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SPECIAL REPORT: FY 2001 Appropriations Bill for *Labor-HHS-Education* May 26, 2000

The California Institute presents here a quick analysis of several of the California details of the Appropriations Committees' version of the FY01 spending bill for the Departments of Labor, HHS and Education. The report was prepared in a short period of time -- we apologize for any errors or omissions in our discussion of these documents, and would appreciate any input/feedback on how to make improving corrections. The order of appearance does not mean to imply relative importance.

The Senate Appropriations Subcommittee on Labor-HHS-Education marked up their version of the bill (S. 2553) on May 10, and the full committee completed work on May 11. The Senate committee report is S.Rept. 106-293. While the House subcommittee also marked up their bill on May 10, the full committee did not complete work until Tuesday, May 23, and no bill or report number was available at press time.

The California Institute report is available on the Institute website, <http://www.calinst.org>.

LABOR-HHS-EDUCATION APPROPRIATIONS

DEPARTMENT OF LABOR

The Senate Committee-passed bill includes \$13.4 billion in total FY 2001 funds for the Department of Labor, an increase of \$318 million over FY 2000. The bill which passed the House Appropriations Committee provided \$ 12.6 billion, a decrease of \$464 million from FY00.

For the Workforce Investment Act (formerly JTPA), the Senate bill proposes a total of \$5.5 billion, \$16.7 million more than in FY00. In contrast, the House Committee's bill would provide \$5.02 billion, or \$420 million below the FY00 level, for WIA programs

Recently, given California's above-average share of both poverty and unemployment, the state has received more than 16% of WIA funds. In the Senate bill, \$1.6 billion is appropriated for Dislocated Worker Employment and Training Activities, and the Committee recommends that the Department of Labor consider supporting the Multi-State (including California) Pilot of National Institute for Metal Working Skills to retrain and certify dislocated workers and low wage workers as metalworkers. The dislocated worker program would receive \$1.38 billion in the House's bill.

The Senate bill recommends \$76.7 million for the Migrant and Seasonal Farmworkers program, an increase of \$2.5 million over FY00. For this program, the House bill provides a higher level: \$78 million, or a boost of \$3.8 million.

For pilot and demonstration projects, the Committee appropriates \$70 million. It recommends that the Department of Labor consider supporting the following California projects:

- Dream Center to provide job and training skills for new labor market entrants or re-entrants in California;
- The Model Community Jobs Initiative to train homeless persons, San Francisco, CA
- Skill training for low-income and disadvantaged workers at the enter for Employment Training in San Jose.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The Senate bill includes \$256 billion in total funds for HHS (most of which are in mandatory spending programs), an increase of \$15.4 billion over FY 2000. The House bill anticipates \$258.9 billion for HHS. The Medicaid program alone represents nearly half of HHS spending.

Health Centers

The Committee appropriates \$1.12 billion for Health Centers, including Community Health Centers. The Committee specifically cites the following California health center programs:

- A proposal by the Community Health Centers of Fresno to develop an enhanced model ambulatory care facility to meet the growing demands of the economically distressed, culturally diverse Central Valley of California;
- The Los Angeles Eye Institute, the nation's first minority-founded eye institute, which focuses on providing increased access to high quality eye care for underserved minority and socio-economically disadvantaged children and adults;
- Santa Marta Hospital in Los Angeles, which provides health education primarily to underserved Latino populations suffering from diabetes, and is culturally and linguistically sensitive to this community.

Health Resources and Services Administration

The Committee recommends \$25 million for telehealth activities, an increase of \$4.5 million over last year. Stating its support for rural telehealth initiatives, the Committee cites the Santa Rosa Memorial Hospital proposal to create and implement a Northern California Telemedicine Network to provide health care access to the California north coast's remote and underserved populations.

Ryan White AIDS Program

The Senate Committee recommends \$556.5 million for emergency assistance grants to areas disproportionately affected by the HIV/AIDS epidemic, \$10 million above the FY00 level and \$30 million below the Administration request. The House bill matches the Administration request of \$586.5 million. The Senate Committee report notes the work of HHS with Alameda County, which is the only county and health jurisdiction thus far which has declared a public health emergency on AIDS in the African-American community. It also notes approvingly that as a result HHS has given a high priority to the city of Oakland and Alameda county. Total funding for the various Ryan White AIDS programs would rise \$55 million to \$1.65 billion. California received 14.2% of Ryan White State AIDS grants in 1998, and 24.4% of emergency assistance funds.

