

CRS Report for Congress

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Appropriations for FY2002: Labor, Health and Human Services, and Education

Updated January 18, 2002

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bound by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Labor, Health and Human Services, and Education Appropriations Subcommittees. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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Appropriations for FY2002: Labor, Health and Human Services, and Education

Summary

This report tracks the enactment by the 107th Congress of the FY2002 appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies (L-HHS-ED). This Act provides discretionary funds for three federal departments and related agencies. The report summarizes L-HHS-ED discretionary funding issues, but not authorization or entitlement issues.

On April 9, 2001, the President submitted the FY2002 budget request to the Congress. The L-HHS-ED request is \$116.3 billion for discretionary programs; the FY2001 amount was \$109.7 billion, enacted primarily through **P.L. 106-554**. The House version of the FY2002 L-HHS-ED bill, **H.R. 3061**, passed with a discretionary total of \$123.5 billion; the Senate version of **H.R. 3061** (first reported as **S. 1536**) passed with a discretionary total of \$124.2 billion. The conference version of **H.R. 3061** was signed into law January 10, 2002, as **P.L. 107-116**, with a discretionary total of \$124.3 billion. Details will be added to the next update of this report.

U.S. Department of Labor (DOL): A \$349 million reduction is requested for job training under the Workforce Investment Act of 1998 (WIA). DOL discretionary appropriations were \$11.7 billion in FY2001; \$11.3 billion is requested. Both the House and Senate bills would provide \$11.9 billion in discretionary funds.

U.S. Department of Health and Human Services (DHHS): Increases are requested of \$2.7 billion for the National Institutes of Health (NIH), \$1.4 billion for the Child Care and Development Block Grant (CCDBG), and \$1.1 billion for the Low-Income Home Energy Assistance Program (LIHEAP). Smaller increases are requested for Community Health Centers and Head Start; decreases are requested for Health Professions and the Centers for Disease Control and Prevention (CDC). DHHS discretionary appropriations were \$47.0 billion in FY2001; \$51.7 billion is requested. The House bill would provide \$53.2 billion, the Senate bill \$54.3 billion.

U.S. Department of Education (ED): Increases are requested of \$1.0 billion each for Individuals with Disabilities Education Act (IDEA) Part B Grants to States and Pell Grants. Smaller increases are requested for Title I Grants to Local Educational Agencies (LEAs) for the Education of the Disadvantaged, reading programs, Charter Schools, and teaching programs. State Assessments would be initiated. No funding is requested for School Repair and Renovation, the Fund for the Improvement of Education (FIE), and Small, Safe and Successful High Schools. ED discretionary appropriations were \$42.2 billion in FY2001; \$44.5 billion is requested. The House bill would provide \$49.3 billion, the Senate bill \$48.7 billion.

Related Agencies: Increases are requested of \$277 million for the Supplemental Security Income (SSI) program and \$167 million for Administrative Expenses at the Social Security Administration; FY2004 advance appropriations are not requested for the Corporation for Public Broadcasting (CPB). Discretionary appropriations for related agencies were \$8.7 billion in FY2001; \$8.8 billion is requested. Both the House and the Senate bills would provide \$9.2 billion.

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Impact Aid	Richard N. Apling	DSP	7-7352
Indian Education	Roger Walke	DSP	7-8641
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Reading programs	Gail McCallion	DSP	7-7758
Rehabilitation Act	Carol O'Shaughnessy	DSP	7-7329
Safe and Drug-Free Schools and Communities	Edith Fairman Cooper	DSP	7-7019
School choice	David Smole	DSP	7-0624
School facilities	Susan Boren	DSP	7-6899
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Special education, IDEA, legal issues	Nancy Lee Jones	ALD	7-6976
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Student loans	Adam Stoll	DSP	7-4375
Teacher recruitment, preparation, and training	James B. Stedman	DSP	7-7356
21 st Century Community Learning Centers	Gail McCallion	DSP	7-7758
Vocational education	Richard N. Apling	DSP	7-7352
Related Agencies			
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Corporation for Public Broadcasting	Glenn McLoughlin	RSI	7-7073
Library services	Gail McCallion	DSP	7-7758
National Labor Relations Board	Gail McCallion	DSP	7-7758
National Labor Relations Board, legal issues	Jon Shimabukuro	ALD	7-7990
Railroad Retirement Board	Rachel W. Kelly	DSP	7-4271
Social Security Administration	David S. Koitz	DSP	7-7322
Social Security Administration	Geoffrey Kollmann	DSP	7-7316
Supplemental Security Income	Rachel W. Kelly	DSP	7-4271

Division abbreviations: ALD = American Law; DSP = Domestic Social Policy; and RSI = Resources, Science, and Industry.

Contents

Most Recent Developments	1
Status	1
Summary and Key Issues	2
Program Level and Current Year Appropriations	3
Terrorism	5
Supplemental FY2001 Appropriations (\$20 billion)	5
Supplemental FY2002 Appropriations (\$20 billion)	5
Regular FY2001 Appropriations to Combat Terrorism	7
Other Assistance Available for Emergencies	8
Funding Changes Proposed by the President	8
House Legislative Action	10
Senate Legislative Action	11
302(a) and 302(b) Allocation Ceilings	13
Advance Appropriations	13
Major Funding Trends	14
Related World Wide Web Sites	15
U.S. Department of Labor	17
Key Issues	17
President's Request	17
House Bill	18
Senate Bill	18
For Additional Reading	18
CRS Products	18
Selected World Wide Web Sites	19
Detailed Appropriations Table	19
U.S. Department of Health and Human Services	22
Key Issues	22
President's Request	22
House Bill	23
Senate Bill	24
Abortion: Funding Restrictions	24
Embryonic Stem Cell Research: Funding Restrictions	25
For Additional Reading	25
CRS Products	25
Selected World Wide Web Sites	26
Detailed Appropriations Table	26
U.S. Department of Education	29
Key Issues	29
President's Request	29
House Bill	30
Senate Bill	31
Pell Grants	32

Forward Funding and Advance Appropriations	32
For Additional Reading	33
CRS Products	33
Selected World Wide Web Sites	34
Detailed Appropriations Table	34
Related Agencies	37
Key Issues	37
President’s Request	37
House Bill	38
Senate Bill	38
For Additional Reading	38
CRS Products	38
Selected World Wide Web Sites	38
Detailed Appropriations Table	39
Related Legislation	42
FY2002 Continuing Resolutions: P.L. 107-44, as Amended	42
FY2002 Anti-Terrorism Supplemental, P.L. 107-117 (H.R. 3338)	43
FY2001 Anti-Terrorism Supplemental, P.L. 107-38 (H.R. 2888)	43
FY2001 Supplemental Appropriations, P.L. 107-20 (H.R. 2216)	43
FY2002 Budget Resolution, H.Con.Res. 83	44
Appropriation Action in the 106 th Congress, Second Session	44
Appendix A: Terminology	46
Appendix B: Scope of the L-HHS-ED Bill	47

List of Tables

Table 1. Legislative Status of Labor, Health and Human Services, and Education Appropriations, FY2002	1
Table 2. Summary of L-HHS-ED Appropriations	4
Table 3. 302(b) Discretionary Allocations for L-HHS-ED Programs	13
Table 4. L-HHS-ED Discretionary Funding Trends From FY1997	15
Table 5. Department of Labor Discretionary Appropriations	17
Table 6. Detailed Department of Labor Appropriations	20
Table 7. U.S. Department of Health and Human Services Discretionary Appropriations	22
Table 8. Detailed Department of Health and Human Services Appropriations	27
Table 9. Department of Education Discretionary Appropriations	29
Table 10. Detailed Department of Education Appropriations	35
Table 11. Related Agencies Discretionary Appropriations	37
Table 12. Detailed Related Agencies Appropriations	40
Table B.1. Scope of the L-HHS-ED Bill, FY2001	47

Appropriations for FY2002: Labor, Health and Human Services, and Education

Most Recent Developments

*On January 10, 2002, the conference version of H.R. 3061, the **Departments of Labor, Health and Human Services, and Education, and Related Agencies (L-HHS-ED) Appropriations Act, 2002**, was signed into law by the President as **P.L. 107-116**. The conference report, **H.Rept. 107-342**, was approved by the House (393-30) on December 19, and by the Senate (90-7) on December 20, 2001; detailed conference amounts will be included in the next update of this report. Eight continuing resolutions — **P.L. 107-44**, as amended — provided temporary FY2002 funding for L-HHS-ED programs from October 1, 2001, through January 10, 2002. The FY2002 appropriations process began when the President submitted the FY2002 budget request to the Congress on April 9, 2001.*

Status

Table 1 tracks the key legislative steps that are necessary to enact the FY2002 L-HHS-ED Appropriations Act.

Table 1. Legislative Status of Labor, Health and Human Services, and Education Appropriations, FY2002

Subcommittee markup		House Report	House passage	Senate Report	Senate passage	Conference Report	Conference report approval		Public law
House	Senate						House	Senate	
10/03/01 uc	10/10/01 uc	H.R. 3061 H.Rept. 107-229 uc	10/11/01 373-43 ^a	S. 1536 S.Rept. 107-84 uc	11/06/01 89-10 ^b	H.R. 3061 H.Rept. 107-342 ^c	12/19/01 393-30 ^d	12/20/01 90-7 ^e	P.L. 107- 116 01/10/02 ^f

Note: uc = unanimous consent.

^a The **House** amended and passed **H.R. 3061**, the FY2002 L-HHS-ED Appropriations Act, on October 11, 2001, after the House did not reach agreement on a rule, **H.Res. 258** (H.Rept. 107-233), that would have governed floor consideration. For House consideration of H.R. 3061, see *Congressional Record*, daily edition, October 11, 2001, p. H6568-81. Roll call no. 381 (373-43), October 11, 2001, p. H6680-81. For text of the Committee's table, see October 11, 2001, p. H6572-6628.

^b The **Senate** amended and passed its version of **H.R. 3061** on November 6, 2001, following several days of deliberations. For Senate consideration of H.R. 3061, see *Congressional Record*, daily

edition, October 30, 2001, p. S11154-85; October 31, p. S11255-75; November 1, p. S11300-29, S11340-51; November 2, p. S11411-12; November 5, p. S11445-48; November 6, p. S11449-75. Roll call no. 324 (89-10), November 6, 2001, p. S11458. For text of the Senate amendment to H.R. 3061, see *Congressional Record*, daily edition, November 6, 2001, p. S11458-75.

^c The H.R.3061 **conference report, H.Rept. 107-342**, was filed on December 18, 2001. For the text of the report, see *Congressional Record*, daily edition, December 18, 2001, p. H10239-353.

^d For **House passage** of the conference report, see *Congressional Record*, daily edition, December 19, 2001, p. H10431-42. Roll call no. 504 (393-30), December 19, 2001, p. H10442.

^e For **Senate passage** of the conference report, see *Congressional Record*, daily edition, December 20, 2001, p. S13773-830. Roll call no. 378 (90-7), December 20, 2001, p. S13830.

^f **Eight FY2002 continuing resolutions**, beginning with **P.L. 107-44 (H.J.Res. 65)**, extended funding for existing L-HHS-ED programs for the period October 1 through January 10, 2002 (see *Related Legislation*, p. 42).

As shown in **Table 1**, the House and Senate Appropriations Committees reported different versions of their L-HHS-ED bills, **H.R. 3061 (H.Rept. 107-229)**, and **S. 1536 (S.Rept. 107-84)**, respectively. In May 2001, the House and Senate agreed to **H.Con.Res. 83**, the FY2002 Budget Resolution, setting the aggregate congressional spending limits for FY2002 appropriations. Two FY2001 supplemental appropriations bills have been enacted with provisions for L-HHS-ED programs: **P.L. 107-20** and **P.L. 107-38**. In addition, FY2002 supplemental anti-terrorism funds for L-HHS-ED programs are provided by **P.L. 107-117 (H.R. 3338)**, an Act that also provides the Department of Defense Appropriations for FY2002.

DATA NOTE: Unless otherwise indicated in the report, FY2001 and FY2002 appropriations data are based on **H.Rept. 107-342**, the **H.R. 3061** conference report for FY2002 L-HHS-ED appropriations. The table includes the provisions of **P.L. 107-20**, the Supplemental Appropriations Act, 2001, as well as the initial allocations from **P.L. 107-38**, the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States. The table does not include FY2002 appropriations enacted through **P.L. 107-117**, the Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002. 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.

Summary and Key Issues

This report describes the President's proposal for FY2002 appropriations for L-HHS-ED programs, as submitted to the Congress April 9, 2001. It compares the President's FY2002 request to the FY2001 L-HHS-ED amounts. It tracks legislative action and congressional issues related to the FY2002 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 the authorizing legislation necessary prior to funding some of the President’s initiatives. For a glossary of budget terms, please see *Appendix A: Terminology* (page 46). For a discussion of the L-HHS-ED bill jurisdiction, please see *Appendix B: Scope of the L-HHS-ED Bill* (page 47).

The L-HHS-ED bill typically is one of the more controversial of the 13 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 and stem cell research. This bill provides most of the discretionary funds for three federal departments and several related agencies including the Social Security Administration (SSA). Of the 13 annual appropriations bills, the L-HHS-ED bill 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. For FY2001, the L-HHS-ED bill accounted for \$109.4 billion (17.2%) and the Defense bill accounted for \$287.5 billion (45.3%) of the estimated \$634.9 billion total for all federal discretionary budget authority, as reported in *Budget of the United States Government Fiscal Year 2002*, Table S-7 (these numbers were calculated prior to the enactment of additional FY2001 supplemental appropriations for L-HHS-ED programs, **P.L. 107-20** and **P.L. 107-38**). This section summarizes the larger funding changes proposed for L-HHS-ED and related budget issues such as 302(b) allocations and advance appropriations. Later sections will provide additional details for each L-HHS-ED department.

