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Labor, Health and Human Services, and Education: FY2006 Appropriations

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The annual consideration of appropriations bills (regular, continuing, and supplemental) by Congress is part of a complex set of budget processes that also encompasses the consideration of budget resolutions, revenue and debt-limit legislation, other spending measures, and reconciliation bills. In addition, the operation of programs and the spending of appropriated funds are subject to constraints established in authorizing statutes. Congressional action on the budget for a fiscal year usually begins following the submission of the President's budget at the beginning of each annual session of Congress. Congressional practices governing the consideration of appropriations and other budgetary measures are rooted in the Constitution, the standing rules of the House and Senate, and statutes, such as the Congressional Budget and Impoundment Control Act of 1974.

This report is a guide to one of the regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Labor, Health and Human Services, and Education, and Related Agencies. It summarizes the status of the bill, its scope, major issues, funding levels, and related congressional activity, and is updated as events warrant. The report lists the key CRS staff relevant to the issues covered and related CRS products.

NOTE: A Web version of this document with active links is available to congressional staff at [<http://www.crs.gov/products/appropriations/apppage.shtml>].

Labor, Health and Human Services, and Education: FY2006 Appropriations

Summary

This report tracks FY2006 appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies (L-HHS-ED). This legislation provides discretionary funds for three major federal departments and 14 related agencies. The report, which will be updated, summarizes L-HHS-ED discretionary funding issues but not authorization or entitlement issues.

On February 7, 2005, the President submitted the FY2006 budget request to Congress, including \$141.7 billion in discretionary L-HHS-ED funds; the comparable FY2005 appropriation was \$143.5 billion, enacted primarily through P.L. 108-447. On June 24, the House passed **H.R. 3010 (H.Rept. 109-143)**. The Senate amended and passed **H.R. 3010 (S.Rept. 109-103)** on October 27. The **H.R. 3010 conference report, H.Rept. 109-300**, failed to pass the House on November 17, 2005. A series of continuing resolutions, **P.L. 109-77 (H.J.Res. 68)**, as amended, has been providing temporary FY2006 funding from October 1 through December 17, 2005.

Department of Labor (DOL). DOL discretionary appropriations were \$12.1 billion in FY2005; \$11.6 billion was requested for FY2006. FY2006 funding for Workforce Investment Act (WIA) programs would be decreased by \$282 million, and the Employment Service would be reduced \$116 million.

Department of Health and Human Services (HHS). HHS discretionary appropriations were \$63.8 billion in FY2005; \$62.7 billion was requested for FY2006. Health Centers, National Institutes of Health (NIH), and Centers for Medicare and Medicaid Services (CMS) Program Management would receive increases of at least \$100 million. Health Professions, Centers for Disease Control and Prevention (CDC), and Low-Income Home Energy Assistance Program (LIHEAP) would receive decreases of at least \$100 million. Health Care-Related Facilities and Community Services Block Grant (CSBG) would be terminated.

Department of Education (ED). ED discretionary appropriations were \$56.6 billion in FY2005; \$56.2 billion was requested for FY2006. Title I, Part A Grants to Local Educational Agencies, Individuals with Disabilities Education Act (IDEA) Part B Grants to States, and Pell Grants would be increased by at least \$100 million. High School Intervention, Assessments and Teacher Incentives would be initiated. Fund for the Improvement of Education (FIE), Adult Education, and TRIO programs would be reduced by at least \$100 million. Perkins Vocational Education, Even Start, Comprehensive School Reform, Educational Technology State Grants, Safe and Drug-Free Schools State Grants, and GEAR UP programs would be eliminated.

Related Agencies. Discretionary appropriations for related agencies were \$11.1 billion in FY2005; \$11.2 billion was requested for FY2006. Administrative Expenses of the Social Security Administration (SSA) would be increased by \$748 million; the SSA Medicare Reform Fund would be eliminated. Two-year advance funding for the Corporation for Public Broadcasting (CPB) would be eliminated.

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Federal health centers	Sharon Kearney Coleman	7-7367
Head Start	Melinda Gish	7-4618
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Welfare reform	Gene Falk	7-7344
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Impact Aid	Rebecca R. Skinner	7-6600
Indian education	Roger Walke	7-8641
Pell Grants	Charmaine Mercer	7-4894
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Rehabilitation Act	Sidath Panangala	7-0623
Safe and Drug-Free Schools and Communities	Edith Fairman Cooper	7-7019
School facilities	Susan Boren	7-6899
Special education, IDEA	Richard N. Apling	7-7352
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Student aid	Adam Stoll	7-4375
Student aid	Charmaine Mercer	7-4894
Student loans	Adam Stoll	7-4375
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21 st Century Community Learning Centers	Gail McCallion	7-7758
Vocational and technical education	Rebecca R. Skinner	7-6600
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Supplemental Security Income	Gary Sidor	7-2588

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Labor, Health and Human Services, and Education: FY2006 Appropriations

Most Recent Developments

Continuing Resolution P.L. 109-77 (H.J.Res. 68) Enacted. On September 30, 2005, a continuing resolution (P.L. 109-77) was enacted to provide temporary FY2006 funding for most Labor, Health and Human Services, and Education, and Related Agencies (L-HHS-ED) activities. As amended by P.L. 109-105 (H.J.Res. 72), these funds are provided through December 17, 2005, unless the regular FY2006 L-HHS-ED appropriations are enacted sooner. For additional information, please see “Related Legislation,” p. 42.

Conference Report on H.R. 3010 Defeated. The FY2006 L-HHS-ED conference report on H.R. 3010, H.Rept. 109-300, failed to receive House approval on November 17, 2005, by a vote of 209-224. Further consideration of L-HHS-ED appropriations is anticipated in December.

Senate Bill H.R. 3010 Passed. H.R. 3010 (S.Rept. 109-103), was amended and passed by the Senate on October 27, 2005. The bill would provide \$153.7 billion in discretionary funds for L-HHS-ED programs; the comparable FY2005 amount was \$143.4 billion.

House Bill H.R. 3010 Passed. The FY2006 appropriations for L-HHS-ED programs, H.R. 3010 (H.Rept. 109-143), was amended and passed by the House on June 24, 2005. The bill would provide \$143.0 billion in discretionary funds for L-HHS-ED programs.

President’s Budget Submitted. On February 7, 2005, the President submitted the FY2006 budget to Congress; the request was for \$141.7 billion in discretionary funds for L-HHS-ED programs.

Table 1 summarizes the legislative status of FY2006 L-HHS-ED appropriations.

Table 1. Legislative Status of L-HHS-ED Appropriations, FY2006

Subcommittee Markup		H.R. 3010, H.Rept. 109-143	H.R. 3010, House Passage	H.R. 3010, S.Rept. 109-103	Senate Passage	H.R. 3010 Conf., H.Rept. 109-300	Conference Report Approval		Public Law
House	Senate						House Passage	Senate Passage	
6/09/05 (a)	7/12/05 (b)	6/21/05 (c)	6/24/05 250-151 (d)	7/14/05 (e)	10/27/05 93-4 (f)	11/16/05 (g)	11/17/05 209-224 (h)	—	— (i)

- a. The House Subcommittee on Labor, Health and Human Services, and Education Appropriations began FY2006 hearings on Feb. 16, 2005. The subcommittee marked up its version of the FY2006 L-HHS-ED appropriations on June 9, 2005, and approved it by voice vote.
- b. The Senate Subcommittee on Labor, Health and Human Services, and Education Appropriations began FY2006 hearings on Mar. 2, 2005. The subcommittee marked up its version of the FY2006 L-HHS-ED appropriations on July 12, 2005, and approved it by voice vote.
- c. H.R. 3010: The House Committee on Appropriations approved its version of the L-HHS-ED appropriations for FY2006 on June 16, 2005, by voice vote, and ordered the bill reported. Subsequently, H.R. 3010 (H.Rept. 109-143) was introduced and reported on June 21, 2005.
- d. H.R. 3010: The House passed H.Res. 337 (H.Rept. 109-148), the rule for the House floor consideration of H.R. 3010, by voice vote; see *Congressional Record*, Daily Edition, June 23, 2005, p. H4991-5000. The House amended and passed H.R. 3010 on June 24, 2005; see *Congressional Record*, Daily Edition, June 23, p. H5000-5073; and June 24, 2005, p. H5105-5165. House approval was by a vote of 250 to 151 (Roll Call no. 321), p. H5164-5165.
- e. H.R. 3010: The Senate Committee on Appropriations approved its version of the L-HHS-ED appropriations for FY2006 on July 14, 2005, S.Rept. 109-103, and reported the bill by a vote of 27 to 0.
- f. H.R. 3010: The Senate amended and passed H.R. 3010 on Oct. 27, 2005; see the *Congressional Record*, Daily Edition, Oct. 21, p. S11702-11731; Oct. 24, p. S11753-11762; Oct. 25, p. S11784-11815; Oct. 26, p. S11857-11910; and Oct. 27, 2005, p. S11953-11999. Senate approval was by a vote of 93-4 (Roll Call no. 281), p. S11998.
- g. H.R. 3010: The text of H.Rept. 109-300, the conference agreement on H.R. 3010, was printed in the *Congressional Record*, Daily Edition, November 16, 2005, p. H10383-10476.
- h. H.R. 3010: The House failed to approve the conference agreement on H.R. 3010 on November 17, 2005; see the *Congressional Record*, Daily Edition, p. H10518-10531. House disapproval was by a vote of 209-224 (Roll Call no. 598), p. H10529-10530.
- i. P.L. 109-77: An FY2006 continuing resolution, P.L. 109-77 (H.J.Res. 68), as amended by P.L. 109-105 (H.J.Res. 72), has been providing temporary FY2006 funding for most L-HHS-ED activities for the period Oct. 1, 2005, through Dec. 17, 2005.

Note on Most Recent Data. In this report, unless stated otherwise, data on FY2005 appropriations and FY2006 appropriations proposals are based on the H.R. 3010 conference agreement (H.Rept. 109-300, November 16, 2006); the conference report failed to pass the House on November 17, 2005. The FY2005 enacted amounts are post-reduction, taking into account the cuts (see page 45) required by P.L. 108-447, the Consolidated Appropriations Act, 2005 — *these amounts differ from those shown in the H.R. 4818 conference report for FY2005, H.Rept. 108-792, which are pre-reduction amounts.* In most cases, data represent net funding for specific programs and activities and take into account current and forward funding and advance appropriations; however, all data are subject to additional budgetary scorekeeping. Except where noted, budget data refer only to those programs within the purview of the L-HHS-ED appropriations bill, and not to all programs within the jurisdiction of the relevant departments and agencies, including funding from other appropriations bills and entitlements funded outside of the annual appropriations process.

Overview and Key Issues

This report describes the President's proposal for FY2006 appropriations for L-HHS-ED programs, as submitted to Congress on February 7, 2005, and the congressional response to that proposal. It compares the President's FY2006 request to the FY2005 L-HHS-ED amounts. It tracks legislative action and congressional issues related to the L-HHS-ED appropriations bill, with particular attention paid to discretionary programs. In addition, the report summarizes activities related to the

annual budget process, such as the congressional budget resolution, continuing resolutions, and supplemental appropriations (see “Related Legislation,” page 42). However, the report does not follow specific funding issues related to mandatory L-HHS-ED programs — such as Medicare or Social Security — nor will it follow any authorizing legislation that may be needed prior to funding some of the President’s budget initiatives. For a glossary of budget terms and relevant websites, see “Appendix A: Terminology and Web Resources,” page 46. For funding resources for L-HHS-ED agencies, see “Appendix B: Context of L-HHS-ED Appropriations,” page 48.

The L-HHS-ED bill typically is one of the more controversial of the regular appropriations bills, not only because of the size of its funding total and the scope of its programs, but also because of the continuing importance of various related issues, such as restrictions on the use of federal funds for abortion, stem cell research, or human cloning. This bill provides discretionary funds for three federal departments and 14 related agencies including the Social Security Administration (SSA).

Among the various appropriations bills, L-HHS-ED is the largest single source of discretionary funds for domestic federal programs; the Defense bill is the largest source of discretionary funds among all federal programs. According to the *Budget of the United States Government Fiscal Year 2006*, Table S-4, the FY2005 L-HHS-ED bill accounted for \$142.4 billion (17.3%) and the Defense bill accounted for \$390.4 billion (47.5%) of the estimated \$822.7 billion total for all federal discretionary budget authority in FY2005. This section summarizes major funding changes proposed for L-HHS-ED and related issues such as 302(b) allocations, advance appropriations, and earmarks for specific projects. Later sections provide details for individual L-HHS-ED departments.

Program Level and Current Year Appropriations

Table 2 summarizes the L-HHS-ED appropriations for FY2006, including both discretionary and mandatory appropriations. The table shows various aggregate measures of L-HHS-ED appropriations enacted for FY2005 and proposed for FY2006, including discretionary program level, current year, and advance appropriations, as well as scorekeeping adjustments.

- **Program level appropriations** reflect the total discretionary appropriations in a given bill, regardless of the year in which they will be spent, and therefore include advance funding for future years. *Unless otherwise specified, appropriations levels in this report refer to program level amounts.*
- **Current year appropriations** represent discretionary appropriations in a given bill for the current year, plus discretionary appropriations for the current year that were enacted in prior years. Current year discretionary appropriations are similar to the amount counted for the 302(b) allocations ceilings (discussed later, page 10).
- **Advance appropriations** are funds that will not become available until after the fiscal year for which the appropriations are enacted — for example, funds included in the FY2005 act that cannot be spent before FY2006 at the earliest (discussed later, page 11).

- **Scorekeeping adjustments** are made to account for special funding situations; the Congressional Budget Office (CBO) monitors these adjustments.

Because appropriations may consist of mixtures of budget authority enacted in various years, two summary measures are frequently used — program level appropriations and current year appropriations. How are these measures related? For an “operational definition,” program level funding equals (a) current year, plus (b) advances for future years, minus (c) advances from prior years, and minus (d) scorekeeping adjustments. **Table 2** shows each of these amounts, along with current year funding for mandatory programs and the grand total for L-HHS-ED.

