means of financing centralized services provided to the IG is consistent with the provisions of the IG Act and that the RRB should not be singled out in this respect. The Administration also notes that, once the amount specified in report language related to these support services is factored into the total for the IG, the Committee would effectively reduce the IG budget by 17 percent from the FY 1997 enacted level. The President's request is for level funding; the Committee's reduction is excessive.
- Inspector General. The Committee bill includes language prohibiting the Railroad Retirement Board (RRB) Inspector General from using funds for any audit, investigation, or review of the Medicare program. RRB has statutory authority to administer a separate contract for RRB, Part B Medicare claims. The Administration believes that this language should be dropped. As long as RRB has authority to negotiate and administer a separate Medicare contract, the RRB Inspector General ought not to be prohibited from using funds to review, audit, or investigate activity related to that contract.

Armed Forces Retirement Home

- The Subcommittee bill would reduce the \$25 million capital program by one third. This program includes the renovation of the Sheridan dormitory in Washington and design of the medical facility in Mississippi. The Administration strongly supports full funding of these renovations which are badly needed to serve these elderly veterans.

DRAFT

September 2, 1997
(Senate Floor)

**S. 1061 -- DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1998**

(Sponsors: Stevens (R), Alaska; Specter (R), Pennsylvania)

This Statement of Administration Policy provides the Administration's views on S. 1061, the Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, FY 1998, as reported by the Senate Appropriations Committee.

The Committee has developed a bill that provides requested funding for many of the Administration's priorities. We are pleased that the Committee has fully funded Bilingual and Immigrant Education, School to Work, and Education Technology Programs. The Administration is also pleased that the Committee has limited the number of appropriations riders, consistent with the terms of the Bipartisan Budget Agreement. The Senate is urged to continue this practice. As discussed below, the Administration will seek restoration of certain of the Committee's reductions.

The Administration is committed to working with the Senate to identify reductions in the bill in order to find offsets for the restoration of funds that the Administration seeks. For example, the Committee bill provides nearly \$1.5 billion more than the President has requested for three dozen authorities in the Department of Education, while cutting the President's request by almost \$2 billion. Similar reallocations are made in other sections of the bill. We strongly urge the Senate to reduce funding for lower priority programs, or for programs that would be adequately funded at the requested level, and to redirect funding to programs of higher priority, particularly those specified in the Bipartisan Budget Agreement, as noted below.

Unfortunately, the Administration understands that a number of controversial amendments may be offered, such as an amendment to halt the President's student national testing initiative, an amendment to prohibit the use of funds in the Act for supervising the Teamster's election, an amendment to enable states to privatize the administration of public assistance programs, and another amendment to provide that welfare recipients in workfare can be paid at rates below the minimum wage. In addition, a number of these proposals, if adopted, as well as other provisions of the Committee bill, such as the lack of funding for the President's America Reads Challenge, are contrary to the Bipartisan Budget Agreement. If such policies were adopted, particularly in light of other concerns raised in this Statement of Administration Policy, the President's senior advisers would be forced to recommend that the President veto the bill.

Department of Education

The Administration appreciates the Committee's efforts to provide substantial new funding for education activities. Unfortunately, the Committee has failed to provide the \$260 million necessary for the President's America Reads Challenge in the Department of Education, and the bill provides only \$16 million of the \$42 million requested for America Reads in the portion of the Corporation for National and Community Service budget funded by this bill. The Committee has provided advance appropriations for America Reads to the Department of Education for FY 1999, pending new authorization, which would produce a full year's delay in getting needed reading assistance to millions of children. The Bipartisan Budget Agreement specifically calls for funding a literacy program, "consistent with the goals and concepts of the President's America Reads program" at the levels proposed in the President's FY 1998 Budget. America Reads is one of the Administration's highest funding priorities. The Administration believes that full FY 1998 funding for this initiative should be restored to both the Department of Education and the Corporation for National and Community Service activities funded in this bill and in the VA/HUD Appropriations bill.

The Administration is working closely with the authorizing committees to develop legislation effective for FY 1998. There is ample time to enact legislation, as needed, by April 1st for a program that would begin on July 1st, in time for summer activities and the 1998-1999 school year, and the Administration urges the Congress to do so. However, to ensure that funding is provided in a manner consistent with the Bipartisan Budget Agreement, the Administration strongly urges the Congress to make the funds available on April 1st under existing authorities, in the event that final action on the authorization bill is not completed in a timely manner.

The Administration will strongly oppose potential amendments that would bring a halt to the President's national testing initiative. The national tests proposed by the President are critical because they will, for the first time, provide students, parents, and teachers the opportunity to measure how well students are performing in comparison to other students nationally and internationally and, as a result, they will help hold schools accountable for the performance of all students. The Department of Education has the authority to develop these tests under the Fund for the Improvement of Education (FIE) program, which provides the Secretary with the authority to support nationally significant programs and projects to improve the quality of education. We support the Committee report language requiring that the Department of Education contract with the National Academy of Science to conduct an evaluation of the testing initiative.

The Bipartisan Budget Agreement specifies funding at the levels proposed in the President's budget for Pell grants, which supports both a \$3,000 maximum award and expanded eligibility for independent students. The Committee bill cuts the Pell request by over \$725 million from the President's request, and thus does not fund the Administration's proposed independent student policy. The Administration proposes that the appropriation act include one year of

authority while the reauthorization process is pending. This authorization is no different from the Committee's annual procedure of authorizing the maximum Pell grant award. In accordance with the terms of the Bipartisan Budget Agreement, we urge the Senate to fully fund Pell grants and to authorize both the maximum award and the independent student change.

While the Committee has exceeded the amount specified in the Balanced Budget Agreement for Education Reform, it has achieved this by adding technology funding currently within another account, rather than funding the full request for current Education Reform account programs. Within the total, Goals 2000 State and local grants are funded at only \$500 million, \$105 million below the request. Goals 2000 funds provide essential support to every State's education improvement strategy. We strongly urge the Senate to restore full funding for Goals 2000.

The Administration urges the Senate to fund Safe and Drug-Free Schools and Communities (SDFSC) at the President's FY98 request of \$620 million, \$64 million above the Senate mark. SDFSC, the largest Federal school-based drug and violence prevention program, serves more than 40 million students in over 97 percent of the nation's school districts and is an essential component of a comprehensive effort to reduce teen drug use.

A number of other high priority Education programs are funded significantly below the President's request. These include Adult Education, College Work-Study, Title I Targeted grants, Eisenhower Professional Development, Charter Schools, 21st Century Learning Centers, and educational research, statistics, and assessment. We urge the Senate to fully fund these activities at the levels requested in the President's FY 1998 Budget.

Department of Health and Human Services

The Administration is deeply concerned that the Committee has failed to provide \$21 million for the Administration's new Adoption Initiative. The goal of this program is to double the number of children adopted or permanently placed outside of child welfare systems by FY 2002. The additional investment is small compared to the potential rewards of placing children in supportive and loving homes. The Administration strongly urges the Senate to fully fund this urgently-needed program at the President's requested level.

The Administration is pleased that the Committee has provided the requested \$40 million increase over FY 1997 for Ryan White AIDS Treatment Grants, and an additional \$41 million that could be used by grantees for the purchase of AIDS drugs. The Administration is also pleased to see that the Committee has allocated these funds roughly as requested in the President's budget, with an additional \$38 million in Title II grants to States which spend a large proportion of the Ryan White grants on primary care and drugs for people with HIV and AIDS.

The Administration is concerned that the Committee bill does not appropriate a specific amount for AIDS research through a single appropriation, as requested in the President's budget

for the National Institutes of Health's (NIH's) Office of AIDS Research. The single appropriation helps NIH target research funds effectively, minimizing duplication and inefficiencies across the 21 institutes and centers that carry out HIV/AIDS research.

The Committee has funded the Health Care Financing Administration (HCFA) program management activities at \$1,719 million, \$55 million below the President's request. The Committee's funding level could hinder HCFA's efforts to comply with year 2000 systems requirements and perform the CFO audit. In addition, the Committee's action could make it difficult to consolidate HCFA's current contractor systems, which needs to occur prior to, and independent of, final resolution of the Medicare Transaction System. The requested funds in the President's 1998 budget request are necessary to implement the Medicare and Medicaid provisions of the Balanced Budget Agreement, including the savings provisions and new program authorities, such as Children's Health and the Medical Savings Accounts (MSAs). To the extent possible, we urge the Senate to fund HCFA program management at the requested level.

The Committee has rescinded \$21 million in mandatory research funds. The President's request assumes \$18 million in discretionary and \$21 million in mandatory welfare research funds, for a total of \$39 million. In order to gauge the effects of welfare reform, research is needed now more than ever. The Administration urges the Senate to drop the rescission and to fund welfare research at the President's requested level. To ensure that welfare reform is successfully implemented across the nation, it is vital that we understand what has been successful and what has not been successful in the various states.

The Administration supports efforts to encourage minors to discuss their health care needs with their families. However, it would oppose a potential amendment on the Senate floor requiring parental consent for minors to receive reproductive health services in Title X Family Planning clinics. Mandating parental consent could discourage sexually active minors from seeking health care and reproductive counseling services and thus lead to more unwarranted pregnancies, more abortions and more sexually transmitted diseases, including HIV, among our nation's youth.

Department of Labor

The Bipartisan Budget Agreement specifies funding at the levels proposed in the President's budget for Training and Employment Services (TES), including Job Corps. The Committee mark provides the Administration's request for low-income youth training programs, dislocated workers, and the Job Corps. However, in order to be consistent with the Agreement, we urge the Senate to provide an additional \$285 million to fully fund the request for TES programs in FY 1998. The Committee has provided \$250 million in FY 1999 for the Youth Opportunity Area proposal, subject to enactment of authorizing legislation by April 1, 1998. This program is an essential component of the Administration's Empowerment Zones/Enterprise Communities initiative. It may be carried out under existing legislation, and a separate authorization is not necessary. The Senate is urged to provide resources for this initiative in FY

1998, without the restriction provided by the Committee.

The Administration appreciates the Committee's allocation of \$150 million to help finance the year 2000 conversion of State Unemployment Insurance (UI) systems. However, that amount is \$50 million below the level needed to ensure that the year 2000 costs are met. In addition, the Committee has failed to provide \$89 million for spending on UI "integrity" initiatives (e.g., increased eligibility reviews, tax audits). This spending is explicitly assumed in the Balanced Budget Act of 1997, and would, over five years, achieve \$763 million in mandatory savings assumed in the Act. The Senate is urged to provide this increase and the increase for year 2000 conversion costs.

On July 17, 1997, the President sent to Congress a budget amendment for \$6.2 million for the Labor Department to administer the \$3 billion Welfare-to-Work program. This program is included in the Balanced Budget Act of 1997, effective October 1, 1997. We urge the Senate to add these funds to this appropriation bill so that the administrative resources needed to move long-term welfare recipients off welfare and into lasting, unsubsidized employment are available on a timely basis.

The Committee has provided \$990 million, an increase of \$41 million over the FY 1997 enacted level, for the Department of Labor workplace protection programs, about 60 percent of the proposed increase. Without the requested increases, the Department would not be able to carry out a balanced program of targeted enforcement, with expanded partnerships and compliance assistance in the regulated community. Nor would the Department be able to streamline its operations to provide assistance to small businesses in complying with various workplace laws and related executive orders, such as the systems and technical assistance improvements requested for the Office of Federal Contract Compliance. In addition, the Senate is urged to provide the requested level for the Bureau of Labor Statistics to ensure the continued accuracy and reliability of all of the Bureau's statistical programs. Funding for the independent National Labor Relations Board has been frozen, a cut of \$11 million below the request. The Administration urges the Senate to enact the Administration's request for these programs.