Program Level and Current Year Appropriations

Table 2 summarizes the L-HHS-ED appropriations for FY2002, including both discretionary and mandatory appropriations. The table shows various aggregate measures of the FY2001 enacted and the proposed FY2002 L-HHS-ED appropriations, including discretionary program level, current year, and advance appropriations, as well as mandatory appropriations in the L-HHS-ED bill. Because appropriations may consist of mixtures of budget authority enacted in various years, at least two summary measures are used: program level appropriations and current year appropriations. **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 13). An **advance appropriation** is funding that will become available in a fiscal year beyond the fiscal year for which the appropriations act is enacted, for example, funds included in the FY2001 Act that cannot be spent until FY2002 at the earliest. **Scorekeeping adjustments** are made to account for special funding situations; the Congressional Budget Office (CBO) monitors these adjustments. All of these amounts are shown in **Table 2**, along with current year funding for mandatory programs and some grand totals for the L-HHS-ED bill. How do these terms fit together? For an “operational

definition,” program level funding equals (a) current year, plus (b) advances for future years, minus (c) advances from prior years, plus (d) scorekeeping adjustments.

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

Type of budget authority	FY2001 enacted ^a	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
Discretionary appropriations					
Program level (from the current bill for any year)	\$109.7	\$116.3	\$123.5	\$124.2	\$124.3
Current year (for the current year from any bill)	109.8	135.2	123.9	123.1	123.9
Advances for future years (from the current bill)	18.8	0.0	18.5	18.9	19.3
Advances from prior years (from previous bills)	19.0	18.8	18.8	18.8	18.8
Scorekeeping adjustments	-0.1	0.1	0.1	-1.0	0.1
Current year discretionary and mandatory funding					
Discretionary	109.8	135.2	123.9	123.1	123.9
Mandatory	248.6	272.6	272.5	272.6	272.6
Total current year	358.4	407.8	396.4	395.7	396.5
Grand total of funding for L-HHS-ED bill, any year					
Grand total any year	\$365.0	\$399.7	\$406.8	\$407.6	\$407.7

Source: Amounts are based on the December 19, 2001 staff table of the House Appropriations Committee. Data are given only for programs included in the L-HHS-ED appropriations bill.

Note: FY2001 and FY2002 mandatory amounts are estimates that are subject to adjustments after the close of the fiscal year.

^a The FY2001 amounts are based on P.L. 106-554, P.L. 107-20, and P.L. 107-38; these amounts may be modified by additional supplemental P.L. 107-38 allocations.

Other FY2001 Discretionary Estimates. The two estimates for FY2001 current year L-HHS-ED discretionary appropriations that are shown in **Table 2** — \$109.7 billion for program level and \$109.8 billion for current year appropriations — are based on the December 19, 2001 staff table of the House Appropriations Committee. Several other estimates exist that differ because of scorekeeping and other definitional distinctions. The Office of Management and Budget (OMB) estimated the FY2001 L-HHS-ED discretionary total to be \$109.4 billion (*Budget of the United States Government Fiscal Year 2002*, Table S-7). The FY2001 L-HHS-ED conference report table in H.Rept. 106-1033 shows \$108.9 billion as the current year discretionary total. The CBO also keeps track of discretionary appropriations for each Appropriations Subcommittee bill, and shows the total regular and emergency amount for L-HHS-ED in “CBO’s Current Status of Discretionary Appropriations,” available at [<http://www.cbo.gov/>]. According to the CBO, the

FY2001 L-HHS-ED discretionary total is \$109.6 billion for both the House and the Senate (downloaded January 4, 2002). Except for **P.L. 107-38**, the anti-terrorism supplemental, which has not yet been allocated fully among various agencies and programs, the CBO amounts include supplemental appropriations and rescissions. However, CBO data may reflect legislation that has been reported or passed only by the House or the Senate, but do not necessarily distinguish amounts actually enacted.

Terrorism

Several L-HHS-ED programs include activities that relate to preparing for and responding to terrorism. Other L-HHS-ED programs are available to provide assistance in response to many kinds of emergencies, including terrorism. Both types of programs were in place prior to the terrorist attacks of September 11, 2001. The funding for both types of programs have been augmented since that date. For more information, see CRS Report RL31173, *Terrorism Funding: Emergency Supplemental Appropriations—Distribution of Funds to Departments and Agencies*; for more general information on terrorism issues, see the CRS Electronic Briefing Book on Terrorism at [<http://www.congress.gov/brbk/html/ebter1.shtml>].

Supplemental FY2001 Appropriations (\$20 billion). On September 18, 2001, the President signed into law **P.L. 107-38**, the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States. The Act provides \$40 billion of FY2001 funds to respond to the terrorist attacks of September 11, 2001. Of the total \$40 billion, \$10 billion may be obligated by the President immediately, \$10 billion may be obligated following a 15-day notification of the Congress, and \$20 billion may be obligated only after the allocations are enacted in another emergency appropriations act. For the allocation of the final \$20 billion, see the section on *Supplemental FY2002 Appropriations*.

Of the \$20 billion provided by P.L. 107-38 that does not need additional legislation, approximately \$19.7 billion has been allocated so far; this distribution includes the following amounts for L-HHS-ED programs:

- \$126 million for U.S. Department of Health and Human Services (DHHS) activities for health-related needs in areas affected by the disaster; and
- \$29 million for U.S. Department of Labor (DOL) activities, mostly for temporary jobs to assist the cleanup and restoration efforts in New York City.

Supplemental FY2002 Appropriations (\$20 billion). Of the \$40 billion appropriated by **P.L. 107-38**, \$20 billion cannot be obligated until allocations are specified in another appropriations act. In addition, P.L. 107-38 requires OMB to submit to the Congress a proposal for the allocation of these funds as well. The OMB submitted its \$20 billion proposal on October 17, 2001. Subsequently, the Congress agreed to allocate these funds as FY2002 appropriations, as enacted by Division B of **P.L. 107-117**, the Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002.

OMB Supplemental Proposal. For the \$20 billion provided by P.L. 107-38 that cannot be obligated until allocations are specified in another appropriations act, the OMB submitted to the Congress an allocation proposal on October 17, 2001. The proposal includes funding of \$3.6 billion for the following L-HHS-ED activities:

- \$2.0 billion for National Emergency Grants under the Workforce Investment Act of 1998 (WIA) for assistance to workers dislocated as a result of the September 11 attacks, including retraining and the continuation of health coverage;
- \$1.6 billion for the DHHS Public Health and Social Service Emergency Fund (PHSSEF) to support activities related to countering biological, disease, and chemical threats to civilian populations, including \$644 million for the National Pharmaceutical Stockpile;
- \$10 million for Project SERV (School Emergency Response to Violence), administered by the U.S. Department of Education (ED);
- \$7.5 million for the Social Security Administration (SSA) and \$0.2 million for the National Labor Relations Board (NLRB) for the reconstruction of offices destroyed during the attacks and increased security.

House FY2002 Supplemental. On November 28, 2001, the House amended and passed **H.R. 3338**. Division A of that bill is the Department of Defense Appropriations Act, 2002, and Division B is the **Emergency Supplemental Act, 2002**. Division B would appropriate \$20 billion, including \$2.4 billion for emergency L-HHS-ED activities. The House bill would not fund WIA National Emergency Grants, but would fund other activities, as follows:

- \$4.1 million for emergency expenses under the State Unemployment Insurance and Employment Service Operations (SUI/ESO);
- \$1.6 million for emergency expenses under the Pension and Welfare Benefits Administration (PWBA);
- \$1.0 million for emergency expenses at the Occupational Safety and Health Administration (OSHA);
- \$5.9 million for emergency expenses under DOL Departmental Management;
- \$32.5 million for Training and Employment Services for an Emergency Employment Clearinghouse for New York City;
- \$175.0 million for emergency expenses for Workers Compensation Programs;
- \$1,990.6 million for the PHSSEF to support activities related to countering potential biological, disease, and chemical threats to civilian populations;
- \$12.0 million for the Centers for Disease Control and Prevention (CDC) for emergency services personnel and rescue and recovery personnel;
- \$10.0 million for Project SERV;
- \$0.2 million for emergency expenses at the NLRB; and
- \$7.5 million for emergency expenses at SSA.

Earlier, in the version of **H.R. 3338** reported by the House Appropriations Committee (H.Rept. 107-298, November 19, 2001), \$1.5 billion would have been provided for the DOL National Emergency Grants program under the Workforce Investment Act of 1998 (WIA). These funds would have provided assistance to workers dislocated as a result of the September 11 attacks, including both retraining and temporary health care coverage. This provision was removed by the rule for House floor consideration of H.R. 3338, **H.Res. 296**, and replaced by a provision that included \$1.8 billion for a Community Development Fund at the U.S. Department of Housing and Urban Development.

Senate FY2002 Supplemental. On December 7, 2001, the Senate amended and passed its version of **H.R. 3338**. The Senate version would fund L-HHS-ED activities at the same level as the House bill, with two exceptions: the Senate bill would provide \$2,575.0 million to the PHSSEF (instead of \$1,990.6 million) to support activities related to countering potential biological, disease, and chemical threats to civilian populations; and it would provide an additional \$140 million for the PHSSEF to support grants for health care related expenses and lost revenues directly attributable to the public health emergency resulting from September 11, 2001. The L-HHS-ED total provided by the Senate amendment would be \$3.0 billion.

FY2002 Supplemental, as Enacted. As agreed by the House and the Senate and signed into law on January 10, 2002, **P.L. 107-117 (H.R. 3338, H.Rept. 107-350)** includes appropriations of \$2.9 billion out of the \$20 billion total FY2002 supplemental for the following L-HHS-ED activities:

- \$32.5 million for Training and Employment Services for an Emergency Employment Clearinghouse for New York City;
- \$4.1 million for emergency expenses under SUI/ESO;
- \$175.0 million for emergency expenses for Workers Compensation Programs;
- \$1.6 million for emergency expenses under PWBA;
- \$1.0 million for emergency expenses at OSHA;
- \$5.9 million for emergency expenses under DOL Departmental Management;
- \$12.0 million for the CDC for emergency services personnel and rescue and recovery personnel;
- \$140.0 million for the PHSSEF to support grants for health care related expenses and lost revenues directly attributable to the public health emergency resulting from September 11, 2001;
- \$2,504.3 million for the PHSSEF to support activities related to countering potential biological, disease, and chemical threats to civilian populations;
- \$10.5 million for emergency expenses at the National Institute of Environmental Health Sciences;
- \$10.0 million for Project SERV;
- \$0.2 million for emergency expenses at the NLRB; and
- \$7.5 million for emergency expenses at SSA.

Regular FY2001 Appropriations to Combat Terrorism. In addition to the L-HHS-ED portion of the \$40 billion from the FY2001 and FY2002 Anti-

Terrorism Supplemental Appropriations, several regular FY2001 appropriations for programs and activities are available to prevent or respond to terrorist attacks or other major disasters. The OMB catalogs this information in its August 2001 report, *Annual Report to Congress on Combating Terrorism*; the report is available at: [http://www.whitehouse.gov/omb/legislative/nsd_annual_report2001.pdf]. The report summarizes relevant L-HHS-ED programs, primarily DHHS programs. According to the OMB report (Table 1, page 7), the FY2002 budget request includes \$348.3 million for DHHS programs that combat terrorism. This amount would represent a 20% increase compared to the \$290.6 million enacted from regular appropriations for FY2002. Annex 1 of the OMB Report summarizes FY2001 DHHS funding as follows:

- \$181 million for CDC, including \$144 million for “preparing for and responding to terrorist acts” (P&RTA) and \$37 million for research and development (R&D);
- \$50 million for the National Institutes of Health (NIH) for R&D; and
- \$60 million for the Office of the Secretary, Office of Emergency Preparedness (OEP), including \$30 million for P&RTA and \$30 million for R&D.

The CDC programs for combating terrorism include the Rapid Response and Advanced Technology Laboratory, which was established specifically for bioterrorism-related activities; the Laboratory Response Network, which works to assure containment and diagnostic capabilities for public health laboratories; and the National Pharmaceutical Stockpile, which was developed to ensure the availability of critical medical supplies and equipment. The NIH conducts basic and applied research on likely bioterrorism chemical and biological agents. The OEP manages the Metropolitan Medical Response System, which provides funds and technical assistance to local areas for coordinating emergency services. The DHHS also manages the National Disaster Medical System, in partnership with other federal agencies, to provide emergency medical care for mass casualties and other disasters.

Other Assistance Available for Emergencies. Some L-HHS-ED programs are designed with enough flexibility that their funds might be used to respond to emergencies. For example, the Low-Income Home Energy Assistance Program (LIHEAP) and the Social Services Block Grant (SSBG) programs administered by DHHS might be available for such situations. In addition, other L-HHS-ED programs automatically address some types of emergency needs, as in the case of the Unemployment Compensation program, which provides financial assistance for those suddenly finding themselves unemployed; for additional information, see: [<http://www.congress.gov/brbk/html/ebter96.html>].

Funding Changes Proposed by the President

With regard to the President’s FY2002 budget, the issues in the early stages of the appropriations process generally relate to proposed funding changes. The summary below notes changes proposed for discretionary budget authority of at least \$100 million compared to the L-HHS-ED appropriations for FY2001. 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 discussions for budgets of individual departments include tables to compare the FY2002 request with the FY2001 funding for many of the major programs in the L-HHS-ED bill. Overall, \$116.3 billion in discretionary appropriations is requested for L-HHS-ED, a 6.0% increase over the FY2001 amount of \$109.7 billion.

