



COMMITTEE ON APPROPRIATIONS

DAVID R. OBEY, CHAIRMAN

Thursday, July 15, 2010

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OPENING STATEMENT OF CHAIRMAN DAVID R. OBEY FY 2011 Labor-HHS-Education Appropriations Bill

Subcommittee Markup

(As Prepared for Delivery)

July 15, 2010

We meet to mark up this bill as the nation is slowly emerging from the worst recession in many decades. The economy resumed growing last Fall, and unemployment has been declining. However, those recent declines have not yet reversed the devastating jobs loss that occurred between December 2007 and March 2009. Today, 14.6 million workers remain unemployed, and 6.8 million have been unemployed for more than 27 weeks.

Therefore, in this bill we place the greatest emphasis on programs that help workers and families cope with hard times and that help set the stage for further economic recovery and future growth.

The bill provides discretionary appropriations totaling \$176.4 billion for the Departments of Labor, Health and Human Services, Education and various related agencies.

Comparing this number to the President's budget is more complicated than usual this year. That's because the President's budget proposal shifts funding for Pell Grants and part of the Low Income Home Energy Assistance Program from annual appropriations to multi-year mandatory funding through authorizing legislation. That makes the President's discretionary funding levels appear to be lower than they really are. Because the proposed authorizing legislation has not been enacted, the Committee must therefore continue to provide appropriations to prevent Pell Grants from abruptly terminating and LIHEAP from shrinking by one-third.

While that anomaly makes it appear that funding for Pell and LIHEAP is above the President's budget request, in reality, it is not. The two are the same. Both the Committee and the President want to continue these programs: the only difference is what part of the budget the costs should be recorded in—the mandatory side or the discretionary side.

Comparing apples to apples, the bill's total is roughly \$1.5 billion less than the President's request.

Given the needs of so many Americans living on the edge, I wish it were not so. But, the resources available to this subcommittee are limited. We can't do everything that might be useful, or everything the President or members of this subcommittee propose. But we should try to do what's most important.

Because of budget considerations, this bill cannot adequately fund programs that are crucial to people most in need. But the bill tries within constraints to give top priority to the most important problems. For example:

- The bill appropriates \$800 million for Community Service Block Grants, which support more than 1,000 local community action agencies in providing basic services such as emergency food and housing assistance, child care, parenting education, and job training and employment assistance.
- Because home heating costs remain high, unpredictable, and unaffordable for many households, the bill maintains the Low Income Home Energy Assistance Program at the current level of \$5.1 billion.

- The bill also includes roughly \$2.827 billion for the Child Care and Development Block Grant, to help low-income families obtain the safe and affordable child care that is often vital to allow parents to find and keep a job. This appropriation is \$100 million less than the President requested.
- For Head Start, which helps prepare disadvantaged children to be successful in school, the bill provides \$124 million less than the budget request.

A second major theme of this bill is helping workers gain the job training and skills that will be needed in a recovering economy. Targeted investments in the bill include the first increase to Workforce Investment Act State grants in more than a decade—providing training for an additional 85,000 American workers.

The recession has been especially hard on young workers, with more than 25 percent of older teenagers now unemployed. To help respond, the bill includes an additional \$250 million to support summer employment opportunities for about 100,000 young adults, enabling them to gain valuable skills and workplace experience.

The new healthcare reform bill will make almost 30 million additional people eligible for health insurance coverage, increasing the demand for doctors, nurses and other health professionals. This bill includes \$356 million for programs under title VII of the Public Health Service Act, and \$292 million for nursing education to alleviate shortages and help people prepare for well-paying careers. Most of the programs funded have a particular emphasis on encouraging students and graduates to enter primary care fields and to practice in medically underserved areas, in order to broaden access to quality healthcare.

A third major theme of this bill is support for local schools and education reform. This is critically important now because of the crisis in State and local budgets. The bill tries to strike a balance between maintaining broad-based Federal assistance to schools and schoolchildren and advancing efforts to reform public education.