Social Security Administration

The Committee has provided \$245 million for additional Continuing Disability Review (CDR) funding and SSI reforms implementation, \$45 million less than the President's request. The Balanced Budget Act of 1997 contains a provision that would provide authority for a \$290 million upward cap adjustment (\$45 million more than current law) to the non-defense discretionary spending caps for funding provided by the Committee for additional CDRs. This is consistent with the President's request. Failure to provide the additional funds would mean that some 15 percent fewer individuals would have their status reviewed in FY 1998, potentially costing hundreds of millions of dollars in benefits to individuals who would have been found no longer eligible. We urge the Senate to provide the additional \$45 million.

The Committee has reduced funding for the Office of the Inspector General (IG) by \$7 million from the President's request of \$44 million and for research and demonstration projects by \$9.7 million from the President's request of \$16.7 million. The reduction to the IG request would hamper the IG's ability to perform audits and investigations needed to prevent fraud, waste, and abuse and to assure program integrity. The reduction in research and demonstration funding would reduce SSA's ability to understand the reasons for growth in the disability programs and implement initiatives intended to improve SSA's record in returning disabled beneficiaries to work. The Administration urges the Senate to restore funding to the maximum extent possible in these two key areas.

Additional Administration concerns with the Committee bill are contained in the attachment.

Attachment

ADDITIONAL CONCERNS
S. 1061 -- DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1998

(AS REPORTED BY THE SENATE COMMITTEE)

The Administration looks forward to working with the Congress to address the following concerns.

Department of Health and Human Services

- Community Schools: Violent Crime Reduction. While the Administration supports the Committee's funding of Violence Against Women Act programs, the Committee has provided no funding for the Community Schools program within the Violent Crime Reduction Programs account. We urge the Senate to restore funding for these programs.
- Aging Services Programs. Within the Administration on Aging, the Committee has provided no funding for the Alzheimer's Initiative. This important program would provide critical resources for the elderly.
- Medicare Survey and Certification User Fees. The President's budget proposes total funding of \$158 million for the surveys and certification program, \$148 million in budget authority and \$10 million in user fees. The Committee has provided \$158 million in budget authority while failing to enact the \$10 million in user fees. The Administration believes that health care providers who derive considerable benefit from the Medicare program should fund the cost of conducting initial surveys required for entry into the program. We urge Congress to enact the Administration's survey and certification user fee proposal.
- Head Start. The Administration is concerned that the Senate Committee, while providing the full request for Head Start, would make the funds available in a manner that is inconsistent with the Head Start Act. It appears that the Committee intends to double the amount of funding for the Early Head Start program out of the overall increase provided for Head Start over the FY 1997 appropriation. We urge the Senate to provide these funds in accordance with the bipartisan authorizing statute in order to support the President's goal of serving one million children by FY 2002.
- Additional Health Concerns. The Administration is concerned that the Committee

has not provided the full request for Health Resources and Services Administration (HRSA) Organ Transplantation, Substance Abuse and Mental Health Services Administration (SAMHSA) Data Collection activities, the Agency for Health Care Policy and Research, and the Office for Civil Rights. To the extent possible, we urge that the requested funding level be provided.

Social Security Administration

- User Fees. The Committee has included language to authorize increases to the fee States pay SSA for administering State payments that are supplemental to SSI benefits, and provide for such funds to be available, subject to appropriations action, upon collection for SSA administrative expenses. This provision is identical to language in the Balanced Budget Act of 1997, which also includes a provision directing that these additional fees shall be credited as a discretionary offset to discretionary spending to the extent that the amounts are made available for expenditure in appropriations acts. The Administration commends the Committee's actions and suggests that the Senate delete the language that is duplicative.

Budget materials - Labor/HHS Appropriations

Potential Adds to Labor/HHS/Education Bill to Achieve Level in Budget

Assumes CBO Estimates

(dollars in millions)

	<u>House</u>	<u>Senate</u>
Department of Education:		
Goals 2000:		
BA.....	145	90
OL.....	17	10
Education for the Disadvantaged:		
BA.....	---	270
OL.....	---	101
Charter Schools:		
BA.....	25	49
OL.....	3	6
Eisenhower Professional Development:		
BA.....	50	50
OL.....	6	6
America Reads Challenge:		
BA.....	260	260
OL.....	31	31
Pell grants:		
BA.....	197	725
OL.....	145	598
Work Study:		
BA.....	---	27
OL.....	---	28
Star Schools:		
BA.....	26	---
OL.....	3	---
After School Learning Centers:		
BA.....	---	50
OL.....	---	7
Department of Health and Human Services:		
HIV Prevention (CDC):		
BA.....	13	---
OL.....	24	---
Substance Abuse and Mental Health Services Administration:		
BA.....	4	29
OL.....	2	14

Potential Adds to Labor/HHS/Education Bill to Achieve Level in Budget
Assumes CBO Estimates
(dollars in millions)

	House	Senate
HCFA HI/SMI (includes SSA and other HHS):		
BA.....	24	---
OL.....	16	---
Administration on Aging:		
BA.....	27	---
OL.....	121	---
Department of Labor:		
Adult Training:		
BA.....	---	109
OL.....	---	3
Youth Opportunities Areas:		
BA.....	250	250
OL.....	13	13
Unemployment Insurance (State employment services):		
BA.....	19	19
OL.....	19	19
Pension and Welfare Benefits Administration:		
BA.....	2	2
OL.....	2	2
Employment Standards Administration:		
BA.....	15	13
OL.....	13	11
Occupational Health and Safety Administration:		
BA.....	13	13
OL.....	10	10
Mine Safety and Health Administration:		
BA.....	7	---
OL.....	6	---
Bureau of Labor Statistics:		
BA.....	---	7
OL.....	---	5

Potential Adds to Labor/HHS/Education Bill to Achieve Level in Budget
Assumes CBO Estimates
(dollars in millions)

	<u>House</u>	<u>Senate</u>
Social Security Administration:		
Supplemental Security Income:		
BA.....	---	10
OL.....	---	5
OASI/DI:		
BA.....	95	106
OL.....	86	97
Office of the Inspector General:		
BA.....	---	4
OL.....	---	4
Other Agencies:		
Corporation for National and Community Service:		
BA.....	32	27
OL.....	18	15
National Labor Relations Board:		
BA.....	11	11
OL.....	10	10
Total Additions:		
BA.....	1,215	2,121
OL.....	545	995

1 This program was provided advance funding for FY 1999 at the President's requested FY 1998 level. This appropriation is contingent upon authorization during the next fiscal year.

Potential Cuts to Labor/HHS/Education Bill to Achieve Level in Budget
Assumes CBO Estimates
(dollars in millions)

	House	Senate
Department of Education:		
Education for the Disadvantaged:		
BA.....	-127	---
OL.....	-119	---
Special Education:		
BA.....	-148	-757
OL.....	-32	-79
Star Schools:		
BA.....	---	-4
OL.....	---	---
Department of Health and Human Services:		
Health Resources and Services Administration:		
BA.....	-351	-184
OL.....	-140	-74
Ryan White AIDS (HRSA):		
BA.....	(-132) ¹	(-41) ¹
OL.....	(-64)	(-42)
Centers for Disease Control and Prevention:		
BA.....	-73	-46
OL.....	-23	-14
HIV Prevention (CDC):		
BA.....	---	(-13) ²
OL.....	---	---
National Institutes of Health:		
BA.....	-426	-616
OL.....	-165	-239
HCFA HI/SMI (includes SSA and other HHS):		
BA.....	---	-17
OL.....	---	-22
Department of Labor:		
Older Americans Employment:		
BA.....	---	-13
OL.....	---	-14
Total Decreases:		
BA.....	-1,125	-1,637
OL.....	-479	-442

¹ Figure included in HRSA Total

² Figure included in CDC Total

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998
(in millions of dollars)

10:13 AM
08/07/97
BRB:ELR/MV
LAMCT.wk4

Budget materials - Labor/HHS Appropriations

Major Programs	FY 1997 Enacted 1		FY 1998 Proposed 1		House Committee 2		Senate Committee 2		Senate Committee Difference From: House Committee	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
General Purpose Discretionary										
Department of Education:										
Indian Education	61	67	63	61	63	61	63	61	--	--
Impact aid	730	901	658	701	796	813	795	813	-1	--
Education reform:										
Goals 2000	491	484	620	472	475	455	530	462	55	7
School-to-Work	200	206	200	206	200	206	200	206	--	--
Technology Literacy Challenge Fund 3	--	--	425	51	460	55	425	51	-35	-4
Other, Education reform	--	1	--	1	--	1	116	15 4	116	14
Total, Education reform	691	691	1,245	730	1,135	717	1,271	734	136	17
Title I -- Education for the disadvantaged	7,791	7,247	8,077	7,545	8,204	7,488	7,807	7,444	-397	-44
School improvement programs:										
Charter Schools	51	21	100	50	75	47	51	44	-24	-3
Eisenhower Professional Development	310	296	360	316	310	310	310	310	--	--
Safe and Drug Free Schools	556	557	620	545	531	534	556	537	25	3
Other School improvement programs	509	642	219	485	565	527	565	522	--	-5
Total, School improvement programs	1,426	1,516	1,299	1,396	1,481	1,418	1,482	1,413	1	-5
America Reads Challenge 5	--	--	260	31	--	--	--	--	--	--
Bilingual and immigrant education	262	225	354	276	354	276	354	276	--	--
Special education	4,036	3,426	4,210	3,753	4,349	3,767	4,958	3,828	609	61
Vocational and adult education	1,487	1,589	1,566	1,487	1,487	1,477	1,487	1,477	--	--
Student financial assistance:										
Pell Grants	5,919	6,167	7,635	6,531	7,438	6,386	6,910	5,933	-528	-453
Work Study	830	660	857	825	860	826	830	797	-30	-29
Other Student financial assistance	811	772	771	809	748	806	818	1,287	70	481
Total, Student financial assistance	7,560	7,599	9,263	8,165	9,046	8,018	8,558	8,017	-488	-1
Education, research, statistics and improvement:										
ED Technology 6	275	81	94	210	85	209	9	8	-76	-201
Star Schools	30	27	26	29	--	26	30	29	30	3
After School Learning Centers	1	1	50	7	50	7	--	--	-50	-7
Other Education, research, statistics and improvement	293	303	341	305	374	308	323	476	-51	168
Total, Education, research, statistics and improvement	599	412	511	551	509	550	362	513 4	-147	-37
Other Education Department	1,662	1,659	1,844	1,705	1,719	1,772	1,740	1,763	21	-9
Total, Department of Education	26,305	25,332	29,350	26,401	29,143	26,357	28,877	26,339	-266	-18

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998 (continued)
(in millions of dollars)