NOTE: The following amounts take into account the provisions of the Supplemental Appropriations Act, 2001 (P.L. 107-20, signed into law July 24, 2001) and the initial allocations from the Anti-Terrorism Supplemental Appropriations, 2001 (P.L. 107-38, signed into law September 18, 2001). These Acts became law after the President submitted the FY2002 budget request to the Congress on April 9, 2001.

- For DOL programs, a reduction of \$349 million is requested for job training programs authorized by WIA. Overall, \$11.3 billion in discretionary appropriations is requested for DOL, a 3.4% decrease compared to the FY2001 amount of \$11.7 billion.
- For DHHS programs, the largest discretionary funding change (in absolute terms) is a requested increase of \$2.7 billion for the National Institutes of Health (NIH). Other major increases include \$124 million more for Community Health Centers; \$109 million additional for Program Management at the Centers for Medicare and Medicaid Services (CMS, formerly the Health Care Financing Administration); \$1.1 billion more for LIHEAP; an additional \$1.4 billion for the Child Care and Development Block Grant (CCDBG); and \$125 million more for Head Start. Requested decreases include a \$248 million reduction for Health Professions; \$475 million less for various Health Resources and Services Administration (HRSA) programs; and \$166 million less for the CDC. Overall, \$51.7 billion in discretionary appropriations is requested for DHHS, a 10.0% increase over the FY2001 amount of \$47.0 billion.
- For ED programs, the two largest proposed discretionary changes (in absolute terms) are \$1.0 billion more for Individuals with Disabilities Education Act (IDEA) Part B Grants to States and \$1.0 billion more for Pell Grants. Other major increases include \$298 million for Title I Grants to Local Educational Agencies (LEAs) for the Education of the Disadvantaged; \$689 million for the various reading programs; \$138 million for the Impact Aid program; \$0.5 billion for several teaching programs; \$185 million for Charter Schools; and initial funding of \$320 million for a State Assessment Initiative. No funds are requested for the \$1.2 billion School Repair and Renovation program, the \$339 million Fund for the Improvement of Education (FIE), and the \$125 million Small, Safe and Successful High Schools program. Overall, \$44.5 billion in discretionary appropriations is requested for ED, 5.5% more than the FY2001 amount of \$42.2 billion.
- For the related agencies, the budget includes proposed increases of \$167 million for SSA Limitation on Administrative Expenses and

\$277 million for discretionary administrative activities related to the Supplemental Security Income (SSI) program. The 2-year advance appropriation (for FY2004) for the Corporation for Public Broadcasting (CPB) would not be funded in the FY2002 bill; an advance appropriation for FY2003 of \$365 million for the CPB was enacted by P.L. 106-554. Overall, \$8.8 billion in discretionary appropriations is requested for related agencies, a 1.1% increase over the FY2001 amount of \$8.7 billion.

House Legislative Action

The L-HHS-ED Subcommittee of the House Appropriations Committee held a markup session on the FY2002 L-HHS-ED Appropriations on October 3, 2001, and reported favorably to the full Committee. The House Appropriations Committee reported the bill, **H.R. 3061 (H.Rept. 107-229)**, on October 9, 2001. Working without a specific rule to govern floor consideration, the House amended and passed H.R. 3061 on October 11, 2001, by a vote of 373 to 43 (roll call no. 381). Previously, the House did not reach agreement on the rule, **H.Res. 258**, that was to have governed the consideration of H.R. 3061 on the House floor.

House Funding Highlights. Overall, the discretionary amount that would be provided in the House bill would be \$123.5 billion; the comparable FY2002 budget request amount is \$116.3 billion, and the FY2001 amount was \$109.7 billion.

- For DOL programs, the House bill would provide \$455 million more than the requested amount for WIA programs. Within WIA, Youth Training would receive \$352 million more than requested, and Dislocated Worker Assistance would receive \$152 million more than requested. Overall, the bill would provide \$11.9 billion in discretionary funding for DOL programs; the request was for \$11.3 billion.
- For DHHS programs, in comparison with the request, the House bill would provide increases of \$330 million for Health Professions, \$112 million for Ryan White AIDS programs, \$380 million for the CDC, \$300 million for LIHEAP, and \$151 million for Head Start. In comparison with the request, a decrease of \$167 million would be provided for the NIH. Overall, the House bill would provide \$53.2 billion for DHHS; the request was for \$51.7 billion.
- For ED programs, in comparison with the request, the bill would provide increases of \$1.4 billion for Title I Grants to LEAs; \$0.6 billion for Teacher Quality; \$183 million for Education Technology; \$154 million for 21st Century Community Learning Centers; \$200 million for Small, Safe, Successful High Schools; \$200 million for Rural Education; \$240 million for Bilingual and Immigrant Education; \$375 million for IDEA Part B Grants to States; \$154 million for Vocational Education; and \$0.7 billion for Pell Grants. The House bill would provide \$175 million less than requested for

Charter Schools. Overall, the House bill would provide \$49.3 billion for ED; the request was for \$44.5 billion.

- For related agencies, in comparison with the request, the House bill would provide FY2004 advance appropriations of \$365 million for the CPB, instead of zero funding, as requested. Overall, the House bill would provide \$9.2 billion for the related agencies; the request was for \$8.8 billion.
- As reported and subsequently passed, the House bill also includes a Title VI, the Mark-to-Market Extension Act of 2001, which amends and extends for 5 years the mark-to-market program for multifamily assisted housing (for additional information, see CRS Report RL30916, *Housing Issues in the 107th Congress*).

House Floor Amendments. On the House floor, seven amendments were introduced for consideration. Of these, two amendments were accepted by the House, including:

- A prohibition on the funding of any person or entity that violates the Buy America Act (Representative Traficant); and
- A prohibition on exclusive or partially exclusive licenses for drugs developed with taxpayer-supported research (Representative Sanders).

Neither of these amendments affects the amounts specified for appropriations in the bill as reported by the House Appropriations Committee. The House did *not* consider a proposal by Representative Hart. This legislative proposal would have amended the Elementary and Secondary Education Act of 1965 (ESEA) by adding to it a “Schoolchildren’s Health Protection Act” to prohibit the distribution of ESEA funds to any state or local educational agency that provides postcoital emergency contraception, or “morning after” pills, to unemancipated minors. The Hart proposal was not independently offered as an amendment to H.R. 3061. However, it would have been made in order for consideration under the provisions of H.Res. 258 if the House had agreed to the resolution for the floor debate of H.R. 3061, but the House did not accept that resolution.

Senate Legislative Action

The L-HHS-ED Subcommittee of the Senate Appropriations Committee held a markup session on its version of the FY2002 L-HHS-ED bill on October 10, 2001, and reported favorably to the full Committee. The Senate Appropriations Committee reported the bill, **S. 1536 (S.Rept. 107-84)**, on October 11, 2001. The Senate began floor consideration by substituting into H.R. 3061 its version of the FY2002 bill. After several days of deliberation, the Senate amended and passed H.R. 3061 on November 6, 2001, by a vote of 89 to 10 (roll call no. 324).

Senate Funding Highlights. Overall, the discretionary total provided in the Senate bill would be \$124.2 billion for L-HHS-ED programs. The comparable House

amount would be \$123.5 billion; the request was for \$116.3 billion; and the FY2001 amount was \$109.7 billion.

- For DOL programs, in comparison with the House bill, the Senate bill would provide \$50 million less for WIA programs. Within that total, Youth Training program would receive \$225 million less, but Youth Opportunity Grants would receive \$250 million instead of zero funding as proposed in the House bill. Overall, the Senate bill would provide \$11.9 billion for DOL, the same as the House bill.
- For DHHS programs, in comparison with the House bill, the Senate bill would provide \$342 million more for the CDC, \$0.8 billion more for NIH, \$123 million more for the AHRQ, \$104 million more for CMS Program Management, and \$124 million more for Head Start. The Senate bill would provide \$200 million less for the CCDBG, and zero fund the PHSSEF. Overall, the Senate bill would provide \$54.3 billion for DHHS, compared to \$53.2 billion in the House bill.
- For ED programs, the Senate bill would provide \$460 million more than the House bill for a variety of School Improvement programs, and \$925 million for School Repair and Renovation, a program that would be zero funded under the House bill. In comparison with the House bill, the Senate bill would provide \$0.3 billion less for Title I Grants to LEAs; \$135 million less for Teacher Quality; \$100 million less for Small, Safe, Successful High Schools; \$375 million less for IDEA Part B Grants to States; \$138 million less for Vocational Education; and \$144 million less for Pell Grants. Overall, the Senate bill would provide \$48.7 billion for ED, compared to \$49.3 billion in the House bill.
- For the related agencies, in comparison with the House bill, the Senate bill would provide \$395 million for FY2004 for the CPB, \$30 million more than the advance appropriation provided in the House bill. Overall, the Senate bill would provide \$9.2 billion for the related agencies, the same as the House bill.
- As reported and subsequently passed, the Senate bill includes as Title VI the Mark-to-Market Extension Act of 2001, the same as the House bill.

Senate Floor Amendments. In the Senate, a total of 85 amendments were introduced for consideration; the Senate agreed to 36 of these, some of which changed the funding levels for individual programs. Among other floor amendments, Title VII would become the Mental Health Equitable Treatment Act of 2001 (see CRS Report RS21031, *Mental Health Parity*), and Title VIII would amend the Tariff Act of 1930 to require mandatory information for air cargo and passengers entering the United States.

302(a) and 302(b) Allocation Ceilings

The ceiling for L-HHS-ED discretionary spending is set through the annual budget allocation process. The congressional budget resolution for FY2002, **H.Con.Res. 83** (see *Related Legislation*, page 42; also see CRS Issue Brief IB10079, *The Budget for Fiscal Year 2002*), sets the aggregate discretionary spending limit for the 13 annual appropriations bills; this limit is known as the 302(a) allocation. From this amount the House and Senate appropriations committees allocate funds among their subcommittees for each of the 13 appropriations bills, known as the 302(b) allocations. The 302(b) allocations can and do get adjusted during the year as the various appropriations bills progress toward final enactment. Current 302(b) allocations for the FY2002 L-HHS-ED appropriations bills from the House and Senate Appropriations Committees are shown in **Table 3**. Comparable amounts for FY2001 and the President's FY2002 budget are also shown. Subject to scorekeeping considerations, 302(b) allocations are similar to current year discretionary appropriations. Both the 302(a) and the 302(b) allocations regularly become contested issues in their own right.

**Table 3. 302(b) Discretionary Allocations
for L-HHS-ED Programs**

(budget authority in billions of dollars)

FY2001 enacted comparable	FY2002 request comparable	FY2002 House allocation	FY2002 Senate allocation	FY2002 conference comparable
\$109.4	\$135.1	\$123.4	\$123.4	\$123.4

Source: The House FY2002 allocation is based on H.Rept. 107-230, October 9, 2001; the Senate FY2002 allocation is based on S.Rept. 107-110, December 6, 2001. The comparable FY2001 enacted appropriations, the FY2002 request, and the FY2002 conference amounts represent the comparable discretionary appropriations for the current year; they are based on the H.R. 3061 conference report, H.Rept. 107-342 (December 19, 2001), which includes the provisions of P.L. 107-20 and the initial allocations from P.L. 107-38.

Note: Under current scorekeeping provisions, advance appropriations that were enacted as part of the FY2001 appropriations are counted in FY2002 or later, and any advance appropriations enacted as part of the FY2002 appropriations would be counted in FY2003 or later.

Advance Appropriations

Advance appropriations occur when funding enacted in one fiscal year cannot be spent until the following fiscal year, at the earliest (see CRS Report RS20441, *Advance Appropriations, Forward Funding, and Advance Funding*). For example, P.L. 106-554, which included FY2001 L-HHS-ED appropriations, provided \$365 million for the Corporation for Public Broadcasting (CPB) for use in FY2003. Advance appropriations can be used for several objectives. These include the provision of long-term budget information to agencies and other 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, is that they avoid the 302(a) and 302(b) allocation ceilings

for the current year. Such funding must be counted in the year in which it first becomes available, thereby using up ahead of time part of what will be counted against the allocation ceiling in future years. For an example of the impact of advance appropriations on program administration, see the discussion below in the section on ED (page 32).

Prior to the FY2001 appropriations, annual L-HHS-ED bills provided increasing amounts of advance appropriations for discretionary programs; since that time, the funding amounts have stabilized, as follows:

- FY1998, \$4.0 billion;
- FY1999, \$8.9 billion;
- FY2000, \$19.0 billion;
- FY2001, \$18.8 billion;
- FY2002, as requested, \$0.0 billion;
- FY2002, House bill, as passed, \$18.5 billion;
- FY2002, Senate bill, as passed, \$18.9 billion; and
- FY2002, \$19.3 billion, as enacted by P.L. 107-116.

For FY2002, the President's request proposes to eliminate advance appropriations for federal discretionary programs, including those at L-HHS-ED, for FY2003 and beyond. The Congressional Budget Resolution for FY2002, **H.Con.Res. 83**, generally would maintain the use of advance appropriations for programs for which they were provided in FY2001 (§201 and §202).

Major Funding Trends

The L-HHS-ED appropriations bills consist of 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. These changes typically are accomplished through the authorizing committees and combined into large, omnibus reconciliation bills. **Table 4** shows the trend in discretionary budget authority under the L-HHS-ED appropriations for FY1997 through FY2001.

Total L-HHS-ED discretionary funds have increased by 46.5% during this 5-year period. The 5-year increase is reduced to an estimated 36.8% after adjustment for inflation by use of the Gross Domestic Product (GDP) deflator. When compared to all federal discretionary budget authority, the L-HHS-ED portion increased from 14.6% in FY1997 to 17.2% in FY2001. When compared to all federal budget authority, both discretionary and nondiscretionary (mandatory), the L-HHS-ED portion of the federal total increased during this period from 4.5% in FY1997 to 5.8% in FY2001.