Table 2. Summary of L-HHS-ED Appropriations, FY2005-FY2006
(\$ in billions)

Type of budget authority	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Discretionary appropriations					
Program level: current bill for any year	\$143.5	\$141.7	\$143.0	\$153.7	\$143.0
Current year: current year from any bill	142.7	141.7	142.5	141.5	142.5
Advances for future years (from the current bill)	19.3	18.8	19.3	19.3	19.3
Advances from prior years (from previous bills)	19.2	19.3	19.3	19.3	19.3
Scorekeeping adjustments	-0.7	-0.5	-0.5	-12.2	-0.5
Current year discretionary and mandatory funding					
Discretionary	142.7	141.7	142.5	141.5	142.5
Mandatory	354.2	455.3	459.5	459.6	459.5
Total current year	496.9	597.0	602.0	601.1	602.0
Grand total of funding for L-HHS-ED bill, any year					
Grand total any year	\$501.3	\$596.1	\$601.6	\$612.4	\$601.7

Source: Amounts are based on the H.Rept. 109-300 conference agreement of Nov. 16, 2005. FY2005 amounts are post-reduction (see p. 45) and are based on P.L. 108-447. Appropriations are given only for programs included in the annual L-HHS-ED bill.

Note: Both FY2005 and FY2006 mandatory amounts are estimates that are subject to adjustments after the close of their respective fiscal years.

President’s Request

On February 7, 2005, the President’s FY2006 request was submitted to Congress, two months after the regular FY2005 L-HHS-ED appropriations were signed into law as P.L. 108-447 (enacted December 8, 2004). With regard to the President’s budget, the primary issues raised during congressional consideration of any appropriations request generally relate to proposed funding changes. The

summary below notes changes proposed for FY2006 discretionary budget authority of at least \$100 million compared to the FY2005 amount. Viewing this list by itself should be done with caution, since the relative impact of a \$100 million funding change to a \$500 million program (a 20% increase or decrease) is greater than a \$100 million change to a \$5 billion program (a 2% increase or decrease). Later in this report, the discussions of budgets for individual departments include tables to compare the FY2006 request with the FY2005 funding for many of the major programs in the L-HHS-ED bill.

Budget Highlights. Overall, \$141.7 billion in discretionary appropriations was requested for L-HHS-ED for FY2006, \$1.8 billion (1.3%) less than the FY2005 amount of \$143.5 billion.

- For Department of Labor (DOL) programs, the FY2006 request included an decrease of \$282 million for job training programs authorized by the Workforce Investment Act of 1998 (WIA), including \$132 million less for WIA Dislocated Worker Assistance. A decrease of \$116 million was proposed for the Employment Service. Overall, \$11.6 billion in FY2006 discretionary appropriations was requested for DOL, 4.1% less than the FY2005 amount of \$12.1 billion.
- For Department of Health and Human Services (HHS) programs, the FY2006 request proposed increases of \$304 million for Health Centers, \$145 million for the National Institutes of Health (NIH), \$512 million for the Centers for Medicare and Medicaid Services (CMS) Program Management, and \$171 million for the Public Health and Social Services Emergency Fund (PHSSEF). The FY2006 request proposed decreases of \$288 million for Health Professions programs other than nursing, \$101 million for Children's Hospital Graduate Medical Education (CHGME), \$470 million for the Centers for Disease Control and Prevention (CDC), and \$182 million for the Low-Income Home Energy Assistance Program (LIHEAP). FY2006 funding would be eliminated for the \$483 million Health Care-Related Facilities and Activities and the \$637 million Community Services Block Grant (CSBG) programs. Overall, \$62.7 billion in FY2006 discretionary appropriations was requested for HHS, 1.7% less than the FY2005 amount of \$63.8 billion.
- For Department of Education (ED) programs, an FY2006 increase of \$974 million was proposed for Elementary and Secondary Education Act of 1965 (ESEA) programs in aggregate. The request proposed increases of \$602 million for ESEA Title I, Part A Grants to Local Educational Agencies (LEAs) for the Education for the Disadvantaged, \$508 million for Special Education Part B Grants to States under the Individuals with Disabilities Education Act (IDEA), \$834 million for Pell Grants, and \$175 million for Striving Readers. Proposed new programs included \$1.2 billion for a High School Intervention initiative, \$250 million for High School Assessments, and \$500 million for a Teacher Incentive Fund. Proposed decreases included \$258 million less for the Fund for the Improvement of Education (FIE), \$369 million for Adult Education, \$140 million for

the Fund for the Improvement of Postsecondary Education (FIPSE), and \$468 million for TRIO programs. FY2006 funding would be terminated for the \$1.3 billion Perkins Vocational Education program, the \$225 million Even Start program, the \$205 million Comprehensive School Reform, the \$496 million Educational Technology State Grants, the \$437 million Safe and Drug-Free Schools State Grants, and the \$306 million GEAR UP program. Overall, \$56.2 billion in FY2006 discretionary appropriations was requested for ED, 0.7% less than the FY2005 amount of \$56.6 billion.

- For the related agencies, the FY2006 budget proposed an increase of \$748 million for Administrative Expenses at the Social Security Administration (SSA). Termination of separate funding was proposed for the \$446 million SSA Medicare Reform Fund, with continuing SSA responsibilities to be funded under regular SSA Administrative Expenses. No funds were proposed for the two-year advance appropriation for the Corporation for Public Broadcasting (CPB) for FY2008. The CPB was funded at \$400 million for FY2007 (under the FY2005 L-HHS-ED bill); the FY2005 CPB funding level was \$387 million. Overall, \$11.2 billion in FY2006 discretionary appropriations was requested for related agencies, 1.0% more than the FY2005 amount of \$11.1 billion.

House Bill

The House Committee on Appropriations reported its version of the FY2006 L-HHS-ED appropriations as **H.R. 3010 (H.Rept. 109-143)** on June 21, 2005. Under the provisions of **H.Res. 337**, the House began consideration of the bill on June 23, and amended and passed the bill on June 24, 2005, by a vote of 250 to 151 (Roll Call no. 321). With some reservation, the Administration announced its support for the House bill, as approved by the committee; for details, please see [<http://www.whitehouse.gov/omb/legislative/sap/109-1/hr3010sap-h.pdf>].

House Highlights. During its consideration of H.R. 3010, as reported by the House Committee on Appropriations, the House approved 11 amendments to the bill. The amended provisions included restrictions on HHS regarding certain health-related programs being used to treat sexual or erectile dysfunction among sex offenders (§518); repeal of a proposed \$100 million rescission of FY2006 appropriations for the CPB (§519); prohibition on ED from enforcing the Inspector General's November 2003 final audit report regarding 20 Arizona charter schools (§520); restrictions on the Pension Benefit Guaranty Corporation (PBGC) regarding its role in the restructuring of pension benefits by the UAL Corporation (United Air Lines) (§521); a prohibition on the inclusion of Social Security numbers on Medicare identification cards (§522); restrictions on SSA regarding the implementation of a totalization agreement with Mexico (§528); and restrictions on ED regarding special allowances for certain student loans (§529).

Overall, the House proposal, as passed, would provide program level discretionary appropriations of \$143.0 billion for L-HHS-ED programs for FY2006.

The President requested \$141.7 billion; the FY2005 amount was \$143.5 billion. The House bill differs from the President's request in a number of details.

- For DOL programs, the House bill would fund the WIA Dislocated Worker Assistance State Grants at \$1.2 billion, \$118 million more than requested. The WIA Community College program would receive \$125 million, \$125 million less than requested. Overall, the House bill would provide \$11.7 billion in discretionary funds for DOL; \$11.6 billion was requested; and \$12.1 billion was provided for FY2005.
- For HHS programs, the House bill would fund Health Centers at \$1.8 billion, \$204 million less than requested. Children's Hospital Graduate Medical Education (CHGME) would receive \$300 million, \$100 million more than requested. The Agency for Healthcare Research and Quality (AHRQ) would receive a direct appropriation of \$319 million; the request was for \$319 million in indirect appropriations. Community Services Block Grant (CSBG) would receive \$320 million; no funds were requested. The Public Health and Social Services Emergency Fund (PHSSEF) would receive \$184 million, \$2.2 billion less than the request of \$2.4 billion; however, the House bill would directly appropriate \$2.1 billion for bioterrorism activities to the Health Resources and Services Administration (HRSA) (\$0.5 billion) and the CDC (\$1.6 billion), funding that in previous years would have been appropriated indirectly through the PHSSEF for the same activities. Overall, the House bill would provide \$63.2 billion in discretionary funds for HHS; \$62.7 billion was requested; and \$63.8 billion was provided for FY2005.
- For ED programs, the House bill would fund ESEA programs in aggregate at \$23.6 billion for FY2006, \$1.8 billion less than requested. ESEA Title I, Part A Grants to LEAs would receive \$12.8 billion, \$502 million less than requested. Even Start would receive \$200 million; no funds were requested. Striving Readers would receive \$30 million, \$170 million less than requested. The High School Intervention initiative would not be funded; \$1.2 billion was requested. Educational Technology State Grants would be funded at \$300 million; no funds were requested. The High School Assessments initiative would not be funded; \$250 million was requested. FIE would receive \$27 million, \$129 million less than requested. Safe and Drug-Free Schools State Grants would receive \$400 million; no funds were requested. The Special Education Part B Grants to States program under IDEA would receive \$10.7 billion, \$358 million less than requested. The Perkins Vocational Education program would receive \$1.3 billion; no funds were requested. Adult Education would receive \$585 million, \$369 million more than requested. Pell Grants would receive \$13.4 billion, \$184 million more than requested. The Pell Grants accumulated shortfall from prior year awards, currently estimated at \$4.3 billion, would be paid off, pursuant to the FY2006 congressional budget resolution. The House bill would not agree to the budget proposal to unify student aid administrative activities in a single account. TRIO programs

would receive \$837 million; \$468 million more than requested. GEAR UP would receive \$306 million; no funds were requested. Overall, the House bill would provide \$56.7 billion in discretionary funds for ED; \$56.2 billion was requested; and \$56.6 billion was provided for FY2005.

- For the related agencies, the House bill would provide \$6.4 billion for SSA Administrative Expenses, \$108 million less than requested. The bill would provide \$400 million for FY2008 for the CPB; no funds were requested. The House bill, as passed, would not rescind any funds from the FY2006 CPB appropriation of \$400 million that had been previously appropriated. The House bill, as reported, included a rescission of \$100 million from FY2006 funds for the CPB; a rescission of \$10 million was requested. Overall, the House bill would provide \$11.5 billion in discretionary funds for the related agencies; \$11.2 billion was requested; and \$11.1 billion was provided for FY2005.

Senate Bill

The Senate Committee on Appropriations reported its version of the FY2006 L-HHS-ED appropriations as **H.R. 3010 (S.Rept. 109-103)** on July 14, 2005, by a vote of 27 to 0. The Senate began consideration of the bill on October 21, 2005, and amended and passed the bill on October 27, 2005, by a vote of 94 to 3 (Roll Call no. 281).

Senate Highlights. The Senate version of H.R. 3010, as passed, would provide program level discretionary appropriations of \$153.7 billion for L-HHS-ED programs for FY2006. The comparable House amount is \$143.0 billion, and the President requested \$141.7 billion. The FY2005 comparable amount was \$143.5 billion. The Senate bill, as reported, differs from the House bill in a number of details regarding discretionary appropriations.

- For DOL programs, the Senate bill, as reported, would fund WIA programs in aggregate at a level \$129 million more than the House amount. Overall, the bill would provide \$11.9 billion in discretionary appropriations for DOL programs, \$0.2 billion more than the House and \$0.3 billion more than the request, but \$0.2 billion less than in FY2005.
- For HHS programs, the Senate bill, as reported, would provide \$251 million more than the House bill for Health Professions other than nursing, \$481 million more for Health Care-Related Facilities and Activities, \$908 million more for NIH, \$176 million more for LIHEAP, and \$317 million more for the CSBG. Overall, the bill would provide \$65.4 billion in discretionary appropriations for HHS programs, \$2.2 billion more than the House, \$2.7 billion more than the request, and \$1.6 billion more than in FY2005.
- For ED programs, the Senate bill, as reported, would provide \$125 million more for Educational Technology State Grants, \$391 million more for FIE, and \$113 million more for FIPSE. The bill would provide \$100 million less for Safe and Drug-Free Schools State

Grants and \$206 million less for Pell Grants. It would eliminate funding for Even Start (\$200 million in the House bill) and the Teacher Incentive Fund initiative (\$100 million in the House bill). Overall, the bill would provide \$56.7 billion in discretionary appropriations for ED programs, the same as the House, but \$0.5 billion more than the request and \$0.1 billion more than in FY2005.

- For related agencies, the Senate bill, as reported, would provide \$187 million less than the House bill for Supplemental Security Income (SSI) discretionary activities and \$236 million more for SSA Administrative Expenses. Overall, the bill would provide \$11.7 billion in discretionary appropriations for related agencies, \$0.2 billion more than the House, \$0.5 billion more than the request, and \$0.6 billion more than in FY2005.

Conference Agreement

The House and Senate conferees reported an agreement on **H.R. 3010 (H.Rept. 109-300)** on November 16, 2005. On November 17, 2005, the House considered but failed to pass the conference agreement by a vote of 209 to 224 (Roll Call no. 598). The conference agreement would provide \$143.0 billion in discretionary funds for L-HHS-ED programs.

Earmarks for Specific Projects

Earmarking of funds for specific projects in appropriations bills has become a topic of contention for Congress and the Administration, and the issue extends to L-HHS-ED projects. In the case of L-HHS-ED appropriations, earmarks may be defined as funds set aside within an account for a specific organization or location, either in the appropriation act or its conference report. Typically, the authorizing statute gives the general purpose for use of appropriations, such as “projects for the improvement of postsecondary education,” but an earmark designates a specific amount for a specific recipient. Such designations bypass the usual competitive distribution of awards by a federal agency, but otherwise require recipients to follow standard federal financial and other administrative procedures. The President has urged the elimination of congressional earmarks in appropriations in recent years, but Congress has continued the practice.

Earmarks in L-HHS-ED appropriations generally have increased during the past decade, along with the total appropriation for L-HHS-ED programs. **Table 3** shows the total annual L-HHS-ED appropriation, the estimated amount earmarked, the earmarked amount as a percent of the total, and the estimated number of earmarks.

Table 3. Summary of Estimated L-HHS-ED Earmarks for Selected Years, FY1996-FY2005

(\$ in millions)

Fiscal year	Total appropriation	Estimated value of earmarks	Earmarks as % of total appropriation	Estimated number of earmarks
2005	\$497,553	\$1,179.5	0.24%	3,014
2004	479,818	875.5	0.18%	2,036
2002	411,822	1,018.7	0.25%	1,606
2000	328,230	461.0	0.14%	491
1998	276,890	54.4	0.02%	25
1996	265,533	14.9	0.01%	7

Sources: The annual L-HHS-ED bills and conference reports upon which the above numbers are based were as follows: For FY2005, P.L. 108-447 (H.Rept. 108-792); for FY2004, P.L. 108-199 (H.Rept. 108-401); for FY2002, P.L. 107-116 (H.Rept. 107-342); for FY2000, P.L. 106-113 (H.Rept. 106-479); for FY1998, P.L. 105-78 (H.Rept. 105-390); and for FY1996, P.L. 104-134 (H.Rept. 104-537).

