

DOL and ED: SCHOOL-TO-WORK
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
250	110	NA	NA	

Subcommittee: Labor/HHS/Education

FY2000 Budget Policy: The FY 2000 request of \$110 million (\$55 million in each of the Departments of Labor and Education) would provide the final year of Federal funds for temporary, venture capital grants to States and localities to build school-to-work transition systems. Fiscal years 1997 and 1998 were the peak years of Federal funding for School-To-Work (STW) with funds decreasing in fiscal years 1999 and 2000 as responsibility for the continuation of STW systems shifts to the States. The FY 2000 request will fulfill the Federal government's commitment to support approximately 25 State Implementation Grants, 60 Urban/Rural Opportunities Grants and the remaining grants for the territories and Indian youth. The School-to-Work Act sunsets on October 1, 2001, at which time States will assume full responsibility for institutionalizing their school-to-work systems.

Latest House Action: The unofficial draft Republican mark of the bill provides no funding for STW.

Latest Senate Action: No action.

Alternative Level: Obtain funding for STW to meet the President's request.

- **Presidential Initiative.** Originally transmitted to Congress by the Administration in 1993, STW is a signature Clinton initiative designed to provide students with on-the-job experience tightly integrated with classroom training.
- **Federal Government Would be Unable to Fulfill Commitment to States and Locals.** The elimination of funding for STW would mean that 25 States and 60 urban and rural areas will not receive their full implementation grants jeopardizing their ability to establish integrated STW systems and thereby threatening the sustainability of the STW initiative.

FY 1999 Appropriations Action: In FY 1999, Congress financed the STW program at the 1999 Budget request level of \$250 million -- the first year of the planned decline in Federal funds. In FYs 1997 and 1998 STW was funded at the requested peak level of \$400 million.

DOL: DISLOCATED WORKERS

(BA in millions of dollars)

	<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
Program					
Level	1,406	1,596	NA	NA	1,556
User fees	—	(40)	NA	NA	0
Net BA	1,406	1,556	NA	NA	1,556

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The FY 2000 budget request of \$1,596 million would increase the FY 1999 level by \$190 million (13.5 percent) and provide training and employment assistance to about 859,000 participants, compared with 689,000 participants in FY 1999.

- **Universal Re-employment Initiative.** The \$190 million increase is part of a \$368 million increase included for the President's "Universal Re-employment Services" initiative. The FY 2000 budget is the first year of a five-year commitment to expand services under the new Workforce Investment Act so that by FY 2004: (1) all displaced workers will get the training they want and need; (2) all workers who lose their jobs through no fault of their own will get the re-employment services they need; and (3) all Americans will have access to One-Stop Career Centers.
- **Fee-financed skill shortage grants.** The FY 2000 increase for Dislocated Worker Assistance also includes \$40 million for a new skill shortages initiative, in which competitive grants to consortia of local workforce boards would finance worker retraining for occupations in industries struggling to fill jobs. The Budget proposes legislation to finance the skill shortage grants with fees paid by employers who apply for foreign workers through alien labor certification programs. Once enacted, the \$40 million in fees would finance the skill shortage grants, and \$40 million of the \$190 million BA increase would be eliminated.

Latest House Action: The unofficial draft Republican mark cuts the request by \$336 million (21 percent) and denies services to about 177,000 dislocated workers. Compared to the FY 1999 level, the House subcommittee would cut funding by \$146 million (10 percent); participation would drop by 74,000.

Latest Senate Action: No action.

Alternative Level: Eliminate the skill shortage grants; request \$1,556 million, or a \$150 million increase above the FY 1999 level. This alternative level would support about 838,000 participants, 149,000 above the 1999 participation level, but 21,000 below the FY 2000 request. Preliminary information suggests Congress will reject the FY 2000 Budget proposal for fee-financed skill shortage grants through the Dislocated Worker program.

FY 1999 Appropriations Action: In FY 1999 action, Congress provided \$1,406 million, a reduction of \$45 million (3 percent) below the request of \$1,451 million, but an increase of \$60 million (5 percent) above the FY 1998 level of \$1,346 million. The FY 1999 level will support about 689,000 participants.

DOL: OSHA ERGONOMICS RULE

Subcommittee: Labor/HHS/Education

Ranking: High x Medium Low

2000 Budget Policy: The budget assumes OSHA will promulgate an ergonomics standard before FY 2000. The Administration issued a Presidential veto threat on H.R. 987 (7/30/99 House Rules SAP), a bill sponsored by Congressman Blunt which would prevent OSHA from proceeding on its ergonomics standard pending completion of a National Academy of Sciences (NAS) study (projected to be December of 2000). (The FY 1999 Omnibus Appropriations Act provided \$890,000 for this study.) The bill passed the House by a vote of 217-209 on August 3rd, 1999. The Administration has argued in a letter from the Director to Congressman Boehner that, in providing funding for the study, Congress did not intend to bar OSHA from moving forward. OSHA tentatively plans to publish a proposed standard by the end of FY 1999, and a final standard by the end of calendar year 1999.

Latest House Action: No action to date. Preliminary information suggests the bill could contain a provision that would prohibit OSHA from promulgating a proposed or final ergonomics standard until the National Academy of Sciences completes a study of the scientific literature regarding musculoskeletal disorders (MSDs).

Latest Senate Action: No action to date.

Solution/Options: Delete this provision.

Justification:

- The provision would violate the agreement reached during FY 1999 appropriations negotiations that the NAS study and OSHA's ergonomics standard could proceed concurrently.
- There is a strong scientific basis for an ergonomics standard. A substantial body of scientific evidence strongly indicates that there is a positive relationship between MSDs and exposure to workplace factors. Many case studies of individual programs support the idea that ergonomic programs can reduce MSDs.
- The NAS study is unlikely to generate new findings. The NAS study is not original research—it is a review of existing literature, much of which was reviewed by OSHA and as part of the previous NIOSH (1997) and NAS (1998) studies.
- Further delay of the ergonomics standard would mean unchecked worker suffering and employer costs related to MSDs. Over 600,000 workers nationwide suffer work-related MSDs, and employers currently spend \$15 to \$20 billion per year in workers' compensation costs associated with MSDs.
- Major public health organizations, medical societies, and scientific groups recognize the need for an ergonomics standard, and have joined the Administration in opposing congressional action to stall OSHA's standard.

FY 1999 Appropriations Action: A similar provision was proposed by the House during the FY 1999 appropriations process, but in the enacted bill was replaced with the NAS literature study requirement.

Prepared By/Date: Melissa Benton (5-7887), 8/24/99, L_OSHA-ERGO.wpd

DOL: OSHA PEER REVIEW

Subcommittee: Labor/HHS/Education

Ranking: High X Medium Low

2000 Budget Policy: The budget does not include this provision. Similar language has been included in authorizing legislation (H.R. 2639). Although the Administration has not taken a position on this bill, it has in the past opposed similar legislation on the basis that it is duplicative, unnecessary, and would mean substantial delays in OSHA's rulemaking process. The Administration does support S. 746 ("Thompson-Levin"), which includes a peer review requirement with significant differences (see below for further explanation).

Latest House Action: No action to date. Preliminary information suggests the bill could contain a provision that would require the Secretary of Labor to appoint a panel to review the scientific and economic data on which all proposed OSHA regulations are based. Panel members could have a financial interest in the outcome of the standard as long as it is disclosed. OSHA would be required to respond to all significant comments of the panel.

Latest Senate Action: No action to date.

Solution/Options: Delete this provision.

Justification:

- The provision would require peer review for all rules, no matter how small.
- This provision is unnecessary. OSHA already conducts an extensive public hearing process as part of its rulemaking process. Any interested party may testify and cross-examine other participants. OSHA must address all significant issues raised. The peer review proposed by the House would be a closed process.
- It would slow OSHA's rulemaking process and delay necessary worker protections. A major OSHA rule already can take up to eight years to complete.
- OSHA already conducts peer reviews when appropriate, such as when it is venturing into new areas. For example, OSHA's risk assessment for its proposed tuberculosis rule was peer reviewed. However it would not be useful to conduct a peer review of a requirement for a traditional issue, such as requiring that flammable liquids be kept away from heat sources.

Why the Administration Supports Thompson/Levin (S. 756) but Opposes this Provision:

- Thompson/Levin would require peer review only for rules with an economic impact of at least \$100M, while this provision would apply to all rules, no matter how minimal their impact.
- Thompson/Levin would apply Government-wide; this provision would inappropriately single out OSHA.
- Regulatory reforms should not be enacted through the appropriations process.

FY 1999 Appropriations Action: The provision was proposed by the House Subcommittee during the FY 1999 appropriations process, but ultimately was not included.

Prepared By/Date: Melissa Benton (5-7887), 8/24/99, L_OSHApeer.wpd

DOL: OSHA TUBERCULOSIS RULE

Subcommittee: Labor/HHS/Education

Ranking: High X Medium Low

2000 Budget Policy: The budget does not include this provision.

Latest House Action: No action to date. Preliminary information suggests the bill could contain a provision that would fund a National Academy of Sciences study on occupational exposure to tuberculosis (TB) and require OSHA to await the results before proceeding with its standard.

OSHA published a proposed standard for occupational exposure to TB in October 1997. The proposed standard would require covered employers to establish programs (including prevention and control measures, medical surveillance, training, and education) to reduce their employees' risks of contracting tuberculosis on the job.

Latest Senate Action: No action to date.

Solution/Options: Delete this provision.

Justification:

- A standard on occupational TB exposure is clearly needed. OSHA estimates that over five million workers are exposed to TB on the job. Workers in health care settings, correctional facilities, nursing homes, and homeless shelters are among the most vulnerable because of higher TB prevalence in the populations they serve.
- OSHA is the only agency specifically mandated by Congress to address the problem of occupational exposure to illnesses like TB.
- TB remains a problem. 18,731 cases of active TB were reported to the Centers for Disease Control (CDC) in 1998. Approximately 10-15 million individuals have dormant TB infection (which can become active). In addition, new drug-resistant and super-infectious strains of TB are emerging.
- Although the CDC has published guidelines for preventing TB transmission in health care facilities, these guidelines are voluntary and not enforced. The proposed OSHA standard, which closely tracks the CDC guidelines, would ensure that all covered employers actually take steps to prevent occupational TB exposure.
- The provision would bar OSHA from doing any further work on the TB standard until the NAS study is completed, delaying promulgation of a final standard--and the worker protections it would afford--by at least a year.