Major Programs	FY 1997 Enacted ¹		FY 1998 Proposed ¹		House Committee ²		Senate Committee ²		Senate Committee Difference From: House Committee	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Department of Health and Human Services:										
Health Resources and Services Administration (HRSA):										
Ryan White AIDS treatment grants.....	996	952	1,036	1,052	1,168	1,116	1,077	1,029	-91	-87
Other HRSA.....	2,412	2,303	2,217	3,320	2,452	2,344	2,376	2,365	-76	21
Total, HRSA.....	3,408	3,255	3,269	3,320	3,620	3,460	3,453	3,394	-167	-66
Centers for Disease Control and Prevention (CDC):										
HIV Prevention.....	617	687	634	623	622	599	647	623	25	24
Other CDC.....	1,644	1,472	1,637	1,607	1,722	1,654	1,670	1,621	-52	-33
Total, CDC.....	2,261	2,159	2,271	2,230	2,344	2,253	2,317	2,244	-27	-9
National Institutes of Health.....	12,741	12,146	13,078	12,786	13,504	12,951	13,694	13,025	190	74
Substance Abuse and Mental Health Svcs Admin.....	2,134	1,880	2,156	2,064	2,152	2,062	2,127	2,050	-25	-12
Health Care Financing Administration (HCFA): Health Insurance (HI) and Supplementary Medical Insurance (SMI) --										
Includes HCFA, SSA, and other HHS.....	2,598	2,700	2,758	2,756	2,734	2,740	2,775	2,778	41	38
HCFA Program Management (non-add).....	1,735	1,778	1,775	1,763	1,679	1,672	1,719	1,712	40	40
Medicaid Vaccine Excise Tax Savings (non-add, included in total above).....	--	--	(-72)	(-72)	--	--	--	--	--	--
Administration for Children and Families (ACF):										
Low income home energy assistance.....	1,005	1,097	1,000	996	1,000	996	1,000	996	--	--
Child care and development block grant.....	19	959	1,000	998	937	956	963	972	26	16
Head Start.....	3,981	3,740	4,305	4,099	4,305	4,099	4,305	4,099	--	--
Other ACF programs.....	1,810	1,758	1,590	1,698	1,519	1,609	1,537	1,601	18	-8
Total, ACF.....	6,815	7,554	7,895	7,791	7,761	7,660	7,805	7,668	44	8
Administration on Aging ⁷	830	851	1,278	914	811	823	854	844	43	21
Other Health and Human Services Department.....	352	360	302	320	324	337	305	329	-19	-8
Total, Department of Health and Human Services.....	31,139	30,905	33,007	32,181	33,250	32,286	33,330	32,332	80	46
Department of Labor:										
Training and employment services (TES):										
Adult training.....	895	799	1,064	843	1,064	843	955	840	-109	-3
Summer Jobs.....	871	913	871	898	871	898	871	898	--	--
Dislocated workers.....	1,286	1,210	1,351	1,300	1,351	1,300	1,351	1,300	--	--
School-to-Work.....	200	228	200	203	200	203	200	203	--	--
Youth Opportunities Areas ⁵	--	--	250	13	--	--	--	--	--	--
Other TES programs.....	1,464	1,568	1,559	1,480	1,577	1,481	1,633	1,484	56	3
Total, TES programs.....	4,716	4,718	5,295	4,737	5,063	4,725	5,010	4,725	-53	--
Older Americans Employment ⁷	463	407	--	354	440	433	453	436	13	3

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998 (continued)
(in millions of dollars)

Major Programs	FY 1997 Enacted ¹		FY 1998 Proposed ¹		House Committee ²		Senate Committee ²		Senate Committee Difference From: House Committee	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Department of Labor (cont'd):										
Unemployment Insurance:										
State employment services (subfunction 504).....	173	126	192	166	173	147	173	147	---	---
One-Stop Career Centers (non-add).....	(150)	(103)	(150)	(124)	(150)	(124)	(150)	(150)	---	---
Unemployment administration (subfunction 504).....	1,076	1,083	1,079	1,079	1,079	1,079	1,077	1,077	-2	-2
Unemployment administration (subfunction 603).....	2,345	2,345	2,634	2,554	2,533	2,533	2,495	2,435	-38	-98
Enforcement Agencies (MSHA, OSHA, ESA, PWBA, Solicitor's Office).....										
Bureau of Labor Statistics.....	309	309	327	322	328	323	320	317	-8	-6
Other Labor Department.....	218	215	239	227	224	155	224	216	---	61
Department of Labor.....	10,249	10,152	10,783	10,451	10,821	10,376	10,742	10,343	-79	-33
Social Security Administration:										
Supplemental security income program.....	2,403	2,395	2,272	2,254	2,272	2,254	2,262	2,249	-10	-5
Federal old-age and survivors insurance trust fund (OASI)/Federal disability insurance trust fund (DI)										
Office of the Inspector General (non-trust fund).....	6	7	10	10	10	10	6	6	-4	-4
Social Security Administration.....	5,860	5,876	5,575	5,657	5,480	5,571	5,455	5,551	-25	-20
MEMORANDUM: SSA ADMINISTRATIVE RESOURCES: (non-add)										
<i>Limitation on Administrative Expenses (LAE): by Funding Source</i>										
<i>Supplementary Security Income (SSI):</i>										
SSI Appropriation (net of CDRs).....	1,966	1,968	2,127	2,102	2,052	2,100	2,122	2,100	70	---
Continuing Disability Reviews (CDRs).....	175	165	175	184	175	184	175	184	---	---
SSI program: State supplemental fees.....	---	---	-40	-37	-35	-35	-35	-35	---	---
<i>OASDI Trust Funds:</i>										
OASDI Trust Funds (net of CDRs).....	3,285	3,316	3,144	3,205	3,086	3,152	3,086	3,152	---	---
CDRs.....	135	127	115	154	70	112	70	112	---	---
HI/SMI Trust Funds (included in HHS totals above).....	846	844	965	954	965	954	965	954	---	---
Total, LAE.....	6,407	6,420	6,486	6,562	6,313	6,467	6,383	6,467	70	---
Office of the Inspector General (including trust fund).....	37	37	44	44	52	52	37	37	-15	-15
SSI Research and Demonstration.....	---	---	10	5	10	5	---	---	-10	-5
SSI Benefit Payments (provided in P.L. 105-18).....	262	262	---	---	---	---	---	---	---	---
Total, Social Security Administration.....	6,706	6,719	6,540	6,611	6,375	6,524	6,420	6,504	45	-20

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998 (continued)
(in millions of dollars)

Major Programs	FY 1997 Enacted ¹		FY 1998 Proposed ¹		House Committee ²		Senate Committee ²		Senate Committee Difference From: House Committee	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Corp for National and Community Service.....	214	207	260	240	228	222	233	225	5	3
Corporation for Public Broadcasting.....	260	260	250	250	250	250	250	250	---	---
National Labor Relations Board.....	175	177	186	186	175	176	175	176	---	---
Other.....	571	606	576	563	572	561	540	538	-32	-23
Total, Domestic Discretionary.....	74,773	73,515	79,987	75,929	79,919	75,799	79,602	75,754	-317	-45
International Discr: U.S. Institute of Peace.....	11	12	11	11	11	11	11	11	---	---
Total, General Purpose Discretionary.....	74,784	73,527	79,998	75,940	79,930	75,810	79,613	75,765	-317	-45
Violent Crime Reduction Programs										
HHS:										
CDC.....	41	30	45	41	45	41	51	44	6	3
ACF.....	20	17	99	35	99	35	93	34	-6	-1
Total, Violent Crime Reduction Programs.....	61	47	144	76	144	76	144	78	---	2
Total, General Purpose Discretionary and VCRTF.....	74,845	73,574	80,142	76,016	80,074	75,886	79,757	75,843	-317	-43
MEMORANDUM (Not Included in Totals Above):										
Emergency Appropriations/Emergency Releases (Released Subsequent to Transmittal of FY 1998 Budget).....										
	210	210	---	---	---	---	---	---	---	---
Total, General Purpose Discretionary and VCRTF, Including Emergency Funding.....	75,055	73,784	80,142	76,016	80,074	75,886	79,757	75,843		

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998 (continued)
(in millions of dollars)

	Proposed Allocation		House 602(b) Allocation		Senate 602(b) Allocation		House Committee Less House 602(b)		Senate Committee Less Senate 602(b)	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Committee Total, Discretionary, Excluding VCRTF.....	79,746	75,976	79,895	75,936	79,313	75,779	35	-126	300	-14
Committee Total, VCRTF Programs.....	144	76	144	64	144	65	--	12	--	13
Total, Discretionary and VCRTF.....	79,890	76,052	80,039	76,000	79,457	75,844	35	-114	300	-1

1 FY 1997 Enacted and FY 1998 Proposed include transfers and technical re-estimates included in the FY 1998 Budget and non-emergency discretionary supplementals and rescissions enacted in P.L. 105-18. FY 1998 Proposed includes amendments transmitted to Congress subsequent to transmittal of the budget. Emergency supplemental appropriations enacted subsequent to the budget, including emergency spending enacted in P.L. 105-18, are included as a memorandum entry where applicable.

2 OMB scoring is preliminary.

3 The five-year Technology Literacy Challenge Fund program was funded in FY 1997 through the Education, research, statistics and improvement account.

4 The Technology Innovation Challenge Grants program was shifted from the Education Research, Statistics, and Improvement account to the Education Reform account by the Senate Committee. The program remains in the Education Research, Statistics, and Improvement account in both the House Committee and the President's budget.

5 This program received zero funding for FY 1998 but received an advance appropriation for FY 1999 pending authorizing legislation.

6 This estimate includes funding for the, Regional technology in education consortia, Ready-to-Learn television, and telecommunications demonstration project for mathematics; the FY 1997 Ed Technology figure also includes \$200 million for the first installment of funding for the Technology Literacy Challenge Fund, which will be funded through the Office of Elementary and Secondary Education, Education reform account in FY 1998.

7 The FY 1998 Budget proposes to fund the "Community service employment for older Americans" account out of HHS's Administration on Aging.

**LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998 (continued)**

Major Issues -- House Committee/Senate Committee

SUMMARY:

- The House Floor SAP (pending West Wing review and clearance) urges the House to provide full funding for items specified or funding levels assumed in the BBA (e.g., America Reads Challenge, Pell grants, Training and Employment Services). An objection was raised to a potential Hyde amendment, with a preference for a Lowey amendment expressed. In addition, the SAP addresses the Administration's concern to a potential Istook amendment, with a preference for a Porter substitute expressed.

The House approved a unanimous consent agreement for consideration of the bill in September. This agreement modifies the rule to make in order a Dreier amendment that is compromise abortion language worked out between Rep. Hyde and Rep. Lowey.

- The Senate Floor SAP (pending second floor/West Wing review and clearance) urges the Senate to provide full funding for items specified or funding assumed in the BBA (e.g., America Reads Challenge, Pell grants, Training and Employment Services Programs).

MAJOR FUNDING ISSUES:

Education Department

- Overall Funding Level. The overall discretionary funding level for the Education, Training, Employment and Social Services function is "protected" under the Bipartisan Budget Agreement (BBA). The following programs were separately identified in the Agreement as protected domestic discretionary priorities:
 - Education Reform (includes Technology Literacy Challenge Fund) - House Committee funded at \$110 million below the request. Goals 2000 was the primary victim of this cut, being funded \$145 million below the request. The Senate Committee funded Education Reform at \$26 million more than the President's request for Education Reform while cutting \$90 million from Goals 2000. The Senate proposal exceeds the request total by transferring to this account existing programs presently in the Education, Research, Statistics and Improvement account.
 - Bilingual and Immigrant Education - fully funded by House and Senate Committees.

**LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998 (continued)**

- Pell (\$300 increase in 1998 maximum award amount, to \$3,000) - \$3,000 maximum award was approved by House and Senate Committees, but overall program funding was cut by \$197 million from the request in the House and \$706 million in the Senate. Neither version of the bill includes the President's proposal of expanding independent student eligibility.
- America Reads Challenge. Consistent with the BBA, a budget amendment was transmitted that would provide discretionary funds, rather than mandatory funds as requested in the budget, for child literacy initiatives consistent with the goals and concepts of the President's America Reads Challenge as described in the America Reads Challenge Act of 1997. Both House and Senate Committees provided funding for FY 1999 rather than FY 1998. Advance appropriation is subject to pending authorization of the program.