302(a) and 302(b) Allocation Ceilings

The maximum budget authority for annual L-HHS-ED appropriations is determined through a two-stage congressional budget process. In the first stage, Congress establishes the *302(a) allocations* — the maximum spending totals for Congress for a given fiscal year. This task is sometimes accomplished through the concurrent resolution on the budget, where spending totals are specified through the statement of managers in the conference report. In years when the House and Senate do not reach a budget agreement, these totals may be set through leadership arrangements in each chamber. The spending amounts are allotted among the various committees, and — for the House and Senate Appropriations Committees — the amounts include the total discretionary budget authority available for enactment in annual appropriations.

For FY2006, the concurrent resolution on the budget was H.Con.Res. 95, to which the House and Senate agreed on April 28, 2005. The conference report established \$843.0 billion as the 302(a) allocation ceiling for the total discretionary budget authority for FY2006; that amount represents an increase of \$3.0 billion relative to the FY2005 discretionary budget authority of \$840.0 billion (H.Rept. 108-62, p. 31 and 86). For legislative details, please see “Related Legislation,” page 42.

In the second stage of the annual congressional budget process, the House and Senate Appropriations Committees separately establish the *302(b) allocations* — the maximum discretionary budget authority available to each subcommittee for each annual appropriations bill. The total of these allocations must not exceed the 302(a) discretionary total. This process creates the basis for enforcing discretionary budget discipline, since any appropriations bill reported with a total above the ceiling is subject to a point of order. The 302(b) allocations can and often do get adjusted

during the year as the various appropriations bills progress toward final enactment. **Table 4** shows the 302(b) discretionary allocations for the FY2006 L-HHS-ED appropriations for the House and Senate Committees on Appropriations. Comparable amounts for the FY2005 appropriations and the President's FY2006 budget request are also shown. Both the 302(a) and 302(b) allocations regularly become contested issues in their own right.

Table 4. FY2006 302(b) Discretionary Allocations for L-HHS-ED
(budget authority in billions of dollars)

FY2005 comparable	FY2006 request comparable	FY2006 House allocation	FY2006 Senate allocation	FY2006 conference comparable
\$142.7	\$141.7	\$142.5	\$141.7	\$142.5

Sources: The FY2006 House allocation is based on H.Rept. 109-264, Nov. 2, 2005; the FY2006 Senate allocation is based on S.Rept. 109-184, Nov. 18, 2005. The comparable amounts for FY2005 budget authority, the FY2006 budget request, and the FY2006 conference agreement are based on H.Rept. 109-300, Nov. 16, 2005.

Advance Appropriations

Advance appropriations occur when funds enacted in one fiscal year are not available for obligation until a subsequent fiscal year. For example, **P.L. 108-447**, which enacted FY2005 L-HHS-ED appropriations, provided \$400 million for the Corporation for Public Broadcasting (CPB) for use in FY2007. Advance appropriations may be used to meet several objectives. These might include the provision of long-term budget information to recipients, such as state and local educational systems, to enable better planning of future program activities and personnel levels. The more contentious aspect of advance appropriations, however, involves how they are counted in budget ceilings.

Advance appropriations avoid the 302(a) and 302(b) allocation ceilings for the current year, but must be counted in the year in which they first become available for obligation. This procedure uses up ahead of time part of what will be counted against the allocation ceiling in future years. In FY2002, the President's budget proposed the elimination of advance appropriations for federal discretionary programs, including those for L-HHS-ED programs. Congress rejected that proposal, and the proposal has not been repeated. For an example of the impact of advance appropriations on program administration, see discussion in "Department of Education," page 32.

The FY1999 and FY2000 annual L-HHS-ED appropriations bills provided significant increases in advance appropriations for discretionary programs. These amounts stabilized at approximately \$19 billion in FY2000, increased to \$21.5 billion in FY2003, and returned to \$19.3 billion in FY2004 and FY2005. For FY2005, the advance appropriations represent approximately 14% of the L-HHS-ED discretionary total of \$142.4 billion for that year. For FY2006, the President's request included L-HHS-ED advance appropriations of \$18.8 billion (13%). From FY1998 to the present, the advance appropriations enacted in L-HHS-ED bills have been as follows:

- FY1998, \$4.0 billion;
- FY1999, \$8.9 billion;
- FY2000, \$19.0 billion;
- FY2001, \$18.8 billion;
- FY2002, \$19.3 billion;
- FY2003, \$21.5 billion;
- FY2004, \$19.3 billion;
- FY2005, \$19.3 billion;
- FY2006, President's budget request, \$18.8 billion;
- FY2006, House bill, as passed, \$19.3 billion;
- FY2006, Senate bill, as passed, \$19.3 billion; and
- FY2006, H.Rept. 109-300 conference agreement, \$19.3 billion.

Major Funding Trends

The L-HHS-ED appropriations bills include both mandatory and discretionary funds; however, the Appropriations Committees fully control only the discretionary funds. Mandatory funding levels for programs included in the annual appropriations bills are modified through changes in the authorizing legislation. Typically, these changes are accomplished through authorizing committees by means of reconciliation legislation, and not through appropriations committees in annual appropriations bills.

Table 5 shows the trend in discretionary budget authority enacted in the L-HHS-ED appropriations for FY2001 through FY2005. During the past five years, L-HHS-ED discretionary funds have grown from \$109.4 billion in FY2001 to an estimated \$142.4 billion in FY2005, an increase of \$33.0 billion, or 30.2%. During this same period — and using the Gross Domestic Product (GDP) deflator to adjust for inflation — L-HHS-ED discretionary funds in estimated FY2005 dollars have grown from \$118.0 billion in FY2001 to \$142.4 billion in FY2005, an increase of \$24.4 billion in estimated FY2005 dollars, or 20.7%. L-HHS-ED discretionary funds as a percent of total federal discretionary funds decreased from a 16.5% share in FY2001 to an estimated 15.6% share in FY2005. L-HHS-ED discretionary funds as a percent of total federal budget authority increased slightly from a 5.6% share in FY2001 to an estimated 5.7% share in FY2005.

**Table 5. L-HHS-ED Discretionary Funding Trends,
FY2001-FY2005**

(budget authority in billions of dollars)

Type of funds	FY2001	FY2002	FY2003	FY2004	FY2005 estimate ^a
L-HHS-ED discretionary	\$109.4	\$127.2	\$132.4	\$140.9	\$142.4
L-HHS-ED discretionary in estimated FY2005 dollars	\$118.0	\$134.8	\$137.8	\$143.8	\$142.4
L-HHS-ED % of total federal discretionary funds ^b	16.5%	17.3%	15.6%	15.5%	15.6%
L-HHS-ED % of total federal budget authority (both discretionary and non-discretionary)	5.6%	6.1%	5.8%	5.9%	5.7%
Total federal discretionary funds	\$663.8	\$734.8	\$849.5	\$907.6	\$915.6
Total federal budget authority (both discretionary and non-discretionary)	\$1,959.0	\$2,090.1	\$2,266.1	\$2,407.4	\$2,477.4
GDP deflator	1.0236	1.0426	1.0614	1.0825	1.1045

Sources: Federal totals and the GDP deflator are based on the *Budget of the United States Government Historical Tables Fiscal Year 2006*, Tables 5.2, 5.4, and 10.1. L-HHS-ED totals for discretionary budget authority are based on annual conference reports for L-HHS-ED appropriations, and therefore may not be completely comparable from year to year.

- a. FY2005 estimates for federal budget authority, both total and discretionary, are based on amounts published in the FY2006 budget request of Feb. 7, 2005. Estimates exclude supplementals and rescissions enacted after that date, as well as re-estimates and scorekeeping adjustments.
- b. Discretionary funds include both defense and non-defense activities.

Department of Labor

FY2005 discretionary appropriations for the Department of Labor (DOL) were \$12.1 billion. For FY2006, the budget request was \$11.6 billion, \$0.5 billion (4.1%) less than the FY2005 amount, as shown in **Table 6**. The House bill would provide \$11.7 billion for DOL discretionary programs in FY2006, and the Senate bill would provide \$11.8 billion. The FY2006 conference agreement (H.Rept. 109-300) would provide \$11.6 billion in discretionary funding; the report failed to pass the House on November 17, 2005.

Table 6. Department of Labor Discretionary Appropriations
(\$ in billions)

Funding	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Appropriations	\$12.1	\$11.6	\$11.7	\$11.8	\$11.6

Source: Amounts are based on the H.Rept. 109-300 conference agreement of Nov. 16, 2005. FY2005 amounts are post-reduction (see page 45) and based on P.L. 108-447. Amounts represent discretionary programs funded by L-HHS-ED appropriations; funds for mandatory programs are excluded.

Mandatory DOL programs included in the FY2005 L-HHS-ED bill were funded at \$3.3 billion, and consist of the Federal Unemployment Benefits and Allowances (\$1.1 billion), Black Lung Disability Trust Fund (\$1.1 billion), Advances to the Unemployment Insurance and Other Trust Funds (\$0.5 billion), Special Benefits for Disabled Coal Miners (\$0.4 billion), Employment Standards Administration (ESA) Special Benefits (\$0.2 billion), and Energy Employees Occupational Illness Compensation Fund (\$40 million).

Key Issues

President's Request. The President's FY2006 budget request for DOL proposed changes in funding for a number of discretionary activities; proposed changes of at least \$100 million were as follows.

- The Workforce Investment Act of 1998 (WIA) programs, funded in aggregate at \$5.3 billion in FY2005, would be decreased by \$282 million under the President's FY2006 budget request.
- The WIA Dislocated Worker Assistance programs, funded at \$1.5 billion in FY2005, would be decreased by \$132 million in FY2006, including a decrease of \$118 million for state grants.
- The Employment Service, funded at \$846 million in FY2005, would be decreased by \$116 million, including a decrease of \$85 million for state grants.

House Bill. For DOL programs, the House bill, as passed, differs from the President's budget request primarily with respect to two WIA programs.

- The House bill would provide \$1.2 billion for WIA Dislocated Worker Assistance State Grants, \$118 million more than requested and the same as the FY2005 amount.
- The WIA Community College program would receive \$125 million, which is \$125 million less than requested and \$124 million less than the funds available from all sources for FY2005. Also, the House bill would rescind \$125 million of FY2005 funds for this program, for a proposed net increase of \$1 million in FY2006.

Senate Bill. For DOL programs, the Senate bill, as passed, differs from the House bill by at least \$100 million in several respects.

- WIA programs in aggregate would receive \$5.3 billion, \$129 million more than the House amount. The request was for \$5.1 billion; \$5.3 billion was provided in FY2005.
- WIA Community Colleges would receive \$125 million indirectly through the WIA National Reserve rather than directly, as in the House bill. The request was for \$250 million, provided directly; in FY2005, the program received \$124 million directly and \$125 million indirectly. The Senate bill would not rescind any FY2005 funds for the WIA Community College program; the House bill would rescind \$125 million.
- Unemployment Compensation would receive \$2.5 billion, \$148 million less than the House amount. The request was for \$2.6 billion; \$2.7 billion was the FY2005 amount.

Conference Agreement. The conference agreement reported in H.Rept. 109-300 would change discretionary spending by at least \$100 million for several programs.

- The WIA Community College program would receive \$125 million indirectly from the WIA National Reserve and no funds directly. The request was for \$250 million, to be provided directly. In FY2005, the program received \$124 million directly and \$125 million indirectly through the National Reserve. The conference agreement would rescind \$125 million of the FY2005 appropriation.
- Unemployment Compensation would be funded at \$2.5 billion, \$100 million less than requested and \$140 million less than the FY2005 amount of \$2.7 billion.

CRS Products

CRS Report RS22077, *Unemployment Compensation (UC) and the Unemployment Trust Fund (UTF): Funding UC Benefits*, by Christine Scott and Julie M. Whittaker.

CRS Report RS20244, *The Workforce Investment Act: Training Programs Under Title I at a Glance*, by Ann Lordeman.

Websites

Department of Labor

[<http://www.dol.gov>]

[http://www.dol.gov/_sec/Budget2006/overview.htm]

[<http://www.doleta.gov/budget/06bud.cfm>]

Detailed Appropriations Table

Table 7 shows the appropriations details for offices and major programs of DOL.