Table 4. L-HHS-ED Discretionary Funding Trends From FY1997
(budget authority in billions of dollars)

Type of funds	FY1997	FY1998	FY1999	FY2000	FY2001 estimate ^a
L-HHS-ED discretionary	\$74.7	\$81.1	\$89.5	\$87.1	\$109.4
L-HHS-ED discretionary in estimated FY2001 dollars	\$80.0	\$85.6	\$93.2	\$89.0	\$109.4
L-HHS-ED % of all federal discretionary funds ^b	14.6%	15.3%	15.4%	14.9%	17.2%
L-HHS-ED % of total federal budget authority	4.5%	4.8%	5.0%	4.8%	5.8%
Total federal discretionary	\$511.2	\$529.6	\$581.9	\$584.4	\$634.9
Total federal budget authority	\$1,642.9	\$1,692.3	\$1,776.7	\$1,825.0	\$1893.5
GDP deflator	1.0195	1.0340	1.0485	1.0687	1.0914

Source: Federal totals and the GDP deflator are based on the *Budget of the United States Government Historical Tables Fiscal Year 2002*, Tables 5.2, 5.4, and 10.1. The L-HHS-ED discretionary budget authority amounts are based on the *Budget of the United States Government* from various years, and therefore may not be completely comparable from year to year.

^a Estimates are based on FY2001 appropriations enacted as of the submission of the FY2002 budget request in April 2001; they do not include the various supplemental appropriations and rescissions for L-HHS-ED and other bills enacted later in FY2001.

^b Discretionary funds include both defense and non-defense activities.

Related World Wide Web Sites

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

House Committee on Appropriations

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

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

Senate Committee on Appropriations

[<http://www.senate.gov/~appropriations/>]

[<http://www.senate.gov/~budget/>]

Congressional Budget Office (CBO)

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

Congressional Research Service (CRS)

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

General Accounting Office (GAO)

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

Government Printing Office (GPO)

[<http://www.access.gpo.gov/congress/legislation/02appro.html>]

Office of Management & Budget (OMB)

[<http://www.whitehouse.gov/OMB/budget/index.html>]

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

U.S. Department of Labor

The FY2002 budget proposal for discretionary appropriations at DOL is \$11.3 billion, \$0.4 billion (3.4%) less than the FY2001 appropriations of \$11.7 billion, as shown in **Table 5**. The House bill would provide \$11.9 billion, as would the Senate bill.

Table 5. Department of Labor Discretionary Appropriations
(\$ in billions) ^a

Funding	FY2001 enacted ^b	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
Budget authority	\$11.7	\$11.3	\$11.9	\$11.9	—

Source: Amounts are based on the November 13, 2001 staff table of the House Appropriations Committee.

^a The amounts shown represent only discretionary programs funded by the L-HHS-ED appropriations bill; appropriations for mandatory programs are excluded.

^b The FY2001 amounts are based on P.L. 106-554, P.L. 107-20, and P.L. 107-38; these amounts may be modified by additional supplemental P.L. 107-38 allocations.

Mandatory DOL programs included in the FY2001 L-HHS-ED bill were funded at \$2.0 billion, and consist of the Black Lung Disability Trust Fund (\$1.0 billion), Federal Unemployment Benefits and Allowances (\$0.4 billion), Advances to the Unemployment Insurance and Other Trust Funds (\$0.4 billion), Energy Employees Occupational Illness Fund (\$0.1 billion), and Employment Standards Administration Special Benefits programs (\$0.1 billion).

Key Issues

President's Request. The President's FY2002 budget request for DOL focuses on the preparation of a 21st Century Workforce, the employment of disabled individuals, worker health and safety, labor law compliance, revision of the Consumer Price Index, centralized labor information technology, and protection of workers' benefits. Funding for training and employment services would be reduced by \$324 million in the FY2002 request; the Administration asserts that states and localities have enough funds carried over from FY1999 and FY2000 that current service levels can be maintained. After the President submitted the FY2002 budget request to the Congress, an FY2001 supplemental appropriations and rescissions bill was enacted, P.L. 107-20 (see *Related Legislation*, page 42), which required a net reduction of \$217.5 million in FY2001 appropriations for training and employment services programs.

Discretionary changes of at least \$100 million requested for DOL programs under the President's FY2002 budget include the following:

- A reduction of \$349 million is requested for programs authorized by the Workforce Investment Act of 1998 (WIA), which was initially

funded at \$5.7 billion in FY2001, but was reduced to \$5.5 billion by P.L. 107-20. Regarding specific WIA programs, \$127 million less is requested for Youth Training, funded at \$1.1 billion in FY2001; \$55 million less is proposed for Dislocated Worker Assistance, initially funded at \$1.6 billion in FY2001, but reduced to \$1.4 billion by P.L. 107-20; and \$117 million less is requested for Other Federally Administered WIA programs, funded at \$308 million in FY2001. Other Federally Administered programs include the Responsible Reintegration for Young Offenders (\$55 million) — a program proposed for elimination in the request — as well as other pilot and demonstration programs, research, and evaluation.

House Bill. As passed, the House bill differs in several respects from the President's FY2002 budget request for DOL programs.

- WIA programs would be funded at \$5.6 billion, \$455 million more than was requested; the WIA total was \$5.5 billion in FY2001. Regarding specific WIA programs, Youth Training would be funded at \$1.4 billion, \$352 million more than requested; the FY2001 amount was \$1.1 billion. Dislocated Worker Assistance would be funded at \$1.5 billion, \$152 million more than requested; the FY2001 amount was \$1.4 billion. Youth Opportunity Grants would not be funded separately but only as a part of WIA Youth Training; the request was for separate funding of \$250 million, the same as the FY2001 amount.

Senate Bill. As passed, the Senate bill differs from the House bill with regard to several DOL programs.

- WIA programs would be funded at \$5.5 billion, \$50 million less than the House proposal. For specific WIA programs, Youth Training would be funded at \$1.1 billion, \$225 million less than the House amount. Dislocated Worker Assistance would be funded at \$1.5 billion, \$14 million more than the House bill would provide. Youth Opportunity Grants would receive \$250 million as a separate amount, the same as the request and the FY2001 amount; the House proposes funding for these grants only as a part of the WIA Youth Training program.

For Additional Reading

CRS Products.

CRS Report 97-724, *Ergonomics in the Workplace: Is it Time for an OSHA Standard?*, by Edward Rappaport.

CRS Report 97-536, *Job Training Under the Workforce Investment Act: An Overview*, by Ann Lordeman.

CRS Report 95-917, *Older Americans Act: Programs and Funding*, by Carol O'Shaughnessy and Paul J. Graney.

CRS Report 95-742, *Unemployment Benefits: Legislative Issues in the 107th Congress*, by Celinda M. Franco.

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

Selected World Wide Web Sites.

U.S. Department of Labor

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

[http://www.dol.gov/dol/_sec/public/Budget2002/budgetfy2002.htm]

Detailed Appropriations Table

Table 6 shows the appropriation details for offices and major programs of DOL.

Table 6. Detailed Department of Labor Appropriations
(\$ in millions)

Office or major program	FY2001 enacted ^a	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
<i>Employment and Training Administration (ETA)</i>					
Training and Employment Services, Workforce Investment Act (WIA) Adult Training Grants to States	950	900	950	950	—
WIA Youth Training ^{b, c}	1,128	1,001	1,353	1,128	—
WIA Dislocated Worker Assistance ^b	1,438	1,383	1,535	1,549	—
WIA Job Corps	1,399	1,399	1,474	1,399	—
WIA Youth Opportunity Grants (YOG) ^{b, c}	250	250	0	250	—
WIA other federally administered programs ^b	308	191	267	253	—
WIA subtotal ^b	5,473	5,124	5,579	5,529	—
Training and Employment Services (TES), other	5	5	5	5	—
Community Service Employment for Older Americans	440	440	440	450	—
Federal Unemployment Benefits and Allowances, Trade Adjustment and NAFTA Activities (mandatory)	407	416	416	416	—
State Unemployment Insurance and Employment Service Operations (SUI/ESO) Unemployment Compensation	2,367	2,414	2,414	2,414	—
SUI/ESO Employment Service	846	846	846	848	—
SUI/ESO One-Stop Career Centers	150	134	120	148	—
SUI/ESO Work Incentives Grants	20	20	20	20	—
SUI/ESO subtotal	3,383	3,414	3,400	3,430	—
Advances to Unemployment Trust Fund and other funds (mandatory)	435	464	464	464	—
ETA Program Administration	159	161	162	161	—
ETA subtotal	10,302	10,024	10,465	10,454	—
Pension and Welfare Benefits Administration	108	108	110	112	—
Pension Benefit Guaranty Corporation (PBGC) Administration	12	12	12	12	—
PBGC program level (non-add)	191	191	191	191	—

Office or major program	FY2001 enacted ^a	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
<i>Employment Standards Administration (ESA)</i>					
ESA Salaries and Expenses	363	284	370	377	—
ESA Special Benefits (mandatory)	56	121	121	121	—
ESA Energy Employees Occupational Illness Fund (mandatory)	60	136	136	136	—
ESA Black Lung Disability Trust Fund (mandatory)	1,028	1,036	1,036	1,036	—
ESA subtotal	1,507	1,577	1,663	1,670	—
Occupational Safety and Health Administration (OSHA)	426	426	435	450	—
Mine Safety and Health Administration (MSHA)	246	246	252	256	—
Bureau of Labor Statistics	451	476	477	476	—
Departmental Management, International Labor Affairs	148	72	148	148	—
Departmental Management, Veterans Employment and Training	212	212	212	214	—
Departmental Management, other	287	358	326	314	—
Departmental Management subtotal	647	642	686	676	—
TOTALS, DEPARTMENT OF LABOR					
Total appropriations ^d	13,698	13,511	14,099	14,107	—
Current year: FY2002	11,235	13,511	12,001	11,644	—
Advance year: FY2003	2,463	0	2,098	2,463	—

Source: Amounts are based on the November 13, 2001 staff table of the House Appropriations Committee.

^a The FY2001 amounts are based on P.L. 106-554, P.L. 107-20, and P.L. 107-38; these amounts may be modified by additional supplemental P.L. 107-38 allocations.

^b For FY2001, P.L. 107-20 provided supplemental funding of \$25 million for WIA Youth Training, and rescinded \$177.5 million for Dislocated Worker Assistance, \$25 million for Youth Opportunity Grants, and \$40 million for Other Federally Administered WIA Programs. The overall effect of P.L. 107-20 on WIA was a net reduction in FY2001 appropriations of \$217.5 million. The table reflects these changes.

^c The House bill would include funds for Youth Opportunity Grants within the WIA Youth Training program.

^d Appropriations totals include discretionary and mandatory funds, and may be subject to additional scorekeeping and other adjustments.

U.S. Department of Health and Human Services

The FY2002 budget proposal for discretionary appropriations at the U.S. Department of Health and Human Services (DHHS) is \$51.7 billion, \$4.7 billion (10.0%) more than the FY2001 appropriations of \$47.0 billion, as shown in **Table 7**. The House bill would provide \$53.2 billion, and the Senate bill would provide \$54.3 billion.

**Table 7. U.S. Department of Health and Human Services
Discretionary Appropriations**
(\$ in billions) ^a

Funding	FY2001 enacted ^b	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
Budget authority	\$47.0	\$51.7	\$53.2	\$54.3	—

Source: Amounts are based on the November 13, 2001 staff table of the House Appropriations Committee.

^a The amounts shown represent discretionary programs funded by the L-HHS-ED appropriations bill; appropriations for mandatory programs are excluded.

^b The FY2001 amounts are based on P.L. 106-554, P.L. 107-20, and P.L. 107-38; these amounts may be modified by additional supplemental P.L. 107-38 allocations.

Mandatory DHHS programs included in the FY2001 L-HHS-ED bill were funded at \$219.3 billion, and consist primarily of Grants to States for Medicaid (\$135.8 billion), Payments to Medicare Trust Funds (\$70.4 billion), Foster Care and Adoption (\$6.6 billion), and Social Services Block Grant (\$1.7 billion).

Key Issues

President's Request. The President's FY2002 budget request for DHHS focuses on a number of programs related to the funding and delivery of health care, medical research, and social services. The DHHS budget request emphasizes Medicare improvements and expanded access to health care; increased support for children and families; enhanced scientific research and public health protection; revitalizing research laboratories; and improvements in financial management and information technology systems. Discretionary spending changes of at least \$100 million are requested for the following programs.

- An increase of \$2.7 billion is requested for the National Institutes of Health (NIH), which currently is funded at \$20.3 billion, to support activities that maintain and improve health through medical science. This is the largest increase in discretionary funds (in terms of absolute dollars) in the FY2002 L-HHS-ED budget request. The FY2002 request gives presidential support to a 5-year effort to double the size of NIH funding, from \$13.6 billion in FY1998 to \$27.2 billion in FY2003 (see CRS Issue Brief IB10083, *Research and Development Funding: Fiscal Year 2002*).