Department of Health and Human Services

- Adoption Initiative. Both the House and Senate Committees failed to fund the Administration's request of \$21 million for a new Adoption Initiative to double the number of children adopted or permanently placed outside of child welfare systems by FY 2002.
- Medicare Transaction System. The House Committee provided zero funding for the Medicare Transaction System (MTS), which is \$89 million below the FY 1998 request and \$75 million below the FY 1997 enacted level. The FY 1998 request would fund consolidation of HCFA's current contractor systems, which needs to occur prior to, and independent of, final resolution of MTS design issues. The Committee suggested that funding for the Medicare Integrity Program, provided by the Kassebaum-Kennedy bill, could be used for MTS. The Administration opposes funding MTS through the Medicare Integrity Program. The Senate Committee provided \$55 million for MTS, a reduction of \$55 million from the FY 1998 request.
- Head Start. The BBA separately identified the Head Start program as a protected domestic discretionary priority. Both the House and Senate Committees provided a \$324 million increase to fund Head Start for FY 1998, matching the President's request.
- Funding for the National Institutes of Health (NIH). The House Committee increased funding for NIH by \$764 million (six percent) above the FY 1997 enacted level. The Senate Committee has increased NIH funding by \$952 million (7.5 percent) over FY 1997. The FY 1998 Budget includes a 2.6 percent, or \$337 million, increase over the FY 1997 enacted level of \$12.7 billion.

**LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998 (continued)**

- Community Services Block Grant (CSBG). The House Committee funded CSBG at \$490 million, \$75 million above the President's Budget. The Senate Committee funded CSBG at \$493 million. The FY 1998 request of \$415 million is \$75 million below the FY 1997 enacted level. The request is \$25 million higher, however, than the FY 1997 request of \$390 million. In addition, the Budget seeks to terminate another \$47 million in discretionary Community Services activities. In total, the FY 1998 Budget is \$122 million below the FY 1997 enacted level for all Community Services programs.
- Ryan White AIDS Treatment Grants. The House Committee funds Ryan White AIDS Treatment Grants \$172 million over FY 1997, and \$132 million over the budget request of \$1.036 billion. \$132 million of the House's increase is designated for the AIDS Drug Assistance Program set-aside, which was funded at the FY 1997 level in the budget request. The House Committee also provided \$40 million over FY 1997 for the rest of Ryan White in a different allocation than requested. The budget allocated most of the \$40 million to grants to States and clinics, which use more than half their funds on primary medical care and drugs; the Committee allocated most of its \$40 million to grants to cities, whose spending tends to emphasize social services over primary medical care. The Senate Committee's mark for Ryan White is \$1,077 million, \$81 million (eight percent) over FY 1997 enacted and \$41 million (four percent) over the budget request. The Senate Committee allocates \$40 million of the increase roughly as requested in the budget, and provides an additional \$38 million over the request for Title II (grants to States) and an additional \$3 million for Title I (grants to cities).
- Welfare Research. The House and Senate Committees have rescinded \$21 million in mandatory research funds. The President's request assumes \$18 million in discretionary and \$21 million in mandatory welfare research funds for a total of \$39 million.
- Community Schools. Both the House and Senate Committees have failed to provide funding for the Community Schools program in the Administration for Children and Families.

Labor Department

- Overall Funding Level. The overall discretionary funding level for the Education, Training, Employment and Social Services function is "protected" under the BBA. The Training and Employment Service, including the Job Corps program, was separately identified in the Agreement as a protected domestic discretionary priority. The Training and Employment Service was cut by \$233 million in the House and by \$285 million in the Senate. This cut is primarily due to not funding the \$250 million request for the Youth Opportunity Areas in FY 1998, but providing advance funding for FY 1999 if the program is subsequently authorized. This program can be carried out under existing law and authorization is not necessary.

**LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998 (continued)**

MAJOR LANGUAGE ISSUES:

- Abortion. The FY 1998 Budget proposed to delete the FY 1997 enacted provision which prohibits the use of funds provided in the L/HHS/Ed bill for abortion, except in the case of rape or incest (the Hyde Amendment). Both the House and Senate Committees retain the FY 1997 Hyde language.

An amendment has been made in order that would include a prohibition on the purchase of health benefit coverage that includes abortion. The President believes that abortion should be safe, legal, and rare. However, the amendment would not only maintain, but further limit the range of conditions under which a woman's health would permit access to abortion. Furthermore, it would require a physician to make a legal determination that these conditions have been met. The Administration opposes this attempt to constrain further the availability of abortion services and has strongly urged the House not to adopt the amendment. The Administration believes that it is important that any legislation in this area be clear that limitations on the use of Federal funds to provide abortion services under managed care plans do not affect in any way the ability of states to provide such coverage using their own funds, nor the ability of managed care providers to participate in Federally-funded programs while also offering other coverage paid for by state or private funds.

- Embryo research/Human cloning. Both the House and Senate Committees would extend the FY 1996 and FY 1997 L/HHS/Ed appropriations bill ban on using Federal funds on human embryo research to include research involving "human diploid cells." NIH staff advise that in practice, this extension does not differ from the original ban on human embryo research and would have no effect on NIH's present research efforts. The words "human diploid cells" were apparently added in an attempt to address cloning.

A diploid cell is produced after fertilization occurs in humans --it is one stage of a developing embryo. Diploid cells could theoretically be produced via somatic cell nuclear transfer, which is more commonly referred to as "cloning." The FY 96 and FY 1997 L/HHS/Ed appropriations bills barred Federal funding for the creation of human embryos for research purposes or performing research on human embryos that subjects them to significant risk. The prohibition on creating embryos for research purposes would, de facto, prohibit creating a human embryo through cloning technology. This is why including diploid cells in the embryo research ban does not differ practically from banning the creation of human embryos.

The FY 1998 Budget proposed to delete the embryo research ban, stating that the Administration "does not support addressing this issue in legislation." In December 1994, the President had issued a statement barring the use of Federal funds for creating human embryos for research purposes. On June 9, 1997, the President announced that he was sending proposed legislation to the Congress, the "Cloning Prohibition Act of 1997," which would prohibit any attempt to create a human being using somatic cell nuclear transfer. The Administration has not opposed the language in the FY 1998 bill in its letters.

**LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1998 (continued)**

- NIH Office of AIDS Research. The House and Senate Committees do not appropriate a specific amount for AIDS research through a single appropriation for the National Institutes of Health's (NIH) Office of AIDS Research, as requested in the budget.
- Hansen's Disease. The House bill includes language that would transfer HHS's Hansen Disease treatment facility at Carville, Louisiana to the State of Louisiana, as does the budget. It appears that the bill's language includes provisions regarding the transfer of the property and the handling of employee benefits that are objectionable. Also, the House bill does not transfer Hansen's Disease research functions to NIH as proposed in the budget. The Senate bill does not include this provision

7-9-97 Labor-HHS bill

Problems in bill

1. ~~Send~~ Goals - in our letter 491 in 97 HHS lower.
2. Ed in Disadv - we didn't give us big bump we asked for.
3. Charter Schools - substantially under in funds
4. Eisenhower
5. Am Reads - delaying avail of funding
6. Pell - we assumes no indep student charge Both at 3000.

Real \$

Need \$ for national tests
Over/Goals/AmR/Pell - would ↑ our bud request.

Added lots of \$ - Special Ed, Chapter 2, Impact Aid
No chance of MVT

Need to squeeze \$ out of Special Ed or Title I to
get Am Reads \$. Can't take all highs and add.
We now have ^{our} a deal.
Need to get priorities straight.

Gene/Klueck - highest priorities
Am Reads (from last mtg)

Sept 10 in Conference - need to ~~say~~ ^{have run of} what our priorities
are this month.

Health

1. HIV prevention - H. is 13 below.
2. PMMA - reduction for st data collection
3. HEFA - H is 95m below; Senale is 55m below
4. AOA

Head Start - fine - tracks budget deal

Labu

1. Adult training - problematic, but we picked up WTAH \$.
2. Youth op areas - (though better than we expected)

Need \$ in for admin of WTAH program

SSA

1. CDRs - about 80m below us
2. Research prs zapped.

National Service

Whole problem is Au Reads

Ken - 3 run HR

2 big issues in whole bill - Pell + Au Reads
sort of Goals

Admin cost allocs on TANF

Tough approach could get 200 savings of \$16 - but not from our baseline.

KA - not worth doing now - should save for our initiatives later (e.g. child care). Don't give away now. Low apres. (if we have a choice)

Need to take disciplined look at what we need to add here + whether we can switch it around.

If we can't hold it, we have to make sure it's done it

Low: to argue in Zell, we need to eliminate Spec Ed/
T. I adds that they've made and go into
MDS junky.

Pell fight - in indep students

(we were the \$3,000 fight)

Low: We always were talking about the 3,000 -
at least publicly.

Low: Shouldn't be trying to expand box aggressively.

Enclave would say not tenurable.

We should play w/in the box: symbolizes willingness
to live w/in budget ag.

Pell imp

Ann Reads imp

Goals - less improved. High ↑ good enough.

(in thousands of dollars)			1997	1998	1998	1998	Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.	
Office, Account, Program and Activity		D M	Appro.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent
Education, Research, Statistics, and Improvement										
1. Goals 2000 (Goals 2000 EAA):										
(a) State and local education systemic improvement (Title III)..... D 476,000 605,000 460,000 500,000 24,000 5.0% (105,000) -17.4%										
(b) Parental assistance (Title IV)..... D 15,000 15,000 15,000 30,000 15,000 100.0% 15,000 100.0%										
Subtotal, Goals 2000..... 491,000 620,000 475,000 530,000 39,000 7.9% (90,000) -14.5%										
2. School-to-work opportunities (STW Opportunities Act titles II, III and IV)..... D 199,973 200,000 200,000 200,000 27 0.0% 0 0.0%										
3. Technology literacy challenge fund (ESEA section 3132).. D 200,000 425,000 460,000 425,000 225,000 112.5% 0 0.0%										
4. Technology for education (ESEA III-A):										
(a) Technology innovative challenge grants (section 3136)..... D 0 0 0 106,000 106,000 --- 106,000 ---										
(b) Regional technology in education consortia (section 3141)..... D 0 0 0 10,000 10,000 --- 10,000 ---										
0 0 0 116,000 116,000 --- 116,000 ---										
Total..... 890,973 1,245,000 1,135,000 1,127,000 480,027 42.7% (28,000) -2.4%										
Outlays..... 690,543 729,801 0 0 (690,543) -100.0% (729,801) -100.0%										

¹ \$200,000 thousand was provided to each of the Departments of Education and Labor. The Department of Education amount reflects a subsequent reduction of \$27 thousand for this account's share of a \$1,381 thousand cancellation of funds available to the Department for salaries and expenses.

² An identical amount is included in the budget for the Department of Labor.

³ Adjusted for comparability. Funds were provided in the Education Research, Statistics, and Improvement account.

⁴ Funds were provided under the Education, Research, Statistics, and Improvement account.

NOTE: Category Codes are as follows: D = discretionary program; M = mandatory program. The designation of programs as discretionary or mandatory is set forth in the Budget Enforcement Act of 1990.