Table 7. Detailed Department of Labor Appropriations
(\$ in millions)

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
<i>Employment and Training Administration (ETA)</i>					
Training and Employment Services (TES), Workforce Investment Act (WIA) Adult Training Grants to States	897	866	866	894	866
WIA Youth Training	986	950	950	986	950
WIA Dislocated Worker Assistance (DWA)	1,476	1,344	1,405	1,476	1,476
<i>DWA State Grants (non-add)</i>	<i>1,193</i>	<i>1,075</i>	<i>1,193</i>	<i>1,193</i>	<i>1,193</i>
<i>DWA National Reserve Community College set aside (non-add)^a</i>	<i>125</i>	<i>0</i>	<i>0</i>	<i>125</i>	<i>125</i>
<i>DWA, National Reserve, other (non-add)^a</i>	<i>158</i>	<i>269</i>	<i>212</i>	<i>158</i>	<i>158</i>
WIA Migrant and Seasonal Farmworkers	76	0	76	80	80
WIA Job Corps	1,552	1,517	1,542	1,582	1,573
WIA Community College (Community-Based Job Training) ^a	124	250	125	0	0
<i>WIA Community College, program level (non-add)^a</i>	<i>249</i>	<i>250</i>	<i>125</i>	<i>125</i>	<i>125</i>
<i>WIA Community College, proposed FY2005 rescission (non-add)</i>	<i>na</i>	<i>na</i>	<i>-125</i>	<i>na</i>	<i>-125</i>
WIA Other Federal Activities	227	129	158	233	170
WIA/TES subtotal	5,338	5,056	5,122	5,251	5,115
Community Service Employment for Older Americans	437	437	437	437	437
Federal Unemployment Benefits and Allowances (mandatory)	1,057	966	966	966	966
State Unemployment Insurance and Employment Service Operations (SUI/ESO) Unemployment Compensation	2,673	2,633	2,633	2,485	2,533
SUI/ESO Employment Service	846	730	730	780	757
<i>SUI/ESO Employment Service State Grants (non-add)</i>	<i>781</i>	<i>696</i>	<i>696</i>	<i>746</i>	<i>723</i>
SUI/ESO One-Stop Career Centers	98	88	88	77	82
SUI/ESO Work Incentives Grants	20	20	20	20	20
SUI/ESO subtotal	3,637	3,471	3,471	3,362	3,392
Advances to Unemployment Trust Fund and other funds (mandatory)	517	465	465	465	465
New York State Uninsured Employers Fund	0	0	0	50	0
ETA Program Administration	170	206	206	200	200
ETA subtotal	11,156	10,601	10,667	10,731	10,575
Employee Benefits Security Administration	131	137	137	135	135

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Pension Benefit Guaranty Corporation (PBGC) Administration	0	0	0	0	0
<i>PBGC program level (non-add)</i>	266	297	297	297	297
<i>Employment Standards Administration (ESA)</i>					
ESA Salaries and Expenses	401	416	416	413	415
ESA Special Benefits (mandatory)	233	237	237	237	237
ESA Special Benefits for Disabled Coal Miners (mandatory)	357	306	306	306	306
ESA Energy Employees Occupational Illness Compensation Fund (mandatory)	40	96	96	96	96
ESA Black Lung Disability Trust Fund (mandatory)	1,062	1,068	1,068	1,068	1,068
ESA subtotal	2,093	2,123	2,123	2,120	2,122
Occupational Safety and Health Administration (OSHA)	464	467	477	477	477
Mine Safety and Health Administration (MSHA)	279	280	280	280	280
Bureau of Labor Statistics	529	543	543	543	543
Office of Disability Employment Policy	47	28	28	47	28
Departmental Management					
International Labor Affairs	93	12	12	93	73
Veterans Employment and Training	223	224	229	224	224
Departmental Management, other	297	304	299	301	300
Departmental Management subtotal	613	540	540	618	597
Working Capital Fund	10	6	6	6	6
TOTALS, DEPARTMENT OF LABOR					
Total appropriations ^b	15,322	14,724	14,801	14,957	14,764
Current year funding	12,778	12,212	12,264	12,420	12,227
One-year advance funding	2,544	2,512	2,537	2,537	2,537

Source: Funding details have been compiled from the H.Rept. 109-300 conference agreement of Nov. 16, 2005. FY2005 amounts are post-reduction (see page 45) and based on P.L. 108-447.

- a. Funding for the WIA Community College (Community-Based Job Training) program has been provided through two line items: (1) directly through the WIA Community College line item; and (2) indirectly as a set aside from the WIA Dislocated Worker Assistance National Reserve. The WIA Community College “program level” amounts that are shown in this table combine the two sources of funds to show the total available for the Community College program.
- b. Appropriations totals include discretionary and mandatory funds, and may be subject to additional scorekeeping and other adjustments.

Department of Health and Human Services

FY2005 discretionary appropriations for the Department of Health and Human Services (HHS) were \$63.8 billion. For FY2006, the budget request was \$62.7 billion, \$1.1 billion (1.7%) less than the FY2005 amount, as shown in **Table 8**. The House bill would provide \$63.2 billion for HHS discretionary activities in FY2006, and the Senate bill would provide \$73.4 billion. The FY2006 conference agreement (H.Rept. 109-300) would provide \$63.4 billion in discretionary funding; the report failed to pass the House on November 17, 2005.

**Table 8. Department of Health and Human Services
Discretionary Appropriations**
(\$ in billions)

Funding	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Appropriations	\$63.8	\$62.7	\$63.2	\$73.4	\$63.4

Source: Amounts are based on the H.Rept. 109-300 conference agreement of Nov. 16, 2005. FY2005 amounts are post-reduction (see page 45) and based on P.L. 108-447. Amounts represent discretionary programs funded by L-HHS-ED appropriations; funds for mandatory programs are excluded, as are funds for the Food and Drug Administration (FDA) and the Indian Health Service (IHS), both of which are administered by HHS but funded through other appropriations bills.

Mandatory HHS programs included in the L-HHS-ED bill were funded at \$315.4 billion in FY2005, and consist primarily of Medicaid Grants to States (\$182.3 billion), Payments to Medicare Trust Funds (\$119.8 billion — virtually all of this amount was for Part B Supplementary Medical Insurance), Foster Care and Adoption (\$6.8 billion), Family Support Payments to States (\$4.1 billion), and the Social Services Block Grant (\$1.7 billion).

Key Issues

President's Request. The President's FY2006 budget request for HHS would increase support primarily for Health Centers and the administration of Medicare and Medicaid. At the same time, it would reduce funding for various other health and human resources programs, as indicated below.

Discretionary spending increases of at least \$100 million were requested in the President's FY2006 budget for the following programs.

- Health Centers, funded at \$1.7 billion in FY2005, would be increased by \$304 million under the President's budget request.
- The National Institutes of Health (NIH), funded at \$28.4 billion in FY2005, would be increased by \$145 million. The NIH supports activities that maintain and improve health through medical science; for additional information, please see CRS Report RL32799, *Federal Research and Development Funding: FY2006*.
- The Centers for Medicare and Medicaid Services (CMS) Program Management for the administration of the Medicare and Medicaid

programs, funded at \$2.7 billion in FY2005, would be increased by \$512 million under the request.

- The Public Health and Social Services Emergency Fund (PHSSEF), funded at \$2.4 billion in FY2005, would be increased by \$171 million. These funds are used primarily for bioterrorism activities.

Along with the increases proposed above, the President's FY2006 budget would decrease or terminate funding for several programs.

- Health Professions programs other than those for nursing, funded at \$299 million in FY2005, would be decreased by \$288 million.
- Children's Hospital Graduate Medical Education (CHGME), funded at \$301 million in FY2005, would be reduced by \$101 million.
- The CDC, funded at \$4.5 billion in FY2005, would be reduced by \$470 million, including elimination of the Preventive Health and Health Services Block Grant (funded at \$119 million in FY2005) and a reduction to Building and Facilities of \$240 million (funded at \$270 million in FY2005).
- Low-Income Home Energy Assistance Program (LIHEAP), funded at \$2.2 billion in FY2005, would be decreased by \$182 million.
- Health Care-Related Facilities and Activities, funded at \$483 million in FY2005, would be eliminated; funds for this program were earmarked for construction and renovation projects for designated recipients.
- The Community Services Block Grant (CSBG), funded at \$637 million in FY2005, would be eliminated.

House Bill. For HHS programs, the House bill, as passed, differs from the President's budget request in several respects.

- Health Centers would receive \$1.8 billion under the House bill, \$204 million less than requested; it received \$1.7 billion in FY2005.
- Children's Hospital Graduate Medical Education (CHGME) would receive \$300 million, \$100 million more than requested; it received \$301 million in FY2005.
- Bioterrorism Hospital Grants would receive \$500 million; these funds were included under PHSSEF in the request and the FY2005 appropriation.
- The Centers for Disease Control and Prevention (CDC) Terrorism Preparedness and Response would receive \$1.6 billion; these funds were included under PHSSEF in the request and the FY2005 appropriation.
- Other activities at the CDC would receive \$4.3 billion, \$288 million more than requested; they received \$4.5 billion in FY2005.
- The Agency for Healthcare Research and Quality (AHRQ) would receive a direct appropriation of \$319 million; the request was for \$319 million in indirect appropriations from other HHS programs, the same as was provided in FY2005.
- The CSBG would receive \$320 million; no funds were requested, and \$637 million was provided in FY2005.

- The PHSSEF would receive \$184 million, \$2.4 billion less than the request and \$2.2 billion less than the FY2005 amount. However, the House bill would directly appropriate \$2.1 billion for bioterrorism activities at the Health Resources and Services Administration (HRSA) (\$0.5 billion) and the CDC (\$1.6 billion), appropriations that in previous years would have been provided indirectly through the PHSSEF for these activities.

Senate Bill. For HHS programs, the Senate bill, as passed, differs from the House bill by at least \$100 million for several programs.

- Health Professions other than nursing would receive \$298 million, \$251 million more than the House amount. The request was for \$11 million; \$299 million was provided in FY2005.
- Health Care-Related Facilities and Activities would receive \$393 million. No funds would be provided under the House bill, and no funds were requested; \$483 million was provided in FY2005.
- CDC activities other than Terrorism Preparedness and Response would receive \$4.5 billion, \$169 million more than the House amount. The request was for \$4.0 billion; \$4.5 billion was provided in FY2005.
- NIH would be funded at \$29.4 billion, \$908 million more than the House amount. The request was for \$28.5 billion; \$28.4 billion was provided in FY2005.
- The AHRQ would be not be funded directly but would be provided \$324 million of program level support. The request was for \$319 million of indirect program level support, the same as was provided in FY2005. The House would provide \$319 million directly for the AHRQ.
- LIHEAP would be funded at \$2.2 billion, \$176 million more than the House amount. The request was for \$2.0 billion; \$2.2 billion was provided in FY2005.
- The CSBG would be funded at \$637 million, \$317 million more than the House amount. No funds were requested; \$637 million was provided in FY2005.
- The PHSSEF would be funded at \$8.2 billion, \$8.0 billion more than the House amount. The request was for \$2.6 billion; \$2.4 billion was provided in FY2005. The Senate amount would include \$8.1 billion in emergency funds for Flu Pandemic activities.

Conference Agreement. The conference agreement reported in H.Rept. 109-300 would change discretionary spending by at least \$100 million for several HHS activities.

- Health Professions other than nursing would receive \$94 million, \$83 million more than requested but \$205 million less than the FY2005 amount of \$299 million.
- Health Care-Related Facilities and Activities would receive no funds, the same as was requested; \$483 million was provided in FY2005.

- Bioterrorism Hospital Grants would receive \$500 million; no funds were requested directly for these grants and no funds were appropriated directly in FY2005.
- CDC Terrorism Preparedness and Response would receive \$1.6 billion; no funds were requested directly for these activities and no funds were appropriated directly in FY2005.
- Other CDC activities would be funded at \$4.3 billion, \$251 million more than requested but \$219 million less than the FY2005 amount of \$4.5 billion.
- CMS Program Management would receive \$3.2 billion, \$6 million less than requested but \$506 million more than the FY2005 amount of \$2.7 billion.

Abortion: Funding Restrictions. Annual L-HHS-ED appropriations regularly contain restrictions that limit — for one year at a time — the circumstances under which federal funds can be used to pay for abortions. Restrictions on appropriated funds, popularly referred to as the “Hyde Amendments,” generally apply to all L-HHS-ED funds. Medicaid is the largest program affected. Given the perennial volatility of this issue, these provisions may be revisited at any time during the annual consideration of L-HHS-ED appropriations. From FY1977 to FY1993, abortions could be funded only when the life of the mother was endangered. The 103rd Congress modified the provisions to permit federal funding of abortions in cases of rape or incest. The FY1998 L-HHS-ED appropriations, P.L. 105-78, extended the Hyde provisions to prohibit the use of federal funds to buy managed care packages that include abortion coverage, except in the cases of rape, incest, or life endangerment. The FY1999 L-HHS-ED appropriations, P.L. 105-277, continued the FY1998 Hyde Amendments with two added provisions: (1) a clarification to ensure that the restrictions apply to all trust fund programs (namely, Medicare), and (2) an assurance that Medicare + Choice plans cannot require the provision of abortion services. No changes were made from FY2000 through FY2004. The FY2005 L-HHS-ED appropriations, P.L. 108-447 (H.Rept. 108-792, p. 1271), added an additional restriction, popularly referred to as the “Weldon Amendment,” that prevents federal programs or state or local governments that receive L-HHS-ED funds from requiring health care entities to provide or pay for abortions or abortion services. The current provisions can be found in §507 and §508 of Division F, P.L. 108-447. For additional information, please see CRS Issue Brief IB95095, *Abortion: Legislative Response*.

Embryonic Stem Cell Research: Funding Restrictions. On August 9, 2001, President Bush announced a decision to use federal funds for research on human embryonic stem cells for the first time, but limited the funding to “existing stem cell lines.” Embryonic stem cells have the ability to develop into virtually any cell in the body, and have the potential to treat medical conditions such as diabetes and Parkinson’s disease. In response to the President’s announcement, the NIH developed a registry of 78 embryonic stem cell lines eligible for use in federally funded research. However, many of these lines were found to be unavailable or unsuitable for research; only 22 of the 78 eligible stem cell lines are currently available for general research purposes. Some scientists are concerned about the quality, longevity, and availability of eligible stem cell lines. Many believe that the advancement of research requires new stem cell lines, possibly including stem cells

derived from cloned embryos. The use of stem cells, however, raises ethical issues regarding embryo and fetal tissue research because the embryos are destroyed in order to obtain the cells. Given its potential volatility, the issue may be revisited at any time during the annual consideration of L-HHS-ED appropriations.

An FY1996 appropriations continuing resolution, P.L. 104-99 (§128), prohibited NIH funds from being used for the creation of human embryos for research purposes or for research in which human embryos are destroyed. Since FY1997, annual appropriations acts have extended the prohibition to all L-HHS-ED funds, with the NIH as the agency primarily affected. The restriction, originally introduced by Representative Jay Dickey, has not changed significantly since it was first enacted, and the FY2005 L-HHS-ED appropriations continued the restrictions without change. The current provision can be found in §509 of the FY2005 L-HHS-ED appropriations, Division F of P.L. 108-447. For additional information, please see CRS Report RL31015, *Stem Cell Research*; CRS Report RL31358, *Human Cloning*; and CRS Report RS21044, *Background and Legal Issues Related to Stem Cell Research*.

CRS Products

- CRS Issue Brief IB95095, *Abortion: Legislative Response*, by Karen J. Lewis and Jon O. Shimabukuro.
- CRS Report RL30731, *AIDS Funding for Federal Government Programs: FY1981-FY2006*, by Judith A. Johnson and Sharon Coleman.
- CRS Report 98-476, *AIDS: Ryan White CARE Act*, by Judith A. Johnson and Paulette C. Morgan.
- CRS Report RL30785, *The Child Care and Development Block Grant: Background and Funding*, by Melinda Gish.
- CRS Report RL32872, *Community Services Block Grants (CSBG): Funding and Reauthorization*, by Karen Spar and Garrine P. Laney.
- CRS Report RL32046, *Federal Health Centers Program*, by Sharon Kearney Coleman.
- CRS Report RL32799, *Federal Research and Development Funding: FY2006*, by Michael E. Davey.
- CRS Report RL30952, *Head Start: Background and Issues*, by Melinda Gish.
- CRS Report RL31865, *The Low-Income Home Energy Assistance Program (LIHEAP): Program and Funding*, by Emilie Stoltzfus.
- CRS Report 97-350, *Maternal and Child Health Block Grant*, by Sharon Kearney Coleman.
- CRS Report RL31336, *Older Americans Act: Programs and Funding*, by Carol O'Shaughnessy and updated by Angela Napili.
- CRS Report RL31719, *An Overview of the U.S. Public Health System in the Context of Emergency Preparedness*, by Sarah A. Lister.
- CRS Report RL33145, *Pandemic Influenza: Domestic Preparedness Efforts*, by Sarah A. Lister.
- CRS Report RL31940, *Public Health Service Operating Agencies*, by Sharon Kearney Coleman.
- CRS Report RL31015, *Stem Cell Research*, by Judith A. Johnson and Erin D. Williams.