- An additional \$124 million is proposed for Community Health Centers, which was funded at \$1.2 billion in FY2001.
- A decrease of \$248 million is requested for the Health Professions program, which was funded at \$588 million in FY2001.
- Various other discretionary programs administered by the Health Resources and Services Administration (HRSA) would be reduced by \$475 million; \$920 million was provided for FY2001. Among other proposals, the \$252 million Health Care and Other Facilities would be eliminated and the \$140 million Community Access program would be reduced by \$125 million (to \$15 million).
- A decrease of \$166 million is requested for the Centers for Disease Control and Prevention (CDC); \$3.9 billion was provided for FY2001 for the prevention and control of diseases, injuries, and disabilities.
- The budget proposes no new funding for the Agency for Healthcare Research and Quality (AHRQ), funded at \$105 million in FY2001. On a program level basis (program services regardless of funding source), AHRQ funding would actually be increased from \$270 million in FY2001 to \$306 million under the request, using funds from other programs for AHRQ activities.
- An increase of \$109 million is requested for Program Management activities under the Centers for Medicare and Medicaid Services (CMS, formerly the Health Care Financing Administration); \$2.2 billion was provided in FY2001. In June 2001, the Health Care Financing Administration (HCFA) was renamed and reorganized as the CMS.
- An increase of \$1.1 billion is proposed for the Low-Income Home Energy Assistance Program (LIHEAP); \$300 million was appropriated under the FY2001 L-HHS-ED Appropriations Act. However, program level funding would remain constant at \$1.4 billion, since the FY2000 L-HHS-ED Appropriations Act provided an advance appropriation of \$1.1 billion for FY2001.
- For the LIHEAP Emergency Allocation, \$300 million is requested. For FY2001, \$300 million was initially appropriated in P.L. 106-554; subsequently, an FY2001 supplemental appropriation of \$300 million was added by P.L. 107-20, for a total of \$600 million in FY2001 (see *Related Legislation*, page 42).
- An additional \$1.4 billion is proposed for the Child Care and Development Block Grant (CCDBG), including \$400 million that would be reserved for an After School Certificates proposal, for a FY2002 total of \$2.2 billion. For FY2001, P.L. 106-554 provided \$0.8 billion, but with \$1.2 billion advance funded from FY2000, the FY2001 program level became \$2.0 billion.
- An additional \$125 million is requested for Head Start, which was funded at \$6.2 billion in FY2001.

House Bill. As passed, the House bill differs in several respects from the President's FY2002 budget request for DHHS programs.

- The bill would provide \$670 million for Health Professions, \$330 million more than requested; the FY2001 amount was \$588 million.
- Ryan White AIDS programs would receive \$1.9 billion, \$112 million more than requested and the FY2001 amount.
- Other HRSA programs would be funded at \$642 million, \$197 million more than requested; \$920 million was provided in FY2001.
- The CDC would receive \$4.1 billion, \$380 million more than requested; the FY2001 amount was \$3.9 billion.
- The bill would provide \$22.9 billion for the NIH, \$167 million less than requested; the FY2001 amount was \$20.3 billion.
- The AHRQ would receive \$168 million; the request was for zero funding and the FY2001 amount was \$105 million. At the program level, the AHRQ would receive \$306 million, the same as the requested amount.
- The bill would provide \$1.7 billion for LIHEAP, \$300 million more than requested; the comparable FY2001 amount was \$300 million.
- For the CCDBG, the bill provides \$2.2 billion, the same as the requested amount, but it would not designate a \$400 million set-aside from the total for an After School Certificates Initiative, as was requested; \$817 million was provided for the CCDBG in FY2001.
- Head Start would be funded at \$6.5 billion, \$151 million more than requested; the FY2001 amount was \$6.2 billion.

Senate Bill. As passed, the Senate bill differs from the House bill with regard to several DHHS programs.

- The CDC would be funded at \$4.4 billion, \$342 million more than the House amount; it received \$3.9 billion in FY2001.
- The NIH would receive \$23.7 billion, \$0.8 billion more than in the House bill; the FY2001 amount was \$20.3 billion.
- The bill would provide \$291 million for the AHRQ, \$123 million more than the House amount; \$105 million was the FY2001 amount.
- CMS Program Management would receive \$2.5 billion, \$104 million more than the House amount; it received \$2.2 billion in FY2001.
- The CCDBG would receive \$2.0 billion, \$200 million less than the House amount; it received \$0.8 billion in FY2001.
- Head Start would be funded at \$6.6 billion, \$124 million more than in the House bill; it was funded at \$6.2 billion in FY2001.
- The Public Health and Social Service Emergency Fund (PHSSEF) would not be funded under the Senate bill; it would receive \$301 million under the House bill, and \$251 million under the request. The PHSSEF was funded at \$367 million in FY2001.
- The Senate bill would provide \$182 million under the CDC account and \$69 million more under the Office of the Secretary for bioterrorism; these activities were funded under the PHSSEF in FY2001, and would continue to receive funding there under the House bill and the request.

Abortion: Funding Restrictions. Annual L-HHS-ED appropriations acts regularly contain restrictions that limit the circumstances under which federal funds

can be used to pay for abortions. From 1977 and 1993, abortions could be funded only when the life of the mother is endangered. 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. The 103rd Congress modified the provisions to permit federal funding of abortions in cases of rape or incest. The FY1998 L-HHS-ED Appropriations Act, 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. For FY1999, the FY1998 Hyde Amendment provisions were continued, along with a clarification to ensure that the Hyde Amendment applies to all trust fund programs (namely, Medicare) funded by the FY1999 L-HHS-ED Appropriations Act, P.L. 105-277, as well as an assurance that Medicare + Choice plans cannot require the provision of abortion services. Both the FY2000 and FY2001 L-HHS-ED Appropriations Acts retained the FY1999 language without amendment, but the issue may be revisited during consideration of L-HHS-ED for FY2002. Current provisions can be found in §508 and §509 in the FY2001 L-HHS-ED Appropriations Act, P.L. 106-554. (For additional information, 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 may have the potential to treat medical conditions such as diabetes and Parkinson’s disease. The use of stem cells, however, frequently raises difficult ethical and social issues regarding embryo and fetal tissue research. 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. From FY1997 through FY2001, annual appropriations acts extended the prohibition to all L-HHS-ED funds, but the NIH is the agency primarily affected. The restriction, originally introduced by Representative Jay Dickey, has not changed significantly since it was first enacted. The current provision can be found in §510 of the FY2001 L-HHS-ED appropriations, as included in the Consolidated Appropriations Act, 2001, P.L. 106-554. Legislative consideration of funding for stem cell research and related issues, including the President’s decision, seems likely to focus on the provisions of the FY2002 L-HHS-ED bill. (For additional information, see CRS Report RL31015, *Stem Cell Research*.)

For Additional Reading

CRS Products.

CRS Issue Brief IB95095, *Abortion: Legislative Response*, by Karen J. Lewis, *et al.*
 CRS Report 95-1101, *Abortion Procedures*, by Irene E. Stith-Coleman.
 CRS Report RL30785, *The Child Care and Development Block Grant: Background and Funding*, by Alice Butler and Melinda Gish.
 CRS Report RL30944, *Child Care Issues in the 107th Congress*, by Melinda Gish.
 CRS Report RS20124, *Community Service Block Grants: Background and Funding*, by Karen Spar.

- CRS Report 97-757, *Federal Health Centers Program*, by Sharon Kearney.
- CRS Report RL30952, *Head Start: Background and Funding*, by Alice Butler and Melinda Gish.
- CRS Report 94-211, *The Low-Income Home Energy Assistance Program (LIHEAP)*, by Melinda Gish.
- CRS Report 97-350, *Maternal and Child Health Block Grant*, by Sharon Kearney.
- CRS Report RL30483, *Medical Research Funding: Summary of a CRS Seminar on Challenges and Opportunities of Proposed Large Increases for the National Institutes of Health*, by John K. Iglehart, Contractor, and Pamela W. Smith, Coordinator.
- CRS Report RL31058, *Medicare Structural Reform: Background and Options*, by Jennifer O'Sullivan, *et al.*
- CRS Report 95-917, *Older Americans Act: Programs and Funding*, by Carol O'Shaughnessy and Paul J. Graney.
- CRS Issue Brief IB10083, *Research and Development Funding: Fiscal Year 2002*, by John Dimitri Moteff, Coordinator.
- CRS Report 94-953, *Social Services Block Grants (Title XX of the Social Security Act)*, by Melinda Gish.
- CRS Report RL31015, *Stem Cell Research*, by Judith A. Johnson.
- CRS Report 97-1048, *The Title X Family Planning Program*, by Sharon Kearney.
- CRS Issue Brief IB93034, *Welfare Reform: An Issue Overview*, by Vee Burke.

Selected World Wide Web Sites.

U.S. Department of Health and Human Services

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

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

[<http://www.hhs.gov/budget/pdf/hhs2002.pdf>]

[<http://www.hhs.gov/budget/testify/b20010502a.html>]

Detailed Appropriations Table

Table 8 shows the appropriation details for offices and major programs of DHHS.

Table 8. Detailed Department of Health and Human Services Appropriations
(\$ in millions)

Office or major program	FY2001 enacted ^a	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
<i>Public Health Service (PHS)</i>					
Health Resources and Services Administration (HRSA), Community Health Centers	1,169	1,293	1,319	1,344	—
HRSA National Health Service Corps	129	130	143	154	—
HRSA Health Professions	588	340	670	596	—
HRSA Maternal and Child Health Block Grant	714	709	740	719	—
HRSA Ryan White AIDS Programs	1,808	1,808	1,920	1,883	—
HRSA Family Planning (Title X)	254	254	264	266	—
HRSA Vaccine Injury Compensation (mandatory)	114	115	115	115	—
HRSA, other	915	445	642	576	—
HRSA subtotal	5,691	5,094	5,813	5,653	—
Centers for Disease Control and Prevention (CDC)	3,863	3,697	4,077	4,419	—
National Institutes of Health (NIH) ^b	20,295	23,042	22,875	23,695	—
Substance Abuse and Mental Health Services Administration (SAMHSA) Mental Health Block Grant	420	420	440	420	—
SAMHSA Substance Abuse Block Grant	1,665	1,725	1,725	1,725	—
SAMHSA, other	878	884	967	943	—
SAMHSA subtotal	2,963	3,029	3,132	3,088	—
Agency for Healthcare Research and Quality (AHRQ)	105	0	168	291	—
AHRQ program level (non-add)	270	306	306	291	—
PHS subtotal	32,922	34,862	36,065	37,146	—
<i>Centers for Medicare and Medicaid Services (CMS)</i>					
Medicaid Grants to States (mandatory)	135,821	153,424	153,424	153,424	—
Payments to Medicare Trust Funds (mandatory)	70,382	81,924	81,924	81,994	—
CMS Program Management	2,242	2,351	2,361	2,465	—
CMS subtotal	208,445	237,699	237,709	237,883	—
<i>Administration for Children and Families (ACF)</i>					
Family Support Payments to States (Welfare, Child Support) (mandatory)	4,098	4,008	4,008	4,008	—
Low Income Home Energy Assistance Program (LIHEAP)	300	1,400	1,700	1,700	—

Office or major program	FY2001 enacted ^a	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
LIHEAP program level (non-add)	1,400	1,400	1,700	1,700	—
LIHEAP Emergency Allocation ^c	600	300	300	300	—
Refugee and Entrant Assistance	433	445	460	445	—
Child Care and Development Block Grant (CCDBG)	817	2,200	2,200	2,000	—
CCDBG program level (non-add)	2,000	2,200	2,200	2,000	—
CCDBG After School Certificates (non-add)	0	400	deferred	0	—
Social Services Block Grant (Title XX) (mandatory)	1,725	1,700	1,700	1,700	—
Children and Family Services Programs (CFSP), Head Start	6,200	6,325	6,476	6,600	—
CFSP Child Welfare Services	292	292	292	292	—
CFSP Developmental Disabilities	134	133	136	141	—
CFSP Community Services Block Grant	600	600	620	675	—
CFSP Violent Crime Reduction	134	134	144	139	—
CFSP, other	605	707	607	745	—
Rescission of mandatory funds	-21	0	-21	-21	—
Promoting Safe and Stable Families (mandatory)	305	305	305	305	—
Foster Care and Adoption Assistance (mandatory)	6,599	6,699	6,639	6,639	—
AFC, Other	0	268	71	71	—
ACF subtotal	22,821	25,516	25,637	25,739	—
Administration on Aging	1,103	1,098	1,145	1,210	—
Office of the Secretary, Public Health and Social Service Fund	367	251	301	0	
Retirement Pay and Medical Benefits, Commissioned Officers (mandatory)	220	243	243	243	—
Office of the Secretary, Other	377	422	408	510	—
TOTALS, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Total appropriations ^d	266,255	300,091	301,509	302,731	—
Current year: FY2002	225,882	250,635	250,652	251,845	—
Advance year: FY2003	40,373	49,456	50,856	50,886	—

Source: Amounts are based on the November 13, 2001 staff table of the House Appropriations Committee.

^a The FY2001 amounts are based on P.L. 106-554, P.L. 107-20, and P.L. 107-38; these amounts may be modified by additional supplemental P.L. 107-38 allocations.

^b The VA-HUD Appropriations Act provides additional funding for NIH — \$63 million in FY2001.

^c The LIHEAP Emergency Allocation is current year funded. For FY2001, P.L. 107-20 provided an additional \$300 million for the Emergency Allocation. The table reflects this change.

^d Appropriations totals include discretionary and mandatory funds, and may be subject to additional scorekeeping and other adjustments.

U.S. Department of Education

The FY2002 budget proposal for discretionary appropriations at the U.S. Department of Education (ED) is \$44.5 billion, \$2.3 billion (5.5%) more than the FY2001 appropriations of \$42.2 billion, as shown in **Table 9**. The House bill would provide \$49.3 billion, and the Senate bill would provide \$48.7 billion.

Table 9. Department of Education Discretionary Appropriations
(\$ in billions) ^a

Funding	FY2001 enacted ^b	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
Budget authority	\$42.2	\$44.5	\$49.3	\$48.7	—

Source: Amounts are based on the November 13, 2001 staff table of the House Appropriations Committee.