(in thousands of dollars)						1997		1998		1998		1998		
Office, Account, Program and Activity		D	1997	1998	1998	1998	1997	1998	1998	1998	1997	1998	1998	
		M	Appro.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent	Amount	Percent	Amount	
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION (OESE)														
1. Grants to local educational agencies (ESEA I-A):														
(a) Basic grants:														
	(1) Basic grants (section 1124(a)).....	D	6,269,712	6,187,350	6,187,850	6,269,712	0	0.0%	82,362	1.3%	0	0.0%	82,362	1.3%
	(2) LEA Census poverty data.....	D	3,500	4,000	3,500	4,000	500	14.3%	0	0.0%	500	14.3%	0	0.0%
	Subtotal, Basic grants.....		6,273,212	6,191,350	6,191,350	6,273,712	500	0.0%	82,362	1.3%	500	0.0%	82,362	1.3%
	(b) Concentration grants (section 1124A).....	D	1,022,020	999,249	949,249	1,022,020	0	0.0%	22,771	2.3%	0	0.0%	22,771	2.3%
	(c) Targeted grants (section 1125).....	D	0	350,000	400,000	0	0	---	(350,000)	-100.0%	0	---	(350,000)	-100.0%
	Subtotal.....		7,295,232	7,540,599	7,540,599	7,295,732	500	0.0%	(244,867)	-3.2%	500	0.0%	(244,867)	-3.2%
2. Capital expenses for private school children (ESEA I section 1120(e)).....														
		D	41,119	41,119	41,119	41,119	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3. Even start (ESEA I-B).....														
		D	101,992	108,000	108,000	108,000	6,008	5.9%	0	0.0%	6,008	5.9%	0	0.0%
4. State agency programs:														
	(a) Migrant (ESEA I-C).....	D	305,473	319,940	305,473	305,473	0	0.0%	(14,027)	-4.4%	0	0.0%	(14,027)	-4.4%
	(b) Neglected and delinquent (ESEA I-D).....	D	39,311	40,333	39,311	40,333	1,022	2.6%	0	0.0%	1,022	2.6%	0	0.0%
	Subtotal.....		344,784	359,833	344,784	345,806	1,022	0.3%	(14,027)	-3.9%	1,022	0.3%	(14,027)	-3.9%
5. State school improvement (ESEA I-A sections 1116 and 1117).....														
		D	0	9,000	0	0	0	---	(9,000)	-100.0%	0	---	(9,000)	-100.0%
6. Evaluation (ESEA I-E section 150).....														
		D	6,977	10,000	10,000	6,977	0	0.0%	(3,023)	-30.2%	0	0.0%	(3,023)	-30.2%
7. Whole school reform (section 1502(a)(1)(C)).....														
		D	0	0	150,000	0	0	---	0	---	0	---	0	---
	Subtotal, ESEA I.....		7,799,104	8,067,551	8,198,502	7,797,634	7,530	0.1%	(269,917)	-3.3%	7,530	0.1%	(269,917)	-3.3%
8. Migrant education (ESEA IV-A-3):														
	(a) High school equivalency program.....	D	7,441	7,634	7,634	7,634	193	2.6%	0	0.0%	193	2.6%	0	0.0%
	(b) College assistance migrant program.....	D	2,028	2,081	2,081	2,081	53	2.6%	0	0.0%	53	2.6%	0	0.0%
	Subtotal.....		9,469	9,715	9,715	9,715	246	2.6%	0	0.0%	246	2.6%	0	0.0%
TOTAL BUDGET AUTHORITY.....														
			7,799,104	8,067,551	8,204,217	7,807,349	7,776	0.1%	(269,917)	-3.3%	7,776	0.1%	(269,917)	-3.3%
Current authority.....														
			6,501,187	6,778,880	6,905,811	6,508,963	7,776	0.1%	(269,917)	-4.0%	7,776	0.1%	(269,917)	-4.0%
Permanent authority.....														
			1,298,386	1,298,386	1,298,386	1,298,386	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Outlays, current.....														
			6,202,535	6,206,820	0	0	(6,202,535)	-100.0%	(6,206,820)	-100.0%	0	---	(6,206,820)	-100.0%
Outlays, permanent.....														
			1,032,283	1,270,973	0	0	(1,032,283)	-100.0%	(1,270,973)	-100.0%	0	---	(1,270,973)	-100.0%

¹ Excludes an advance appropriation of \$1,298,386 thousand that will become available on October 1 of fiscal year 1999 for academic year 1998-99.

² Reflects an advance appropriation that was included in the prior year's appropriations act and which becomes available on October 1 of the fiscal year shown. The advance appropriation is scored as permanent budget authority in the year of availability.

(in thousands of dollars)			1997	1998	1998	1998	Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.	
Office, Account, Program and Activity		D \ M	Appro.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent
1. Payments for federally connected children (section 8003):										
(a) Basic support payments (section 8003(b)).....										
	D		615,500	584,000	667,000	623,500	8,000	1.3%	39,500	6.6%
(b) Payments for children with disabilities (section 8003(d)).....										
	D		40,000	40,000	40,000	80,000	40,000	100.0%	40,000	100.0%
(c) Payments for heavily impacted districts (section 8003(f)).....										
	D		52,000	20,000	62,000	52,000	0	0.0%	32,000	160.0%
			<u>707,500</u>	<u>644,000</u>	<u>769,000</u>	<u>755,500</u>	<u>48,000</u>	<u>6.8%</u>	<u>111,500</u>	<u>17.1%</u>
2. Facilities maintenance (section 8008).....										
	D		0	10,000	0	10,000	10,000	---	0	0.0%
3. Construction (section 8007).....										
	D		5,000	4,000	7,000	5,000	0	0.0%	1,000	25.0%
4. Payments for Federal property (section 8002).....										
	D		17,500	0	20,000	24,000	6,500	37.1%	24,000	---
			<u>730,000</u>	<u>658,000</u>	<u>796,000</u>	<u>784,500</u>	<u>64,500</u>	<u>8.8%</u>	<u>136,500</u>	<u>20.7%</u>
Outlays.....			900,957	700,995	0	0	(900,957)	-100.0%	(700,995)	-100.0%
SCHOOL CONSTRUCTION										
1. School construction (proposed legislation).....										
	M		0	5,000,000	0	0	0	---	(5,000,000)	(1)
			<u>0</u>	<u>5,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>---</u>	<u>(5,000,000)</u>	<u>(1)</u>
Outlays.....			0	1,250,000	0	0	0	---	(1,250,000)	-100.0%

(in thousands of dollars)										
Office Account, Program and Activity		D \ M	1997 Appro.	1998 President's Budget	1998 House Committee	1998 Senate Committee	Sen. Change from '97 Apprp. Amount	Sen. Change from Pres. Bud. Amount	Percent	Percent
Special Programs										
1. Professional development and program innovations:										
(a) Eisenhower professional development State grants (ESEA II-B)										
	D		310,000	360,000	310,000	310,000	0	(50,000)	0.0%	-13.9%
(b) Innovative education program strategies State grants (ESEA VI-A)										
	D		310,000	0	350,000	310,000	0	310,000	0.0%	---
			620,000	360,000	660,000	620,000	0	260,000	0.0%	72.2%
2. Safe and drug-free schools and communities:										
(a) State grants (ESEA IV-A Subpart 1)										
	D		510,978	590,000	531,000	555,978	25,000	(34,022)	4.7%	-5.8%
(b) National programs (ESEA IV-A Subpart 2)										
	D		25,000	30,000	25,000	0	(25,000)	(30,000)	-100.0%	-100.0%
			535,978	620,000	556,000	555,978	0	(64,022)	0.0%	-10.3%
	D		10,265	12,000	12,000	12,000	1,735	0	16.9%	0.0%
	D		9,000	8,300	9,500	10,500	1,500	1,000	16.7%	10.5%
	D		95,000	95,000	105,000	95,000	0	0	0.0%	0.0%
6. Education for homeless children and youth (SBMHAA Title VII-B)										
	D		25,000	27,000	27,000	28,800	3,800	1,800	15.2%	6.7%
	D		2,000	4,000	2,000	4,000	2,000	0	100.0%	0.0%
	D		7,334	14,334	7,334	7,334	0	(7,000)	0.0%	-48.8%
	D		1,500	0	1,500	1,500	0	1,500	0.0%	---
	D		15,000	15,000	0	20,000	5,000	5,000	33.3%	33.3%
	D		8,000	8,000	0	10,640	2,640	2,640	33.0%	33.0%
	D		50,987	100,000	75,000	50,987	0	(49,013)	0.0%	-49.0%
	D		25,554	34,388	25,554	25,554	0	(8,834)	0.0%	-25.7%
	D		0	0	0	40,000	40,000	40,000	---	---
			1,425,618	1,799,222	1,480,889	1,382,233	(52,679)	(189,077)	3.7%	-10.5%
			1,516,170	1,394,282	0	0	(1,516,170)	(1,394,282)	-100.0%	-100.0%
Other Programs										
1. America Reads Challenge (proposed legislation):										
(a) America's Reading Corps										
	D		0	200,000	200,000	200,000	0	(200,000)	---	-100.0%
(b) Parents as First Teachers grants										
	D		0	60,000	60,000	60,000	0	(60,000)	---	-100.0%
			0	260,000	260,000	260,000	0	(260,000)	---	-100.0%
			0	31,200	0	0	0	(31,200)	---	-100.0%

1 Reflects a reprogramming of \$25,000 thousand appropriated for State Grants to National Programs.
 2 Funds are provided on an advance basis to become available on October 1 of fiscal year 1999, if specifically authorized by April 1, 1999. The advance appropriation is scored as permanent budget authority in fiscal year 1999 and is not reflected in the House and Senate totals for the Department.
 3 If the reading initiative is not authorized by April 1, 1999, the House provides that the funds shall be transferred to the Special Education account to be available on July 1, 1999, for the same purposes as that account.

NOTE: Funds requested in 1998 for America Reads Challenge were classified as mandatory; however, the 1998-2002 budget agreement between the President and Congress reclassified those funds as discretionary.

(in thousands of dollars)			1997	1998	1998	1998	Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.	
Office, Account, Program and Activity		D M	Appro.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent
INDIAN EDUCATION										
1. Grants to local educational agencies (ESIA IX-A-1).....	D		58,050	59,750	59,750	59,750	1,700	2.9%	0	0.0%
2. Federal administration:										
(a) Office of Indian Education (OEIA section 213).....	D		2,943	2,800	2,800	2,800	(143)	-4.9%	0	0.0%
(b) National advisory council (ESIA IX-A-5).....	D		0	30	50	50	50	---	0	0.0%
Subtotal.....			2,943	2,830	2,850	2,850	(93)	-3.2%	0	0.0%
INDIAN EDUCATION										
Outlays.....			60,993	62,580	62,600	62,600	1,607	2.6%	0	0.0%
TOTAL, OEIA.....			67,471	65,709	0	0	(67,471)	-100.0%	(60,709)	-100.0%
TOTAL, OESB.....			10,016,184	15,357,088	10,543,705	10,146,742	130,558	1.3%	(5,210,348)	-33.9%
Total, discretionary.....	D		10,016,184	10,357,088	10,543,705	10,146,742	130,558	1.3%	(210,348)	-2.0%
Total, mandatory.....	M		0	5,000,000	0	0	0	---	(5,000,000)	-100.0%

NOTE: Prior to fiscal year 1998, funds for Indian Education were provided in the Department of the Interior and Related Agencies Appropriations Acts.