CRS Report 97-1048, *The Title X Family Planning Program*, by Sharon Kearney Coleman.

Websites

Department of Health and Human Services

[<http://www.hhs.gov>]

[<http://www.hhs.gov/budget/document.htm>]

Detailed Appropriations Table

Table 9 shows the appropriations details for offices and major programs of HHS.

Table 9. Detailed Department of Health and Human Services Appropriations
(\$ in millions)

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
<i>Public Health Service (PHS)</i>					
<i>Health Resources and Services Administration (HRSA)</i>					
Health Centers	1,734	2,038	1,834	1,889	1,800
Healthy Community Access	83	0	0	60	0
National Health Service Corps	131	127	127	127	127
Health Professions, Nursing	151	150	150	156	151
Health Professions, other	299	11	47	298	94
Health Professions subtotal	450	161	197	454	245
Children's Hospital Graduate Medical Education	301	200	300	300	300
Maternal and Child Health Block Grant	724	724	700	710	700
Ryan White AIDS Programs	2,048	2,058	2,058	2,058	2,058
Family Planning (Title X)	286	286	286	286	286
Health Care-Related Facilities and Activities	483	0	0	393	0
Bioterrorism Hospital Grants ^a	0	0	500	511	500
Vaccine Injury Compensation Trust Fund (mandatory)	66	71	71	71	71
HRSA, other	569	378	448	590	530
HRSA subtotal	6,875	6,043	6,521	7,449	6,617
Centers for Disease Control and Prevention (CDC) Terrorism Preparedness and Response ^a	0	0	1,617	1,566	1,593
CDC, other ^b	4,511	4,041	4,329	4,498	4,292
National Institutes of Health (NIH) ^c	28,365	28,510	28,507	29,415	28,617
Substance Abuse and Mental Health Services Administration (SAMHSA) Mental Health Block Grant	411	411	411	411	411
SAMHSA Substance Abuse Block Grant	1,696	1,696	1,696	1,696	1,696
SAMHSA, other	1,161	1,108	1,124	1,168	1,131
SAMHSA subtotal	3,268	3,215	3,231	3,275	3,238
Agency for Healthcare Research and Quality (AHRQ)	0	0	319	0	0
AHRQ program level (non-add)	319	319	319	324	319
PHS subtotal	43,019	41,809	44,524	46,203	44,357
<i>Centers for Medicare and Medicaid Services (CMS)</i>					
Medicaid Grants to States (mandatory)	182,296	219,738	219,738	219,738	219,738
Payments to Medicare Trust Funds (mandatory)	119,826	177,822	177,742	177,822	177,742
CMS Program Management	2,665	3,177	3,180	3,181	3,171
Fraud and Abuse Control initiative	0	80	0	80	0
CMS subtotal	304,787	400,817	400,660	400,821	400,651

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
<i>Administration for Children and Families (ACF)</i>					
Family Support Payments to States (mandatory)	4,090	4,270	4,270	4,270	4,270
Low Income Home Energy Assistance Program (LIHEAP)	2,182	2,000	2,007	2,183	2,183
Refugee and Entrant Assistance	485	571	561	571	576
Child Care and Development Block Grant (CCDBG)	2,083	2,083	2,083	2,083	2,083
Social Services Block Grant (Title XX) (mandatory)	1,700	1,700	1,700	1,700	1,700
Head Start	6,854	6,888	6,899	6,874	6,854
Child Welfare Services	290	290	290	290	290
Developmental Disabilities	169	169	171	187	173
Community Services Block Grant	637	0	320	637	637
Battered Women's Shelters	126	126	126	126	126
Abstinence Education	99	138	110	101	110
Other Children and Family Services	832	766	773	811	732
Promoting Safe and Stable Families (PSSF) (mandatory)	305	305	305	305	305
PSSF (discretionary)	99	105	99	90	90
Foster Care and Adoption Assistance (mandatory)	6,805	6,583	6,583	6,583	6,583
ACF subtotal	26,757	25,994	26,296	26,811	26,711
Administration on Aging (AOA)	1,393	1,369	1,376	1,392	1,377
<i>Office of the Secretary</i>					
Medical Benefits, Commissioned Officers (mandatory)	331	329	329	329	329
Public Health and Social Service Emergency Fund (PHSSEF) ^a	2,407	2,578	184	8,159	184
Office of the Secretary, other	507	588	525	551	535
Office of the Secretary subtotal	3,245	3,495	1,038	9,039	1,048
TOTALS, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Total appropriations ^d	379,201	473,485	473,893	484,266	474,145
Current year funding	311,100	406,382	406,779	417,164	407,042
One-year advance funding	68,101	67,103	67,114	67,103	67,103

Source: Funding details have been compiled from the H.Rept. 109-300 conference agreement of Nov. 16, 2005. FY2005 amounts are post-reduction (see page 45) and based on P.L. 108-447.

Note: Two HHS agencies are funded through other appropriations: Food and Drug Administration (FDA) in Agriculture appropriations (\$1.5 billion in FY2005), and Indian Health Service (IHS) in Interior appropriations (\$3.0 billion in FY2005).

- For FY2006, the House and Senate amounts for bioterrorism would be distributed directly to HRSA, CDC, and NIH rather than indirectly through the PHSSEF.
- The Veterans Affairs and Housing and Urban Development (VA-HUD) appropriations provided additional funding of \$76 million for the CDC in FY2005.
- The VA-HUD appropriations provided additional funding of \$80 million for the NIH in FY2005.
- Appropriations totals include discretionary and mandatory funds, and may be subject to additional scorekeeping and other adjustments.

Department of Education

FY2005 discretionary appropriations for the Department of Education (ED) were \$56.6 billion. For FY2006, the budget request was \$56.2 billion, \$0.4 billion (0.7%) less than the FY2005 amount, as shown in **Table 10**. The House bill would provide \$56.7 billion for ED discretionary activities in FY2006; the Senate bill would provide \$56.7 billion as well. The FY2006 conference agreement (H.Rept. 109-300) would provide \$56.5 billion in discretionary funding; the report failed to pass the House on November 17, 2005.

**Table 10. Department of Education
Discretionary Appropriations**
(\$ in billions)

Funding	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Appropriations	\$56.6	\$56.2	\$56.7	\$56.7	\$56.5

Source: Amounts are based on the H.Rept. 109-300 conference agreement of Nov. 16, 2005. FY2005 amounts are post-reduction (see page 45) and based on P.L. 108-447. Amounts represent discretionary programs funded by L-HHS-ED appropriations; funds for mandatory programs are excluded.

A single mandatory ED program is included in the L-HHS-ED bill; the Vocational Rehabilitation State Grants program was funded at \$2.6 billion in FY2005.

Key Issues

President's Request. Increasing federal support for education has been a priority of both Congress and the White House in recent years. Under the FY2006 budget request, funding for several programs would be increased, and 14 new education programs were proposed; however, the President's request would also eliminate the funding for 48 existing programs.

Discretionary spending increases of at least \$100 million in FY2006 were requested by the President for the following programs.

- Elementary and Secondary Education Act of 1965 (ESEA) programs, funded in aggregate at \$24.4 billion in FY2005, would be increased by \$974 million in the President's FY2006 budget request — see discussion below of ESEA funding shortfall.
- The ESEA Title I, Part A Grants to Local Educational Agencies (LEAs) program, funded at \$12.7 billion in FY2005, would be increased by \$602 million.
- The Striving Readers program, funded at \$25 million in FY2005, would be increased by \$175 million.
- The Special Education Part B Grants to States program under the Individuals with Disabilities Education Act (IDEA), funded at \$10.6

billion in FY2005, would be increased by \$508 million — see discussion below of IDEA funding shortfall.

- The Pell Grants program, funded at \$12.4 billion in FY2005, would be increased by \$834 million. The maximum award would be increased by \$100 to \$4,150 in FY2006 — see discussion below of Pell Grants funding.
- Student Aid Administrative Costs, funded at \$119 million in FY2005, would be increased by \$820 million in a proposal to unify the administration of all student aid activities in a single account. The increase would be offset in part by a proposed savings of \$625 million through the consolidation of certain related expenses currently counted elsewhere.
- A High School Intervention initiative was proposed with initial funding of \$1.2 billion.
- A High School Assessments initiative was proposed with initial funding of \$250 million.
- A Teacher Incentive Fund initiative was proposed with initial funding of \$500 million.

Along with the increases proposed above, the President's FY2006 budget would decrease funding for several programs and eliminate funding for others. The March 16, 2005 table of the House Committee on Appropriations listed 38 line items for education programs that were funded for FY2005 but with no FY2006 funds requested; the ED Budget Service published a more detailed list with 48 programs that were funded in FY2005 but with no FY2006 funds requested, at [<http://www.ed.gov/about/overview/budget/budget06/summary/edlite-section3.html>].

- The Fund for the Improvement of Education (FIE), funded at \$414 million in FY2005, would be reduced by \$258 million.
- Adult Education, funded at \$585 million in FY2005, would be reduced by \$369 million.
- The Fund for the Improvement of Postsecondary Education (FIPSE), funded at \$162 million in FY2005, would be decreased by \$140 million.
- TRIO programs, funded at \$837 million in FY2005, would be reduced by \$468 million.
- The Even Start program, funded at \$225 million in FY2005, would be terminated.
- Comprehensive School Reform, funded at \$205 million in FY2005, would be eliminated.
- Educational Technology State Grants, funded at \$496 million in FY2005, would be eliminated.
- Safe and Drug-Free Schools State Grants, funded at \$437 million in FY2005, would be eliminated.
- The Perkins Vocational Education program, funded at \$1.3 billion in FY2005, would be terminated.
- GEAR UP, funded at \$306 million in FY2005, would be eliminated.

House Bill. For ED programs, the House bill, as passed, differs from the President's budget request in several respects.

- ESEA programs in aggregate would receive \$23.6 billion under the House bill, \$1.8 billion less than requested; they were funded at \$24.4 billion in FY2005.
- The ESEA Title I, Part A Grants to LEAs program would receive \$12.8 billion from the House bill, \$502 million less than requested; it received \$12.7 billion in FY2005.
- Even Start would receive \$200 million; no funds were requested. It received \$225 million in FY2005.
- Striving Readers would receive \$30 million, \$170 million less than requested; the program was funded at \$25 million in FY2005.
- The High School Intervention initiative would not be funded; \$1.2 billion was requested.
- Educational Technology State Grants would be funded at \$300 million; no funds were requested. The program received \$496 million in FY2005.
- The High School Assessments initiative would not be funded; \$250 million was requested.
- FIE would receive \$27 million, \$129 million less than requested; it received \$414 million in FY2005.
- Safe and Drug-Free Schools State Grants would receive \$400 million; no funds were requested. The program received \$437 million in FY2005.
- The Special Education Part B Grants to States program under IDEA would receive \$10.7 billion, \$358 million less than requested; the program was funded at \$10.6 billion in FY2005.
- The Perkins Vocational Education program would receive \$1.3 billion; no funds were requested. It was funded at \$1.3 billion in FY2005.
- Adult Education would receive \$585 million, \$369 million more than requested; it was funded at \$585 million in FY2005.
- Pell Grants would receive \$13.4 billion, \$184 million more than requested; it received \$12.4 billion in FY2005. The maximum Pell award would be \$4,100, \$50 less than requested; the FY2005 maximum was \$4,050.
- The Pell Grants accumulated shortfall from prior year awards, currently estimated at \$4.3 billion, would be retired under the provisions of §305 of the House bill, pursuant to §303 of H.Con.Res. 95, the FY2006 congressional budget resolution.
- Student Aid Administrative Costs would receive \$124 million, \$815 million less than requested; it was funded at \$119 million in FY2005. The House bill would not agree to the budget proposal to unify student aid administrative activities in a single account, nor would it agree to the consolidation of related expenses currently counted elsewhere for a proposed savings of \$625 million.
- TRIO programs would receive \$837 million; \$468 million more than requested. TRIO was funded at \$837 million in FY2005.
- GEAR UP would receive \$306 million; no funds were requested. It received \$306 million in FY2005.

Senate Bill. For ED programs, the Senate bill, as passed, differs from the House bill by at least \$100 million for several programs.

- Even Start would not be funded; the House bill would provide \$200 million. No funds were requested; \$225 million was provided in FY2005.
- Educational Technology State Grants would receive \$425 million, \$125 million more than the House amount. No funds were requested; \$496 million was provided in FY2005.
- FIE would receive \$387 million, \$360 million more than the House amount. The request was for \$156 million; \$414 million was provided in FY2005.
- The Teacher Incentive Fund initiative would not be funded; the House would provide \$100 million. The request was for \$500 million to initiate this activity.
- Safe and Drug-Free Schools State Grants would be funded at \$300 million, \$100 million less than the House amount. No funds were requested; \$437 million was provided in FY2005.
- Pell Grants would receive \$13.2 billion, \$206 million less than the House amount. The request was for \$13.2 billion; \$12.4 billion was provided in FY2005. The maximum Pell award would remain the same at \$4,050, or \$50 less than would be provided by the House, and \$100 less than requested.
- FIPSE would be funded at \$157 million, \$108 million more than the House amount. The request was for \$22 million; \$162 million was provided in FY2005.

Conference Agreement. The conference agreement reported in H.Rept. 109-300 would change discretionary spending by at least \$100 million for several ED programs.

- ESEA programs in aggregate would receive \$23.6 billion, \$1.8 billion less than requested and \$0.8 billion less than the FY2005 amount of \$24.4 billion.
- ESEA Title I Part A Grants to LEAs would receive \$12.8 billion, \$502 million less than requested but \$100 million more than the FY2005 amount of \$12.7 billion.
- Comprehensive School Reform would be funded at \$8 million, \$197 million less than the FY2005 amount of \$205 million; no funds were requested.
- Educational Technology State Grants would receive \$275 million, \$221 million less than the FY2005 amount of \$496 million; no funds were requested.
- The Teacher Incentive Fund initiative would receive \$100 million, \$400 million less than requested; no funds were provided in FY2005. However, no funds were provided for two other major education initiatives in the FY2006 budget request, a \$1.2 billion High School Intervention initiative and a \$250 million High School Assessments initiative.