FY 1999 Appropriations Action: Not applicable.

Prepared By/Date: Melissa Benton (5-7887), 8/24/99, J:\DATA\99-51\LA\LA_OSHA-TB.wpd

DOL: OSHA SAFETY AND HEALTH PROGRAM RULE

Subcommittee: Labor/HHS/Education

Ranking: High X Medium Low

2000 Budget Policy: The budget does not include this provision.

Latest House Action: No action to date. Preliminary information suggests the bill could contain a provision that would earmark \$2 million for a two-year pilot and evaluation of workplace safety and health programs and delay the Occupational Safety and Health Administration's (OSHA's) promulgation of a safety and health program rule pending its completion.

The proposed rule, which would require employers to establish comprehensive safety and health programs for their work sites (including management leadership, employee participation, processes for identifying and fixing hazards, training, and evaluation), was tentatively scheduled for publication in late 1999 or early 2000. Critics (in particular Republican members of Congress and employer groups) view the rule as potentially costly for employers, overly vague, and a "backdoor" effort by OSHA to require new and unproven hazard controls (e.g., ergonomics).

Latest Senate Action: No action to date.

Solution/Options: Delete the provision.

Justification:

- Safety and health programs are a proven approach to workplace safety. Companies participating in OSHA's Voluntary Protection Program (VPP) are required to establish comprehensive safety and health programs, and routinely reduced injury rates that are as much as 60 percent below their industry peers. In addition, four States (California, Hawaii, Alaska, and Washington) mandate safety and health programs similar to the model OSHA is considering requiring. These States experienced an 18 percent reduction in injury and illness rates during the first five years of their programs in comparison with national rates.
- A pilot program to test safety and health programs would not yield useful new data. OSHA already has two decades of data on VPP work sites, in addition to data from the four states that mandate safety and health programs, that demonstrate the ability of safety and health programs to reduce workplace injury and illness rates.
- OSHA's draft safety and health program proposal was reviewed as part of the Small Business Regulatory Fairness Act panel process. While the panel did raise some issues (e.g., the rule's cost estimate), and did recommend that OSHA consider a number of alternative approaches, it did not dispute the value of safety and health programs.

FY 1999 Appropriations Action: Not applicable.

DOL: ERISA BENEFIT CLAIMS

Subcommittee: Labor/HHS/Education

Ranking: High ____ Medium x Low ____

2000 Budget Policy: The budget does not include this provision but does advance the Patient's Bill of Rights. Part of the rule that is the subject of this provision is based on the Patient's Bill of Rights.

Latest House Action: No action to date. Preliminary information suggests the bill could contain a provision to prohibit DOL from issuing any final ERISA regulation on benefit claims until it has complied with the Small Business Regulatory Flexibility Act (SBREFA), the Regulatory Flexibility Act (RFA), and EO 12866 (also on rulemaking). Provision is offensive but would probably not be binding on the content or timing of the rule.

Latest Senate Action: No action to date.

Solution/Options: Delete this provision. Administration to state that in preparing a final rule on benefit claims, DOL is fully complying with SBREFA, RFA, and EO 12866 and will continue to comply, so there is no need nor purpose for the rider. Also state that the final rule will help implement, under current law, the Administration's Patients' Bill of Rights while recognizing that health and pension arrangements are voluntary, employer-provided benefits.

Justification:

- Many managed-care health plans wrongly delay or deny needed care. While the Administration seeks legislative reform, regulatory improvements can also be helpful.
- Although the proposed rule is controversial (both inside and outside the Administration), the rulemaking process is weighing the important considerations. It is unnecessary to legislatively remind DOL to observe legal and EO requirements.
- DOL is working to issue a final rule that adds needed and effective protections for patients and pensioners while avoiding overly broad and onerous restrictions on employers that choose to offer health or pension benefits.

Background: DOL issued a proposed rule in September 1998 that shortens deadlines for reviewing claims for employer-provided health and pension benefits. The proposed rule adds information and rights when benefits are denied, reduced, or delayed. Both the content and the timing of the final rule will be influenced by the progress of authorizing legislation on patient rights. For example if (as is likely) no patient rights bill is enacted in the next few months, the Administration might have the final rule come out this fall or winter, both to protect patients in the absence of new law and to make a statement on congressional failure.

FY 1999 Appropriations Action: No similar action.

Prepared By/Date: Mark Menchik (5-3262), 8/24/99, L_ERISA.wpd

NLRB JURISDICTIONAL THRESHOLDS

Subcommittee: Labor/HHS/Education

Ranking: High ____ Medium X Low ____

2000 Budget Policy: The budget assumed that NLRB jurisdictional thresholds would remain at current levels and would not be raised in the immediate future.

Latest House Action: No action yet.

Latest Senate Action: No action yet.

Solution/Options: Any provision that seeks to raise the jurisdictional thresholds of the NLRB should be dropped. There is no level of increase that is acceptable.

Background: Jurisdictional thresholds are the amount of revenue a business or organization must have to fall under the jurisdiction of the NLRB.

Justification:

- Increasing the jurisdictional thresholds of the NLRB would not lessen the agency's workload. Instead workload would potentially increase as the agency struggled to deal with issues of jurisdiction instead of investigating labor law violations.
- Employers could be subject to investigation and litigation involving detailed examination of confidential business records.
- Altering jurisdictional standards would decrease protections for small employers, and because state law coverage is balkanized, there would be no uniform national labor policy for small businesses.

Unfortunately, it is difficult to quantify the effect of raising the thresholds on the number of cases. NLRB case load data does not include data on the dollar volume of each business. Instead, NLRB asks whether the business meets the threshold when determining jurisdiction. Based on Census data, OMB staff roughly estimate that indexation may result in nearly three-quarters of the firms currently covered falling outside of NLRB's jurisdiction. Specifically:

- with the higher threshold the number of firms covered would drop by roughly 71 percent; and,
- with the higher threshold the number of employees covered would drop by roughly 18 percent (a lower proportion because the larger firms would still be covered).

FY 1999 Appropriations Action: The House Subcommittee passed an amendment offered by Representative Istook to update the thresholds for inflation and increase them by inflation in the future. Unlike previous efforts, this one actually sought to amend Section 14(c) of the National Labor Relations Act. The Committee bill never reached the floor and the provision was not included in the enacted omnibus appropriations bill.

Prepared By/Date: Debra Bond, (5-7751), 8/24/99, L_NLRB Jurisdictional Thresholds.wpd

DOL: OLDER AMERICANS
Funding Split Between National Grantees and State Agencies

Subcommittee: Labor/HHS/Education

Ranking: High Medium X Low

2000 Budget Policy: The FY 2000 Budget maintains the current division of funds between National grantees and State agencies of 78 percent and 22 percent, respectively. The Administration's bill reauthorizing the Older Americans Act also maintains the 78/22 split that has been in place for over 20 years. Research indicates that, as a group, the national grantees have consistently performed better than the State grantees and that a reduction in the funding to national grantees would render the program less effective in several key areas (see "Justification" below).

Latest House Action: No action to date. Preliminary information suggests the bill could contain a provision that would reduce the portion of funds provided to the National non-profit grantees from 78 percent currently to 55 percent while the State agency portion would be increased from 22 percent currently to 45 percent. This change would mean that approximately \$100 million would be shifted from the national sponsors to the State agencies, resulting in the reassignment of nearly 14,000 positions for low-income older Americans.

Latest Senate Action: No action on the Labor/HHS/ED appropriations bill. A bill reauthorizing the Older Americans Act (S.1536) that was introduced on Aug. 5, 1999, by Sen. DeWine (R, OH) includes this provision. The Administration has yet to take a formal position on S. 1536.

Solution/Options: While the Administration would not want to reduce funding to current grantees, we could propose that any funding above the current level of \$440 million would be subject to the proposed new division of funds between the national grantees and State agencies of 55/45 respectively.

Justification: A 1996 study conducted by the Urban Institute concluded that the program is a "well run and successful program that provides valuable opportunities to low-income elderly, valuable services to the community and exceeds the twenty percent unsubsidized job placement goal." In addition, the report concluded that a greater portion of the appropriation going to the States would result in:

- a decrease in the number of unsubsidized placements;
- a decrease in the number of people served; and
- a decrease in the range of occupational opportunities open to enrollees with a greater number of participants working exclusively in agencies serving the elderly rather than in the community at large.

FY 1999 Appropriations Action: N/A

DOL: OLDER AMERICANS
Prohibition of DOL Grants to Certain Organizations

Subcommittee: Labor/HHS/Education

Ranking: High _____ Medium X Low _____

2000 Budget Policy: Neither the FY 2000 Budget nor the Administration's bill reauthorizing the Older Americans Act includes this provision but instead would allow DOL to continue providing grants to the existing grantees. Administrative action has already been taken against any grantees engaged in inappropriate activities.

Latest House Action: No action to date. Preliminary information suggests the bill could contain a provision that would make ineligible for funding agencies and organizations that have been engaged in negligent or fraudulent activity, or otherwise failed to meet fiduciary responsibilities. This amendment is primarily aimed at terminating the distribution of funds to one national grantee -- National Senior Citizens Education and Research Council, Inc. (NSCERC). A recent DOL OIG audit report on NSCERC questioned about \$5.8 million in direct and indirect costs.

Latest Senate Action: No action on the Labor/HHS/ED appropriations bill. A bill reauthorizing the Older Americans Act (S.1536) that was introduced on Aug. 5, 1999 by Sen. DeWine (R, OH) also includes this provision. The Administration has yet to take a formal position on S. 1536.

Solution/Options: Delete this unnecessary, objectionable provision.