(in thousands of dollars)

Office, Account, Program and Activity	D M	1997	1998	1998	1998	Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.	
		Appro.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS (OBEMLA)									
1. Bilingual education (ESEA VII-A):									
(a) Instructional services (subpart 1).....	D	141,700	160,000	160,000	160,000	18,300	12.9%	0	0.0%
(b) Support services (subpart 2).....	D	10,000	14,000	14,000	14,000	4,000	40.0%	0	0.0%
(c) Professional development (subpart 3).....	D	5,000	25,000	25,000	25,000	20,000	400.0%	0	0.0%
Subtotal.....		156,700	199,000	199,000	199,000	42,300	27.0%	0	0.0%
2. Foreign language assistance (ESEA VII-B).....	D	5,000	5,000	5,000	5,000	0	0.0%	0	0.0%
3. Immigrant education (ESEA VII-C).....	D	100,000	150,000	150,000	150,000	50,000	50.0%	0	0.0%
TOTAL, OBEMLA.....		261,700	354,000	354,000	354,000	92,300	35.3%	0	0.0%
Outlays.....		225,430	276,822	0	0	(225,430)	-100.0%	(276,822)	-100.0%

¹ Reflects a reprogramming of \$15,000 thousand from funds provided for Instructional Services; \$10,000 thousand to Support Services and \$5,000 thousand to Professional Development.

(in thousands of dollars)						Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.		
Office, Account, Program and Activity		D \ M	1997 Appra.	1998 President's Budget	1998 House Committee	1998 Senate Committee	Amount	Percent	Amount	Percent
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES (OSERS)										
Special Education										
1. State grants:										
(a) Grants to States (Part B-611).....	D		3,109,395	3,248,750	3,353,911	3,949,837	840,442	27.0%	701,087	21.6%
(b) Preschool grants (Part B-619).....	D		360,409	374,825	388,985	378,985	18,576	5.2%	4,160	1.1%
(c) Grants for infants and families (Part C-688).....	D		315,754	323,964	340,790	350,790	35,036	11.1%	26,826	8.3%
Subtotal, State grants.....			3,785,558	3,947,539	4,083,686	4,679,612	694,054	23.6%	732,073	18.5%
2. National activities:										
(a) State improvement (Part-D, Subpart 1).....	D		26,988	35,200	35,200	35,200	8,212	30.4%	0	0.0%
(b) Research and innovation (Part-D, section 672).....	D		62,803	64,508	64,508	64,508	1,705	2.7%	0	0.0%
(c) Technical assistance and dissemination (Part-D, section 685).....	D		34,337	35,056	35,056	44,556	10,219	29.8%	9,500	27.1%
(d) Personnel preparation (Part-D, section 673).....	D		80,735	82,139	82,139	82,139	1,404	1.7%	0	0.0%
(e) Parent information centers (Part-D, section 682-684).....	D		15,535	15,535	15,535	18,535	3,000	19.3%	3,000	19.3%
(f) Technology and media services (Part-D, section 687).....	D		30,023	30,023	32,523	32,023	2,000	6.7%	2,000	6.7%
(g) Readings (Part-D, section 687(b)(2)(G).....	D		0	0	0	1,500	1,500	---	1,500	---
Subtotal.....			250,421	262,461	264,961	278,461	28,040	11.2%	16,000	6.1%
Total.....			4,035,979	4,210,000	4,348,647	4,958,073	922,094	22.8%	748,073	17.8%
Outlays.....			3,425,900	3,752,435	0	0	(3,425,900)	-100.0%	(3,752,435)	-100.0%

NOTE: Activities and amounts for 1997 and the 1998 President's Budget have been adjusted to reflect the reauthorized Individuals with Disabilities Education Act (Public Law 105-17) enacted June 4, 1997.

(in thousands of dollars)

Office, Account, Program and Activity	D M	1997	1998	1998	1998	Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.	
		Appro.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent
Rehabilitation Services and Disability Research									
1. Vocational rehabilitation State grants:									
(a) Grants to States (RA I-A and sections 110 and 111)	M	2,164,038	2,234,528	2,234,528	2,234,528	70,490	3.3%	0	0.0%
(b) Grants for Indians (RA I-D)	M	12,000	12,360	12,360	12,360	360	3.0%	0	0.0%
Subtotal		2,176,038	2,246,888	2,246,888	2,246,888	70,850	3.3%	0	0.0%
2. Client assistance State grants (RA section 112)	M	10,392	10,714	10,714	10,714	322	3.1%	0	0.0%
3. Training (RA sections 102 and 803)	M	39,629	39,629	39,629	39,629	0	0.0%	0	0.0%
4. Special demonstration programs (RA sections 311 and 802)	M	18,942	16,942	15,942	20,836	1,894	10.0%	3,894	23.0%
5. Migratory workers (RA section 312)	M	1,850	2,350	2,350	2,350	500	27.0%	0	0.0%
6. Recreational programs (RA section 316)	M	2,596	2,596	2,596	2,596	0	0.0%	0	0.0%
7. Protection and advocacy of individual rights (RA section 509)	M	7,657	7,894	9,894	7,894	237	3.1%	0	0.0%
8. Projects with industry (RA VI-B)	M	22,071	22,071	22,071	22,071	0	0.0%	0	0.0%
9. Supported employment State grants (RA VI-C)	M	38,152	38,152	38,152	38,152	0	0.0%	0	0.0%
10. Independent living (RA VII):									
(a) State grants (Chapter 1, Part B)	M	21,859	21,859	21,859	21,859	0	0.0%	0	0.0%
(b) Centers (Chapter 1, Part C)	M	42,876	46,205	44,205	46,205	3,329	7.8%	2,000	4.5%
(c) Services for older blind individuals (Chapter 2)	M	9,952	9,952	9,952	11,947	1,995	20.0%	1,995	20.0%
11. Program Improvement (RA section 12)	M	2,391	2,900	2,900	3,900	1,509	63.1%	0	0.0%
12. Evaluation (RA section 14)	M	1,587	1,587	1,587	1,587	0	0.0%	0	0.0%
13. Helen Keller National Center for Deaf-Blind Youths and Adults (HNCA)	M	7,337	7,520	7,520	7,549	212	2.9%	21	0.3%
14. National Institute on Disability and Rehabilitation Research (RA II)	M	69,990	71,000	76,800	71,000	1,010	1.4%	0	0.0%
15. Assistive technology (BRAIDA Title I)	M	36,109	36,109	36,109	36,109	0	0.0%	0	0.0%
Total, discretionary	M	2,509,428	2,583,376	2,583,376	2,581,266	61,858	2.3%	7,910	0.3%
Total, mandatory baseline	M	2,509,428	2,583,376	2,583,376	2,583,376	73,968	2.9%	0	0.0%
Outlays, discretionary		0	0	0	0	0	---	0	---
Outlays, mandatory baseline		2,702,207	2,626,626	0	0	(2,702,207)	-100.0%	(2,626,626)	-100.0%

NOTE: Funds in this account are classified as mandatory under the rules specified in the Budget Enforcement Act of 1990. When the total for the account is different from the mandatory baseline total, the difference is scored as discretionary and is applied to the Department's discretionary total.

STAT

ED/000/03

07/25/97

07/25/97

07/25/97

(in thousands of dollars)			1997	1998	1998	1998	Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.	
Office, Account, Program and Activity		D M	Appro.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent
American Printing House for the Blind		D	8,480	6,680	8,186	7,906	1,726	18.44	1,226	18.00
Outlays.....			8,771	6,680	0	0	(8,771)	-100.00	(6,680)	-100.00
National Technical Institute for the Deaf		D	43,044	43,043	43,941	44,141	1,100	2.56	1,100	2.56
Outlays.....			40,459	43,043	0	0	(40,459)	-100.00	(43,043)	-100.00
William T. Miller Center for the Study of Democracy		D	79,182	79,182	80,682	81,000	1,318	1.66	1,318	1.66
Outlays.....			75,879	79,256	0	0	(75,879)	-100.00	(79,256)	-100.00
TOTAL, OSEAS.....			6,674,310	6,922,279	7,070,332	7,682,406	1,008,096	15.10	760,127	11.00
Total, discretionary.....		D	4,164,882	4,338,900	4,487,156	5,099,030	934,148	22.44	760,127	17.50
Total, mandatory.....		M	2,509,428	2,583,376	2,583,376	2,583,376	73,948	2.91	0	0.00

(In thousands of dollars)			1997	1998	1998	1998	Sen. Change from '97 Appr.		Sen. Change from Pres. Bud.	
Office, Account, Program and Activity		D \ M	Appr.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent
OFFICE OF VOCATIONAL AND ADULT EDUCATION (OVAE)										
1. Vocational education State grants:										
(a) Basic grants (Carl D. Perkins VAWBA):										
(1) Basic State grants (Title II).....	D		998,056	1,025,461	998,056	998,056	0	0.0%	0	-2.7%
(2) Territorial set-aside (section 101A).....	D		2,058	2,128	2,058	2,058	0	0.0%	0	-3.3%
(3) Indian and Hawaiian natives set-aside (section 103).....	D		15,436	15,961	15,436	15,436	0	0.0%	0	-3.3%
Subtotal.....			1,015,550	1,043,550	1,015,550	1,015,550	0	0.0%	(28,000)	-2.7%
(b) Tech-prep education (VAWEA III-E).....	D		100,000	105,000	105,000	100,000	0	0.0%	(5,000)	-4.8%
Subtotal, State grants.....			1,115,550	1,148,550	1,120,550	1,115,550	0	0.0%	(33,000)	-2.9%
2. Vocational education national programs (VAWEA IV-A).....	D		13,497	20,497	13,497	13,497	0	0.0%	(7,000)	-34.2%
3. Tribally controlled postsecondary vocational institutions (VAWEA III-H).....	D		2,919	2,919	3,100	3,100	181	6.2%	181	6.2%
Subtotal, annual.....			1,131,966	1,171,966	1,137,147	1,132,147	181	0.0%	(39,819)	-3.4%
4. Permanent appropriation (Smith-Hughes Act):										
(a) Basic grants.....	M		6,848	0	6,848	6,848	0	0.0%	6,848	---
(b) Territorial set-aside.....	M		14	0	14	14	0	0.0%	14	---
(c) Indian and Hawaiian natives set-aside.....	M		107	0	107	107	0	0.0%	107	---
(d) Research.....	M		179	0	179	179	0	0.0%	179	---
Subtotal, permanent.....			7,148	0	7,148	7,148	0	0.0%	7,148	---
Subtotal, vocational education.....			1,139,114	1,171,966	1,144,295	1,139,295	181	0.0%	(32,671)	-2.8%
5. Adult education State grants (AEA B).....	D		340,339	382,000	340,339	340,339	0	0.0%	(41,661)	-10.9%
6. Evaluation and technical assistance (AEA sections 383 and 384(a) and (b)).....	D		4,998	6,000	4,998	4,998	0	0.0%	(1,002)	-16.7%
7. National Institute for Literacy (AEA section 384(c)).....	D		4,491	6,000	4,491	4,491	0	0.0%	(1,509)	-25.2%
8. Literacy programs for prisoners (National Literacy Act section 801).....	D		4,723	0	0	4,723	0	0.0%	4,723	---
Subtotal, Adult education.....			354,551	394,000	349,828	354,551	0	0.0%	(39,449)	-10.0%
Subtotal, annual.....			1,486,517	1,565,966	1,486,975	1,486,698	181	0.0%	(79,268)	-5.1%
Subtotal, permanent.....			7,148	0	7,148	7,148	0	0.0%	7,148	---
TOTAL, OVAE.....			1,493,665	1,565,966	1,494,123	1,493,846	181	0.0%	(72,120)	-4.6%
Total, discretionary.....	D		1,486,517	1,565,966	1,486,975	1,486,698	181	0.0%	(79,268)	-5.1%
Total, mandatory.....	M		7,148	0	7,148	7,148	0	0.0%	7,148	---
Outlays, discretionary.....			1,588,853	1,486,651	0	0	(1,588,853)	-100.0%	(1,486,651)	-100.0%
Outlays, mandatory.....			8,538	6,488	0	0	(8,538)	-100.0%	(6,488)	-100.0%