^a These amounts represent only discretionary programs funded in the L-HHS-ED appropriations bill; appropriations for mandatory programs are excluded.

^b The FY2001 amounts are based on P.L. 106-554, P.L. 107-20, and P.L. 107-38; these amounts may be modified by additional supplemental P.L. 107-38 allocations.

A single mandatory ED program was included in the FY2001 L-HHS-ED bill, the Vocational Rehabilitation State Grants program; it was funded at \$2.4 billion.

Key Issues

President's Request. The amount of federal support for education has been a priority of both the Congress and the White House in recent years, and the FY2002 budget request for ED continues to reflect that emphasis. Discretionary spending changes of at least \$100 million are requested by the President for the following programs.

- An increase of \$298 million is requested for the Title I Grants to Local Educational Agencies (LEAs) program, which was funded at \$8.8 billion in FY2001.
- An additional \$689 million is requested for reading programs under the Reading First Initiative; reading programs were funded at \$286 million under the Reading Excellence Act in FY2001.
- The Impact Aid program would be increased by \$138 million; FY2001 funding was \$993 million.
- The proposed Teacher Quality Initiative would receive an initial funding of \$2.6 billion. This program would replace the \$485 million Eisenhower Professional Development program, the \$1.6 billion Class Size Reduction program, and several smaller programs.
- A Choice and Innovation Initiative would be funded at \$472 million; the Innovative Education Program Strategies, funded at \$385 million in FY2001, would be eliminated.

- An increase of \$185 million would be provided for Charter Schools; FY2001 funding was \$190 million.
- The State Assessment Initiative would receive an initial funding of \$320 million.
- An additional \$1.0 billion would be provided for Special Education Part B Grants to States program under IDEA, funded at \$6.3 billion in FY2001.
- An increase of \$1.0 billion is requested for the \$8.8 billion Pell Grant program. The proposed maximum award would be increased by \$100 to \$3,850 for FY2002.

Along with the programs indicated above that would be replaced by new initiatives, the President's budget request would decrease or terminate funding for the following programs.

- The Small, Safe and Successful High Schools program would be eliminated; FY2001 funding was \$125 million.
- The School Repair and Renovation program, initially funded at \$1.2 billion in FY2001, would be eliminated.
- No funds are requested for the Fund for the Improvement of Education (FIE), which was funded at \$339 million in FY2001.
- Reductions totaling \$190 million would be made for several Higher Education programs that were funded at \$494 million in FY2001, including a decrease of \$95 million for the Fund for the Improvement of Postsecondary Education (FIPSE), funded at \$147 million in FY2001.

House Bill. As passed, the House bill differs in several respects from the President's FY2002 budget request for ED programs, as summarized below. In addition, funding for many of these programs would be contingent on amendments to the Elementary and Secondary Education Act of 1965 (ESEA), as proposed by H.R. 1, as it was passed by the House on May 23, 2001.

- Title I Grants to LEAs would receive \$10.5 billion, \$1.4 billion more than requested; \$8.8 billion was provided in FY2001.
- The Teacher Quality Initiative would receive \$3.2 billion, \$0.6 billion more than requested; the Initiative would replace programs funded at more than \$2.1 billion in FY2001.
- The bill would provide \$1.0 billion for Educational Technology, \$183 million more than the request; \$872 million was provided in FY2001.
- The bill would provide \$1.0 billion for 21st Century Community Learning Centers, \$154 million more than the request; \$846 million was provided in FY2001.
- Small, Safe, Successful High Schools would receive \$200 million; the request was for zero funding and the FY2001 amount was \$125 million.
- The bill would provide \$200 million for Charter Schools, \$175 million less than requested; the FY2001 amount was \$190 million.

- Other School Improvement programs would receive \$559 million, \$354 million more than requested; \$232 million was provided in FY2001. The amount in the House bill would include \$200 million for Rural Education; no funds were requested for FY2002 and no funds were provided in FY2001.
- Bilingual and Immigrant Education would receive \$700 million, \$240 million more than requested; \$460 million was provided in FY2001.
- IDEA Part B Grants to States would receive \$7.7 billion, \$375 million more than requested; the FY2001 amount was \$6.3 billion.
- The bill would provide \$1.4 billion for Vocational Education, \$154 million more than requested; \$1.2 billion was the FY2001 amount.
- Pell Grants would receive \$10.5 billion, \$0.7 billion more than requested; \$8.8 billion was the FY2001 amount. The maximum award would be increased to \$4,000, \$150 more than requested; the maximum award was \$3,750 for FY2001.

Senate Bill. As passed, the Senate bill differs from the House bill with regard to several ED programs, as summarized below. In addition, funding for many of these programs would be contingent on amendments to the ESEA, as proposed by H.R. 1, as it was passed by the Senate on June 14, 2001.

- Title I Grants to LEAs would be funded at \$10.2 billion, \$0.3 billion less than the House proposal; \$8.8 billion was provided in FY2001.
- Other Education for the Disadvantaged programs would receive \$702 million, \$371 million less than the House amount; the FY2001 amount was \$931 million. In particular, the Senate bill would zero fund Comprehensive School Reform; the House bill would fund this activity at \$310 million. The budget request for Comprehensive School Reform was \$260 million; the FY2001 amount was \$210 million.
- The Teacher Quality Initiative would be funded at \$3.0 billion, \$135 million less than the House bill; this initiative would replace programs funded at more than \$2.1 billion in FY2001.
- The bill would provide \$100 million for Small, Safe, Successful High Schools, \$100 million less than the House amount; \$125 million was provided in FY2001.
- School Repair and Renovation would be funded at \$925 million, \$275 million less than in FY2001; the program would be zero funded under the House bill.
- Other School Improvement programs would be funded at \$1.0 billion, \$460 million more than the House amount; \$232 million was provided in FY2001. However, the Senate amount includes \$305 million for the Local Innovations for Education (LIFE), a Senate initiative which would include activities of FIE, which was funded under the Educational Research and Improvement account at \$339 million in FY2001.
- IDEA Part B Grants to States would receive \$7.3 billion, \$375 million less than the House provision; \$6.3 billion was provided in FY2001.

- The bill would provide \$1.2 billion for Vocational Education, \$138 million less than the House amount; the FY2001 amount was \$1.2 billion.
- Pell Grants would receive \$10.3 billion, \$144 million less than the House amount, but with the same maximum award amount of \$4,000; the FY2001 amount was \$8.8 billion, with a maximum award of \$3,750.

Pell Grants. Both House and Senate bills would increase the FY2002 maximum Pell Grant to \$4,000, an additional \$250 above the FY2001 maximum of \$3,750. The proposed increase in appropriations — an additional \$1.7 billion in the House bill and \$1.6 billion in the Senate bill — originally was thought to be sufficient to pay for the increased maximum awards (see H.Rept. 107-229, p. 7, and S.Rept. 107-84, p. 313). Pell Grant appropriations are available for two full fiscal years, but generally go to fund awards for the coming school year. For example, the FY2002 appropriations will be available from October 1, 2001, through September 30, 2003, but for the most part they would be used to meet the estimated program costs for the academic year 2002-2003.

In an October 30, 2001 letter from OMB, the Administration indicated that the level of Pell Grant funding in the House and Senate FY2002 bills may be sufficient to continue only the current \$3,750 maximum award in FY2002 because the program costs for FY2001 are exceeding previous estimates, thereby creating a funding shortfall. FY2002 appropriations used to cover the FY2001 shortfall would then be unavailable to increase the maximum award for FY2002. In the event the conference agreement retains the \$4,000 maximum and House or Senate funding levels, ED would have three alternatives: (1) reduce awards so that recipients receive a prorated portion of their award; (2) request a supplemental appropriation to fund the full \$4,000 maximum; or (3) pay the \$4,000 maximum by borrowing from a subsequent year's appropriation to cover the projected FY2002 shortfall.

Forward Funding and Advance Appropriations. Many of the larger ED programs have either authorization or appropriations provisions that allow funding flexibility for school program years that differ from the federal fiscal year. For example, some of the elementary and secondary education formula grant programs receive funding through appropriations that become available for obligation to the states on July 1 of the same year as the appropriations, and remain available through the end of the following fiscal year. That is, FY2001 appropriations for some programs became available for obligation to the states on July 1, 2001, and will remain available for a 15-month period until September 30, 2002. 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, 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 FY2001 appropriations support the 2001-2002 academic year. Unlike forward

funded programs, however, the funds remain available for obligation for 2 full fiscal years. Thus, if cost estimates turn out to be too low, funds may be borrowed from the following year's appropriations, or conversely, if the estimates are too high, the surplus may be obligated during the following year.

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 FY2001 appropriations, funds normally would have become available October 1, 2000, under regular funding provisions, but would not become available until July 1, 2001, under the forward funding provisions discussed above. However, if the July 1, 2001 forward funding date were to be postponed for obligation by 3 months, until October 1, 2001, the appropriation would be classified as an "advance appropriation" since the funds would become available only in the next fiscal year, FY2002. For example, the FY2001 appropriation was \$8.6 billion for Title I Grants to LEAs for the Education of the Disadvantaged. This amount included not only forward funding of \$1.8 billion (available July 1, 2001), but also an advance appropriation of \$6.8 billion (available October 1, 2001).

What is the impact of these changes in funding provisions? At the program or service level, relatively little is changed by the 3-month delay in the availability of funds, since most expenditures for a standard school year occur after October 1. At the appropriations 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 3-month change from forward funding to an advance appropriation for part or all of the annual appropriations 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 on budget enforcement procedures, see CRS Report 98-720, *Manual on the Federal Budget Process*.)

For Additional Reading

CRS Products.

- CRS Report RL31035, *Adequate Yearly Progress Under ESEA: Provisions, Issues, and Options Regarding House and Senate Versions of H.R. 1*, by Wayne Riddle.
- CRS Report RS20447, *Class Size Reduction Program: Background and Status*, by James B. Stedman.
- CRS Issue Brief IB10029, *Education for the Disadvantaged: ESEA Title I Reauthorization Issues*, by Wayne Riddle.
- CRS Issue Brief IB10066, *Elementary and Secondary Education: Reconsideration of the Federal Role by the 107th Congress*, by Wayne Riddle and James Stedman.
- CRS Report RL30921, *ESEA Reauthorization Proposals: Comparison of Major Features of the House and Senate Versions of H.R. 1*, by Wayne Riddle, Coordinator.
- CRS Report RL30448, *Even Start Family Literacy Programs: Background and Reauthorization Issues*, by Gail McCallion and Wayne Riddle.

- CRS Report 98-676, *Federal Elementary and Secondary Education Programs: Ed-Flex and Other Forms of Flexibility*, by Wayne Riddle.
- CRS Report RL30075, *Impact Aid: Current Status and Proposed H.R. 1 Amendment*, by Richard N. Apling.
- CRS Report 97-433, *Individuals with Disabilities Education Act: Full Funding of State Formula*, by Richard N. Apling.
- CRS Report RS20366, *Individuals with Disabilities Education Act (IDEA): Overview of Major Provisions*, by Richard Apling and Nancy Lee Jones.
- CRS Electronic Briefing Book, *K-12 Education Briefing Book*,
[<http://www.congress.gov/brbk/html/ebedd1.shtml>]
- CRS Report RL31034, *K-12 Teacher Quality: Issues and Legislative Action*, by James B. Stedman.
- CRS Report RL31041, *Provisions for Limited English Proficient Students in H.R. 1, as Passed by the House and Senate*, by Patricia Osorio-O'Dea.
- CRS Report RL30663, *The Reading Excellence Act: Implementation Status and Issues*, by Gail McCallion.
- CRS Report RS20532, *The Safe and Drug-Free Schools and Communities Act: Reauthorization and Appropriations*, by Edith Fairman Cooper.
- CRS Issue Brief IB98035, *School Choice: Current Legislation*, by Wayne Riddle and James Stedman.
- CRS Report RS20171, *School Facilities Infrastructure: Background and Legislative Proposals*, by Susan Boren.
- CRS Report RL30306, *21st Century Community Learning Centers: An Overview of the Program and Analysis of Reauthorization Issues*, by Gail McCallion.

Selected World Wide Web Sites.

U.S. Department of Education Home Page

- [<http://www.ed.gov/>]
 [<http://www.ed.gov/offices/OUS/budget.html>]
 [<http://www.ed.gov/offices/OUS/Budget02/>]
 [<http://www.ed.gov/offices/OUS/Budget02/Summary/>]
 [<http://www.ed.gov/offices/OUS/budnews.html>]
 [<http://www.ed.gov/Speeches/04-2001/010425.html>]
 [<http://www.ed.gov/Speeches/05-2001/010510.html>]

Detailed Appropriations Table

Table 10 shows the appropriation details for offices and major programs of ED.