Justification: DOL has taken the administrative action necessary to ensure that, in the future, NSCERC's funds are expended appropriately and that NSCERC is fiscally responsible. The proposed amendment goes beyond addressing the problem at hand and is problematic for the following reasons:

- The language does not differentiate between a substantial incident (or pattern) of negligence, fraud or fiduciary irresponsibility as opposed to a de minimis or technical violation.
- Government-wide standards and procedures applicable to the suspension and debarment of entities under Federal grants and contracts already exist. Under these standards, the debarment of an entity by one agency constitutes a government-wide debarment of that entity. Therefore, creating a unique debarment standard for Labor's Older Americans program has government-wide implications.
- The language would debar an entity irrespective of whether it has had the opportunity to exhaust administrative appeal of a determination. This would deny due process.

FY 1999 Appropriations Action: During consideration of the FY 1999 appropriations bill, the Administration successfully defeated an amendment that was aimed primarily at terminating the involvement of NSCERC in DOL's Older Americans program. The amendment would have limited the indirect cost rate in any grantee to 50 percent -- a 1998 GAO report indicated that the indirect cost rate for NSCERC was 95 percent.

Prepared By/Date: Alison Perkins-Cohen (5-7753), 8/24/99, I_oaaneserc.wpd

DOL: MINE SAFETY AND HEALTH ADMINISTRATION (MSHA) TRAINING

Subcommittee: Labor/HHS/Education

Ranking: High ____ Medium X Low ____

2000 Budget Policy: The FY 2000 Budget strikes a provision that prohibits MSHA from using funds to enforce training requirements of the Mine Act in certain surface metal/non-metal mines, including stone and gravel operations. This provision has been in MSHA's appropriation since FY 1980.

In response to FY 1999 appropriations report language, MSHA has been developing a training regulation for the surface metal/nonmetal mines that have been exempt from MSHA training requirements under the longstanding rider. In accordance with the report language, MSHA intends to complete this rule before the end of FY 1999.

Latest House Action: No action to date. Preliminary information suggests that the bill could contain a provision that would continue the training prohibition.

Latest Senate Action: No action to date.

Solution/Options: Delete the provision.

Justification:

- As Congress directed, MSHA has worked extensively with the mining community to develop a training proposal, and plans to publish a final training rule by the end of FY 1999. When the final rule is published, MSHA should be permitted to enforce it.
- Bringing the exempt mines under a training rule is essential. Mining is a hazardous industry, and those employed in it require safety and health training to avoid preventable injuries, illnesses and fatalities. When MSHA cannot enforce its training requirements, exempt mines often do not provide adequate training.
- Since the rider has been in effect (FY 1980), more than 600 miners have died at exempt mines. In 1997, 84 percent of the miners who died at exempt mines had not received the proper training.
- There has been rapid growth in the mine industries that are exempt from the training requirement, fueled by the economy and TEA-21 (highway aggregate mining). This has led to the hiring of more inexperienced miners who particularly need training. There are now approximately 10,000 exempt mines employing 120,000-125,000 workers.
- While fatalities in other mining sectors have fallen, fatalities in exempt mines have risen from 24 in 1993 to 36 in 1998. In 1997 metal/non-metal fatalities reached a 10-year high; 75 percent of those fatalities were in exempt mines.

FY 1999 Appropriations Action: The FY 1999 Omnibus Appropriations Act included the rider, and the accompanying report directed MSHA to work with the affected industries, workers, labor organizations, and other interested parties to promulgate final training regulations for the exempt mines by the end of FY 1999.

Prepared By/Date: Melissa Benton (5-7887), 8/24/99, L--MSHATraining.wpd

DOL: DEFINITION OF "HELPER"

Subcommittee: Labor/HHS/Education

Ranking: High X Medium Low

2000 Budget Policy: The budget does not propose a new definition for "Helpers" or request such changes be made to the Davis-Bacon Act.

Latest House Action: No action yet.

Latest Senate Action: No action yet.

Solution/Options: Any provision that seeks to force the Department of Labor to adopt a definition of "Helper", any provision prohibiting the implementation of proposed regulations on helpers, or any provision that seeks to modify the Davis-Bacon Act (40 U.S.C. 276a) should be deleted.

Justification:

- To impose a rider on the implementation of a regulation to allow for helpers on Davis-Bacon covered projects would stall a 20-year plus effort to recognize an ongoing practice in the industry and reduce confusion and potential abuse.
- The appropriations process is not the appropriate Congressional vehicle for dealing with fundamental changes in the operation of the Davis-Bacon Act. Using the appropriations process to dictate regulatory outcomes irresponsibly usurps and undermines the legitimate administrative rulemaking process of the Executive Branch.

FY 1999 Appropriations Action: None.

DOL: CONTRACTOR RESPONSIBILITY

Subcommittee: Labor/HHS/Education

Ranking: High X Medium Low

2000 Budget Policy: The budget does not contain contractor responsibility provisions. This policy is being implemented as part of the regulatory process.

Latest House Action: No action yet.

Latest Senate Action: No action yet.

Solution/Options: Any provision that prohibits the implementation of contractor responsibility regulations should be removed.

Background: The proposed rule clarifies the so-called "responsibility" criteria contained in the Federal Acquisition Regulation (FAR), the rule that governs all Government contracting procedures. The purpose of this proposed clarification is to specify that a firm's record of compliance with all Federal laws may be considered by the Contracting Officer in awarding a contract.

A Notice of Proposed Rulemaking was published in the Federal Register on July 9, 1999 (64 FR 37360). The public comment period is 120 days, ending on November 8, 1999. Following receipt of public comments, the Members of the Federal Acquisition Regulatory Council will consider the comments and determine if and when a final rule should be published. The comment consideration and analysis period generally takes several months.

Justification:

- A prospective contractor's record of compliance with laws and regulations promulgated by the Federal Government is a relevant and important part of the overall responsibility determination.

The proposed rule:

- adds examples to the FAR to more clearly indicate what would constitute a record of "integrity and business ethics."
- changes certain "cost principles" contained in the FAR to prohibit the reimbursement of contractors' legal expenses when they **lose** in a civil proceeding brought by the Federal Government.
- stops reimbursement to contractors for activities designed to influence employees with respect to unionization (either for or against unionization).

FY 1999 Appropriations Action: None. This is a new issue.

Prepared By/Date: Debra Bond (5-7751), 8/24/99, L_Contractor Responsibility.wpd

DOL: EMPLOYMENT SERVICE STATE GRANTS
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
762	815	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The FY 2000 President's Budget requested \$53 million as part of the new Universal Reemployment Services initiative of grants to States. These grants will target reemployment services on those Unemployment Insurance (UI) claimants who are at risk of exhausting their UI benefits.

While the State UI agencies are required to profile UI claimants to identify those with high probabilities of exhausting their UI benefits and those claimants referred to reemployment services are required to participate, the problem has been on the service delivery side. The State Employment Service and dislocated worker programs have not been able to serve many UI claimants who could benefit from reemployment assistance. The Reemployment Services initiative will provide additional resources to the Employment Service to focus on UI claimants, help them to get jobs faster, and save on UI benefits.

Latest House Action: The unofficial draft Republican mark of \$762 million straight-lines the FY 1999 enacted level for Employment Service State grants. This eliminates the \$53 million requested for the Reemployment Services grants initiative which will delay the reemployment of some 241,000 jobseekers, costing more in UI benefits.

Latest Senate Action: No action.

FY 1999 Appropriations Action: Congress provided \$762 million for Employment Service grants to States, as requested.

DOL: ONE-STOP CAREER CENTERS

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
147	149	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The FY 2000 President's Budget requested \$149 million for One-Stop Career Centers and labor market information, \$49 million over the basic electronic labor exchange and labor market information activities. The Workforce Investment Act (WIA) requires all partner programs to deliver employment and training services through a one-stop delivery system. The President's request delivers on the promise of WIA to open up system access to millions of Americans.

The request funds improvements in America's Job Bank, mobile vans for one-stop access to rural areas, a toll-free 1-800 number for the workforce investment system, technologies to be used by individuals with disabilities, improvements in basic labor market information, and upgrades in the technology base. It also includes \$20 million for the last year of seed money for State one-stop implementation.

Latest House Action: The unofficial draft Republican mark of \$100 million cuts funding for One-Stop Career Centers and labor market information by \$49 million from the President's request. Taking into account the long-planned phase-out of State implementation grants, the mark essentially straight-lines base electronic labor exchange and labor market information funding at the FY 1999 level eliminating all the enhancements noted above.

Latest Senate Action: No action.

FY 1999 Appropriations Action: Congress provided \$147 million for One-Stop activities in FY 1999, as requested. This included \$66 million for One-Stop implementation grants to States and \$81 million for labor market information.

DOL: ADULT EMPLOYMENT AND TRAINING

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
955	955	NA	NA	NA

Subcommittee: Labor/HHS/Education

2000 Budget Policy: This program is authorized in the Workforce Investment Act (WIA) of 1998, comprehensive job training reform legislation incorporating the President's G.I. Bill for America's Workers. FY 2000 is the first full year of WIA implementation. The FY 2000 request of \$955 million continues the FY 1999 BA level and would provide training and employment assistance to about 393,000 adults at an average cost of \$2,500 per participant. In FY 1999, the predecessor program under the Job Training Partnership Act (JTPA) will serve 336,000 participants at an average cost of about \$2,900.

Latest House Action: The unofficial draft Republican mark cuts the request by \$95 million (10 percent) and denies services to 38,000 adults, including low-income adults and public assistance recipients.

Latest Senate Action: No action.

Alternative Level: None. Restore the request.

WIA authorizes core, intensive, and training services, which are provided through One-Stop centers. Core services are available to all adults with no eligibility requirements. Access to intensive and training services is limited to those who are unable to find jobs through core and intensive services, respectively. WIA requires local areas to provide a "service priority" for intensive and training services to low-income and public assistance recipients, in the event that funds are limited. States and local boards must establish criteria to be used in local areas to determine funding availability and administer the service priority. Because of WIA's sequential service strategy, ranging from less costly core services through more costly intensive and training services, the FY 2000 Budget assumes that the average cost per participant will decline roughly 15 percent, from \$2,940 under JTPA to \$2,500 under WIA.