- FIE would receive \$160 million, \$4 million more than requested but \$254 million less than the FY2005 amount of \$414 million.
- IDEA Part B Grants to States would receive \$10.7 billion, \$408 million less than requested but \$100 million more than the FY2005 amount of \$10.6 billion.
- Pell Grants would receive \$13.2 billion, \$22 million less than requested but \$812 million more than the FY2005 amount of \$12.4 billion. The maximum Pell award would remain at \$4,050; an increase of \$100 per award was requested.
- The Pell Grants accumulated shortfall, currently estimated at \$4.3 billion, would be retired under §305 of the conference agreement, pursuant to §303 of H.Con.Res. 95, the FY2006 congressional budget resolution.
- FIPSE would receive \$22 million, the same as the request but \$140 million less than the FY2005 amount of \$162 million.

ESEA Funding Shortfall? Since the enactment of the No Child Left Behind Act of 2001 (NCLBA), P.L. 107-110, which amended the ESEA among other programs, there has been a continuing discussion regarding the appropriations “promised” and the resulting “shortfall” when the enacted appropriations are compared to authorization levels. Some would contend that the ESEA authorizations of appropriations, as amended by NCLBA, represent a funding commitment that was promised in return for legislative support for the new administrative requirements placed on state and local educational systems. They would contend that the authorized levels are needed for implementing the new requirements, and that the differences between promised and actual funding levels represent a shortfall of billions of dollars. The FY2005 appropriation was \$9.1 billion less than the amount authorized for the five ESEA programs for which a FY2005 authorization is specified. Others would contend that the authorized funding levels represent no more than appropriations ceilings, and as such are no different from authorizations for most education programs. That is, when the authorization amount is specified, it represents only a maximum amount, with the actual funding level to be determined during the regular annual appropriations process. In the past, education programs with specified levels of authorization generally have been funded at lower levels; few have been funded at levels equal to or higher than the specified authorization amount. For additional information, please see CRS Report RS21947, *K-12 Education Programs: Funding Summary*.

IDEA Funding Shortfall? From 1975 to 2004, the IDEA Part B Grants to States program authorized state payments up to a maximum amount of 40% of the national average per-pupil expenditure (APPE) times the number of children with disabilities ages 3 through 21 that each state serves. Appropriations have never been sufficient to reach the 40% level. In 2004, Congress addressed the authorization issue in P.L. 108-446, which specified authorization ceilings for Part B Grants to States for FY2005 through FY2011. The Part B Grants to States authorization is \$12,358,376,571 for FY2005 and \$14,648,647,143 for FY2006. The FY2005 appropriation is \$10,589,746,000, or \$1,768,630,571 less than the authorization. The FY2006 budget request is \$11,097,746,000, or \$3,550,901,143 less than the authorization. As with ESEA and NCLBA, some view these differences as funding shortfalls, while others see the maximum federal share and the specified

authorizations as nothing more than appropriation ceilings. For additional information, please see CRS Report RL32085, *Individuals with Disabilities Education Act (IDEA): Current Funding Trends*.

Pell Grants. The funding level for Pell Grants has been a continuing issue. The program provides assistance to eligible undergraduate students based on financial need. Aggregate program costs depend largely on the maximum award and the number of eligible recipients. The maximum award is currently set when appropriations are enacted, which is usually before the start of the program year. The exact number and total amount of the Pell awards cannot be determined until all students have claimed an award. Generally, the number of recipients and the amount of the Pell awards are not reconciled until the end of the program year, which occurs after the following year's appropriations have been enacted. Appropriations for Pell Grants make funds available for two full fiscal years to provide administrative flexibility regarding potential shortfalls and surpluses. If the costs of the Pell Grants program exceed the current fiscal year's appropriation, the shortfall is covered by using appropriated monies from the next fiscal year. Similarly, a surplus can be carried forward and used in the following year. As of November 17, 2005, the ED Budget Service has estimated that the FY2005 shortfall will be \$4.3 billion. For FY2006, the Administration proposes legislation that would recall the federal share of the Perkins Loan program and use \$4.3 billion of the proceeds to eliminate the current Pell Grants shortfall. Section 305 of the H.Rept. 109-300 conference agreement would appropriate \$4.3 million to eliminate the shortfall. For additional information, please see CRS Report RL31668, *Federal Pell Grant Program of the Higher Education Act: Background and Reauthorization*.

Forward Funding and Advance Appropriations. Most appropriations are available for obligation during the federal fiscal year of the appropriations bill. For example, most funds from the FY2006 appropriations bill will be available for spending from October 1, 2005, through September 30, 2006. Several L-HHS-ED programs, including some of the larger ED programs, have authorization or appropriations provisions that allow funding flexibility for program years that differ from the federal fiscal year. For example, many of the elementary and secondary education formula grant programs receive appropriations that become available for obligation to the states on July 1 of the same year as the appropriations, and remain available for 15 months through the end of the following fiscal year. That is, FY2006 appropriations for some programs will become available for obligation to the states on July 1, 2006, and will remain available until September 30, 2007. This budgetary procedure is popularly known as "forward" or "multi-year" funding, and is accomplished through funding provisions in the L-HHS-ED appropriations bill.

Forward funding in the case of elementary and secondary education programs was designed to allow additional time for school officials to develop budgets in advance of the beginning of the school year. For Pell Grants for undergraduates, however, aggregate program costs for individual students applying for postsecondary educational assistance cannot be known with certainty ahead of time. Appropriations from one fiscal year primarily support Pell Grants during the following academic year, that is, the FY2006 appropriations would be used primarily to support grants for the 2006-2007 academic year. Unlike elementary and secondary education

programs, however, the funds for Pell Grants remain available for obligation for two full fiscal years, as discussed above.

An **advance appropriation** occurs when the appropriation is provided for a fiscal year beyond the fiscal year for which the appropriation was enacted. In the case of FY2006 appropriations, funds normally would become available October 1, 2005, under regular funding provisions, but will not become available until July 1, 2006, under the forward funding provisions discussed above. However, if the July 1, 2006 forward funding date were to be postponed for obligation by three months — until October 1, 2006 — the appropriation would be reclassified as an advance appropriation since the funds would become available *only in a subsequent fiscal year*, FY2007. For example, the FY2006 budget request for Title I, Part A Grants to LEAs for the Education for the Disadvantaged was \$13.3 billion. This amount includes not only forward funding of \$5.9 billion (to become available July 1, 2006), but also an advance appropriation of \$7.4 billion (to become available October 1, 2006). Like forward funding provisions, these advance appropriations are specified through provisions in the annual appropriations bill.

What is the impact of these changes in funding provisions? At the appropriations level, there is no difference between forward funded and advance appropriations except for the period available for obligation. At the program or service level, relatively little is changed by the three-month delay in the availability of funds, since most expenditures for a standard school year occur after October 1. At the scorekeeping level, however, a significant technical difference occurs because forward funding is counted as part of the current fiscal year, and is therefore fully included in the current 302(b) allocation for discretionary appropriations. Under federal budget scorekeeping rules, an advance appropriation is not counted in the 302(b) allocation until the following year. In essence, a three-month change from forward funding to an advance appropriation for a given program allows a one-time shift from the current year to the next year in the scoring of discretionary appropriations. For additional information, please see CRS Report RS20441, *Advance Appropriations, Forward Funding, and Advance Funding*, and CRS Report 98-720, *Manual on the Federal Budget Process*.

CRS Products

CRS Report RL32867, *Adult Education and Literacy: Overview and Reauthorization Proposals of the 109th Congress*, by Paul M. Irwin.

CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by David Smole.

CRS Report RL31747, *The Carl D. Perkins Vocational and Technical Education Act of 1998: Background and Implementation*, by Rebecca R. Skinner and Richard N. Apling.

CRS Report RL31487, *Education for the Disadvantaged: Overview of ESEA Title I-A Amendments Under the No Child Left Behind Act*, by Wayne Riddle.

CRS Report RS21483, *Education Technology Programs, Title II, Part D of the Elementary and Secondary Education Act*, by Charmaine Mercer.

CRS Report RL30448, *Even Start Family Literacy Programs: An Overview*, by Gail McCallion and Wayne Riddle.

- CRS Report RL31668, *Federal Pell Grant Program of the Higher Education Act: Background and Reauthorization*, by Charmaine Mercer.
- CRS Report RL31885, *Impact Aid for Public K-12 Education: General Overview and Current Status*, by Rebecca R. Skinner and Richard A. Apling.
- CRS Report RL32085, *Individuals with Disabilities Education Act (IDEA): Current Funding Trends*, by Richard N. Apling.
- CRS Report RS22138, *The Individuals with Disabilities Education Act (IDEA): Overview of P.L. 108-446*, by Nancy Lee Jones and Richard Apling.
- CRS Report RS21947, *K-12 Education Programs: Appropriations Summary*, by Paul M. Irwin.
- CRS Report RL32923, *Federal Pell Grants: Implications of Increasing the Maximum Award*, by Charmaine Mercer.
- CRS Report RL31241, *Reading First and Early Reading First: Background and Funding*, by Gail McCallion.
- CRS Report RS20532, *The Safe and Drug-Free Schools and Communities Act: Reauthorization and Appropriations*, by Edith Fairman Cooper.
- CRS Report RL31622, *Trio and GEAR UP Programs: Status and Issues*, by Jeffrey J. Kuenzi.
- CRS Report RL31240, *21st Century Community Learning Centers in P.L. 107-110: Background and Funding*, by Gail McCallion.

Websites

Department of Education

[<http://www.ed.gov/index.jhtml>]

[<http://www.ed.gov/about/overview/budget/budget06/index.html>]

Detailed Appropriations Table

Table 11 shows the appropriations details for offices and major programs of ED.

Table 11. Detailed Department of Education Appropriations
(\$ in millions)

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
<i>Total Elementary and Secondary Education Act (non-add)</i>	24,353	25,327	23,550	23,595	23,574
Title I, Part A Education for the Disadvantaged, Grants to LEAs	12,740	13,342	12,840	12,840	12,840
Even Start	225	0	200	0	100
Reading First State Grants	1,042	1,042	1,042	1,042	1,042
Striving Readers	25	200	30	35	30
High School Intervention	0	1,240	0	0	0
Comprehensive School Reform	205	0	10	0	8
Education for the Disadvantaged, other	607	607	607	616	607
Impact Aid	1,244	1,241	1,241	1,241	1,241
Teacher Quality State Grants	2,917	2,917	2,917	2,917	2,917
Mathematics and Science Partnerships	179	269	190	179	184
Innovative Education Block Grant	198	100	198	100	100
Educational Technology State Grants	496	0	300	425	275
21 st Century Community Learning Centers	991	991	991	991	991
State Assessments	412	412	412	412	412
High School Assessments Initiative	0	250	0	0	0
Rural Education	171	171	171	171	171
School Improvement, other	256	222	215	263	259
Indian Education	120	120	120	120	120
Charter School Grants	217	219	217	217	217
Fund for the Improvement of Education (FIE)	414	156	27	387	160
Teacher Incentive Fund initiative	0	500	100	0	100
Innovation and Improvement, other	462	433	365	435	469
Safe and Drug-Free Schools State Grants	437	0	400	300	350
Safe Schools and Citizenship, other	424	397	364	397	387
English Language Acquisition State Grants	676	676	676	683	676
IDEA Special Education, Part B, Grants to States	10,590	11,098	10,740	10,690	10,690
IDEA Special Education, other	1,084	1,028	1,074	1,085	1,081
Vocational Rehabilitation State Grants (mandatory)	2,636	2,720	2,720	2,720	2,720
Rehabilitation Services, other	439	339	409	414	409
Special Institutions for Persons With Disabilities	177	176	181	184	183
Perkins Vocational Education	1,326	0	1,312	1,309	1,309
Adult Education	585	216	585	589	585
Vocational and Adult, other	100	0	95	29	118

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
<i>Student Financial Aid</i>					
<i>Pell Grants, maximum award (in dollars, non-add)</i>	4,050	4,150	4,100	4,050	4,050
Pell Grants	12,365	13,199	13,383	13,177	13,177
Enhanced Pell Grants	0	33	0	0	0
Pell Grants accumulated shortfall elimination, §305 (mandatory) ^a	0	0	4,300	4,300	4,300
Supplemental Educational Opportunity Grants	779	779	779	805	779
Federal Work-Study	990	990	990	990	990
Federal Perkins Loans	66	0	66	66	66
Math and Science Scholars	0	50	0	0	0
Leveraging Educational Assistance Partnership (LEAP)	66	0	66	66	66
Student Aid Administrative Costs	119	939	124	120	120
Direct Student Loan Reclassification proposal	0	-625	0	0	0
Short-term Training Loans	0	11	0	0	0
<i>Office of Postsecondary Education (OPE)</i>					
Aid for Institutional Development	508	506	506	516	511
Fund for the Improvement of Postsecondary Education (FIPSE)	162	22	49	157	22
TRIO Programs	837	369	837	842	837
GEAR UP	306	0	306	306	306
Higher Education, other	304	305	239	292	295
Howard University	239	239	241	239	240
Institute of Education Sciences	523	479	523	530	523
Departmental Management	556	560	551	553	556
TOTALS, DEPARTMENT OF EDUCATION					
Total Appropriations ^{a, b}	59,213	58,939	63,707	63,750	63,538
Current year funding	44,191	43,917	48,685	48,716	48,505
One-year advance funding	15,022	15,022	15,022	15,034	15,034

Source: Funding details have been compiled from the H.Rept. 109-300 conference agreement of Nov. 16, 2005. FY2005 amounts are post-reduction (see page 45) and based on P.L. 108-447.

- a. Section 305 of the House bill, as passed, and the Senate bill, as reported, would appropriate \$4.3 billion to eliminate the Pell Grants shortfall. These amounts are shown in this table and its totals. The July 18, 2005 table includes the \$4.3 billion for the House proposal but not an amount for comparable Senate provision.
- b. Appropriations totals include discretionary and mandatory funds, and are subject to additional scorekeeping and other adjustments.