Centers for Disease Control

The Senate Committee Report cites Center Point, Inc., which provides low-cost, comprehensive drug and alcohol services to high risk families and individuals in the San Francisco Bay area. Included in their model is a licensed, fee-for-service medical clinic that provides on-site physical examinations, primary, and preventative health services. The Committee recognizes the important work that Center point has accomplished in San Rafael, CA and encourages the Centers for Disease Control and Prevention to give full and fair consideration for this project to continue to develop and expand its programs.

Also under Centers for Disease Control, the Senate Committee criticizes California for the low fluoridation rates for its water and directs CDC to work with such states to change that situation.

National Institutes of Health

The Senate bill includes \$20.5 billion for the National Institutes of Health, an increase of \$2.7 billion or 15% over the FY00 level. The boost would repeat that contained in last fall's omnibus appropriations bill, when NIH funding was also raised by 15%.

The House bill would provide \$18.8 billion, and the House Committee stated in its report that budget constraints prohibit it from providing a 15 percent increase, which it favored. It cites as its highest priority the continued emphasis on biomedical research as an important investment in the health and economic well-being of the U.S. California is home to a significant percentage of biomedical research companies and institutions.

National Human Genome Research Institute

Both the House and Senate Committees recommend \$386 million for the National Human Genome Research Institute, an increase of \$50 million over FY00. California research universities are central figures in the effort to map human genetic structures.

Center for Mental Health Services

The Senate Committee recommends \$147 million for the mental health, knowledge, development, and application program (KDA), and cites the California School of Psychology's efforts to initiate a project to demonstrate ways to more effectively provide behavioral and mental health services to the prison population of California.

The House bill recommends \$132.7 million for the KDA program, \$4.1 million below the FY00 level. The Committee cites its concern that studies have shown that one-third of Latina adolescents have considered suicide, the highest rate of any ethnic or racial female group and that fewer treatment and prevention services reach this population. It, therefore, encourages the Center to strengthen community-based organizations that provide innovative and culturally sensitive treatment and prevention services to address this issue.

Center for Substance Abuse Treatment

Under the Center for Substance Abuse Treatment, the Senate bill would provide \$1.63 billion for the substance abuse block grant, an increase of \$31 million over FY00. Over the past seven years, California has received between 14% and 15% of funds from this grant, which are based on a state's adult population (weighted more heavily for ages 18-24) and a factor for cost of providing services.

The Senate Committee recommends \$250 million for the substance abuse treatment knowledge, development, and application program (KDA) and the targeted capacity expansion program (TCE). It applauds the work of the City of San Francisco's model "Treatment on Demand" program, which includes substance abuse and mental health services for homeless persons. It also supports the work of Center Point, Inc., a private non-profit corporation that provides low cost comprehensive drug and alcohol services to high risk families and individuals in the San Francisco Bay area. Both the Center Point and San Francisco's Treatment on Demand programs were recipients of funding in the FY 2000 omnibus appropriations bill last fall.

Child Care and Development Block Grant

The House bill includes an advance appropriation of \$2 billion for the Child Care and Development Block Grant for FY02. It also includes an additional \$400 million in FY01 funding, which would supplement the \$1.18 billion that was advanced in last year's appropriations. California received 12.2% of funds from the program in 1998. Funds are based on the share of children under age 5 and children receiving free and reduced priced lunches, but California's share is reduced by also basing funds on state per capita income.

Refugee and Entrant Assistance

The Senate Committee recommends \$425.6 million for refugee and entrant assistance, roughly the same as last year's appropriation. The House version would provide a \$7.2 million increase, raising the level to \$433 million. California normally receives between one-quarter and one-third of such funds.

Social Services Block Grant

The Senate bill proposes to reduce funding for the Social Services Block Grant (SSBG) to \$600 million from the \$1.775 billion approved for FY00 last fall. The House bill would make a much smaller reduction, to \$1.7 billion. California typically receives about 12.3% of SSBG funds, which is based purely on each state's relative share of the U.S. population.