FY 1999 Appropriations Action: In FY 1999 action, Congress provided \$955 million, the same as the FY 1998 level, but a reduction of \$45 million (5 percent) below the request of \$1,000 million. The FY 1999 level will support an estimated 336,000 participants.

DOL: DISLOCATED WORKERS
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
1,406	1,596	NA	NA	1,556

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The FY 2000 budget request of \$1,596 million would increase the FY 1999 level by \$190 million (13.5 percent) and provide training and employment assistance to about 859,000 participants, compared with 689,000 participants in FY 1999.

- **Universal Re-employment Initiative.** The \$190 million increase is part of a \$368 million increase included for the President's "Universal Re-employment Services" initiative. The FY 2000 budget is the first year of a five-year commitment to expand services under the new Workforce Investment Act so that by FY 2004: (1) all displaced workers will get the training they want and need; (2) all workers who lose their jobs through no fault of their own will get the re-employment services they need; and (3) all Americans will have access to One-Stop Career Centers.
- **Fee-financed skill shortage grants.** The FY 2000 increase for Dislocated Worker Assistance also includes \$40 million for a new skill shortages initiative, in which competitive grants to consortia of local workforce boards would finance worker retraining for occupations in industries struggling to fill jobs. The Budget proposes legislation to finance the skill shortage grants with fees paid by employers who apply for foreign workers through alien labor certification programs. Once enacted, the \$40 million in fees would finance the skill shortage grants, and \$40 million of the \$190 million BA increase would be eliminated.

Latest House Action: The unofficial draft Republican mark cuts the request by \$336 million (21 percent) and denies services to about 177,000 dislocated workers. Compared to the FY 1999 level, the House subcommittee would cut funding by \$146 million (10 percent); participation would drop by 74,000.

Latest Senate Action: No action.

Alternative Level: Eliminate the skill shortage grants; request \$1,556 million, or a \$150 million increase above the FY 1999 level. This alternative level would support about 838,000 participants, 149,000 above the 1999 participation level, but 21,000 below the FY 2000 request. Preliminary information suggests Congress will reject the FY 2000 Budget proposal for fee-financed skill shortage grants through the Dislocated Worker program.

FY 1999 Appropriations Action: In FY 1999 action, Congress provided \$1,406 million, a reduction of \$45 million (3 percent) below the request of \$1,451 million, but an increase of \$60 million (5 percent) above the FY 1998 level of \$1,346 million. The FY 1999 level will support about 689,000 participants.

Prepared By/Date: M. Walsh. 8/24/99, f_disloc_dol.wpd

DOL: YOUTH OPPORTUNITY GRANTS (YOG)
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
250	250	NA	NA	

Subcommittee: Labor/HHS/Education

FY2000 Budget Policy: The FY 2000 Budget requests \$250 million, the same as the FY1999 enacted level, to fund the second year of Federal-to-local competitive, 5-year venture capital grants to 25-30 Empowerment Zones, Enterprise Communities (EZ/EC), and similar high poverty areas. The grants would support multiple education, job training, and social services for disadvantaged youth, and have as their goal boosting employment among out-of-school youth in the local area from under 50 percent currently to 80 percent. The request will serve a total of 58,000 disadvantaged youth.

Latest House Action: The unofficial draft Republican mark provides no funding for Youth Opportunity Grants (YOG).

Latest Senate Action: No action.

Alternative Level: Obtain funding for YOG to meet the President's request.

- **Targets High Poverty Areas.** There are 4.7 million youth ages 16-24 living in inner-city and rural areas with poverty rates of 30 percent or higher. YOG targets youth in these areas. At least 50 percent of the census tracts of each EZ/EC has a poverty rate of 35 percent or higher.
- **Targets Out-of-School Youth.** In the country's largest urban school districts, less than 50 percent of each year's entering 9th grade class graduates four years later. YOG targets its efforts toward out-of-school youth in high poverty areas -- a group for whom employment rates are unacceptably low. In 1997, DOL conducted surveys of the YOG pilot sites in Chicago, Houston, and Los Angeles and found that employment rates for out-of-school youth in those areas were 39 percent with just 29 percent of youth employed full-time. Two out of three male state prison inmates are high school dropouts. Although the primary goal of YOG is increasing employment, other goals include reducing dropout rates, increasing enrollment in post secondary education and decreasing crime.
- **Serves Academically Achieving Disadvantaged Youth.** The requested level includes \$20 million for the Rewarding Youth Achievement (RYA) pilot program. Aimed at increasing the rate at which academically achieving, economically disadvantaged students graduate from high school, RYA would reward youth who meet high academic and attendance standards with longer term summer employment and an end of the summer bonus.
- **Serves Migrant Youth.** The requested level includes \$10 million to target services to migrant youth through the Migrant and Seasonal Farmworker Youth Opportunity Program. Authorized in the bipartisan Workforce Investment Act, this program would provide employment, training, educational assistance, literacy tutoring, dropout prevention and English language programs to 5,000 migrant youth.

FY 1999 Appropriations Action: Last year Congress provided \$250 million for YOG to fund the first year of competitive grants to 25-30 high poverty areas. Grants to these sites will be announced in December. The FY1998 appropriation provided \$25 million to continue 6 ongoing Youth Opportunity pilot sites and begin five new pilot sites in Baltimore, Detroit, Denver, Oakland, and San Diego that were announced in March.

DOL: YOUTH ACTIVITIES GRANTS
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
1,001	1,001	NA	NA	

Subcommittee: Labor/HHS/Education

1999 Budget Policy: The FY 2000 budget requests \$1,001 million, the same as FY 1999 enacted to fund education, training, summer employment opportunities linked to academic learning, support, mentoring, tutoring, and alternative secondary school services to almost 580,000 disadvantaged youth age 14-21. The Workforce Investment Act (WIA) consolidates the summer jobs and year round youth training programs into the [Youth Activities formula grant] affording localities the flexibility to allocate funding for youth services as appropriate to local needs. The estimated participant level is based on the assumption that localities will use 60 percent of the funds for summer jobs and 40 percent on year round activities.

Latest House Action: The unofficial draft Republican mark of the bill reduces funding for Youth Activities by \$100 million -- 10 percent below the requested and FY 1999 funding levels. This level would result in lost job training, summer employment and educational opportunities for some 60,000 disadvantaged youth.

Latest Senate Action: The Senate Committee has yet to act on the Labor/HHS/Education Appropriations bill.

Alternative Level: Obtain the President's request.

- **Serves Out-of-School Youth.** Thirty percent of the requested level would be used to provide services to almost 175,000 out-of-school youth. The employment rate for these youth in high poverty areas is only 46 percent. Services provided to out-of-school youth would include alternative secondary school services, training opportunities, and paid and unpaid work experiences including job shadowing.
- **Strong Performance.** Studies show that the summer jobs portion of the program increases net summer youth employment. A study by Harvard economists Crane and Ellwood concluded that only 33 percent of black teens employed through the summer jobs program would have been able to find any work during the summer without the program. A 1995 Westat study found that fewer than 25 percent of enrollees would have been employed without the summer jobs program.
- **Critical to Minority Youth.** The unemployment rate for minority teens far exceeds overall unemployment. In July 1999, the black teen unemployment rate was 27 percent, more than 6 times the overall rate. DOL estimates that the summer jobs program provided about 20 percent and 13 percent of all jobs held by 16 and 17-year-old blacks and Hispanics, respectively, in Summer 1996.

FY 1999 Appropriations Action: Congress provided the FY 1999 request level for this program -- a total of \$1,001 million for the then separate year round and summer jobs programs. This was the same level as provided in FY 1997.

Prepared By/Date: Alison Perkins-Cohen (5-7753), 8/24/99, J:\DATA\99-51\LA\F_youth activities.wpd

DOL: RIGHT TRACK PARTNERSHIPS
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
--	75	NA	NA	0

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The FY 2000 Budget, as amended, requests \$75 million for Right Track Partnerships (RTP) to fund the first year of five year competitive grants to 15-20 communities (an earlier budget amendment reduced the request from \$100 million to \$75 million). This initiative will provide dropout prevention and dropout recovery services to about 75,000 economically disadvantaged youth. RTP will join the Departments of Education, Health and Human Services and Justice as a full partner in the Safe Schools/Healthy Students initiative, providing a focus on and resources for dropout prevention and out-of-school youth. Grantees will build new and strengthen existing partnerships between the private sector, school districts and community based organizations. DOL will set goals with each grantee for increased rates of school completion and academic achievement.

Latest House Action: The unofficial draft Republican mark of the bill provides no funding for RTP denying education, training and support services to 75,000 disadvantaged youth aged 14-21.

Latest Senate Action: No action.

Alternative Level: Divert the \$75 million requested for this program to other priorities. RTP is a new initiative in the FY 2000 Budget. Accordingly, eliminating the funding in FY 2000 will not reduce existing services to disadvantaged youth.

FY 1999 Appropriations Action: RTP is a new initiative -- there was no funding in FY 1999.

DOL: OSHA FUNDING
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
353	388	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The FY 2000 President's Budget provides \$388.1 million for the Occupational Safety and Health Administration (OSHA), a \$35.1 million or 10 percent increase over FY 1999. OSHA's core mission is to ensure safe and healthy workplaces for the Nation's workers. In conjunction with its State plan partners, OSHA accomplishes this mission through a combination of targeted enforcement, compliance assistance, training and outreach, and standards development.

Latest House Action: The unofficial draft Republican mark would cut OSHA's funding by \$51 million (13 percent) below the request and \$16 million (4.5 percent) below the FY 1999 enacted level, seriously jeopardizing the Agency's ability to fulfill its mission. In particular, the Subcommittee mark would provide 14 percent less than the requested amount for enforcement, which would mean 4,900 fewer inspections to ensure safe and healthful workplace conditions.

Latest Senate Action: No action to date.

Alternative Level: Obtain more funding for OSHA to provide the full amount provided in the President's Budget.