To partially counteract devastating reductions in State and local funding, the bill provides a modest three percent increase in title I grants that funnel basic educational resources to high need school districts, and a four percent increase in assistance to local school districts to meet their special education obligations. For the Administration's school reform initiatives, this bill includes \$400 million for Investing in Innovation grants—\$100 million less than the request. For Race to the Top grants, the bill includes \$800 million—\$550 million less than the budget request.

A fourth basic theme is protecting workers from illegal and abusive employment practices and safety and health hazards on the job. For example, in the mine safety area, the bill includes funding to allow completion of 100 percent of mandated safety inspections, support an investigation of the Upper Big Branch Mine disaster, conduct research and testing on underground refuge chambers, and eliminate the backlog of citations awaiting decisions on appeal. For the Occupational Safety and Health Administration, the bill completes the Committee's multi-year effort to restore enforcement capacity to 2001 levels.

In addition to mitigating potentially lethal workplace hazards, the bill funds initiatives to stop exploitation of low-income workers, including a program to identify employers that illegally misclassify their workers as independent contractors and thereby deny them basic rights like minimum wage, workers' compensation, and medical leave.

A fifth theme is continued support for biomedical research at the National Institutes of Health, where the bill fully funds the Administration's requested \$1 billion increase. Within limited resources, this year's bill puts the emphasis on translating basic research results into practical and available cures and treatments. Among other things, it permits NIH to use up to \$50 million to launch a newly authorized program aimed at that objective, which is called the Cures Acceleration Network.

There is one more theme I should mention—one that runs through all parts of this bill: making sure that taxpayer funds are used properly and wisely, rather than lost to fraud or waste.

As part of the appropriations we provide to administer major benefit programs like Social Security and Medicare, we include funds specifically targeted at reducing waste and fraud. That program integrity funding

totals \$1.4 billion in this bill—a \$293 million increase over last year. The total includes almost \$800 million for the Social Security Administration to conduct “continuing disability reviews” to determine whether people receiving benefits remain eligible. Social Security estimates that these reviews will return more than \$7 billion to the trust funds and taxpayers over a 10-year period.

Our program integrity total also includes \$561 million for Health Care Fraud and Abuse Control—an 80 percent increase in discretionary appropriations. These funds are shared between the HHS Inspector General, CMS, and the Justice Department, and are used to review and audit claims for payment under Medicare and investigate and prosecute fraud. Among other things, the funding in this bill will allow the FBI and the HHS Inspector General to expand their joint health care fraud strike force teams from seven to 20 cities.

We’ve also learned, through recent work by the GAO, about cases of improper payments and fraud in certain human services programs, including LIHEAP and Head Start. Fraud and abuse in these programs is unacceptable. It not only steals from taxpayers; it also takes scarce resources away from people legitimately eligible and urgently in need of help.

We do several things in the bill to address the problem: We provide a total of \$25 million for more staff to perform monitoring and oversight, and for additional training and technical assistance to help grantees strengthen controls and accountability. We provide \$7.5 million to the HHS Inspector General for audits and investigations of these programs. And we ask for a report from the HHS Secretary as to what steps they are taking to combat fraud and abuse, including what further resources or legislative authority might be needed. We specifically ask for that report by mid-September, so that we can take any needed action in conference on this bill.

The bill also takes a number of other actions to reduce fraud and waste and improve management. It provides more than \$16 million to increase the capability and effectiveness of Federal contracting and procurement personnel. It appropriates the full amount requested—or more—for all Inspectors General covered by the bill. It asks for reports from agencies on how they are addressing various problems, such as a report from NIH on actions they are taking in response to a recent Institute of Medicine study on the process for clinical trials.

In sum, this is a good bill and worthy of your support. It tries to address some of our most pressing challenges, while taking steps to make sure funds are used properly and effectively.

Before we proceed further, let me turn to my colleague Mr. Tiahrt, the subcommittee Ranking Member, for his opening comments.

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