Table 10. Detailed Department of Education Appropriations
(\$ in millions)

Office or major program	FY2001 enacted ^a	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
<i>Office of Elementary and Secondary Education (OESE)</i>					
Goals 2000: Educate America Act, Parental Assistance	38	0	0	0	—
Title I Education for the Disadvantaged, Grants to LEAs ^b	8,763	9,061	10,500	10,200	—
Reading Excellence and Reading First Initiative	286	975	975	975	—
Education for the Disadvantaged, other	931	975	1,073	702	—
Impact Aid	993	1,131	1,131	1,131	—
School Improvement (SI), Teacher Quality	0	2,600	3,175	3,040	—
SI Eisenhower Professional Development	485	0	0	0	—
SI Class Size Reduction	1,623	0	0	0	—
SI Innovative Education/Choice and Innovation	385	472	385	410	—
SI Educational Technology	872	817	1,000	941	—
SI 21 st Century Community Learning Centers	846	846	1,000	1,000	—
SI Small, Safe and Successful High Schools	125	0	200	100	—
SI School Repair and Renovation	1,200	0	0	925	—
SI Safe and Drug-Free Schools	644	644	644	644	—
SI Magnet Schools	110	110	110	110	—
SI Charter Schools	190	375	200	250	—
SI State Assessment Initiative	0	320	400	320	—
School Improvement, other ^c	232	205	559	1,019	—
Indian Education	116	116	123	117	—
Bilingual and Immigrant Education	460	460	700	616	—
<i>Office of Special Education and Rehabilitative Services</i>					
IDEA Special Education, Part B, Grants to States	6,340	7,340	7,715	7,340	—
IDEA, other programs	1,100	1,086	1,145	1,100	—
Vocational Rehabilitation State Grants (mandatory)	2,400	2,481	2,481	2,481	—
Rehabilitation Services, other	405	449	461	451	—
Special Institutions for Persons With Disabilities	155	154	164	166	—
<i>Office of Vocational and Adult Education</i>					
Vocational Education	1,243	1,224	1,378	1,240	—
Adult Education	561	556	611	556	—
Incarcerated Youth Offenders	22	22	17	22	—

Office or major program	FY2001 enacted ^a	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
<i>Office of Student Financial Assistance Programs</i>					
Pell Grants	8,756	9,756	10,458	10,314	—
Pell Grants, maximum awards (in dollars, non-add)	3,750	3,850	4,000	4,000	—
Supplemental Educational Opportunity Grants	691	691	725	713	—
Federal Work-Study	1,011	1,011	1,011	1,011	—
Federal Perkins Loans, Capital Contributions	100	100	100	100	—
Federal Perkins Loans, Loan Cancellations	60	60	60	75	—
Leveraging Educational Assistance Partnership (LEAP)	55	55	55	70	—
Loan Forgiveness for Child Care	1	1	1	1	—
Federal Family Education Loans, Administration	48	50	50	50	—
<i>Office of Postsecondary Education</i>					
Aid for Institutional Development	393	412	443	422	—
Federal TRIO Programs	730	780	800	805	—
GEAR UP	295	227	285	285	—
Other Higher Education	494	304	380	314	—
Howard University	232	232	242	232	—
College Housing and Academic Facilities Loans, Administration	1	1	1	1	—
<i>Office of Educational Research and Improvement</i>					
Research and Statistics	306	382	414	375	—
Fund for the Improvement of Education ^c	339	0	0	0 ^c	—
Other Research and Improvement	77	0	32	57	—
Departmental Management	524	543	546	543	—
TOTALS, DEPARTMENT OF EDUCATION					
Total Appropriations ^d	44,638	47,023	51,750	51,224	—
Current year: FY2002	30,056	47,023	37,151	36,642	—
Advance year: FY2003	14,581	0	14,599	14,582	—

Source: Amounts are based on the November 13, 2001 staff table of the House Appropriations Committee.

^a The FY2001 amounts are based on P.L. 106-554, P.L. 107-20, and P.L. 107-38; these amounts may be modified by additional supplemental FY107-38 allocations.

^b For FY2001, P.L. 107-20 provided an additional \$161 million for Title I Grants to LEAs. The table reflects this change.

^c Under the School Improvement account, the Senate bill would provide \$305 million for Local Innovations for Education (LIFE), a Senate-proposed program that would include FIE activities.

^d Appropriations totals include discretionary and mandatory funds, and may be subject to additional scorekeeping and other adjustments.

Related Agencies

The FY2002 budget proposal for discretionary appropriations for L-HHS-ED Related Agencies is \$8.8 billion, \$0.1 billion (1.1%) more than the FY2001 appropriations of \$8.7 billion, as shown in **Table 11**. The House bill would provide \$9.2 billion, as would the Senate bill.

Table 11. Related Agencies Discretionary Appropriations

(\$ in billions) ^a

Funding	FY2001 enacted ^b	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
Budget authority	\$8.7	\$8.8	\$9.2	\$9.2	—

Source: Amounts are based on the November 13, 2001 staff table of the House Appropriations Committee.

^a These amounts represent only discretionary programs funded by the L-HHS-ED appropriations bill; appropriations for mandatory programs are excluded.

^b The FY2001 amounts are based on P.L. 106-554, P.L. 107-20, and P.L. 107-38; these amounts may be modified by additional supplemental P.L. 107-38 allocations.

Mandatory programs for related agencies included in the FY2001 L-HHS-ED bill were funded at \$31.7 billion, including \$31.2 billion for the Supplemental Security Income (SSI) program and \$0.5 billion for the Special Benefits for Disabled Coal Miners program.

Key Issues

President's Request. The President's FY2002 budget for related agencies would change discretionary spending by at least \$100 million for the following programs.

- The 2-year advance funding for the Corporation for Public Broadcasting (CPB) would be eliminated, consistent with the Administration's policy to end all advance appropriations; \$365 million was enacted in the FY2001 L-HHS-ED appropriations for obligation by the CPB in FY2003. Previously, the CPB has been funded at \$340 million for FY2001 and \$350 million for FY2002.
- An increase of \$277 million is requested for discretionary activities related to the SSI program, primarily administrative activities; the FY2001 funding level was \$2.7 billion.
- An additional \$167 million is proposed for the SSA Limitation on Administrative Expenses, which was funded at \$4.5 billion in FY2001.

A smaller increase is proposed for the Corporation for National and Community Service (CNS) programs (\$13 million). Reductions are requested for several programs, including Institute of Museum and Library Services (\$39 million) and the

Railroad Retirement Board (\$10 million). The budget request would terminate funding for the National Commission on Libraries and Information Science, which was funded at \$1 million in FY2001.

House Bill. As passed, the House bill differs in several respects from the President's FY2002 budget.

- The House bill would provide a 2-year advance appropriation of \$365 million for the CPB for FY2004, the same amount as was enacted previously for FY2003. Zero funding was requested for FY2004, consistent with the Administration's policy to eliminate all advance appropriations.

Senate Bill. As passed, the Senate bill is nearly the same as the House bill for most of the related agencies, with one exception.

- The Senate bill would provide \$395 million for the CPB for FY2004, \$30 million more than the House proposal.

For Additional Reading

CRS Products.

CRS Report RL30186, *Community Service: A Description of AmeriCorps, Foster Grandparents, and Other Federally Funded Programs*, by Ann Lordeman and Alice D. Butler.

CRS Report RS20548, *Public Broadcasting: Frequently Asked Questions*, by Bernevia McCalip.

CRS Report RS20408, *Railroad Retirement and Unemployment Benefits: A Fact Sheet*, by Rachel W. Kelly.

CRS Report 98-422, *Social Security and the Federal Budget: What Does Social Security's Being "Off Budget" Mean?*, by David Stuart Koitz.

CRS Report RS20165, *Social Security and Medicare "Lock Box"*, by David Stuart Koitz, *et al.*

CRS Electronic Briefing Book, *Social Security Briefing Book*,
[<http://www.congress.gov/brbk/html/ebssc1.shtml>]

CRS Issue Brief IB98048, *Social Security Reform*, by David S. Koitz and Geoffrey Kollmann.

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

CRS Report RS20019, *Supplemental Security Income (SSI): Fraud Reduction and Overpayment Recovery*, by Carmen Solomon-Fears.

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

Selected World Wide Web Sites.

Note: Not all of the L-HHS-ED related agencies have web sites, and not all web sites include FY2002 budget information.

Armed Forces Retirement Home

[<http://www.afrh.com>]

Corporation for National and Community Service

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

[<http://www.cns.gov/news/pr/040901.html>]

Corporation for Public Broadcasting

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

[http://www.cpb.org/about/media/statement/0104_appropriation.html]

Federal Mediation and Conciliation Service

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

Institute of Museum and Library Services

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

[http://www.imls.gov/whatsnew/leg/leg_bdrq02.htm]

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 Education Goals Panel

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

National Labor Relations Board

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

Railroad Retirement Board

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

Social Security Administration

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

[<http://www.ssa.gov/budget/2002bud.html>]

[<http://www.ssa.gov/budget/genst401.htm>]

United States Institute of Peace

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

Detailed Appropriations Table

Table 12 shows the appropriation details for offices and major programs of the L-HHS-ED related agencies.

Table 12. Detailed Related Agencies Appropriations
(\$ in millions)

Office or major program	FY2001 enacted^a	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
Armed Services Retirement Home	70	71	71	71	—
<i>Corporation for National and Community Service (CNS)^b</i>					
CNS Volunteers in Service to America (VISTA)	83	82	83	86	—
CNS National Senior Volunteer Corps	189	203	209	203	—
CNS Program Administration	32	32	32	32	—
CNS subtotal	304	317	324	321	—
Corporation for Public Broadcasting (CPB), 2-Year Advance	365	0	365	395	—
CPB current year (non-add)	340	350	350	350	—
CPB Digitalization Program	20	20	25	25	—
Federal Mediation and Conciliation Service	38	39	39	40	—
Federal Mine Safety and Health Review Committee	6	7	7	7	—
Institute of Museum and Library Services (IMLS), Library Services and Technology Act ^c	207	168	168	168	—
Medicare Payment Advisory Commission	8	8	8	9	—
National Commission on Libraries and Information Science	1	0	1	1	—
National Council on Disability	3	3	3	3	—
National Education Goals Panel	2	2	0	2	—
National Labor Relations Board	216	221	221	226	—
National Mediation Board	10	11	11	11	—
Occupational Safety and Health Review Commission	9	9	9	9	—
Railroad Retirement Board	251	241	241	241	—

Office or major program	FY2001 enacted ^a	FY2002 request	FY2002 House	FY2002 Senate	FY2002 conference
<i>Social Security Administration (SSA)</i>					
SSA Payments to Social Security Trust Fund (mandatory)	20	434	434	434	—
SSA Special Benefits for Disabled Coal Miners (mandatory)	480	441	441	441	—
SSA Supplemental Security Income (SSI) (mandatory)	31,165	29,434	29,434	29,441	—
SSA SSI, other	2,650	2,927	2,927	2,927	—
SSA Limitation on Administrative Expenses	4,474	4,641	4,641	4,641	—
SSA Office of Inspector General	69	75	75	75	—
SSA subtotal	38,858	37,952	37,952	37,959	—
United States Institute for Peace	15	15	15	15	—
TOTALS, RELATED AGENCIES					
Total appropriations ^d	40,383	39,085	39,461	39,504	—
Current year: FY2002	29,434	28,187	28,198	28,211	—
Advance year: FY2003	10,584	10,898	10,898	10,898	—
Advance year: FY2004	365	0	365	395	—

Source: Amounts are based on the November 13, 2001 staff table of the House Appropriations Committee.

^a The FY2001 amounts are based on P.L. 106-554, P.L. 107-20, P.L. 107-38; these amounts may be modified by additional supplemental P.L. 108-38 allocations.

^b Funds are provided only for CNS Domestic Volunteer Service Act programs — the Corporation also receives funds from the Veterans Affairs and Housing and Urban Development (VA-HUD) Appropriations Act for AmeriCorps Grants and other programs under the National Community Service Act (\$434 million in FY2001).

^c Funds are provided only for IMLS programs authorized by the Library Services and Technology Act — the Institute also receives funds from the Interior Appropriations for Museum Services programs (\$25 million in FY2001).

^d Appropriations totals include discretionary and mandatory funds, and may be subject to additional scorekeeping and other adjustments.

Related Legislation

Several proposals related to L-HHS-ED appropriations have been considered by the 107th Congress, including the FY2002 continuing resolutions, FY2001 supplemental appropriations, and emergency supplemental appropriations for FY2001 and FY2002 in response to the terrorist attacks on the United States on September 11, 2001. In addition, the House and Senate agreed to the FY2002 budget resolution.

FY2002 Continuing Resolutions: P.L. 107-44, as Amended

A series of **eight** continuing resolutions have extended appropriations for FY2002 on a temporary basis for most ongoing L-HHS-ED projects and activities, including the costs of direct loans and loan guarantees. These resolutions are necessary because the regular L-HHS-ED appropriations were not enacted by the start of FY2002 on October 1, 2001 (for background, see CRS Report RL30343, *Continuing Appropriations Acts: Brief Overview of Recent Practices*). Funding under the continuing resolution is provided at a rate of operations not exceeding the “current rate,” under FY2001 conditions and program authority.¹ New initiatives are prohibited. For programs with high spend-out rates that normally would occur early in the fiscal year, special restrictions are made to prevent spending that would impinge on final funding decisions.

- **1st FY2002 Continuing Resolution, P.L. 107-44 (H.J.Res. 65)**, provided temporary appropriations for the period October 1 through October 16, 2001, as long as the regular appropriations were not enacted sooner. The resolution was passed by the House on September 24, 2001 (roll call no. 350, 390-0), and by the Senate on September 25 (by unanimous consent). It was signed into law by the President on September 28, 2001, as **P.L. 107-44**.
- **2nd Continuing Resolution, P.L. 107-48 (H.J.Res. 68)**, extended the provisions of P.L. 107-44 through October 23, 2001.
- **3rd Continuing Resolution, P.L. 107-53 (H.J.Res. 69)**, extended the provisions of P.L. 107-44 through October 31, 2001.
- **4th Continuing Resolution, P.L. 107-58 (H.J.Res. 70)**, extended the provisions of P.L. 107-44 through November 16, 2001.
- **5th Continuing Resolution, P.L. 107-70 (H.J.Res. 74)**, extended the provisions of P.L. 107-44 through December 7, 2001.
- **6th Continuing Resolution, P.L. 107-79 (H.J.Res. 76)**, extended the provisions of P.L. 107-44 through December 15, 2001.
- **7th Continuing Resolution, P.L. 107-83 (H.J.Res. 78)**, extended the provisions of P.L. 107-44 through December 21, 2001.