Note: if Congress provides more funding for OSHA, it may attempt to channel it all to Compliance Assistance rather than Enforcement. Congress has typically favored this activity, because it represents OSHA's cooperative efforts (e.g., consultation to employers, training, and outreach). While Compliance Assistance is a critical part of OSHA's mission, Enforcement is equally important to ensure compliance with workplace safety rules and standards.

FY 1999 Appropriations Action: The enacted FY 1999 appropriation for OSHA was \$353 million, \$16.3 million (4.8 percent) above the FY 1998 enacted level and slightly (\$2 million or 0.5 percent) less than the President's Budget level. (The House froze OSHA funding and cut enforcement by 4.7 percent from FY 1998 enacted levels, while the Senate provided a modest 3.6 percent increase for OSHA, including a 3 percent increase for enforcement.)

NATIONAL LABOR RELATIONS BOARD

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
184	210	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The FY 2000 request would provide \$210 million, a \$26 million (12 percent) increase over FY 1999 enacted. The requested funding increase will:

- cover inflationary increases and fund an additional 222 FTE to reduce field case backlog and;
- allow the information technology program to progress thereby improving caseload management.

Latest House Action: The unofficial draft Republican mark of \$174 million would be a 5 percent reduction from FY 1999 enacted and a return to the 1998 level. This is an unacceptable level, which would:

- drastically reduce case-related travel and require employers and employees to travel 100 miles or more to provide evidence;
- furlough all employees for at least 20 days, with no new hiring;
- cancel all training plans; and
- dramatically cut the information technology budget which would likely result in large caseload backlogs.

Latest Senate Action: No action.

Alternative Level: No alternative level is recommended.

FY 1999 Appropriations Action: The House Committee froze the NLRB at the FY 1998 enacted level of \$175 million; the Senate Committee provided the full request of \$184 million. The Omnibus Bill provided \$184 million.

FY 1999 Appropriations Action: Overall, these agencies received a \$47 million (4.8 percent) increase over FY 1998, \$5 million (0.5 percent) less than the request.

Prepared By/Date: Melissa Benton (5-7887), Debra Bond (5-7751), Mark Menchik (5-5611)
8/27/99-J:\DATA\99-51\LA\F_LLenforce

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) PROGRAM
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
TANF Block Grant				
16,488	16,488	NA	NA	
TANF Supplemental Grants				
	-83	NA	NA	
TANF Contingency Fund				
	-1,600	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The 2000 Budget proposes to keep the full authorized block grant levels in the TANF program. The budget proposes to freeze FY2000 TANF supplemental grants at FY1999 levels (FY 2000 savings of \$83 million in BA, \$45 million in OL). The budget also proposes to replace the TANF contingency Fund with an uncapped fund with improved features (FY 2000 BA savings of \$1.6 billion by OMB scoring; no BA savings by CBO; no OL savings by either OMB or CBO scoring).

Latest House Action: The appropriators may attempt to either defer availability of unobligated funds or rescind some amount of funds that states have not yet obligated of the TANF block grant funds. It is not clear whether they will adopt the Administration's savings proposals.

Latest Senate Action: Same as House Action

Alternative Level/Programmatic Implications: Retain full block grant levels.

- TANF is the heart of the 1996 welfare law, resulting from long debate and negotiation between the Administration, Congress, and States. By cutting billions from the program, the Federal Government would undermine the true goals of welfare reform and abandon its commitment to provide a fixed level of funding to states who live up to their commitment to invest their own dollars in assistance to needy families.
- With many hard to employ individuals left on welfare and the increasing work requirements, caseload declines are likely to slow and states will need to invest more per case to be successful. Also, consistent with Administration goals, States are beginning to provide work supports and job retention and advancement services to help TANF-eligible families who no longer receive cash assistance.
- With fixed TANF block grants and uncertainty over future caseload trends and spending needs, many states have been reserving "rainy day" funds.
- Given PRWORA's massive overhaul of the old welfare system, it is still very early to know what the TANF surpluses mean. If, as some suggest, caseload declines have mostly to do with the good economy and the initial impact of sanctions, then the real test of the Act's success lies in what happens to the harder to serve welfare recipients with multiple barriers and to those who have already begun the transition to work.

FY 1999 Appropriations Action: None

Prepared By/Date: Anil Kakani 8/24/99 f_tanf.wpd

Social Services Block Grant -- Discretionary Action to Mandatory Funding
(BA/OL in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
Base program 1,909	2,380	NA	NA	
TANF transfer outlay savings (non-add) --	-600	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: Fund the mandatory Social Services Block Grant (SSBG) at the FY2000 fully authorized level of \$2,380 million (an increase of \$471 million above the FY1999 enacted level). In FY2001 and subsequent years, the mandatory level is \$1.7 billion.

Reduce State authority to transfer Temporary Assistance to Needy Families (TANF) funds to SSBG from 10 percent to 4.25 percent in FY2000, consistent with the level already enacted for FY2001 and subsequent years. Using OMB scoring, this latter proposal creates outlay savings of \$600 million. CBO scores this proposal as saving \$240 million which we believe, based upon financial reporting data from last year, is a significant underestimate.

Latest House Action: House Subcommittee mark that was informally released on July 20th includes a discretionary cut of \$471 million to SSBG (funding SSBG at \$1,909 million, the FY1999 enacted level). The House Subcommittee also considered adopting the Administration's proposal to reduce TANF transfers to SSBG to 4.25 percent.

Latest Senate Action: None.

Alternative Level: Support the fully authorized level and the reduction in the TANF transfer cap. The two potential House proposals combined represent a double cut to SSBG. Using OMB scoring, the two proposals would result in a \$1.07 billion cut to SSBG in FY 2000 relative to the President's budget.

SSBG provides funding to States to support a wide range of programs including child protection and child welfare, child care, as well as services focused on the needs of the elderly and disabled.

FY 1999 Appropriations Action: The Senate proposed to fund SSBG at the President's request level of \$1,909 million, \$471 million below the FY1999 authorized level. The House proposed to fund SSBG at the FY1998 enacted level of \$2,299 million, \$81 million below the FY1999 authorized level.

Congress, in TEA-21, cut SSBG funding to \$1.7 billion, beginning in FY 2001, and capped the transfer authority at 4.25 percent to ensure that savings were not negated by increased transfers from TANF to SSBG.

HEAD START
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
4,660	5,267	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: Provides a \$607 million increase over the FY99 level, allowing the program to serve over 40,000 additional children, including over 6,000 infants and toddlers in the Early Head Start program, for a total of up to 877,000 slots.

Latest House Action: The House subcommittee mark informally released on July 20th funds Head Start at \$4,760 million, \$507 million below the President's Budget, denying slots to over 40,000 low-income children in FY00 and undermining efforts to serve 1 million children by 2002.

Latest Senate Action: None

Alternative Level/Programmatic Implications: Obtain more funding for this bill.

Head Start has a track record of success in readying disadvantaged children for school, supporting working families by helping parents to get involved in their children's lives and providing services to the entire family. Head Start programs emphasize cognitive and language development and socio-emotional development to enable each child to develop and function at his or her highest potential. Head Start children also receive comprehensive health services, including health immunizations, physical and dental exams and treatment, and nutritional services.

FY 1999 Appropriations Action: The FY99 appropriations level of \$4,660 million was a \$313 million increase over FY98. In FY99, the program will provide a total of 835,000 slots.

National Family Caregiver Support Program

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
--	125	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: Provide \$125 million for a National Family Caregiver Support Program to assist families caring for their elderly relatives by providing respite care, counseling and education, and other supportive services. This proposal is part of the President's Long Term Care Initiative, totaling \$6.2 billion over five years. The balance of the initiative would provide tax credits to compensate for the cost of long-term care services.

Latest House Action: The House Subcommittee informal mark did not fund this initiative.

Latest Senate Action: None.

Alternative Level: Continue to seek funding of this initiative as close to \$125 million as possible. This initiative addresses an unmet need among families that serve as primary caregivers for their disabled elderly relatives, and whose caregiving helps many older people remain at home and in their communities. Currently, these families have few resources available to them other than personal resources to support their roles as caregivers. The need for caregiver support will continue to grow as the elderly population in the United States increases. The initiative is a key component of the President's long term care initiative, and one that is most geared to low-income and lower middle income families.

FY 1999 Appropriations Action: This proposal was not included in the FY1999 President's Budget.

HOME-DELIVERED MEALS

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
112	147	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: Increase funding for the Home-Delivered Meals Program by \$35 million, for a total level of \$147 million for FY 2000. This increase would fund an additional 27 million meals, for a total of approximately 146 million meals for at-risk older adults. The program serves 875,000 elderly annually. The need for the program continues to increase with the growing elderly population in the United States.

Latest House Action: The House Subcommittee informal mark funded this program at the FY1999 level of \$112 million.

Latest Senate Action: None.

Alternative Level: Continue to seek the higher level. The Home-Delivered Meals Program complements the President's long-term care initiative, helping disabled elderly individuals remain at home and in the community.

FY 1999 Appropriations Action: Both the House and Senate funded this program at the request, which was equal to the FY1998 level of \$112 million.

TITLE I -- EDUCATION FOR THE DISADVANTAGED (GRANTS TO LEAS)

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
7,676*	7,996*	NA	NA	

*These numbers represent the program level -- the base appropriation plus an advance appropriation of \$6.204 billion to be made available October 1 of the following year.

Subcommittee: Labor/HHS/ED

2000 Budget Policy: The FY 2000 President's Budget requested \$7.996 billion, an increase of \$320 million, or 4.2 percent. The request would provide educational services to about 12 million students in 45,000 schools. Through appropriations language, about \$200 million of the increase would support accountability initiatives at the State and local levels that would identify failing schools and implement progressively more intensive interventions to improve their student outcomes. This accountability effort helps lay the groundwork for the strengthened accountability provisions in the Administration's Title I reauthorization proposal. The request would also target funds more directly on high-poverty districts by reducing funds distributed under the poorly targeted Basic Grants formula and distributing them instead under the Targeted Grants formula.