Runaway and Homeless Youth

The Senate Committee recommends \$46 million for the Runaway and Homeless Youth program, an increase of \$2.5 million over FY00. It notes the progress of the California Child, Youth, and Family Coalition in providing runaway and homeless youth with a safe place to sleep, food and clothing, counseling, educational opportunities, and job training. The House bill would level fund the program at \$43.7 million.

Child Abuse Prevention Programs

Both the House and Senate bills include \$39 million for child abuse and neglect prevention and treatment activities, including \$21 million for State grants and \$18 million for discretionary activities. The Senate Committee report specifically applauds the efforts of Project Escape at Santa Rosa Memorial Hospital in Santa Rosa, CA.

Head Start

The Senate proposes to boost Head Start funding by \$1 billion, to \$6.26 billion, while the House bill proposes a \$400 million rise, to 5.67 billion. As in last fall's omnibus bill, both bills propose to defer \$1.4 billion in advance appropriations to FY02.

Foster Care

Both the House and the Senate bills propose to increase the Foster Care program by \$526 million to \$5.06 billion, an increase also proposed in the Administration budget. California receives more than 20% of Foster Care program funding.

Administration on Aging

The Senate Committee appropriates \$955 million for aging programs, about \$22 million over the FY00 level. The House Committee would fund these programs at \$926 million, or a decrease of \$7 million. The Senate Committee noted that the City of Compton was recently ranked as having the highest percentage of elderly persons at risk of disease and malnutrition. Over the last decade, the Committee notes, funding for nutritional services has declined while the demand has increased. Moreover, there are no adult day care programs available for the elderly. The Committee notes that with additional funding, the needs of more seniors will be met.

Office of Minority Health

Both Committees recommend approximately \$38 million for the Office of Minority Health, the same as in FY00. The Senate report cites two California minority health programs: the Community Medical Centers of Fresno, which offers a comprehensive program of diabetes and renal dialysis educational outreach and care to address the needs of the underserved populations in the Central San Joaquin Valley; and, Santa Marta Hospital in Los Angeles, which provides outreach and offers health education to underserved populations suffering from diabetes and is culturally and linguistically sensitive to its predominantly Latino community.

Office of Library Services: Grants and Administration -- National Leadership Projects

The Senate Committee recommends \$13 million for national leadership projects, which support activities of national significance to enhance the quality of library services nationwide and to provide coordination between libraries and museums. The Committee encourages full and fair consideration for funding for the following California projects:

- the George C. Page Museum in Los Angeles to implement educational programs based on the work at Rancho La Brea Tar Pits;
- the City of Rancho Cucamonga to expand reaching and educational opportunities for its citizens through the use of bookmobiles; and
- the Taft Branch Library in Orange, CA to provide Americans with Disabilities Act accessibility.

DEPARTMENT OF EDUCATION

The Senate FY 2001 Appropriations bill would set funding for the U.S. Department of Education at \$40.2 billion, an increase of \$4.6 billion over the FY 2000 level. The House bill proposes \$39.6 billion in Department of Education spending.

Education Reform

Neither the Senate nor House bill includes new funds for Goals 2000 systemic improvement grants, compared to last year's \$456 million (California typically receives about 12% of such funds), and both would also zero out last years' \$55 million in school-to-work opportunities funds.

Technology literacy challenge funding (of which California receives about 11%) would remain steady under the Senate bill at \$425 million, while the House bill would boost the level to \$517 million. Under the Senate plan, Technology Innovation Challenge funding would drop from \$146 million to \$100 million, while the House bill proposes to raise funds by \$51 million, to \$197.5 million. The Senate Appropriations Committee recommends that Teacher Training in Technology funds rise by \$50 million from \$75 million to \$125 million, while Community Based Technology funds would double to \$65 million. The House counterpart measure would raise Teacher Training in Technology funding by just \$10 million to \$85 million, while it would level-fund Community Based Technology.

In discussion of the Technology Innovation funding, the Senate Committee encouraged the Department of Education to consider funding 27 specific projects, among them the LINKS project, which is a collaborative effort between entities in Arkansas, California, Illinois, Pennsylvania and

Washington; and SpaceNet, a program developed by Fairfax County Public Schools, in collaboration with schools in Texas, California, and Wisconsin.