¹ The term “current rate” as used in a continuing resolution refers to the amount of money available for an activity during the previous fiscal year. This amount usually means the appropriation for the previous year with adjustments for any supplemental appropriations, rescissions, unobligated balances, and sometimes for advance appropriations provisions as well. As a result, the current rate would not necessarily correspond to the FY2001 amounts stated in this report.

- **8th Continuing Resolution, P.L. 107-97** (H.J.Res. 79), extended the provisions of P.L. 107-44 through January 10, 2002.

FY2002 Anti-Terrorism Supplemental, P.L. 107-117 (H.R. 3338)

Division B, the Emergency Supplemental Act, 2002, of **P.L. 107-117** — the Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002 — transfers and allocates the \$20 billion previously appropriated by **P.L. 107-38** (discussed below). Of the \$20 billion total, \$2.9 billion is allocated for L-HHS-ED activities in FY2002, discussed in the *Terrorism* section, above (p. 5).

The House amended and passed **H.R. 3338** on November 28, 2001 (roll call no. 458, 406-20). The Senate amended and passed H.R. 3338 on December 7, 2001 (by voice vote). The conference report, **H.Rept. 107-350**, was passed by the House (roll call no. 510, 408-6) and by the Senate (roll call no. 380, 94-2) on December 20, 2001. For general terrorism funding information, see CRS Report RL31173, *Terrorism Funding: Emergency Supplemental Appropriations — Distribution of Funds to Departments and Agencies*, and the CRS Electronic Briefing Book on Terrorism, at [<http://www.congress.gov/brbk/html/ebter25.html>].

FY2001 Anti-Terrorism Supplemental, P.L. 107-38 (H.R. 2888)

P.L. 107-38, the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, provides \$40 billion of emergency funds to respond to the attack, assist its victims, and deal with “other consequences” of the attack. Not less than 50% of these funds must be spent on disaster recovery activities and assistance for New York, Virginia, and Pennsylvania. Of the total \$40 billion, \$20 billion cannot be obligated until enacted in a subsequent emergency appropriations bill — see **P.L. 107-117**, above — and the President must submit an amended budget request that proposes an allocation of these funds. The Director of OMB must submit quarterly reports to the Committees on Appropriations describing the use of supplemental funds beginning no later than January 2, 2002. Of the \$20 billion that does not require additional legislation, \$145 million has been allocated for L-HHS-ED programs.

On September 14, 2001, (1) the House considered and passed **H.R. 2888** (roll call no. 341, 422-0); (2) the Senate considered and passed the bill without amendment (by unanimous consent); and (3) the bill was sent to the White House. The bill was signed into law by the President on September 18, 2001, as **P.L. 107-38**.

FY2001 Supplemental Appropriations, P.L. 107-20 (H.R. 2216)

P.L. 107-20, the Supplemental Appropriations Act, 2001, provides \$6.5 billion in new budget authority primarily for the U.S. Department of Defense (see CRS Report RL30995, *Supplemental Appropriations for FY2001: Defense Readiness and Other Programs*). L-HHS-ED provisions include:

- a net decrease of \$217.5 million for WIA training programs at DOL;

- \$300 million additional for the LIHEAP Emergency Allocation;
- \$161 million additional for Title I Grants to LEAs for the Education of the Disadvantaged; and
- relatively smaller increases for a few other L-HHS-ED programs, as well as amendments and technical corrections to other statutes.

The House amended and passed **H.R. 2216** (H.Rept. 107-102) on June 20, 2001 (roll call no.176, 341-87). The Senate amended the House bill by inserting the text of **S. 1077** (S.Rept. 107-33), as amended, on July 10, 2001 (roll call no. 228, 92-1). The conference report on H.R. 2216, **H.Rept. 107-148**, was passed by the House (roll call no. 256, 375-30) and by the Senate (by unanimous consent) on July 20, 2001. The bill was signed into law by the President on July 24, 2001, as **P.L. 107-20**.

FY2002 Budget Resolution, H.Con.Res. 83

The FY2002 concurrent resolution on the budget sets forth for the Congress the annual federal budget targets through FY2011 (CRS Issue Brief IB10079, *The Budget for Fiscal Year 2002*). The resolution establishes the aggregate discretionary spending limit for the 13 regular appropriations bills, known as the 301(a) allocation. The resolution sets a target of \$661.3 billion in FY2002 discretionary budget authority, compared to \$642.0 billion for FY2001. In addition, it specifies the budget reconciliation process for the modification of mandatory spending limits and tax cut legislation. The resolution sets spending targets for functional categories of the budget. It establishes “reserve fund” mechanisms for activities such as Medicare and student loans, and contains “sense of the Congress” declarations concerning programs such as Graduate Medical Education at Children’s Teaching Hospitals. Report language indicates the funding assumptions made for selected programs that might be used to reach the spending targets. Actual FY2002 discretionary appropriations for specific departments, agencies, and programs, however, are to be determined only through the enactment of individual appropriations bills. **H.Con.Res. 83** (H.Rept. 107-26) was passed by the House March 28, 2001 (roll call no. 70, 222-205). The resolution was amended and passed by the Senate April 6 (roll call no. 86, 65-35). The conference report, **H.Rept. 107-60**, was agreed to by the House (roll call no. 104, 221-207) on May 9, and by the Senate (roll call no. 98, 53-47) on May 10, 2001.

Appropriation Action in the 106th Congress, Second Session

Most FY2001 appropriations for L-HHS-ED activities were provided through **P.L. 106-554**, the **Consolidated Appropriations Act, 2001**, which was signed into law by the President on December 21, 2000 (H.R. 4577, conference report H.Rept. 106-1033; for details, see CRS Report RS20756, *FY2001 Consolidated Appropriations Act: Reference Guide* and CRS Report RS20758, *The 0.22 Percent Across-the-Board Cut in FY2001 Appropriations*). Section 1(a)(1) of P.L. 106-554 enacted into law by cross reference **H.R. 5656**, the FY2001 L-HHS-ED Appropriations (CRS Report RL30503, *FY2001 Appropriations: Labor, Health and Human Services, and Education*). Other legislation in the second session related to L-HHS-ED appropriations included the following:

- **P.L. 106-246 (H.R. 4425, H.Rept. 106-710)**, Division B, the Emergency Supplemental Appropriations Act, 2000, provided FY2000 supplemental appropriations and rescissions for L-HHS-ED programs (CRS Report RL30457, *Supplemental Appropriations for FY2000: Plan Columbia, Kosovo, Foreign Debt Relief, Home Energy Assistance, and Other Initiatives*). Only the conference version of H.R. 4425 included L-HHS-ED provisions and not the versions initially passed by the House and the Senate. However, similar L-HHS-ED funding would have been provided by **H.R. 3908** (H.Rept. 106-521) as passed by the House, amended, March 30, 2000 (roll call no. 95, 263-146), and by **S. 2536**, the Department of Agriculture Appropriations, 2001 (S.Rept. 106-288), as reported by the Senate Appropriations Committee May 9. The **H.R. 4425** conference report (H.Rept. 106-710) was passed by the House June 29 (roll call no. 362, 306-110), and by the Senate June 30 (voice vote). H.R. 4425 was signed into law by the President on July 13, 2000, as **P.L. 106-246**.
- **Twenty-one continuing resolutions** (CRS Report RL30343, *Continuing Appropriations Acts: Brief Overview of Present Practices*) provided temporary funding for L-HHS-ED programs in FY2001 prior to the enactment of P.L. 106-554 (P.L. 106-275, as amended by P.L. 106-282, P.L. 106-306, P.L. 106-344, P.L. 106-358, P.L. 106-359, P.L. 106-381, P.L. 106-388, P.L. 106-389, P.L. 106-401, P.L. 106-403, P.L. 106-416, P.L. 106-426, P.L. 106-427, P.L. 106-428, P.L. 106-520, P.L. 106-537, P.L. 106-539, P.L. 106-540, P.L. 106-542, P.L. 106-543).
- **H.Con.Res. 290**, the FY2001 budget resolution, set annual levels for the federal budget through FY2005 (CRS Issue Brief IB10052, *The Budget for Fiscal Year 2001*). H.Con.Res. 290 (H.Rept. 106-530) was passed by the House March 24, 2000 (roll call no. 75, 211-207). The text of S.Con.Res. 101 (S.Rept. 106-251) was incorporated into H.Con.Res. 290 and passed by the Senate April 7, 2000 (roll call no. 79, 51-45). The conference report (H.Rept. 106-577) was agreed to by the House (roll call no. 125, 220-208) and by the Senate (roll call no. 85, 50-48) on April 13, 2000.

Appendix A: Terminology

Note: Definitions are based on CRS Report 98-720, *Manual on the Federal Budget Process*.

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 of direct and guaranteed loans, but excludes the portion of loans that is not subsidized.

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 5 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 one fiscal year and remains available into the next fiscal year; the entire amount is counted or scored in the fiscal year 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 in addition to regular appropriations already provided.

Appendix B: Scope of the L-HHS-ED Bill

The FY2001 budget authority for all federal programs is estimated to be \$1,893.5 billion, as shown in **Table B.1**. Of this amount, \$984.8 billion (52.0%) is the total for the departments and related agencies funded through the L-HHS-ED bill.

Table B.1. Scope of the L-HHS-ED Bill, FY2001
(Estimated budget authority in billions of dollars)

Budget category	Estimated budget authority	Percent of federal budget
Total federal budget authority	\$1,893.5	100.0%
U.S. Department of Labor	39.2	2.1%
U.S. Department of Health and Human Services	436.4	23.0%
U.S. Department of Education	40.3	2.1%
Social Security Administration (On-budget)	43.8	2.3%
Social Security Administration (Off-budget)	423.6	22.4%
Other related agencies	1.5	0.1%
L-HHS-ED agency total	984.8	52.0%
L-HHS-ED bill, total current year funds	351.2	18.5%
L-HHS-ED bill, current year mandatory funds	242.3	12.8%
L-HHS-ED bill, current year discretionary funds	108.9	5.8%
Total federal discretionary funds	634.9	33.5%

Source: *Budget of the United States Government Historical Tables, Fiscal Year 2002*, Table 5.2; *Budget of the United States Government, Fiscal Year 2002*, Table S-7; and the conference report H.Rept. 106-1033, which provides details for the FY2001 L-HHS-ED amounts under P.L. 106-554.

Note: For comparability, this table uses data based on the April 2001 OMB budget documents and the FY2001 L-HHS-ED conference report of December 15, 2000; the data therefore do not include changes made during FY2001 in scorekeeping, entitlements, or supplemental appropriations.

The estimated FY2001 appropriations for L-HHS-ED was \$351.2 billion in current year funds — \$108.9 billion in discretionary funds and \$242.3 billion in mandatory funds. The L-HHS-ED Appropriations Subcommittees generally have effective control only over the discretionary funds, which constitute 5.8% of the aggregate budget authority for all federal departments and agencies, and 11.1% of the total budget authority for L-HHS-ED departments and agencies.² What accounts for the remaining 88.9% (\$875.9 billion) of L-HHS-ED funds?

² The annual congressional budget resolution sets aggregate budget goals; House and Senate committees initiate and report legislation to achieve these targets. Typically, appropriations committees develop proposals to meet discretionary targets through appropriations bills. Likewise, authorizing committees develop proposals to meet mandatory targets; these proposals are often reported by separate authorizing committees and combined into a single, omnibus reconciliation bill.

First, some DOL, DHHS, and ED programs receive **automatic funding** without congressional intervention in the annual appropriations process; these programs receive funds from permanent appropriations and trust funds instead. These programs account for most of the difference between the L-HHS-ED bill total of \$351.2 billion and the agency total of \$984.8 billion in FY2001. The major programs in this group 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.³

Second, **mandatory programs** account for the difference between the L-HHS-ED total of \$351.2 billion and the subtotal of \$108.9 billion for discretionary funds in FY2001. Although annual appropriations are made for these programs — these are sometimes called “appropriated entitlements” — in general the amounts provided 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 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.

Third, two DHHS programs are funded in **other appropriations** bills.

- The Food and Drug Administration is funded by the Agriculture appropriations bill (\$1.1 billion in FY2001).
- The Indian Health Service is funded by the Interior appropriations bill (\$3.2 billion in FY2001).

Note: Three L-HHS-ED activities receive funds from both the L-HHS-ED bill and another appropriations bill in FY2001.

- The **Corporation for National and Community Service (CNS)** was funded at \$304 million from L-HHS-ED appropriations for programs authorized under the Domestic Volunteer Service Act of 1973; it received an additional \$434 million from the Veterans Affairs and Housing and Urban Development (VA-HUD) Appropriations Act for AmeriCorps and other programs authorized by the National Community Service Act.

³ The Social Security Administration (SSA) was separated from DHHS and established as an independent federal agency on March 31, 1995. Within the L-HHS-ED bill, however, the SSA merely was transferred from DHHS to “related agency” status. The operation of the Social Security trust funds is considered off-budget. Of the estimated \$984.8 billion total for L-HHS-ED departments and agencies in FY2001, the SSA accounted for \$467.4 billion, or 47.5% of the total. As shown in **Table B.1**, the SSA amount represents \$43.8 billion for designated on-budget activities and \$423.6 billion for off-budget activities.

- The **Institute of Museum and Library Services (IMLS)** was funded at \$207 million under L-HHS-ED appropriations for the for the Library Services and Technology Act programs of the Office of Library Services; it received an additional \$25 million under the Interior Appropriations for the Office of Museum Services.
- The **National Institutes of Health (NIH)** was funded at \$20.3 billion under L-HHS-ED appropriations; it received an additional \$63 million under VA-HUD Appropriations Act for certain environmental health sciences activities.