Latest House Action: The unofficial draft Republican mark provides \$7.732 billion, \$264 million (3.4 percent) below the request and the same as the FY 1999 level including the supplemental appropriation. As a result, over 400,000 fewer children would receive educational services compared to the President's proposal. The draft mark advance appropriates the same amount as last year. It provides no funds for the Targeted Grants formula.

Latest Senate Action:

Alternative Level:

FY 1999 Appropriations Action: The Administration requested \$7.767 billion and Congress appropriated \$7,676 million, \$91 million below the request. Congress also increased the advance appropriation dramatically, from \$1.448 billion to \$6.148 billion. Because this increase did not appear to have a negative programmatic effect, the Administration maintained the \$6.148 billion advance appropriation in its request.

SPECIAL EDUCATION – PART B STATE GRANTS

(BA in millions of dollars)

	<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
Current BA	4,311	2,389	NA	NA	
Advance Approp.	<u>0</u>	<u>1,925</u>	<u>NA</u>	<u>NA</u>	
Program Level	4,311	4,314	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The President's Budget provides a \$4,314 million to the Individuals with Disabilities Education Act (IDEA) Part B State Grants program, a \$3 million increase. The Budget also provides a \$113 million increase to other special education programs targeted toward expanding early intervention programs and to help States take advantage of research on effective practices. During this Administration, Part B funding has increased by \$2,258 million or 110 percent, from \$2,053 million in FY 1993 to \$4,311 million in FY 1999. In the past few years, Republicans in Congress have provided \$500+ million increases to Part B in lieu of supporting the Administration's other education priorities. They are likely to do the same this year.

The Budget's policy to virtually level fund Part B can be justified for the following reasons:

- Children with disabilities also benefit from the Administration's other high priority education investments. These children benefit, for example, from the smaller classes in our Class Size Reduction initiative, from modern school facilities in our School Modernization Bonds proposal, and from our early intervention initiatives such as America Reads and Head Start.
- The Administration is regularly criticized for not honoring the commitment to fully fund Part B State Grants by providing States with 40 percent of the average per pupil expenditure (APPE) for each special education student. In fact, however, neither Congress nor the Administration has ever made such a commitment; rather, the IDEA limits the maximum grant a State can receive in a year to this 40 percent level. Providing the maximum Part B State Grant would cost \$11 billion more than the FY 2000 request.
- The IDEA statute provides that when federal funding reached \$4.1 billion (which first happened in FY 1999), LEAs could divert up to 20 percent of the federal funds it receives in a year that exceeds the amount it received in the previous year (i.e., 20 percent of their annual increase in federal funds) away from special education. Therefore, federal IDEA increases do not increase spending on children with disabilities dollar for dollar.

Latest House Action: The unofficial draft Republican mark provided \$4,811 million in program level, \$497 million more than the Budget and \$500 million more than FY 1999. Of this total, \$700 million is advance appropriated, \$1,225 million less than the Budget.

Latest Senate Action: No action to date.

Alternative Level: None set to date.

FY 1999 Appropriations Action: The FY 1999 Budget requested \$3,811 million for Part B. The House bill provided \$4,311 million and the Senate bill provided \$4,300 (includes \$210 million appropriated to special education in FY 1999 in the FY 1998 appropriations act, pending authorization of America Reads). The final enacted level was \$4,311 million.

Prepared By/Date: David Rowe x5-3846 J:\DATA\99-51\LA\IDEA Part B.wpd

AFTER-SCHOOL -- 21ST CENTURY COMMUNITY LEARNING CENTERS
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
200	600	NA	NA	

Subcommittee: Labor/HHS/ED

2000 Budget Policy: FY 2000 President's Budget requested \$600 million, an increase of \$400 million over FY 1999 enacted, which, along with a local match, would support over 5,900 before- and after-school centers and serve over 1.5 million children. The services are in great demand - approximately 24 million children require care after-school and an estimated 5 million children are left unsupervised after school every day. The expansion of this program in FY 1999 received widespread support and the public schools responded to the 1999 competition in overwhelming numbers. ED received over 2,000 applications in both the FY 1998 and FY 1999 competitions, making this program one of the most competitive in the Department's history. In FY 2000, the program will also help support the elimination of social promotion by expanding academic services such as summer school for at-risk students.

Latest House Action: The unofficial draft Republican mark provided \$300 million for 21st Century Community Learning Centers.

Latest Senate Action:

Alternative Level:

FY 1999 Appropriations Action: The FY 1999 Budget requested \$200 million and Congress appropriated \$200 million.

SCHOOLS AS CENTERS OF COMMUNITY
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
—	10	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: FY 2000 President's Budget requests \$10 million for the Schools as Centers of Community in the Fund for the Improvement of Education account. This new activity is a part of the Administration's multi-billion dollar Livability Agenda and also complements the Administration's school construction proposal. It seeks to help communities design schools that will have a profound and enduring impact on entire communities, by providing about 150 grants to local school districts to assist them in engaging parents, educators, architects, urban planners, students, and others in the planning and design of new school buildings.

Latest House Action: No action taken to date.

Latest Senate Action: No action taken to date.

Alternative Level:

FY 1999 Appropriations Action: N/A — This is a new program in FY 2000.

CLINTON-GORE LIVABILITY AGENDA: BUILDING LIVABLE COMMUNITIES FOR THE 21ST CENTURY

"In the 21st century, increasingly, a livable community will be an economically powerful one."

--Vice President Gore, Sept. 2, 1998

Vice President Gore is today launching a comprehensive Livability Agenda to help communities across America grow in ways that ensure a high quality of life and strong, sustainable economic growth. This billion dollar initiative will strengthen the federal government's role as a partner with the growing number of state and local efforts to build "livable communities" for the 21st century.

Key elements of the interagency initiative -- to be included in President Clinton's proposed FY 2000 budget -- will provide communities with new tools and resources to preserve green space, ease traffic congestion, and pursue regional "smart growth" strategies. As part of the Livability Agenda, the Administration will continue to work with and learn from states, communities, and other stakeholders, and to develop new strategies to provide them with additional tools and resources.

Livability Goals

The Clinton-Gore Livability Agenda aims to help citizens and communities:

- **Preserve green spaces** that promote clean air and clean water, sustain wildlife, and provide families with places to walk, play and relax.
- **Ease traffic congestion** by improving road planning, strengthening existing transportation systems, and expanding use of alternative transportation.
- **Restore a sense of community** by fostering citizen and private sector involvement in local planning, including the placement of schools and other public facilities.
- **Promote collaboration** among neighboring communities -- cities, suburbs or rural areas -- to develop regional growth strategies and address common issues like crime.
- **Enhance economic competitiveness** by nurturing a high quality of life that attracts well-trained workers and cutting-edge industries.

FY 2000 Livability Initiatives

The President's FY 2000 budget request to Congress will propose significant new investments to support major Livability programs:

Better America Bonds - To help communities reconnect with their land and water, preserve green space for future generations, and provide attractive settings for economic development, the Administration is proposing a new financing tool generating \$9.5

billion in bond authority for investments by state, local and tribal governments. The President's budget will propose tax credits totaling more than \$700 million over five years -- to support Better America Bonds, which can be used to preserve green space, create or restore urban parks, protect water quality, and clean up brownfields (abandoned industrial sites). The program will be coordinated through an interagency process.

Community Transportation Choices - To help ease traffic congestion, the proposed Department of Transportation budget for FY 2000 will include a record \$6.1 billion for public transit and \$2.2 billion -- a total 16 percent increase over FY 1999 -- to aggressively implement innovative community-based programs in the Transportation Equity Act for the 21st Century. Such programs provide flexible support to help communities create regional transportation strategies, improve existing roads and transit, and encourage broader use of alternative transportation. This includes \$1.6 billion for the Congestion Mitigation and Air Quality Improvement Program, which supports state and local projects that reduce congestion and improve air quality.

Regional Connections Initiative -To promote regional "smart growth" strategies and to complement the Administration's other regional efforts, the Department of Housing and Urban Development will provide \$50 million as matching funds for local partnerships to design and pursue smarter growth strategies across jurisdictional lines. Strategies will include compact development incentives, (b) coordinated reinvestment in existing infrastructure, and (c) ways to manage reinforce the region's overall development strategy.

Other Livability Initiatives - The President's proposed FY 2000 budget will include funding for several other initiatives supporting local livability efforts:

Community-Centered Schools - A new \$10 million grant program administered by the Department of Education to encourage school districts to involve the community in planning and designing new schools.

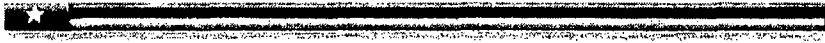
Community-Federal Information Partnership -- A new \$40 million program funded by several agencies to provide communities with grants for easy-to-use information tools to help develop strategies for future growth.

Regional Crime-Data Sharing - \$50 million will be provided to expand programs to help communities share information to improve public safety. These programs will: (1) improve and continue to computerize national, state, and local criminal history records; and (2) develop or upgrade local communications technologies and criminal justice identification systems to help local law enforcement share information in a timely manner.

The Livability Agenda integrates the commitments of more than a dozen Federal agencies. The Agenda also supplements the various programs that make up the Administration's Community Empowerment Agenda, which is designed to encourage

reinvestment in existing communities and provide greater opportunity for their residents.