Related Agencies

FY2005 discretionary appropriations for L-HHS-ED related agencies were \$11.1 billion. For FY2006, the budget request was \$11.2 billion, \$0.1 billion (1.0%) more than the FY2005 amount, as shown in **Table 12**. The House bill would provide \$11.5 billion for related agency discretionary activities in FY2006, and the Senate bill would provide \$11.7 billion. The FY2006 conference agreement (H.Rept. 109-300) would provide \$11.5 billion in discretionary funding; the report failed to pass the House on November 17, 2005.

Table 12. Related Agencies Discretionary Appropriations
(\$ in billions)

Funding	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Appropriations	\$11.1	\$11.2	\$11.5	\$11.7	\$11.5

Source: Amounts are based on the H.Rept. 109-300 conference agreement of Nov. 16, 2005. FY2005 amounts are post-reduction (see page 45) and based on P.L. 108-447. Amounts represent discretionary programs funded by L-HHS-ED appropriations; funds for mandatory programs are excluded.

Mandatory programs for related agencies included in the L-HHS-ED bill were funded at \$36.6 billion in FY2005, virtually all of it for the Supplemental Security Income (SSI) program.

Key Issues

President's Request. The President's FY2006 budget for related agencies would change discretionary spending by at least \$100 million for several programs.

- Social Security Administration (SSA) Administrative Expenses, funded at \$5.7 billion in FY2005, would be increased by \$748 million under the President's FY2006 budget request.
- The SSA Medicare Reform Fund to begin implementation of the Medicare prescription drug program enacted by P.L. 108-173, funded at \$446 million in FY2005, would be eliminated; funding for the continuing responsibilities of SSA for Medicare are required to be counted under regular SSA Administrative Expenses beginning in FY2006.
- The Corporation for Public Broadcasting (CPB) has been provided with a two-year advance appropriation in recent years; however, the President's FY2006 budget did not request FY2008 funds for CPB. The CPB has been funded at \$400 million for FY2007 (enacted as part of the FY2005 L-HHS-ED appropriations), \$400 million for FY2006 (enacted in FY2004), and \$387 million for FY2005 (enacted in FY2003).

House Bill. For the related agencies of the L-HHS-ED bill, the House bill, as passed, differs from the President's budget request in several respects.

- SSA Administrative Expenses would receive \$6.4 billion under the House bill, \$108 million less than requested; these activities were funded at \$5.7 billion in FY2005.
- The CPB two-year advance appropriation for FY2008 would be funded at \$400 million under the House bill; no funds were requested. The FY2007 amount (enacted in the FY2005 L-HHS-ED appropriations) is \$400 million.
- The House bill would make no changes to the FY2006 CPB appropriation of \$400 million. A rescission of \$10 million was requested. The House bill, as reported by committee, would have made an FY2006 rescission of \$100 million.

Senate Bill. For the related agencies, the Senate bill, as passed, differs from the House bill by at least \$100 million for two programs.

- Supplemental Security Income (SSI) discretionary activities would receive \$2.7 billion, \$187 million less than the House amount. The request was for \$2.9 billion; \$3.0 billion was provided in FY2005.
- SSA Administrative Expenses would receive \$6.6 billion, \$236 million more than the House amount. The request was for \$6.5 billion; \$5.7 billion was provided in FY2005.

Conference Agreement. The conference agreement reported in H.Rept. 109-300 would change discretionary spending by at least \$100 million for two programs of the related agencies.

- SSI discretionary activities would receive \$2.7 billion, \$164 million less than requested and \$254 million less than the FY2005 amount of \$3.0 billion.
- SSA Administrative Expenses would receive \$6.5 billion, \$25 million less than requested but \$723 million more than the FY2005 amount of \$5.7 billion.

CRS Products

CRS Report RS20420, *AmeriCorps and Other Service Programs: Description and Funding Levels*, by Ann Lordeman.

CRS Report RS22168, *The Corporation for Public Broadcasting: Federal Funding Facts and Status*, by Glenn J. McLoughlin.

CRS Report RL31320, *Federal Aid to Libraries in the Museum and Library Services Act of 2003*, by Gail McCallion.

CRS Issue Brief IB98048, *Social Security Reform*, by Dawn Nuschler.

CRS Report 94-486, *Supplemental Security Income (SSI): A Fact Sheet*, by April Grady.

CRS Report RS20419, *VISTA and the Senior Volunteer Service Corps: Description and Funding Levels*, by Ann Lordeman.

Websites

Note: Not all of the websites for the related agencies of L-HHS-ED appropriations include FY2006 budget information.

Committee for Purchase From People Who Are Blind or Severely Disabled

[<http://www.jwod.gov/jwod/index.html>]

Corporation for National and Community Service

[<http://www.cns.gov>]

[<http://www.cns.gov/about/budget/index.html>]

Corporation for Public Broadcasting

[<http://www.cpb.org>]

[<http://www.cpb.org/about/funding/appropriation.html>]

Federal Mediation and Conciliation Service

[<http://www.fmcs.gov/internet/>]

Federal Mine Safety and Health Review Committee

[<http://www.fmshrc.gov/>]

Institute of Museum and Library Services

[<http://www.imls.gov>]

Medicare Payment Advisory Commission

[<http://www.medpac.gov/>]

National Commission on Libraries and Information Science

[<http://www.nclis.gov/>]

National Council on Disability

[<http://www.ncd.gov/>]

National Labor Relations Board

[<http://www.nlr.gov/nlr/home/default.asp>]

National Mediation Board

[<http://www.nmb.gov/>]

Occupational Health and Safety Review Commission

[<http://www.oshrc.gov/>]

Railroad Retirement Board

[<http://www.rrb.gov>]

[<http://www.rrb.gov/BFO/Justbudgettoc06.htm>]

Social Security Administration

[<http://www.ssa.gov>]

[<http://www.ssa.gov/budget/>]

Detailed Appropriations Table

Table 13 shows the appropriations details for offices and major programs of the L-HHS-ED related agencies.

Table 13. Detailed Related Agencies Appropriations
(\$ in millions)

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
Committee for Purchase From People Who Are Blind or Severely Disabled	5	5	5	5	5
<i>Corporation for National and Community Service (CNCS) ^a</i>					
CNCS Domestic Volunteer Service Programs (DVSP)					
Volunteers in Service to America (VISTA)	94	96	96	96	96
National Senior Volunteer Corps	216	220	220	220	220
DVSP, other	44	44	42	0	0
DVSP subtotal	354	360	358	316	316
CNCS National and Community Service Programs (NCSP)					
National Service Trust	143	146	146	149	140
AmeriCorps Grants	288	275	268	280	268
NCSP, other	111	107	104	117	112
NCSP subtotal	542	528	518	546	520
CNCS, other	31	33	33	73	73
CNCS subtotal	927	921	909	935	909
Corporation for Public Broadcasting (CPB), two-year Advance for FY2008 (current request) with FY2007 comparable	400	0	400	400	400
<i>CPB advance for FY2007 with FY2006 comparable (non-add)</i>	<i>400</i>	<i>0</i>	<i>400</i>	<i>400</i>	<i>400</i>
<i>CPB advance for FY2006 with FY2005 comparable (non-add)</i>	<i>387</i>	<i>0</i>	<i>400</i>	<i>400</i>	<i>400</i>
<i>CPB rescission of FY2006 funds (non-add)</i>	<i>0</i>	<i>-10</i>	<i>0</i>	<i>0</i>	<i>0</i>
CPB Digitalization Program	39	0	0	35	30
CPB Interconnection	40	0	0	40	35
Federal Mediation and Conciliation Service	44	42	42	43	43
Federal Mine Safety and Health Review Committee	8	8	8	8	8
Institute of Museum and Library Services (IMLS) ^c	281	262	250	290	250
Medicare Payment Advisory Commission	10	10	10	10	10

Office or major program	FY2005 enacted	FY2006 request	FY2006 House	FY2006 Senate	FY2006 conf.
National Commission on Libraries and Information Science	1	1	1	1	1
National Council on Disability	3	3	3	3	3
National Labor Relations Board	250	252	252	252	252
National Mediation Board	12	12	12	12	12
Occupational Safety and Health Review Commission	11	11	11	11	11
Railroad Retirement Board	209	200	200	200	200
<i>Social Security Administration (SSA) ^b</i>					
SSA Payments to Social Security Trust Fund (mandatory)	20	20	20	20	20
SSA Supplemental Security Income (SSI) (mandatory)	36,530	37,746	37,746	37,746	37,746
SSA SSI, Discretionary	2,987	2,897	2,897	2,710	2,733
SSA Administrative Expenses	5,743	6,491	6,383	6,619	6,466
<i>SSA Medicare Reform Startup Funding (non-add) ^c</i>	446	0	0	0	0
SSA Office of Inspector General	90	93	93	93	92
SSA subtotal	45,370	47,247	47,139	47,189	47,058
TOTALS, RELATED AGENCIES					
Total appropriations ^d	47,610	48,974	49,241	49,434	49,226
Current year funding	36,280	37,864	37,731	37,924	37,717
One-year advance funding	10,930	11,110	11,110	11,110	11,100
Two-year advance funding	400	0	400	400	400

Source: Funding details have been compiled from the H.Rept. 109-300 conference agreement of Nov. 16, 2005. FY2005 amounts are post-reduction (see page 45) and based on P.L. 108-447.

- a. Through FY2005, CNCS AmeriCorps Grants and other programs under the National and Community Service Act were funded in the Veterans Affairs-Housing and Urban Development (VA-HUD) Appropriations Act. All CNCS programs are funded in L-HHS-ED in FY2006.
- b. The operation of the Social Security trust funds is considered off-budget, but the Social Security Administration (SSA) Supplemental Security Income (SSI) program, SSA Administrative Expenses, and certain related SSA activities are included under L-HHS-ED related agencies.
- c. SSA Medicare Reform Funding startup costs were separately funded in FY2005; such activities are to be combined under the regular SSA Administrative Expenses starting in FY2006.
- d. Appropriations totals include discretionary and mandatory funds, and are subject to additional scorekeeping and other adjustments.

Related Legislation

Several proposals related to L-HHS-ED appropriations have been considered by the 109th Congress, including an FY2006 continuing resolution, the FY2006 budget resolution, and FY2005 supplemental appropriations. FY2005 L-HHS-ED appropriations were provided by the Consolidated Appropriations Act, 2005 (P.L. 108-447), which was enacted by the 108th Congress following a series of three FY2005 continuing resolutions (P.L. 108-309).

FY2006 Continuing Resolution, P.L. 109-77 (H.J.Res. 68)

A continuing resolution, **P.L. 109-77**, as amended by P.L. 109-105 (H.J.Res. 72), has been providing temporary FY2006 appropriations for most ongoing L-HHS-ED activities, including the costs of direct loans and loan guarantees, for the period October 1 through December 17, 2005, unless regular appropriations are enacted before the end of that period (§107). An FY2006 continuing resolution is necessary because the regular L-HHS-ED appropriations were not enacted by the start of FY2006 on October 1, 2005.

Under the FY2006 continuing resolution, the funding level for each activity is provided at a rate of operations *not to exceed* the “current rate” or the rate permitted in the House-passed version of the FY2006 L-HHS-ED appropriations, whichever is lower, under FY2005 conditions and authority — with one exception: if an activity is zeroed out in the House-passed bill for FY2006, the funding level must not exceed the current rate [§101(d)]. New initiatives are prohibited unless otherwise authorized. For programs with high spend-out rates that normally would occur early in the fiscal year, special restrictions prohibit spending levels that would impinge on final FY2006 funding decisions. However, obligations may be made for mandatory payments due on or about November 1, 2005, and December 1, 2005 [§114(b)]. Special provisions are made for funding certain appeals for Medicare (§120) and Social Security (§118). The amounts that would be provided by the Senate-passed version of L-HHS-ED appropriations were excluded from the funding calculations under the continuing resolution because they were not passed by October 1, 2005. For additional information, please see CRS Report RL30343, *Continuing Appropriations Acts: Brief Overview of Recent Practices*.

- **1st Continuing Resolution, P.L. 109-77 (H.J.Res. 68)**, provided temporary appropriations for the period October 1, 2005, through November 18, 2005, as long as regular appropriations were not enacted sooner (§107 of P.L. 109-77). H.J.Res. 68 was passed by the House on September 29 and by the Senate on September 30, and signed into law by the President on September 30, 2005, as **P.L. 109-77**.
- **2nd Continuing Resolution, P.L. 109-105 (H.J.Res. 72)**, extended the provisions of P.L. 109-77 through December 17, 2005. H.J.Res. 72 was passed by the House on October 17 and by the Senate on October 18, and signed into law by the President on October 19, 2005, as **P.L. 109-105**.

FY2006 Budget Resolution, H.Con.Res. 95/S.Con.Res. 18

The annual concurrent resolution on the budget sets forth the congressional budget.¹ Among other provisions, the conference agreement on the FY2006 resolution, H.Con.Res. 95 (H.Rept. 109-62), proposes total discretionary budget authority of \$843 billion; of this amount, \$391 billion is provided for discretionary programs other than for defense and homeland security, according to the April 28, 2005 summary prepared by the majority staff of the House Committee on the Budget. The FY2006 discretionary ceiling represents an increase of 2.1% relative to the FY2005 discretionary total of \$840 billion; the subtotal for programs other than defense and homeland security represents a 0.8% reduction. Report language outlines the funding assumptions made for selected programs that might be used to reach the spending targets. The FY2006 budget resolution does not specify a discretionary funding total for L-HHS-ED programs, nor amounts for individual departments, agencies, and programs; these specific amounts are only determined through the enactment of L-HHS-ED appropriations.

Table 14 shows the assumed levels of discretionary budget authority for budget functions relevant to L-HHS-ED programs from the FY2006 resolution. The budget resolution includes reserve funds for, among other purposes: the Family Opportunity Act for Medicaid coverage for the families of disabled children (§302); elimination of the shortfall for Pell Grants (§303); health care costs and services for the uninsured (§304); health information technology and performance-based measures to improve health care (§306); safe imports of prescription drugs (§309); and restoration of SCHIP funds (§310). The reserve fund for Pell Grants allows \$4.3 billion in new budget authority for FY2006; other reserve provisions prohibit increases in the federal deficit that might result from legislation to implement such provisions.

The FY2006 budget resolution instructs authorizing committees to report legislation to reduce mandatory spending for the period FY2006 through FY2010 (§201 for the House, §202 for the Senate). Subsequently, these proposals would be combined in a single reconciliation bill by the budget committees. The House Committee on Education and the Workforce is responsible for a reduction of \$1.0 billion for FY2006 and \$12.7 billion for FY2006 through FY2010; the Senate Committee on Health, Education, Labor, and Pensions (HELP) is responsible for \$1.2 billion for FY2006 and \$13.7 billion for FY2006 through FY2010. Two other committees include L-HHS-ED programs in their jurisdiction: the House Committee on Ways and Means is responsible for a reduction of \$0.3 billion for FY2006 and \$1.0 billion for FY2006 through FY2010; and the Senate Committee on Finance is responsible for \$10.0 billion for FY2006 through FY2010.