(in thousands of dollars)						Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.	
Office, Account, Program and Activity	D \ M	1997 Appra.	1998 President's Budget	1998 House Committee	1998 Senate Committee	Amount	Percent	Amount	Percent
OFFICE OF POSTSECONDARY EDUCATION (OPE)									
1. Federal Pell grants (HEA IV-A-1)									
Prior-year surplus used (non-add)	D	308,000	171,304	0	179,666	(137,334)	-44.6%	(638)	-0.4%
Subtotal, budget authority		5,919,000	7,635,000	7,438,000	6,910,334	991,334	16.7%	(724,666)	-9.5%
Subtotal, program level (non-add)		6,227,000	7,806,304	7,081,000	7,081,000	854,000	13.7%	(723,304)	-9.3%
Maximum award (in whole dollars)		2,700	3,000	3,000	3,000	300	11.1%	0	0.0%
Subtotal, Pell grants		5,919,000	7,635,000	7,438,000	6,910,334	991,334	16.7%	(724,666)	-9.5%
2. Campus-based programs:									
(a) Federal supplemental educational opportunity grants (HEA IV-A-3)									
Federal supplemental educational opportunity grants	D	583,407	583,407	583,407	634,407	51,000	8.7%	51,000	8.7%
(b) Federal work-study (HEA IV-C)									
Federal work-study	D	830,000	857,000	860,000	830,000	0	0.0%	(27,000)	-3.2%
(c) Federal Perkins loans (HEA IV-E):									
(1) Capital contributions									
Capital contributions	D	158,000	158,000	135,000	158,000	0	0.0%	0	0.0%
(2) Loan cancellations									
Loan cancellations	D	20,000	30,000	30,000	25,000	5,000	25.0%	(5,000)	-16.7%
Subtotal		178,000	188,000	165,000	183,000	5,000	2.8%	(5,000)	-2.7%
Subtotal, campus-based programs		1,591,407	1,628,407	1,608,407	1,647,407	56,000	3.5%	19,000	1.2%
3. State student incentive grants (HEA IV-A-4)									
State student incentive grants	D	50,000	0	0	0	(50,000)	-100.0%	0	---
Total		7,590,407	9,263,407	9,046,407	8,557,741	991,334	13.7%	(708,666)	-7.6%
Outlays		7,590,977	8,165,139	0	0	(7,590,977)	-100.0%	(8,165,139)	-100.0%

¹ An additional \$99,435 thousand in prior-year surplus was available at the time the President's Budget was transmitted to the Congress.

(in thousands of dollars)

Office, Account, Program and Activity	D 1997 M Appro.	1998 President's Budget	1998 House Committee	1998 Senate Committee	Sen. Change from '97 Appr. Amount	Sen. Change from '97 Appr. Percent	Sen. Change from Pres. Bud. Amount	Sen. Change from Pres. Bud. Percent
Federal Family Education Loans Program (HEA IV-B)								
1. Family education loans (HEA IV-B):								
(a) Program costs (permanent authority)..... M	0	0	0	0	0	---	0	---
(b) Program costs (discretionary authority)..... M	0	0	0	0	0	---	0	---
Outlays.....	7,266	(413,615)	0	0	(7,266)	-100.0%	413,615	-100.0%
Federal Family Education Loans Program (HEA IV-B)								
1. New loan subsidies (HEA IV-B) (permanent authority).... M	2,661,113	2,077,941	2,077,941	2,077,941	(583,172)	-21.9%	0	0.0%
2. Reestimate of existing loans..... M	(2,530,592)	0	0	0	2,530,592	-100.0%	0	---
Subtotal.....	130,521	2,077,941	2,077,941	2,077,941	1,947,420	1492.0%	0	0.0%
3. Federal administration (YCSA section 505(a))..... D	46,482	47,688	47,688	46,482	0	0.0%	(1,206)	-2.5%
Outlays, discretionary.....	41,266	45,812	0	0	(41,266)	-100.0%	(45,812)	-100.0%
Outlays, mandatory.....	(17,944)	2,087,715	0	0	17,944	-100.0%	(2,087,715)	-100.0%
Total, FFEL.....	177,003	2,125,629	2,125,629	2,124,423	1,947,420	1100.2%	(1,206)	-0.1%
Total, discretionary..... D	46,482	47,688	47,688	46,482	0	0.0%	(1,206)	-2.5%
Total, mandatory..... M	130,521	2,077,941	2,077,941	2,077,941	1,947,420	1492.0%	0	0.0%
Federal Family Education Loans Program (HEA IV-B)								
1. New loan subsidies (section 451) (permanent authority).. M	412,646	751,345	751,345	751,345	338,699	82.1%	0	0.0%
2. Reestimate of existing loans..... M	(303,653)	0	0	0	303,653	-100.0%	0	---
Subtotal.....	108,993	751,345	751,345	751,345	642,352	589.4%	0	0.0%
3. Federal administration (section 458):								
(a) Federal administration (permanent authority)..... M	491,000	532,000	532,000	532,000	41,000	8.4%	0	0.0%
(b) Payments for services to guaranty agencies (non-add) M	152,752	152,143	152,143	152,143	(609)	-0.4%	0	0.0%
Total.....	643,752	684,143	684,143	684,143	40,391	6.3%	0	0.0%
Outlays, Total.....	413,105	1,070,554	0	0	(413,105)	-100.0%	(1,070,554)	-100.0%
Outlays, loan subsidies.....	(553)	581,458	0	0	553	-100.0%	(581,458)	-100.0%
Outlays, Federal administration.....	413,658	489,096	0	0	(413,658)	-100.0%	(489,096)	-100.0%

(in thousands of dollars)						Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.	
Office Account, Program and Activity	D \ N	1997 Appra.	1998 President's Budget	1998 House Committee	1998 Senate Committee	Amount	Percent	Amount	Percent
Higher Education									
1. Aid for institutional development (NEA III):									
(a) Strengthening institutions (Part A)	D	55,450	55,450	55,450	55,450	0	0.0%	0	0.0%
(b) Hispanic-serving institutions (Part A section 316)	D	10,000	12,000	12,000	12,000	1,200	11.1%	0	0.0%
(c) Strengthening HBCUs (Part B section 323)	D	108,990	113,000	120,000	108,990	0	0.0%	(4,010)	-3.5%
(d) Strengthening historically black graduate institutions (Part B section 326)	D	19,606	19,606	25,000	19,606	0	0.0%	0	0.0%
(e) Endowment challenge grants HBCU set-aside (Part C section 331)	D	0	2,015	0	0	0	---	(2,015)	-100.0%
Subtotal, Title III		194,046	202,071	212,450	196,046	1,200	0.6%	(6,025)	-3.0%
2. Program development:									
(a) Fund for the Improvement of Postsecondary Education (NEA X-A)	D	18,000	18,000	18,000	30,000	12,000	66.7%	12,000	66.7%
(b) Minority teacher recruitment (NEA V-8-2)	D	2,212	3,727	2,500	2,212	0	0.0%	(1,515)	-40.6%
(c) Minority science improvement (NEA X-B-1)	D	5,255	5,255	5,255	5,255	0	0.0%	0	0.0%
(d) International education and foreign language studies:									
(1) Domestic programs (NEA VI-A and B)	D	53,481	53,481	54,481	53,481	0	0.0%	0	0.0%
(2) Overseas programs (Fulbright-Rays Act (section 102(b)(6)))	D	5,770	5,770	5,770	5,870	600	11.4%	100	1.7%
(3) Institute for International Public Policy (NEA VI-C)	D	1,000	1,000	0	1,000	0	0.0%	0	0.0%
Subtotal		59,751	60,251	60,251	60,351	600	1.0%	100	0.2%
(e) Urban community service (NEA XI-A)	D	9,200	0	0	4,900	(4,300)	-46.7%	4,900	---
3. Interest subsidy grants (NEA VII section 702)	D	15,673	13,700	13,700	12,700	(1,973)	-12.6%	0	0.0%
4. Mary McLeod Bethune Memorial Fine Arts Center (Pub.L. 102-423)	D	1,400	0	6,620	1,400	0	0.0%	1,400	---
5. Edmund S. Muskie Foundation (Human Rights, Refugee, and Other For. Rel. Prov. Act, section 304)	D	3,000	0	0	0	(3,000)	-100.0%	0	---
6. Calvin Coolidge Memorial Foundation (Human Rights, Refugee and Other For. Rel. Prov. Act, section 302)	D	1,000	0	0	0	(1,000)	-100.0%	0	---
7. Claiborne Pell Institute for International Relations and Public Policy (Claiborne Pell IIRPP Act)	D	3,000	0	0	0	(3,000)	-100.0%	0	---
8. Aid to students:									
(a) Federal TRIO programs (NEA IV-A-2, Chapter 1)	D	499,994	525,000	532,000	525,000	25,006	5.0%	0	0.0%
(b) Advanced placement fees (P.L. 102-325, XV-D)	D	0	6,000	0	3,000	3,000	---	(3,000)	-50.0%
(c) National early intervention scholarships and partnerships (NEA IV-A-2, Chapter 2)	D	3,600	0	0	3,600	0	0.0%	3,600	---
(d) Byrd honors scholarships (NEA IV-A-6)	D	29,117	39,288	29,117	39,288	10,171	34.9%	0	0.0%
(e) Presidential honors scholarships (proposed legislation)	D	0	132,000	0	0	0	---	(132,000)	-100.0%
(f) George Bush fellowships (George Bush School of Government and Public Services Act)	D	3,000	0	0	0	(3,000)	-100.0%	0	---
(g) Javits fellowships (NEA IX-C)	D	5,931	0	0	0	(5,931)	-100.0%	0	---
(h) Graduate assistance in areas of national need (NEA IX-D)	D	20,069	20,000	30,000	30,000	5,931	24.6%	0	0.0%
9. State grants for incarcerated youth offenders (NEA X-E)	D	0	0	0	15,000	15,000	---	15,000	---
Total		870,046	1,035,291	909,890	929,752	30,700	3.5%	(106,840)	-12.1%
Outlays		880,188	896,569	0	0	(880,188)	-100.0%	(896,569)	-100.0%

¹ Funds provided for Graduate Assistance in Areas of National Need also are available for Harris Fellowships noncompeting continuation awards for academic year 1997-98. \$4,137 thousand was used for Harris Fellowships.

² Funds provided for Graduate Assistance in Areas of National Need also are available for Javits Fellowships noncompeting continuation awards for academic year 1998-99. \$3,375 thousand will be used for Javits Fellowships.