Remarks by Vice President at American Institute of Architects



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CEQ

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SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES ACT
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
566	591	NA	NA	

Subcommittee: Labor, HHS, ED

2000 Budget Policy: FY 2000 Budget requested \$591 million, a \$25 million increase over FY 1999 enacted. Specifically, the budget requested increases of \$15 million for school drug/violence coordinators and \$12 million for a new initiative Project SERV, but \$2 million less in State formula grants:

	<u>FY 1999</u>	<u>FY 2000</u>
State Grants:	441	439
National Programs	90	90
Coordinators	35	50
Project SERV	--	12
TOTAL	566	591

To improve the effectiveness of the *state formula grants*, the FY 2000 budget request includes appropriations language that would require State Educational Agencies to compete 30 percent of their funds, targeting LEAs on the basis of need and quality of applications, with the remaining 70 percent allocated by formula. The *National Programs* request includes \$60 million for the Safe Schools/Healthy Students initiative -- an interagency collaboration with ED, DOJ, and HHS -- to assist school districts and communities to develop and implement comprehensive, community-wide strategies for creating safe and drug-free schools and for promoting healthy childhood development. (This has been a very popular competition in FY 1999, with ED received 450 applications for 50 grants.) The increase for drug prevention and school safety coordinators would fund coordinators for almost one-half of the middle schools in the country, compared to one-third in 1999. Project SERV is a new initiative to provide a coordinated Federal response to violent deaths and other crises affecting schools. It would help provide, for example, extra security measures, mental health counseling, crisis training for state and local officials, and other needs of students and school personnel in the event of a crisis, such as that experienced at Columbine High earlier this year.

Latest House Action: The unofficial draft Republican mark provided \$566 million for Safe and Drug Free Schools -- \$441 for State Grants; \$90 million for National Activities (includes Safe Schools/Healthy Students); \$35 million for Coordinators; and \$0 for Project SERV.

Latest Senate Action:

Alternative Level:

FY 1999 Appropriations Action: The FY 1999 budget requested \$606 million -- \$526 in State grants, \$30 million for National Programs, and \$50 million for the Coordinators initiative. Congress appropriated a total of \$566 million -- \$441 in State Grants, \$90 million in National Programs and \$35 million for the Coordinators initiative.

Prepared By/Date: Leslie Mustain, 5-7768, 8/16/99, f_safe and drug free.wpd

READING EXCELLENCE ACT (AMERICA READS)
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
260	286	NA	NA	

Subcommittee: Labor/HHS/ED

2000 Budget Policy: FY 2000 Budget requested \$286 million, a \$26 million increase over FY 1999 enacted. This program funds competitive State grants to support local reading programs, teacher training, tutoring programs, and family literacy services to enable children to read well and independently by the end of the third grade. The \$26 million increase will allow ED to award grants to additional States.

Latest House Action: The unofficial draft Republican mark provided \$200 million for the Reading Excellence Act.

Latest Senate Action:

Alternative Level:

FY 1999 Appropriations Action: The FY 1999 Budget requested \$260 million -- \$210 million that was advance appropriated in the FY 1998 appropriations bill and an additional \$50 million in new BA. Although the \$210 million advance appropriation was transferred to Special Education because Reading Excellence was not authorized by July 1, 1998, the program was ultimately authorized and \$260 million was appropriated in FY 1999.

GEAR-UP
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
120	240	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The FY 2000 President's Budget requested \$240 million for GEAR-UP. First funded in FY 1999, this program provides funds for States and local partnerships to help low-income students prepare for and attend college. The program is modeled after the President's High Hopes early intervention initiative.

In FY 1999, GEAR-UP funds support early intervention services for 227,000 disadvantaged students. The President's FY 2000 Budget would allow these children to continue receiving the help they need to prepare for college, enable participating schools to extend services to the next cohort of middle-school students, and provide funds for new projects, expanding the number of students served to over 500,000.

Children from low-income families and high-poverty schools are significantly less likely to enroll in and complete postsecondary education programs than other students. Research has shown that this gap is due largely to a lack of information among low-income families about the requisite steps in preparing for college. GEAR-UP provides counseling, tutoring, and mentoring to disadvantaged students to raise their educational expectations and assure them that college is both attainable and affordable.

Helping disadvantaged children prepare for postsecondary education requires the active participation of the whole community. GEAR-UP supports partnerships between colleges, high-poverty elementary and secondary schools, and national and community-based organizations and businesses to provide intensive services to students from the 6th through the 12th grade.

Latest House Action: The unofficial draft Republican mark provided no funds for GEAR-UP.

Latest Senate Action:

Alternative Level:

FY 1999 Appropriations Action: The FY 1999 Budget requested \$140 million for a College-School Partnerships program, the proposed forerunner to High Hopes and GEAR-UP. Congress appropriated \$120 million for GEAR-UP.

INDIAN EDUCATION

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
66	77	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The President's Budget requested \$77 million for Indian Education, an increase of \$11 million over the FY 1999 enacted level to provide formula grants to schools serving Indian children and support programs to improve the quality of education for Indian schools. The request includes a \$10 million appropriation for a new initiative to recruit and train 1,000 new Indian teachers to serve in Indian school districts with high concentrations of Indian children and \$1 million to support data collection on the status of Indian education and the effectiveness of Indian education programs.

Latest House Action: No action taken to date.

Latest Senate Action: No action taken to date.

Alternative Level: No alternative level to date.

FY 1999 Appropriations Action: The House and Senate matched the President's request of \$66 million, which was adopted as the final appropriation.

ADULT EDUCATION (Also Hispanic Education Action Plan)

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
385	575	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The FY 2000 President's Budget requested \$575 million, an increase of \$190 million, or 49 percent, over FY 1999 enacted, to assist adults to become literate and obtain the knowledge and skills necessary to attain employment, self-sufficiency, to be better parents, and to complete their secondary education. Of the \$190 million increase, \$103 million is for Adult Education State Grants which provides formula grants to states for programs that help adults become literate and obtain the knowledge and skills necessary for employment and self-sufficiency.

The remaining \$87 million is for Adult Education National Leadership Activities and includes \$70 million which is to support a new English as a Second Language (ESL) and Civics Initiative to improve education for Hispanic Americans and individuals with limited English proficiency. The ESL/Civics Initiative, part of the President's Hispanic Education Action Plan (HEAP), supports the acquisition of English literacy skills, provides citizenship and civic education, and assists recent immigrants with learning life skills that are necessary to be an effective participants in American society.

Latest House Action: No action taken to date.

Latest Senate Action: No action taken to date.

Alternative Level: No alternative level to date.

FY 1999 Appropriations Action: The FY 1999 President's request was for \$394 million. The House bill provided \$365 million while the Senate bill provided \$345 million--a straightline from the FY 1998 level. The FY 1999 enacted level was \$385 million.

Bilingual and Immigrant Education
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
380	415	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The Administration's FY 2000 requests \$415 million, an increase of \$35 million over FY 1999 enacted. Of the \$35 million increase, \$25 million will support Bilingual Education Professional Development and \$10 million will support increased instructional services. This request, part of the Hispanic Education Action Plan (HEAP), would increase the number of grants, particularly to the growing number of districts experiencing an influx of Limited English Proficient (LEP) students but have little experience serving them. It would also provide an additional 2,000 new or certified bilingual education teachers with the training and skills they need to teach LEP children.

Latest House Action: No action taken to date.

Latest Senate Action: No action taken to date.

Alternative Level: No alternative level to date.

FY 1999 Appropriations Action: The FY 1999 Administration's request of \$387 million for Bilingual and Immigrant Education was funded at \$380 million—a \$26 million increase over FY 1998 levels. The increase doubled Bilingual Education Professional Development funds to \$50 million to provide 2000 additional teachers with the training and skills they need to teach LEP children.

IMPACT AID
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
864	736	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The President's Budget provides \$736 million for Impact Aid, a \$128 million cut from the FY 1999 level, to provide funds to help pay for the education of federally connected children in school districts. The Budget request targets limited resources to those LEAs most genuinely burdened by the presence of federally connected children; namely, those LEAs who serve a large number of children who live on Federal property and children who live on Indian lands. It does this, in part, by making several changes to the Impact Aid funding formula.

Congress, in contrast, regularly earmarks funds to specific school districts, regardless of need, and targets more funding to LEAs which would otherwise be eligible for less or no Impact Aid funds.

Latest House Action: The unofficial draft Republican mark provides a total of \$907 million for Impact Aid, \$171 million more than the Budget and \$43 million more than the FY 1999 enacted level.

Latest Senate Action: No action to date.

Alternative Level: None set to date.

FY 1999 Appropriations Action: The FY 1999 Budget requested \$696 million, the House bill provided \$848 million, and the Senate bill provided \$810 million. The final enacted level of \$864 million includes several earmarks to specific school districts, and maintains funding eligibility for many schools which would otherwise not be eligible.

PELL GRANTS
(BA in millions of dollars)

	<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
BA	7,704	7,463	NA	NA	
Program Level*	7,392	7,912	NA	NA	
Maximum Award (\$)	3,125	3,250	NA	NA	

**Program level includes the effect of accumulated funding surplus or shortfall.*

Subcommittee: Labor/HHS/Education.

2000 Budget Policy: The FY 2000 Budget requested \$7.463 billion for Pell Grants to support a \$3,250 maximum award policy, serving nearly four million students. The Budget assumes a projected funding surplus of \$449 million for the Pell Grant program. Because of this projected surplus, the Budget increases the maximum award in FY 2000 with less BA than in FY 1999. Pell Grants help ensure financial access to postsecondary education by providing grant aid to the neediest undergraduate students.

Latest House Action: The unofficial draft Republican mark provided \$7,620 million, to support a maximum Pell Grants of \$3,275, a \$25 increase over the President's Budget. The maximum Pell Grant award has increased significantly in recent years, from \$2,300 in FY94 to \$3,125 in FY99. The Budget's \$3,250 maximum award level would provide a 41 percent maximum award increase since FY94.

Latest Senate Action:

Alternative Level:

FY 1999 Appropriations Action: The FY99 Budget requested \$7.594 billion to support a \$3,100 maximum award policy. The FY99 enacted level was \$7.704 billion, with a \$3,125 maximum award.

WORK-STUDY
(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
870	934	NA	NA	

Subcommittee: Labor/HHS/Education.

2000 Budget Policy: The FY 2000 Budget requested \$934 million for the Federal Work-Study program, a \$64 million increase over FY 1999. When employer matching funds are included, the Budget would provide a total of \$1.1 billion in aid to an estimated 1,000,000 students, meeting the President's goal of giving one million students with the opportunity to work their way through college by FY 2000.