Education for the Disadvantaged (Title I)

The Senate bill proposes a total of \$8.33 billion for Title I in FY01, a boost of \$394.4 million from FY00 levels. Again, a substantial portion of the funds would not be appropriated until FY 2002 and thus would not be charged against this year's budget. For the Title I basic grant, the Senate committee proposed \$7.1 billion, an increase of \$330 million, and the Senate bill offers a \$64 million increase, to \$1.2 billion, for Title I concentration grants.

The House Committee would provide \$6.783 billion for Title I basic grants, and \$1.158 billion for concentration grants, the same amounts as in the prior year.

Unfortunately, but not surprisingly, the Senate's FY01 bill again includes a 100% hold harmless on Title I basic and concentration grant funding. Hold harmless provisions cut California's funding share by taking funds from California and other states with rapid growth in poor children and shifting it to states with slow or no growth. Senators from slow-growth states have ensured that they get all the money they received the prior year regardless of the burgeoning needs in states which actually have poor child growth. Only after last year's funding level has been reached for all states do additional funds flow to California and other high-growth states.

The House committee report notes that not only does the House bill not include a 100% hold harmless, but it expresses its strong opposition to its use. It notes California and 14 other states in which underprivileged and immigrant children are "unfairly penalized."

In a small victory, however, the Senate Committee report did include language stating that the hold harmless would apply only to the Title I program, and not to other programs which rely on the percentage allocations under Title I. Similar language appeared in the FY00 omnibus conference agreement, but the fact that this language originated in the Senate is a positive development.

During Senate Committee markup, language was added to stipulate that any new funds under the Title I program would go first to assist states hurt by the 100% hold harmless.

Title I Migrant Program

The Senate bill would increase funding for the state agency migrant program by \$25.3 million to \$380 million for FY01, and would raise by \$3 million to \$10 million the level for the college assistance migrant program (CAMP). The House bill would provide level funding for state migrant programs, but would provide a similar boost to the CAMP program.

Impact Aid

For the Impact Aid program, which support schools and districts whose tax base is eroded by a non-taxpaying federal presence in the community, the Senate bill would increase funding by \$123.5 million to \$1.03 billion, and the House would provide a \$78.5 billion increase to \$985 million. (California received 7.5% of Impact Aid funds in 1998.)

School Improvement Programs

Pending the outcome of the current reauthorization process, the Senate bill would not fund most of the president's budget request for various school improvement programs, including the \$405 million proposal for a Teaching to High Standards Program, the school leadership initiative, hometown teachers, higher standards/higher pay, teacher quality incentives, troops-to-teachers, and early childhood educator professional development. The Senate bill would increase from \$335 million to \$435 million the funding for the Eisenhower professional development program. While the House bill would also not fund the school improvement initiatives, it differs in that it provides no funding for the Eisenhower program.

Safe and Drug Free Schools

The Senate bill would provide \$447 million for the drug free schools program's state grant program, of which California typically receives slightly more than 11%. The House bill would provide \$439 million, the same as the FY00 level. Within the national program funds for safe and drug free schools, the Senate bill urges full and fair consideration for five programs, one of which is called the SAFE HAVENS training project and includes a demonstration program involving the states of Pennsylvania, Mississippi, Massachusetts, Missouri, and California.

Bilingual and Immigrant Education

Both the Senate and House bills would again level-fund the immigrant education program (of which California receives more than one fourth) at \$150 million.

The Senate bill would raise bilingual education funding by \$17.5 million to \$180 million, while the House would provide the same amount as last year, \$162.5 million. The Senate Committee would raise competitive foreign language assistance grants by \$6 million to \$14 million, while the House bill would provide a \$2 million boost to \$8 million.

Special Education

The Senate's FY01 bill would include \$6.28 billion for special education grants to states, a major increase of nearly \$1.3 billion over FY00 levels. (The amount would include \$4.6 billion in advanced funding for FY02.) The Senate committee report states that this amount would represent 15% of the estimated average per-pupil expenditure and 13% of excess costs for providing special education services. There is an ongoing debate over whether the federal government should pay 40% of the schools' costs for providing such services, as many argue was promised when the federal program and its corresponding mandate were created.