(in thousands of dollars)			1997	1998	1998	1998	Sen. Change from '97 Appr.		Sen. Change from Pres. Bud.	
Office, Account, Program and Activity		D V M	Appr.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent
Howard University										
1. Howard University Hospital (20 U.S.C. 120)		D	29,489	29,489	29,489	29,489	0	0.0%	0	0.0%
2. Undistributed		D	166,511	166,511	180,511	168,511	2,000	1.2%	2,000	1.2%
Total			196,000	196,000	210,000	198,000	2,000	1.0%	2,000	1.0%
Outlays			192,997	196,000	0	0	(192,997)	-100.0%	(196,000)	-100.0%
College Housing and Academic Facilities Loan Program										
1. Interest subsidy payments (HEA VII-C) (permanent authority)		M	3,000	3,000	3,000	3,000	0	0.0%	0	0.0%
Total, CHAF (Loan Subsidies)			3,000	3,000	3,000	3,000	0	0.0%	0	0.0%
Outlays			6,831	3,995	0	0	(6,831)	-100.0%	(3,995)	-100.0%
College Housing and Academic Facilities Loan Program										
1. Federal administration (FCRA section 505(a))		D	698	1,069	698	698	0	0.0%	(371)	-34.7%
Total, CHAF program			698	1,069	698	698	0	0.0%	(371)	-34.7%
Outlays, Total			1,738	1,372	0	0	(1,738)	-100.0%	(1,372)	-100.0%
Outlays, loan subsidies			1,034	444	0	0	(1,034)	-100.0%	(444)	-100.0%
Outlays, Federal administration			704	928	0	0	(704)	-100.0%	(928)	-100.0%
Total, CHAF			3,698	4,069	3,698	3,698	0	0.0%	(371)	-9.1%
College Housing and Academic Facilities Loan Program										
Outlays			(31,906)	(32,028)	0	0	31,906	-100.0%	32,028	-100.0%
Historically Black Colleges and Universities Capital Financing Program, Account: HEA VII(C)										
1. Federal administration (FCRA section 505(a))		D	104	104	104	104	0	0.0%	0	0.0%
Total			104	104	104	104	0	0.0%	0	0.0%
Outlays			162	110	0	0	(162)	-100.0%	(110)	-100.0%
TOTAL, OPE.			9,382,751	13,872,846	13,544,076	13,062,063	3,679,310	39.2%	(810,783)	-5.8%
Total, discretionary		D	8,682,739	10,543,560	10,214,790	9,732,777	1,050,838	12.1%	(810,783)	-7.7%
Total, mandatory		N	700,014	3,329,286	3,329,286	3,329,286	2,629,272	375.6%	0	0.0%

1 At least \$3,539 thousand must be allocated for the Howard University endowment program.
 2 No loan authority.

(in thousands of dollars)		D	1998	1998	1998	Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.	
Office, Account, Program and Activity		\	President's	House	Senate	Amount	Percent	Amount	Percent
		M	Budget	Committee	Committee				
			Appro.						
OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT (OEI)									
Education Research, Statistics, and Assessment									
1. Research, development and dissemination (ERDDIA):									
(a) National education research institutes (Part C)....	D	54,000	62,250	62,250	54,000	0	0.0%	(8,250)	-13.3%
(b) Regional educational laboratories (Section 941(h))..	D	51,000	53,500	50,300	53,500	2,500	4.9%	0	0.0%
(c) National dissemination activities (Section 941(a)-(g) and Part E).....	D	18,567	18,785	18,785	18,567	0	0.0%	(218)	-1.2%
Subtotal.....		123,567	134,535	139,535	126,067	2,500	2.0%	(8,468)	-6.3%
2. Statistics (NESA).....	D	50,000	66,250	66,250	52,000	2,000	4.0%	(14,250)	-21.5%
3. Assessments:									
(a) National assessment (NESA section 411).....	D	29,752	35,502 ¹	35,502 ¹	29,752 ¹	0	0.0%	(5,750)	-16.2%
(b) National Assessment Governing Board (NESA section 412).....	D	2,865	2,871	2,865	2,871	6	0.2%	0	0.0%
Subtotal.....		32,617	38,373	38,367	32,623	6	0.0%	(5,750)	-15.0%
4. Eisenhower professional development Federal activities (ESEA II-A).....	D	13,342	30,000	21,000	25,000	11,658	87.4%	(5,000)	-16.7%
5. Educational technology (ESEA III):									
(a) Technology for education (Part A):									
(1) Technology innovation challenge grants (section 3136).....	D	56,965	75,000	75,000	0	(56,965)	-100.0%	(75,000)	-100.0%
(2) Regional technology in education consortia (section 3141).....	D	10,000	10,000	10,000	0	(10,000)	-100.0%	(10,000)	-100.0%
Subtotal.....		66,965 ²	85,000	85,000	0 ³	(66,965)	-100.0%	(85,000)	-100.0%
(b) Star schools (Part B).....	D	30,000	25,000	0	30,000	0	0.0%	4,000	13.4%
(c) Ready to learn television (Part C).....	D	7,000	7,000	0	7,000	0	0.0%	0	0.0%
(d) Telecommunications demonstration project for mathematics (Part D).....	D	1,035	2,035	0	2,035	1,000	96.6%	0	0.0%
Subtotal.....		108,000	120,035	85,000	39,035	(65,965)	-62.8%	(81,000)	-67.5%

¹ Includes \$3,000 thousand for the assessment and reporting of reading performance, as part of the President's proposed America's Reading Challenge.

² Adjusted for comparability. Excludes \$200,000 thousand in 1997 for the Technology Literacy Challenge Fund, requested in 1998 in the Education Reform account.

³ The senate provided a total of \$116,000 thousand for Technology for Education under the Education Reform account.

(in thousands of dollars)			1997	1998	1998	1998	Sen. Change from '97 Appra.		Sen. Change from Pres. Bud.	
Office, Account, Program and Activity		D Y M	Appra.	President's Budget	House Committee	Senate Committee	Amount	Percent	Amount	Percent
<i>Education Research, Statistics, and Improvement (continued)</i>										
6. Fund for the Improvement of Education (ESEA X-A).....	D		40,000	40,000	30,000	50,000	10,000	25.0%	10,000	25.0%
7. Javits gifted and talented education (ESEA X-B).....	D		5,000	7,000	6,000	7,000	2,000	40.0%	0	0.0%
8. Eisenhower regional mathematics and science education consortia (ESEA XIII-C).....	D		15,000	15,000	15,000	15,000	0	0.0%	0	0.0%
9. Learning centers (ESEA X-1):										
(a) 21st Century community learning centers.....	D		1,000	0	50,000	1,000	0	0.0%	1,000	---
(b) After-school learning centers.....	D		0	50,000	0	0	0	---	(50,000)	-100.0%
Subtotal.....			1,000	50,000	50,000	1,000	0	0.0%	(49,000)	-98.0%
10. National writing project (ESEA X-K).....	D		3,100	0	3,100	5,000	1,900	61.3%	5,000	---
11. Civic education (ESEA section 10601).....	D		4,500	4,500	4,500	4,500	0	0.0%	0	0.0%
12. International education exchange (Goals 2000 EAA title VI).....	D		5,000	5,000	0	5,000	0	0.0%	0	0.0%
TOTAL			398,126	510,693	508,752	362,225	(35,901)	-9.0%	(148,468)	-29.1%
Outlays, Research.....			412,858	551,147	0	0	(412,858)	-100.0%	(551,147)	-100.0%
Outlays, Libraries.....			167,721	88,275	0	0	(167,721)	-100.0%	(88,275)	-100.0%
TOTAL, OERI			398,126	510,693	508,752	362,225	(35,901)	-9.0%	(148,468)	-29.1%

(In thousands of dollars)		D	1998	1998	1998	Sen. Change from '97 Appro.		Sen. Change from Pres. Bud.		
Office, Account, Program and Activity		\	President's	House	Senate	Amount	Percent	Amount	Percent	
		M	Budget	Committee	Committee					
	Program Administration (DEOA, section 202)	D	326,217	341,039	329,479	338,964	12,747	3.9%	(2,073)	-0.6%
	Outlays		321,503	339,806	0	0	(321,503)	-100.0%	(339,806)	-100.0%
	Office for Civil Rights (DEOA, section 203)	D	54,900	61,300	55,449	57,322	2,622	4.8%	(3,978)	-6.5%
	Outlays		56,972	59,586	0	0	(56,972)	-100.0%	(59,586)	-100.0%
	Office of the Inspector General (DEOA, section 212)	D	29,943	32,000	30,242	32,000	2,057	6.9%	0	0.0%
	Outlays		30,881	31,358	0	0	(30,881)	-100.0%	(31,358)	-100.0%
	Headquarters Renovation (DEOA, section 202)	D	0	0	0	0	0	---	0	---
	Outlays		4,900	2,006	0	0	(4,900)	-100.0%	(2,006)	-100.0%
TOTAL DEPARTMENTAL MANDATORY			411,060	434,643	316,170	428,966	17,428	4.2%	(4,081)	-1.4%
	Outlays	M	0	0	0	0	0	---	0	---
	Outlays		85	23	0	0	(85)	-100.0%	(23)	-100.0%
	1. Proprietary receipts	M	161,581	(61,180)	(61,180)	(61,180)	401	-0.7%	0	0.0%
	2. FFEL guaranty agency reserve recoveries	M	0	(731,000)	(731,000)	(731,000)	(731,000)	---	0	0.0%
TOTAL			(61,581)	(792,180)	(792,180)	(792,180)	730,599	186.4%	0	0.0%
	Outlays		(61,581)	(792,180)	0	0	(730,599)	-100.0%	0	-100.0%
	Outlays, Discretionary		4,443	8,034	0	0	(4,443)	-100.0%	(8,034)	-100.0%
BUDGET AUTHORITY TOTAL, EDUCATION DEPARTMENT			28,467,180	38,470,231	34,273,170	34,008,588	4,441,398	13.4%	(8,481,643)	-22.3%
	Budget Authority, Discretionary Funds	D	4,443,181	28,348,749	28,145,948	28,868,958	2,589,777	9.8%	(48,794)	-1.6%
	Budget Authority, Mandatory	M	3,153,009	10,120,482	6,127,222	5,127,630	1,971,621	62.5%	(4,992,852)	-49.3%
OUTLAYS TOTAL, EDUCATION DEPARTMENT			28,512,156	32,226,253	0	0	(29,304,336)	-100.0%	(33,018,473)	-100.0%
	Outlays, Discretionary Funds	D	25,489,855	26,391,683	0	0	(25,489,855)	-100.0%	(26,391,683)	-100.0%
	Outlays, Mandatory	M	3,022,301	5,834,612	0	0	(3,814,481)	-100.0%	(6,626,792)	-100.0%

¹ Excludes an advance appropriation of \$1,290,386 thousand under the Education for the Disadvantaged account that will become available on October 1 of fiscal year 1999.

² Excludes an advance appropriation of \$260,000 thousand for the America Reads Challenge that will become available on October 1 of fiscal year 1999.

NOTE: Section 516 of the Senate Committee-passed Departments of Labor, HHS, Education Appropriations Act of 1998 includes a \$30.5 million reduction in salaries and expenses to be allocated among the agencies funded under the Act, the Department of Education's share of which has not been determined.

NOTE: Department of Education budget authority totals exclude the following amounts for Library programs: \$136,369 thousand in 1997 and the 1998 President's Budget, \$142,000 thousand in the 1998 House Subcommittee, and \$146,369 thousand in the 1998 Senate Subcommittee. All Library programs are to be transferred to the Institute of Museum and Library Services (IMLS) in fiscal year 1997, pursuant to section 214 of the Museum and Library Services Act of 1996. Funding for these programs will be provided under IMLS in fiscal year 1998.

NOTE: Amounts for receipts reflect current estimate.