Justification:

- Studies have shown that first-year postsecondary students who work during the academic year are more likely to complete the year than students who do not work.
- To encourage participation in the President's America Reads and America Counts initiatives, the Administration waived the employer matching requirement for Work-Study recipients who work as reading or math tutors for children.
- At least 7 percent of an institution's Work-Study allotment must be used to pay students in community service jobs.

Latest House Action: The unofficial draft Republican mark provided \$880 million, \$54 million less than the President's Budget.

Latest Senate Action:

Alternative Level:

FY 1999 Appropriations Action: The FY 1999 Budget requested \$900 million, a \$70 million increase over the FY 1998 enacted level of \$830 million. The FY 1999 enacted level was \$870 million, a \$40 million increase over the previous year.

VOLUNTARY NATIONAL TESTS

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
2	16	NA	NA	

Subcommittee: Labor/HHS/ED

2000 Budget Policy: The FY 2000 Budget requested \$16 million to continue development of the voluntary national tests in reading and math and the evaluation of the test development effort. Approximately \$14 million would be transferred to the National Assessment Governing Board to ensure continued independence of the development of the tests. Funds would support a pilot test of test items, scheduled for March 2000, and activities to prepare for field testing, scheduled for March of 2001. The proposed budget includes funds for test item development, and pilot and field testing, but not for test distribution or administration. The remaining \$2 million is for the National Academy of Sciences for test evaluation.

Latest House Action: The unofficial draft Republican mark provides \$76 million for the Fund for the Improvement of Education (FIE), the program that supports the tests, without specifying which activities are to be funded. This is \$63 million below the FY 1999 level (45 percent) and \$63.5 million below the request. Given the dramatic cut in FIE, it is unlikely that the House mark provides funding for the tests.

Latest Senate Action: (Include BA reductions and program implications relative to request.)

Alternative Level: (Discuss programmatic implications of any alternative level. If no alternative level is recommended, additional background information may be included.)

FY 1999 Appropriations Action: FY 1999 appropriations language amended the General Education Provisions Act to indefinitely prohibit the Department of Education from using any funds provided "to pilot test, field test, implement, administer, or distribute in any way any federally sponsored national test..." without explicit authorization. ED was able to continue certain test development activities in FY 1999 using FY 1998 funds, but FY 2000 funds and authorizing language will be necessary to proceed with the next phases, which include pilot testing and field testing.

EDUCATION TECHNOLOGY
(BA in millions of dollars)

	<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
Technology Literacy Challenge Fund	425	450	NA	NA	
Technology Innovation Challenge Grants	115	110	NA	NA	
Regional Technology in Education Consortia	10	10	NA	NA	
Preparing Tomorrow's Teachers to use Technology	75	75	NA	NA	
Community Based Technology Centers	10	65	NA	NA	
Star Schools	45	45	NA	NA	
Middle School Teacher Training	0	30	NA	NA	
Other	18	16	NA	NA	
TOTAL	698	801	NA	NA	

Subcommittee: Labor/HHS/Education.

2000 Budget Policy: FY 2000 Budget requested \$801 million, an increase of \$102.9 million over last year, for education technology programs. The request's \$450 million for the Technology Literacy Challenge Fund represents the fourth installment of the President's plan to provide States and LEAs with \$2 billion over five years. [the first three installments total \$1.05 billion]. The request's \$65 million for Community-Based Technology Centers will allow 500 computer learning facilities to be operational in low-income communities.

Latest House Action: No action taken to date.

Latest Senate Action: No action taken to date

Alternative Level:

FY 1999 Appropriations Action: The President's budget request for FY1999 was \$721 million, with \$698 million enacted. All programs were funded at or above the requested level except for the Technology Literacy Challenge Fund for which \$475 million was requested and \$425 was authorized.

Prepared By/Date: Pete Weber (5-4687), 8/13/99, f_technology.wpd

EDUCATION RESEARCH AND STATISTICS

(BA in millions of dollars)

<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Alternative Level</u>
252	320	NA	NA	

Subcommittee: Labor/HHS/Education

2000 Budget Policy: FY 2000 President's Budget requested \$320 million, a \$68 million increase over FY 1999 enacted. Specifically, The budget requested increases of \$50 million for national institutes and dissemination activities, \$4 million for regional labs, \$9.5 million for statistics, and \$4.5 million for assessment:

	<u>FY 1999</u>	<u>FY 2000</u>
National Institutes and Dissemination	83	133
Regional Labs	61	65
Statistics	68	77.5
Assessment	40	44.5
TOTAL	252	320

The request for national institutions and dissemination includes \$25 million for a joint ED/NSF study of early childhood attainment of math and reading skills. This study is indicative of the high-quality, policy-relevant research agenda ED plans to pursue under its reauthorization.

Latest House Action: The unofficial draft Republican mark provided \$84 million for the national institutes and national dissemination, \$50 million below the request; \$61 million for regional labs, \$4 million below the request; \$68 million for statistics, \$9.5 million below the request; \$40 million for assessment, \$4.5 million below the request.

Latest Senate Action: No action taken to date.

Alternative Level:

FY 1999 Appropriations Action: The FY 1999 requested \$237 -- \$73 million for the National Institutes and dissemination activities, \$56 million for Educational Laboratories, \$68 million for statistics, and \$40 million for assessment. Congress appropriated a total of \$252 million -- \$83 million for National Institutes and dissemination activities, \$61 million for Regional Labs, \$68 million for statistics, \$40 million for assessment. Report language earmarked increases for the Institutes (\$10 million) and the Labs (\$5 million) for research and dissemination activities related to comprehensive school reform.

SCHOOL CONSTRUCTION
(In millions of dollars)

	<u>FY 1999</u>	<u>FY 2000 Req.</u>	<u>House</u>	<u>Senate</u>	<u>Conference</u>	<u>Proposed Final Level</u>
Tax Credit	—	\$5,000	\$2,600	\$2,600	\$2,600	
Appropriation	—	—	—	—	—	500

Subcommittee: Labor/HHS/Education

2000 Budget Policy: The President proposed \$5 billion over five years for a tax credit program for school construction that would help generate \$25 billion in spending for the renovation of existing academic facilities and the construction of new classrooms. In 1996 GAO found that the estimated cost to repair or upgrade facilities to good overall conditions is about \$112 billion nationwide. This program will repair and modernize 6,000 schools.

Latest House Action: The House passed the Taxpayer Refund and Relief Act of 1999. This act contains a provision to use arbitrage earnings for school construction by extending the arbitrage limit from two to four years, and expanding the amount on which small-issuers may earn arbitrage from \$5 million to \$10 million. The Arbitrage plan will only pay for 644 schools and will cost three times more per school.

Latest Senate Action: The Senate passed the Taxpayer Refund and Relief Act of 1999. This act contains a provision to use arbitrage earnings for school construction by extending the arbitrage limit from two to four years, and expanding the amount on which small-issuers may earn arbitrage from \$5 million to \$10 million. The Arbitrage plan will only pay for 644 schools and will cost three times more per school.

Alternative Level: Continue to seek funding for the Administration's school construction proposal that utilizes tax credits. If a tax program is not viable, discretionary funds could be used for a school construction proposal. With \$500 million, a loan volume of between \$1,500 and \$5,000 could be generated depending on the subsidy rates offered. This funding would serve between 360 and 1,200 schools.

FY 1999 Appropriations Action: For FY 1999 the President requested a \$10 billion tax credit program that would have yielded \$22 billion in volume. No school construction program was enacted.

VOLUNTARY NATIONAL TESTS

Subcommittee: Labor/HHS/Education

Ranking: High X Medium Low

2000 Budget Policy: The Budget includes appropriations language that authorizes the National Assessment Governing Board (NAGB) to continue development of voluntary national tests in reading and mathematics, *including pilot testing and field testing of test items and test forms*. The Administration does *not* propose authorizing activities related to test distribution or administration.

Note: The Department of Education is planning to include a long-term authorization for voluntary national tests in its forthcoming proposal to reauthorize the National Center for Education Statistics (NCES) and the National Assessment of Educational Progress (NAEP). The proposal, which would authorize all aspects of the test including distribution, administration, and reporting, is still being developed. It is currently in the form of legislative specifications, and therefore has not been submitted to OMB for clearance yet.

Latest House Action: No action taken to date.

Latest Senate Action: No action taken to date.

Solution/Options: No solution/options to date.

Justification:

- The national tests will (1) for the first time provide students, along with their parents and teachers, an opportunity to measure how well they are performing in comparison to other students nationally and internationally; (2) help states and schools adopt high academic standards that all students must meet; and (3) help hold schools accountable for student performance.
- The terms of an FY 1998 compromise were met -- exclusive control of the test was turned over to NAGB, the National Academy of Sciences conducted the required 3 studies: (1) to determine if it is possible to develop equivalency scales among State tests (no); (2) to study the appropriate use of tests; and (3) to begin an evaluation and look at quality of the test items to date, and no pilot or field testing were to be done (although NAGB has scheduled pilot testing for March 2000 and field testing for March 2001).

FY 1999 Appropriations Action: FY 1999 appropriations language amended the General Education Provisions Act to indefinitely prohibit the Department of Education from using any funds provided "to pilot test, field test, implement, administer, or distribute in any way any federally sponsored national test..." without explicit authorization. ED was able to continue certain test development activities in FY 1999 using FY 1998 funds, but FY 2000 funds and authorizing language will be necessary to proceed with the next phases, which include pilot testing and field testing.

Prepared By/Date: Wei-min Wang (5-4643), I_National Tests.wpd

LABOR/HHS/EDUCATION

- Family Planning
- Needle Exchange
- Organ Donation and Allocation
- Research on Human Stem Cells
- Contractor Responsibility
- Definition of "Helper"
- OSHA Ergonomics Rule
- OSHA Peer Review
- OSHA Tuberculosis Rule
- OSHA Safety and Health Program Rule
- Voluntary National Tests

- Abortion
- ERISA Benefit Claims
- NLRB Jurisdictional Thresholds
- Older Americans, Funding Split Between National Grantees and State Agencies
- Older Americans, Prohibition of DOL Grants to Certain Organizations
- Mine Safety and Health Administration Training