¹ The annual congressional budget resolution sets aggregate budget goals, including total budget authority, outlays, revenues, and deficits or surpluses. A budget resolution sets spending targets for functional categories of the budget; it also may specify a budget reconciliation process for the modification of mandatory spending limits and tax cut legislation, if any. House and Senate committees initiate and report legislation to achieve these targets. Typically, appropriations committees meet the discretionary spending targets through appropriations bills. Likewise, authorizing committees develop proposals to meet mandatory targets; these proposals are often reported from separate committees and combined into one or more omnibus reconciliation bills.

Table 14. Discretionary Budget Authority for L-HHS-ED Budget Functions Assumed in the FY2006 Budget Resolution
(\$ in millions)

Budget functions most relevant to L-HHS-ED programs	FY2005 comparable, budget authority	FY2006 conference, budget resolution	Difference
500: Education, Training, Employment, and Social Services	\$79,556	\$79,139	-\$417
550: Health	54,368	50,912	-3,456
570: Medicare	4,000	5,061	1,061
600: Income Security	46,056	47,256	1,200
650: Social Security	4,426	4,576	150
Federal discretionary budget authority, total for all functions, including those shown above	\$840,036	\$843,000	\$2,964

Source: Amounts are based on a table in the joint explanatory statement of the committee of conference on the FY2006 budget resolution, H.Con.Res. 95 (H.Rept. 109-62).

H.Con.Res. 95 (H.Rept. 109-17) was passed by the House on March 17, 2005 (Roll Call no. 88, 218-214). S.Con.Res. 18 (without written report) was passed by the Senate on March 17 (Roll Call no. 81, 51-49). On April 4, the Senate agreed to H.Con.Res. 95 with an amendment by unanimous consent. A conference report on H.Con.Res. 95, H.Rept. 109-62, was filed and passed by the House (Roll Call no. 149, 214-211) and passed by the Senate (Roll Call no. 114, 52-47); all actions took place on April 28, 2005. For additional information, please see CRS Report RL32812, *The Budget for Fiscal Year 2006*. For procedural information, please see CRS Report 98-721, *Introduction to the Federal Budget Process*.

FY2005 Omnibus Appropriations, P.L. 108-447 (H.R. 4818)

Regular FY2005 funding for L-HHS-ED activities was enacted late in the second session of the 108th Congress, more than two months after the start of FY2005 on October 1, 2004. Eight of the 13 regular FY2005 appropriations bills were combined into a single omnibus bill, H.R. 4818; Division F of the omnibus provided appropriations for L-HHS-ED programs. A series of three continuing resolutions, P.L. 108-309 (H.J.Res. 107), plus two amendments to it, provided temporary FY2005 funding for most L-HHS-ED programs until regular funding was enacted.

The H.R. 4818 conference report, H.Rept. 108-792, was passed by the House (Roll Call No. 542, 344-51, with 1 present) and by the Senate (Roll Call No. 215, 65-30) on November 19, 2004. It was signed into law by the President on December 8, 2005, as P.L. 108-447, the Consolidated Appropriations Act, 2005. For a guide to the FY2005 omnibus bill, please see CRS Report RS21983, *FY2005 Consolidated Appropriations Act: Reference Guide*. For information on the FY2005 L-HHS-ED

appropriations, please see CRS Report RL32303, *Appropriations for FY2005: Labor, Health and Human Services, and Education*.

“Across-the-Board” Reductions for FY2005. In an effort to meet the overall spending limitations requested by the President, the H.R. 4818 conferees required a reduction to some appropriations from what would have been provided otherwise. This provision was specified in §122 of Division J of P.L. 108-447. It required a decrease of 0.80% in FY2005 discretionary appropriations for each program, project, or activity, whether enacted in P.L. 108-447 or in other appropriations. Discretionary funds from Defense, Military Construction, and Homeland Security appropriations were excluded, as were all FY2005 supplemental appropriations. Advance appropriations enacted through P.L. 108-447 for FY2006 or beyond were excluded as well. The reduction was estimated to save approximately \$3.5 billion; for additional information, please see CRS Report RS21983, *FY2005 Consolidated Appropriations Act: Reference Guide*.

P.L. 108-447 required several reductions other than the 0.80% cut described above. One reduction was germane to L-HHS-ED appropriations; §519 of the L-HHS-ED part of the bill required an \$18 million reduction in L-HHS-ED administrative expenses. Congress did not specify the actual amounts of these reductions but merely the process for their calculation. The application of these reductions to accounts and line items was to be determined by the Office of Management and Budget (OMB) and the individual agencies following enactment of P.L. 108-447. *As a result, the tables in the FY2005 conference report, H.Rept. 108-792, show pre-reduction levels, whereas the post-reduction amounts, as approved by OMB, are incorporated into the tables shown in this report.*

FY2005 Supplemental Appropriations for Iraq, Afghanistan, and Tsunami Relief, P.L. 109-13 (H.R. 1268)

FY2005 supplemental appropriations of \$75.9 billion were enacted in response to the President’s request for additional funds for military operations in Iraq and Afghanistan, Tsunami relief and rehabilitation, and other activities. The bill, H.R.1268 (H.Rept. 109-72) was signed into law on May 11, 2005. Among other provisions, it provided \$10 million for domestically produced vaccines under the Public Health and Social Services Emergency Fund (PHSSEF) of HHS and \$58 million for the purchase of influenza countermeasures for the Strategic National Stockpile under the Centers for Disease Control and Prevention (CDC). Several unobligated balances from FY2005 HHS funds were rescinded as an apparent offset to the \$10 million supplemental, along with a rescission of \$58 million from appropriations enacted for the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. For additional details on the P.L. 109-13 supplemental, please see CRS Report RL32783, *FY2005 Supplemental Appropriations for Iraq and Afghanistan, Tsunami Relief, and Other Activities*.

Appendix A: Terminology and Web Resources

The following items include some of the key budget terms used in this report; they are based on CRS Report 98-720, *Manual on the Federal Budget Process*. The websites provide general information on the federal budget and appropriations.

Advance appropriation is budget authority that will become available in a fiscal year beyond the fiscal year for which the appropriations act is enacted; scorekeeping counts the entire amount in the fiscal year it first becomes available for obligation.

Appropriation is budget authority that permits federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. Appropriations represent the amounts that agencies may obligate during the period of time specified in the law. Annual appropriations are provided in appropriations acts; most permanent appropriations are provided in substantive law. Major types of appropriations are regular, supplemental, and continuing.

Budget authority is legal authority to incur financial obligations that normally result in the outlay of federal government funds. Major types of budget authority are appropriations, borrowing authority, and contract authority. Budget authority also includes the subsidy cost to the federal government of direct loans and loan guarantees, estimated on a net present value basis.

Budget resolution is a concurrent resolution passed by both Houses of Congress, but not requiring the signature of the President, setting forth the congressional budget for at least five fiscal years. It includes various budget totals and functional allocations.

Discretionary spending is budget authority provided in annual appropriations acts, other than appropriated entitlements.

Entitlement authority is the authority to make payments to persons, businesses, or governments that meet the eligibility criteria established by law; as such, it represents a legally binding obligation on the part of the federal government. Entitlement authority may be funded by either annual or permanent appropriations acts.

Forward funding is budget authority that becomes available after the beginning of the fiscal year for which the appropriation is enacted and remains available into the next fiscal year; the entire amount is counted or scored in the fiscal year in which it first becomes available.

Mandatory (direct) spending includes (a) budget authority provided in laws other than appropriations; (b) entitlement authority; and (c) the Food Stamp program.

Rescission is the cancellation of budget authority previously enacted.

Scorekeeping is a set of procedures for tracking and reporting on the status of congressional budgetary actions.

Supplemental appropriation is budget authority provided in an appropriations act that provides funds that are in addition to regular appropriations.

Websites

General information on budget and appropriations may be found at these websites. Specific L-HHS-ED agency sites are listed in relevant sections of this report.

House Committees

[<http://appropriations.house.gov/>]
[http://www.house.gov/appropriations_democrats/]
[<http://www.house.gov/budget/>]
[http://www.house.gov/budget_democrats/]

Senate Committees

[<http://appropriations.senate.gov/>]
[<http://appropriations.senate.gov/demoinfo/demoinfo.cfm>]
[<http://www.senate.gov/~budget/republican/>]
[<http://www.senate.gov/~budget/democratic/>]

Congressional Budget Office (CBO)

[<http://www.cbo.gov>]

Congressional Research Service (CRS)

[<http://www.crs.gov/products/appropriations/apppage.shtml>]

Government Accountability Office (GAO)

[<http://www.gao.gov/>]

Government Printing Office (GPO)

[<http://www.gpoaccess.gov/usbudget/>]

Office of Management & Budget (OMB)

[<http://www.whitehouse.gov/omb/budget/index.html>]
[<http://www.whitehouse.gov/omb/legislative/sap/index.html>]

Appendix B: Context of L-HHS-ED Appropriations

Budget authority for all federal programs is estimated at \$2,477.4 billion for FY2005. Budget authority for all L-HHS-ED departments and related agencies is estimated at \$1,264.9 billion, or slightly more than half — 51.1% — of the federal total. **Table B.1** shows funding for the major L-HHS-ED agencies and provides context for the current year discretionary funding provided by L-HHS-ED appropriations — \$142.7 billion, or 5.8% of the federal total in FY2005.

Table B.1. Context of the L-HHS-ED Bill, FY2005

(Estimated current year budget authority in billions of dollars)

Budget category	Estimated budget authority	Percent of federal budget
Total federal budget authority	\$2,477.4	100.0%
Department of Labor	50.7	2.0%
Department of Health and Human Services	581.7	23.5%
Department of Education	71.5	2.9%
Social Security Administration (On-budget)	55.0	2.2%
Social Security Administration (Off-budget)	503.8	20.3%
Other L-HHS-ED related agencies	2.2	0.1%
L-HHS-ED agency total	1,264.9	51.1%
L-HHS-ED bill, current year mandatory funds	354.2	14.3%
L-HHS-ED bill, current year discretionary funds	142.7	5.8%
L-HHS-ED bill subtotal	496.9	20.1%
L-HHS-ED agency subtotal from other annual bills	4.7	0.2%
L-HHS-ED agency subtotal not from any annual bill	763.3	30.8%

Sources: *Budget of the United States Government Historical Tables Fiscal Year 2006*, Table 5.2, and the Mar. 16, 2005 table of the House Committee on Appropriations, which provides details for the FY2005 L-HHS-ED amounts, adjusted for reductions, that were enacted through P.L. 108-447.

Note: For comparability, this table uses data from the Feb. 2005 OMB budget documents and comparable L-HHS-ED documents; the data therefore do not include any additional FY2005 adjustments for scorekeeping, entitlements, supplemental appropriations, or rescissions.

Of the \$1,264.9 billion for L-HHS-ED agencies, as shown in **Table B.1**, the L-HHS-ED appropriations subcommittees generally have effective control only over the \$142.7 billion in discretionary funds, or 5.8% of the total federal budget. What accounts for the remaining \$1,122.2 billion of L-HHS-ED funds?

First, funding for mandatory programs accounts for more than two-thirds of the L-HHS-ED bill — \$354.2 billion, or 14.3% of the FY2005 federal total. Although appropriations are enacted for these mandatory activities annually — these are sometimes called “appropriated entitlements” — the amounts provided generally must be sufficient to cover program obligations and entitlements to beneficiaries. For these programs, as well as the programs funded through trust funds and

permanent authorities, most changes in funding levels are made through amendments to authorizing legislation rather than through annual appropriations bills. Federal administrative costs for these programs typically are subject to annual discretionary appropriations, however. For L-HHS-ED agencies, these mandatory programs include Supplemental Security Income, Black Lung Disability payments, Foster Care and Adoption, the Social Services Block Grant, and Vocational Rehabilitation, as well as general (non-earmarked) fund support for Medicare and Medicaid.

Second, other appropriations bills account for a small portion of L-HHS-ED agency funding — \$4.7 billion, or 0.2% of the FY2005 federal total. Two HHS agencies are fully funded by other appropriations bills, and two HHS programs are partially funded by bills other than L-HHS-ED, as described below. Prior to FY2006, the Corporation for National and Community Service (CNCS) was partially funded outside of the L-HHS-ED bill.

- The HHS Food and Drug Administration is funded by the Agriculture appropriations (\$1.5 billion in FY2005).
- The HHS Indian Health Service is funded by the Interior appropriations (\$3.0 billion in FY2005).
- The Centers for Disease Control and Prevention (CDC) is primarily funded under L-HHS-ED (\$4.5 billion in FY2005); it received FY2005 funds from the Veterans Affairs and Housing and Urban Development (VA-HUD) appropriations for the Agency for Toxic Substances and Disease Registry (ATSDR) (\$76 million). For FY2006, Interior appropriations will provide ATSDR funding.
- The National Institutes of Health (NIH) is primarily funded under L-HHS-ED (\$28.4 billion in FY2005); it received FY2005 funds from VA-HUD appropriations for the National Institute of Environmental Health Sciences (NIEHS) (\$80 million). For FY2006, Interior appropriations will provide NIEHS funding.
- The CNCS — one of the related L-HHS-ED agencies — was funded in two separate bills before FY2006. The L-HHS-ED bill funded programs authorized under the Domestic Volunteer Service Act of 1973 (\$354 million in FY2005); the VA-HUD bill funded AmeriCorps and other programs authorized by the National Community Service Act and the CNCS Inspector General (\$573 million in FY2005). For FY2006, all funding for CNCS activities will be provided by L-HHS-ED. For purposes of comparability, all FY2005 CNCS funding has been included in this report as if it had been appropriated in its entirety through the L-HHS-ED bill.

Third, the remaining L-HHS-ED agency funds — an estimated \$763.3 billion, or 30.8% of the total FY2005 federal budget — are received automatically without congressional intervention and are funded outside of the annual appropriations process. These funds are provided from permanent appropriations and trust funds. The major L-HHS-ED programs in this category include Unemployment Compensation, Medicare, Railroad Retirement, Temporary Assistance for Needy Families (TANF, the welfare assistance program), Student Loans, State Children's Health Insurance, and Social Security benefits.