The House would provide a smaller but still substantial increase, raising the level by \$210 million to \$5.49 billion.

Importantly, any increase in special education funds will now be allocated according to each state's population aged 3-21, a formula somewhat more favorable to California than the prior formula.

Special education preschool grants would be level funded at \$390 million in both bills. Grants for infants and families would remain level at \$375 million in the House bill, while they would rise slightly to \$383.6 million in the Senate bill.

Vocational Rehabilitation

Both the House and Senate bills would increase state grants for vocational rehabilitation by \$60 million to \$2.4 billion. California received 9.7% of such funds in 1998.

In a small, related program, the Senate bill would raise by \$500,000, to \$2.85 million, the funding for rehabilitation services for migrant and seasonal farmworkers. The House bill would provide level funding of \$2.35 million.

Vocational and Adult Education

Vocational Education basic state grants, of which California won 10.6% in FY 1998, would be slated to receive \$1.071 billion in FY01 by the Senate bill, an increase of \$15 million. The House counterpart would raise the program by \$44.3 million to \$1.1 billion. Both the House and Senate bills would level fund Tech Prep education at \$106 million. The Senate bill provides an increase of \$20 million to \$490 million for adult education grants, of which California received 11.2% in 1998, while the House bill would level fund at \$470 million. Included in the Senate bill is a boost of \$3 million to \$22 million for state grants for incarcerated youth, while the House bill would eliminate funding.

Student Financial Assistance

The Senate bill provides \$8.7 billion in Pell grant funding, enough to raise the maximum Pell grant to \$3,650, an increase of \$350 above the maximum grant for the prior academic year. The House bill would provide \$8.356 billion for Pell grants, sufficient to raise the maximum grant to \$3,500.

Supplemental Educational Opportunity Grants (SEOG) funding would rise by \$70 million to \$691 million under both the House and Senate Appropriations bills. Work-study funding would rise by a similar amount, surpassing the \$1 billion mark for the first time in both bills.

Higher Education

Under Aid for Institutional Development, the Senate bill would raise funding for Hispanic Serving Institutions (those whose enrollment is at least 25% Hispanic) by \$20 million to \$62.5 million. The House bill would increase funding even more, to \$68.5 million.

Within \$56.2 million in funding under the Fund for the Improvement of Postsecondary Education, the Senate bill encourages consideration for various programs, including the Technology Enhanced Learning Project, which seeks to help meet the critical need in California and in the nation for teachers, engineers, and computer professionals.

The Senate Committee bill includes \$736.5 million for Federal TRIO programs, which seek to improve higher education opportunities for low-income individuals and first-generation college students, an increase of \$91.5 above the FY00 appropriations levels. The House bill would provide a greater boost, raising funding \$115 million over the FY00 level to \$760 million.

The Senate bill would raise GEAR UP funding by \$25 million to \$225 million, and would level fund teacher quality enhancement grants at \$98 million. The House bill would level fund both programs.

Fund for the Improvement of Education

Within \$142 million (a reduction of \$102 million) for the FIE programs, the bill encourages consideration of a very wide variety of programs across the country, including: the Castlemont Multi-Service Center, which will service youth and families of East Oakland through job training, college prep and occupational skills programs; CALARTS to upgrade and expand its communications with its nine satellite campuses to conduct distance learning classes at night, California State University at Long Beach (in collaboration with other CSU campuses and organizations) for the Technology Enhanced Learning Project to prototype innovative methods of applying new instructional technologies to enhance teaching and learning; the Riverside School for the Arts provides an incentive for students to stay in high school while training them for careers in the entertainment/technology industry; the Yosemite National Institutes (YNI) to address the educational needs of communities that have historically had very limited access to quality science-based environmental education; the California School of Professional Psychology (CSPP) in cooperation with school districts in the San Diego, Los Angeles, San Francisco and Fresno to develop and implement model teacher training programs regarding using technology in the classroom, violence prevention and brain functioning (which the Committee believes will serve as an important demonstration for other areas of the country); and the 24 Challenge/Jumping Levels Math Program will bring 24 program tools to over 3 million new elementary and secondary students in Pennsylvania and in Southern California.